

FILED MAR 13 '03

SENATE FILE 379
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SSB 1158)

Passed Senate, Date Passed 4/17/03 Passed House, Date Passed 3/18/03 Passed 4/15/03
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved 4/28/03

A BILL FOR

1 An Act relating to certain agricultural liens.
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23

SF 379

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

DIVISION I

AGRICULTURAL SUPPLY DEALERS LIEN

Section 1. Section 570A.1, Code 2003, is amended by adding the following new subsections:

NEW SUBSECTION. 2A. "Agricultural supply" means an agricultural chemical, seed, feed, or a petroleum product that is used for an agricultural purpose.

NEW SUBSECTION. 3A. "Agricultural supply dealer lien" or "lien" means the agricultural supply dealer lien created in section 570A.3.

Sec. 2. Section 570A.1, subsections 3, 4, 11, and 12, Code 2003, are amended to read as follows:

3. "Agricultural supply dealer" or "dealer" means a person engaged in the retail sale of agricultural chemicals, seed, feed, or petroleum products used for an agricultural purpose.

4. "Certified request" means a request delivered by certified mail or registered or certified mail, or a request delivered in person if in writing and signed and dated by the respective parties, or in the manner provided by the Iowa rules of civil procedure for the personal service of original notice.

11. "Livestock" means ~~cattle, sheep, swine,~~ an animal belonging to the bovine, caprine, equine, ovine, or porcine species, ostriches, rheas, emus, poultry, or other animals or fowl fish or shellfish.

12. "Petroleum product" means a motor fuel or special fuel which is used in the production of crops and or livestock, including but not limited to motor fuel as defined in section 452A.2.

Sec. 3. Section 570A.2, subsection 1, Code 2003, is amended to read as follows:

1. Upon the receipt of a certified request of an agricultural supply dealer, prior to or upon a sale on a credit basis of ~~agricultural chemicals, seed, feed, or petroleum products~~ an agricultural supply to a farmer, a

1 financial institution which has either a security interest in
2 collateral owned by the farmer or an outstanding loan to the
3 farmer for an agricultural purpose shall issue within four
4 business days a memorandum which states whether or not the
5 farmer has a sufficient net worth or line of credit to assure
6 payment of the purchase price on the terms of the sale. The
7 certified request submitted by the agricultural supply dealer
8 shall state the amount of the purchase and the terms of sale
9 and shall be accompanied by a waiver of confidentiality signed
10 by the farmer, and a fifteen dollar fee. The waiver of
11 confidentiality and the certified request may be combined and
12 submitted as one document. If the financial institution
13 states in its memorandum that the farmer has a sufficient net
14 worth or line of credit to assure payment of the purchase
15 price, the memorandum is an irrevocable and unconditional
16 letter of credit to the benefit of the agricultural supply
17 dealer for a period of thirty days following the date on which
18 the final payment is due for the amount of the purchase price
19 which remains unpaid. If the financial institution does not
20 state in its memorandum that the farmer has a sufficient net
21 worth or line of credit to assure payment of the purchase
22 price, the financial institution shall transmit the relevant
23 financial history which it holds on the person. This
24 financial history shall remain confidential between the
25 financial institution, the agricultural supply dealer, and the
26 farmer.

27 Sec. 4. Section 570A.3, Code 2003, is amended to read as
28 follows:

29 570A.3 LIEN CREATED.

30 ~~±~~ An agricultural supply dealer furnishing who provides
31 an agricultural ~~chemical, seed, or a petroleum-product~~ supply
32 to a farmer ~~has a lien~~ shall have an agricultural lien as
33 provided in section 554.9102. The agricultural supply dealer
34 is a secured party and the farmer is a debtor for purposes of
35 chapter 554, article 9. The amount of the lien shall be the

1 amount owed to the agricultural supply dealer for the retail
2 cost of the agricultural ~~chemical, seed, or petroleum product~~
3 supply, including labor furnished provided. The lien attaches
4 applies to all crops of the following:

5 1. Crops which are produced upon the land to which the
6 agricultural chemical was applied, or produced from the seed
7 furnished provided, or produced using the petroleum product
8 ~~furnished for a period of sixteen months following the date~~
9 ~~of perfection of the lien pursuant to section 570A.4.~~
10 ~~However, the lien does not attach to that portion of the crops~~
11 ~~of a farmer who has paid all amounts due from the farmer for~~
12 ~~the retail cost, including labor, of provided.~~ The lien shall
13 not apply to any crops so produced upon the land after four
14 hundred ninety days from the date that the farmer purchased
15 ~~the agricultural chemical, seed, or petroleum product provided~~
16 supply.

17 2. ~~An agricultural supply dealer furnishing feed to a~~
18 ~~farmer has a lien for the unpaid amount of the retail cost of~~
19 ~~the feed, including labor. The lien attaches to all livestock~~
20 Livestock consuming the feed. However, the lien does not
21 attach apply to that portion of the livestock of a farmer who
22 has paid all amounts due from the farmer for the retail cost,
23 including labor, of the feed.

24 Sec. 5. Section 570A.4, Code 2003, is amended by striking
25 the section and inserting in lieu thereof the following:

26 570A.4 PERFECTING THE LIEN -- FILING REQUIREMENTS.

27 Except as provided in this section, a financing statement
28 filed to perfect an agricultural supply dealer lien shall be
29 governed by chapter 554, article 9, part 5, in the same manner
30 as any other financing statement.

31 1. The lien becomes effective at the time that the farmer
32 purchases the agricultural supply.

33 2. In order to perfect the lien, the agricultural supply
34 dealer must file a financing statement in the office of the
35 secretary of state as provided in section 554.9308 within

1 thirty-one days after the date that the farmer purchases the
2 agricultural supply. The financing statement shall meet the
3 requirements of section 554.9502, subsection 1, and include
4 all applicable information described in section 554.9516.
5 Filing a financing statement as provided in this subsection
6 satisfies all requirements for perfection of an agricultural
7 lien as provided in chapter 554, article 9.

8 Sec. 6. Section 570A.5, Code 2003, is amended to read as
9 follows:

10 570A.5 PRIORITY OF LIEN.

11 ~~1-~~ A Except as provided in this section, an agricultural
12 supply dealer's lien that is effective or perfected under this
13 chapter is superior to a lien or security interest which
14 attaches subsequent to the time the lien statement is filed
15 with the secretary of state, except liens which arise under
16 this chapter or under chapters 570 and 571 as provided in
17 section 570A.4 shall be subject to the rules of priority as
18 provided in section 554.9322. For an agricultural supply
19 dealer's lien that is perfected under section 570A.4, all of
20 the following shall apply:

21 ~~2-~~ 1. A The lien shall have priority over a lien perfected
22 under this chapter is equal to a lien or security interest
23 which is of record or which is perfected prior to the time the
24 lien statement is filed with the secretary of state except as
25 provided in section 570A.2, subsection 3 that applies
26 subsequent to the time that the agricultural supply dealer's
27 lien is perfected.

28 ~~3-~~ 2. A Except as provided in section 570A.2, subsection
29 3, the lien perfected under this chapter for the purposes of
30 feed will continue to be perfected in the livestock and takes
31 shall have equal priority to a lien or security interest which
32 is perfected prior to the time that the agricultural supply
33 dealer's lien is perfected.

34 3. A lien in livestock feed shall have priority over an
35 earlier perfected lien or security interest to the extent of

1 the difference between the acquisition price of the livestock
2 and the fair market value of the livestock at the time the
3 lien attaches or the sale price of the livestock, whichever is
4 greater.

5 4. The following agricultural liens shall have priority
6 over an agricultural supply dealer's lien regardless of when
7 the agricultural supply dealer's lien is perfected:

8 a. A landlord's lien that is perfected pursuant to section
9 570.1 which has priority as provided in that section.

10 b. A harvester's lien that is perfected pursuant to
11 section 571.3 which has priority as provided in section
12 571.3A.

13 c. A custom cattle feedlot lien that is perfected pursuant
14 to section 579A.2 which has priority as provided in that
15 section.

16 d. A commodity production contract lien that is perfected
17 as provided in section 579B.4 which has priority as provided
18 in that section.

19 e. A veterinarian's lien that is perfected as provided in
20 section 581.3 which has priority as provided in section 581.2.

21 Sec. 7. Section 570A.6, Code 2003, is amended by striking
22 the section and inserting in lieu thereof the following:

23 570A.6 ENFORCEMENT OF LIEN.

24 An agricultural supply dealer may enforce an agricultural
25 supply dealer's lien in the manner provided for agricultural
26 liens pursuant to chapter 554, article 9, part 6.

27 Sec. 8. Sections 570A.7 through 570A.11, Code 2003, are
28 repealed.

29

DIVISION II

30

HARVESTER'S LIEN

31 Sec. 9. NEW SECTION. 571.1A DEFINITIONS.

32 As used in this chapter, unless the context otherwise
33 requires:

34 1. "Crop" includes but is not limited to corn, soybeans,
35 hay, straw, and crops produced on trees, vines, or bushes.

1 2. "Harvester" means a person who performs harvesting
2 services.

3 3. "Harvesting services" means baling, chopping,
4 combining, cutting, husking, picking, shelling, stacking,
5 threshing, or winnowing a crop, regardless of the means or
6 method employed.

7 4. "Harvester's lien" or "lien" means the harvester's lien
8 created in section 571.1B.

9 Sec. 10. NEW SECTION. 571.1B LIEN CREATED.

10 A harvester shall have an agricultural lien as provided in
11 section 554.9102 for the reasonable value of harvesting
12 services. The harvester is a secured party and the person for
13 whom the harvester renders such harvesting services is a
14 debtor for purposes of chapter 554, article 9. The lien
15 applies to crops harvested by the harvester.

16 Sec. 11. Section 571.3, Code 2003, is amended by striking
17 the section and inserting in lieu thereof the following:

18 571.3 PERFECTING THE LIEN -- FILING REQUIREMENTS.

19 Except as provided in this section, a financing statement
20 filed to perfect a harvester's lien shall be governed by
21 chapter 554, article 9, part 5, in the same manner as any
22 other financing statement.

23 1. The lien becomes effective at the time that the
24 harvesting services provided under section 571.1B are
25 rendered.

26 2. In order to perfect the lien, the harvester must file a
27 financing statement in the office of the secretary of state as
28 provided in section 554.9308 within ten days after the last
29 date that the harvesting services were rendered. The
30 financing statement shall meet the requirements of section
31 554.9502, subsection 1, and include all applicable information
32 described in section 554.9516. Filing a financing statement
33 as provided in this subsection satisfies all requirements for
34 perfection of an agricultural lien as provided in chapter 554,
35 article 9.

1 Sec. 12. NEW SECTION. 571.3A PRIORITY OF LIEN.

2 Except as provided in this section, section 554.9322 shall
3 govern the priority of a harvester's lien that is effective or
4 perfected as provided in section 571.3.

5 1. A harvester's lien that is effective but not perfected
6 under section 571.3 shall have priority as provided in section
7 554.9322.

8 2. A harvester's lien that is perfected under section
9 571.3 shall have priority over a conflicting security interest
10 in harvested crops regardless of when such security interest
11 is perfected. Except for a perfected commodity production
12 contract lien as provided in subsection 3, a perfected
13 harvester's lien shall have priority over a conflicting lien
14 including a landlord's lien as provided in chapter 570,
15 regardless of when such security interest or lien is
16 perfected.

17 3. A commodity production contract lien that is perfected
18 as provided in section 579B.4, and that has priority as
19 provided in that section, shall have priority over a
20 harvester's lien regardless of when the harvester's lien is
21 perfected.

22 Sec. 13. Section 571.5, Code 2003, is amended to read as
23 follows:

24 571.5 ENFORCEMENT OF LIEN.

25 A harvester may enforce a harvester's lien as-provided-in
26 this-chapter-may-be-enforced in the manner provided for
27 agricultural liens pursuant to the uniform commercial code,
28 chapter 554, article 9, part 6.

29 Sec. 14. Sections 571.1, 571.2, 571.4, and 571.6, Code
30 2003, are repealed.

31 DIVISION III

32 VETERINARIAN'S LIEN

33 Sec. 15. NEW SECTION. 581.1A DEFINITIONS.

34 As used in this chapter, unless the context otherwise
35 requires:

1 1. "Livestock" means an animal belonging to the bovine,
2 caprine, equine, ovine, or porcine species, ostriches, rheas,
3 emus, poultry, or fish or shellfish.

4 2. "Veterinarian" means a person who practices veterinary
5 medicine under a valid license or temporary permit as provided
6 in chapter 169.

7 3. "Veterinarian's lien" or "lien" means a veterinarian's
8 lien created under section 581.2A.

9 Sec. 16. Section 581.2, Code 2003, is amended by striking
10 the section and inserting in lieu thereof the following:

11 581.2 PRIORITY.

12 Except as provided in this section, section 554.9322 shall
13 govern the priority of a veterinarian's lien that is effective
14 or perfected as provided in section 581.3.

15 1. A veterinarian's lien that is effective but not
16 perfected under section 581.3 shall have priority as provided
17 in section 554.9322.

18 2. A veterinarian's lien that is perfected under section
19 581.3 shall have priority over any conflicting security
20 interest in livestock treated by a veterinarian, regardless of
21 when such security interest is perfected. A perfected
22 veterinarian's lien in livestock treated by a veterinarian
23 shall have priority over any conflicting lien in the livestock
24 regardless of when such lien is perfected, including but not
25 limited to any of the following agricultural liens:

26 a. A landlord's lien that is perfected pursuant to section
27 570.1 which has priority as provided in that section.

28 b. An agricultural supply dealer's lien that is perfected
29 pursuant to section 570A.4 which has priority as provided in
30 section 570A.5.

31 c. A custom cattle feedlot lien that is perfected pursuant
32 to section 579A.2 which has priority as provided in that
33 section.

34 d. A commodity production contract lien that is perfected
35 as provided in section 579B.4 which has priority as provided

1 in that section.

2 Sec. 17. NEW SECTION. 581.2A LIEN CREATED.

3 A veterinarian shall have an agricultural lien as provided
4 in section 554.9102 for the actual and reasonable value of
5 treating livestock, including the cost of any product used and
6 the actual and reasonable value of any professional service
7 rendered by the veterinarian. The veterinarian is a secured
8 party and the owner of the livestock is a debtor for purposes
9 of chapter 554, article 9. The lien applies to the livestock
10 treated by the veterinarian.

11 Sec. 18. Section 581.3, Code 2003, is amended by striking
12 the section and inserting in lieu thereof the following:

13 581.3 PERFECTING THE LIEN -- FILING REQUIREMENTS.

14 Except as provided in this section, a financing statement
15 filed to perfect a veterinarian's lien shall be governed by
16 chapter 554, article 9, part 5, in the same manner as any
17 other financing statement.

18 1. The lien becomes effective at the time that the
19 veterinarian treats the livestock.

20 2. In order to perfect the lien, the veterinarian must
21 file a financing statement in the office of the secretary of
22 state as provided in section 554.9308 within sixty days after
23 the day that the veterinarian treats the livestock. The
24 financing statement shall meet the requirements of section
25 554.9502, subsection 1, and include all applicable information
26 described in section 554.9516. Filing a financing statement
27 as provided in this subsection satisfies all requirements for
28 perfection of an agricultural lien as provided in chapter 554,
29 article 9.

30 Sec. 19. Section 581.4, Code 2003, is amended to read as
31 follows:

32 581.4 ENFORCEMENT.

33 ~~The lienholder~~ A veterinarian may enforce the a
34 veterinarian's lien by-a-suit-in-equity in the manner provided
35 for agricultural liens pursuant to the uniform commercial

1 code, chapter 554, article 9, part 6.

2 Sec. 20. Section 602.8102, subsection 82, Code 2003, is
3 amended to read as follows:

4 82. Carry out duties relating to liens as provided in
5 chapters 249A, ~~5707-5717~~ 572, 574, 580, ~~5817~~ 582, and 584.

6 Sec. 21. Section 581.1, Code 2003, is repealed.

7 EXPLANATION

8 BACKGROUND. In 2000, the general assembly enacted House
9 File 2513 (2000 Iowa Acts, chapter 1149) adopting revised
10 article 9 of the uniform commercial code (Code chapter 554) as
11 proposed by the American law institute and the national
12 conference of commissioners on uniform state laws, and
13 conforming amendments to a number of articles within the Code
14 chapter as well as other Code chapters providing for security
15 interests and liens.

16 ARTICLE 9 AND AGRICULTURAL LIENS. With limited exceptions,
17 new article 9 governs the creation, priority, and enforcement
18 of creditor's consensual liens, which are defined as security
19 interests in personal property and fixtures. Revised article
20 9, like its predecessor, provides generally for the
21 effectiveness of security agreements and the rights and duties
22 of creditors (i.e., secured parties), including parties having
23 possession and control of collateral. Much of revised article
24 9 provides for perfecting a security interest, usually
25 accomplished by filing a financing statement. The article
26 provides for the contents of financing statements and the
27 location where such financing statements must be filed (e.g.,
28 with the secretary of state). In perfecting a security
29 interest, a debtor is generally assured rights in the
30 collateral superior to a security interest perfected later in
31 time. Prior to the revision of article 9, liens created in
32 statutes outside Code chapter 554 were not affected by the
33 provisions of Code chapter 554. These liens include types of
34 agricultural liens such as those created for landlords (Code
35 chapter 570), agricultural supply dealers (Code chapter 570A),

1 threshers and cornshellers (Code chapter 571), custom cattle
2 feedlots (Code chapter 579A), contract producers of
3 commodities (Code chapter 579B), and veterinarians (Code
4 chapter 581). These Code chapters provide that persons filing
5 these liens enjoy super priority. Revised article 9 provides
6 filing requirements for perfecting agricultural liens, and
7 therefore may control issues relating to priority of
8 conflicting security interests and liens.

9 PROVISIONS OF THE BILL. The bill amends Code chapters
10 570A, 571, and 581 by eliminating requirements for filing that
11 are inconsistent with the requirements contained in revised
12 article 9. The bill expressly states that the liens are
13 agricultural liens, replaces references to lien statements
14 with financing statements, and maintains their priority status
15 over other security interests and liens to the extent that
16 these liens also have been perfected as agricultural liens
17 under revised article 9.

18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

SENATE FILE 379

H-1246

1 Amend Senate File 379, as passed by the Senate as
2 follows:

- 3 1. Page 4, line 33, by inserting after the word
4 "perfected." the following: "However, a landlord's
5 lien that is perfected pursuant to section 570.1 shall
6 have priority over a conflicting agricultural supply
7 dealer's lien as provided in section 570.1, and a
8 harvester's lien that is perfected pursuant to section
9 571.3 shall have priority over a conflicting
10 agricultural supply dealer's lien as provided in
11 section 571.3A."
- 12 2. Page 5, by striking lines 5 through 20.
- 13 3. Page 7, by striking lines 11 through 21,
14 inserting the following: "is perfected. A perfected
15 harvester's lien shall have priority over a
16 conflicting landlord's lien as provided in chapter
17 570, regardless of when such landlord's lien is
18 perfected."
- 19 4. By striking page 8, line 20, through page 9,
20 line 1, and inserting the following: "interest or
21 lien in livestock treated by a veterinarian,
22 regardless of when such security interest or lien is
23 perfected."

By COMMITTEE ON AGRICULTURE
DRAKE of Pottawattamie, C

H-1246 FILED APRIL 2, 2003

Adopted 4/15/03

HOUSE AMENDMENT TO
SENATE FILE 379

S-3220

1 Amend Senate File 379, as passed by the Senate, as
2 follows:

- 3 1. Page 4, line 33, by inserting after the word
4 "perfected." the following: "However, a landlord's
5 lien that is perfected pursuant to section 570.1 shall
6 have priority over a conflicting agricultural supply
7 dealer's lien as provided in section 570.1, and a
8 harvester's lien that is perfected pursuant to section
9 571.3 shall have priority over a conflicting
10 agricultural supply dealer's lien as provided in
11 section 571.3A."
- 12 2. Page 5, by striking lines 5 through 20.
- 13 3. Page 7, by striking lines 11 through 21, and
14 inserting the following: "is perfected. A perfected
15 harvester's lien shall have priority over a
16 conflicting landlord's lien as provided in chapter
17 570, regardless of when such landlord's lien is
18 perfected."
- 19 4. By striking page 8, line 20, through page 9,
20 line 1, and inserting the following: "interest or
21 lien in livestock treated by a veterinarian,
22 regardless of when such security interest or lien is
23 perfected."

RECEIVED FROM THE HOUSE

S-3220 FILED APRIL 15, 2003

Senate concurred 4/17/03



Muller
McKibben
Kreiman

Judiciary

SSB 1158
Succeeded by
HF 379

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
JUDICIARY BILL BY CHAIRPERSON
REDFERN)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to certain agricultural liens.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23

DIVISION I

AGRICULTURAL SUPPLY DEALERS LIEN

Section 1. Section 570A.1, Code 2003, is amended by adding the following new subsections:

NEW SUBSECTION. 2A. "Agricultural supply" means an agricultural chemical, seed, feed, or a petroleum product that is used for an agricultural purpose.

NEW SUBSECTION. 3A. "Agricultural supply dealer lien" or "lien" means the agricultural supply dealer lien created in section 570A.3.

Sec. 2. Section 570A.1, Code 2003, subsections 3, 4, 11, and 12, Code 2003, are amended to read as follows:

3. "Agricultural supply dealer" or "dealer" means a person engaged in the retail sale of agricultural chemicals, seed, feed, or petroleum products used for an agricultural purpose.

4. "Certified request" means a request delivered by certified mail or registered or certified mail, or-a-request delivered in person if in writing and signed and dated by the respective parties, or in the manner provided by the Iowa rules of civil procedure for the personal service of original notice.

11. "Livestock" means ~~cattle, sheep, swine,~~ an animal belonging to the bovine, caprine, equine, ovine, or porcine species, ostriches, rheas, emus, poultry, or other-animals-or fowl fish or shellfish.

12. "Petroleum product" means a motor fuel or special fuel which is used in the production of crops and or livestock, including but not limited to motor fuel as defined in section 452A.2.

Sec. 3. Section 570A.2, subsection 1, Code 2003, is amended to read as follows:

1. Upon the receipt of a certified request of an agricultural supply dealer, prior to or upon a sale on a credit basis of ~~agricultural-chemicals, seed, feed, or petroleum-products~~ an agricultural supply to a farmer, a

1 thirty-one days after the date that the farmer purchases the
 2 agricultural supply. The financing statement shall meet the
 3 requirements of section 554.9502, subsection 1, and include
 4 all applicable information described in section 554.9516.
 5 Filing a financing statement as provided in this subsection
 6 satisfies all requirements for perfection of an agricultural
 7 lien as provided in chapter 554, article 9.

8 Sec. 6. Section 570A.5, Code 2003, is amended to read as
 9 follows:

10 570A.5 PRIORITY OF LIEN.

11 ~~1. A~~ Except as provided in this section, an agricultural
 12 supply dealer's lien that is effective or perfected under this
 13 chapter is superior to a lien or security interest which
 14 attaches subsequent to the time the lien statement is filed
 15 with the secretary of state, except liens which arise under
 16 this chapter or under chapters 570 and 571 as provided in
 17 section 570A.4 shall be subject to the rules of priority as
 18 provided in section 554.9322. For an agricultural supply
 19 dealer's lien that is perfected under section 570A.4, all of
 20 the following shall apply:

21 ~~2. 1. A~~ The lien shall have priority over a lien perfected
 22 under this chapter is equal to a lien or security interest
 23 which is of record or which is perfected prior to the time the
 24 lien statement is filed with the secretary of state except as
 25 provided in section 570A.2, subsection 3 that applies
 26 subsequent to the time that the agricultural supply dealer's
 27 lien is perfected.

28 ~~3. 2. A~~ Except as provided in section 570A.2, subsection
 29 3, the lien perfected under this chapter for the purposes of
 30 feed will continue to be perfected in the livestock and takes
 31 shall have equal priority to a lien or security interest which
 32 is perfected prior to the time that the agricultural supply
 33 dealer's lien is perfected.

34 3. A lien in livestock feed shall have priority over an
 35 earlier perfected lien or security interest to the extent of

S.F. _____ H.F. _____

1 the difference between the acquisition price of the livestock
2 and the fair market value of the livestock at the time the
3 lien attaches or the sale price of the livestock, whichever is
4 greater.

5 4. The following agricultural liens shall have priority
6 over an agricultural supply dealer's lien regardless of when
7 the agricultural supply dealer's lien is perfected:

8 a. A landlord's lien that is perfected pursuant to section
9 570.1 which has priority as provided in that section.

10 b. A harvester's lien that is perfected pursuant to
11 section 571.3 which has priority as provided in section
12 571.3A.

13 c. A custom cattle feedlot lien that is perfected pursuant
14 to section 579A.2 which has priority as provided in that
15 section.

16 d. A commodity production contract lien that is perfected
17 as provided in section 579B.4 which has priority as provided
18 in that section.

19 e. A veterinarian's lien that is perfected as provided in
20 section 581.3 which has priority as provided in section 581.2.

21 Sec. 7. Section 570A.6, Code 2003, is amended by striking
22 the section and inserting in lieu thereof the following:

23 570A.6 ENFORCEMENT OF LIEN.

24 An agricultural supply dealer may enforce an agricultural
25 supply dealer's lien in the manner provided for agricultural
26 liens pursuant to chapter 554, article 9, part 6.

27 Sec. 8. Sections 570A.7 through 570A.11, Code 2003, are
28 repealed.

29 DIVISION II

30 HARVESTER'S LIEN

31 Sec. 9. NEW SECTION. 571.1A DEFINITIONS.

32 As used in this chapter, unless the context otherwise
33 requires:

34 1. "Crop" includes but is not limited to corn, soybeans,
35 hay, straw, and crops produced on trees, vines, or bushes.

1 2. "Harvester" means a person who performs harvesting
2 services.

3 3. "Harvesting services" means baling, chopping,
4 combining, cutting, husking, picking, shelling, stacking,
5 threshing, or winnowing a crop, regardless of the means or
6 method employed.

7 4. "Harvester's lien" or "lien" means the harvester's lien
8 created in section 571.1B.

9 Sec. 10. NEW SECTION. 571.1B LIEN CREATED.

10 A harvester shall have an agricultural lien as provided in
11 section 554.9102 for the reasonable value of harvesting
12 services. The harvester is a secured party and the person for
13 whom the harvester renders such harvesting services is a
14 debtor for purposes of chapter 554, article 9. The lien
15 applies to crops harvested by the harvester.

16 Sec. 11. Section 571.3, Code 2003, is amended by striking
17 the section and inserting in lieu thereof the following:

18 571.3 PERFECTING THE LIEN -- FILING REQUIREMENTS.

19 Except as provided in this section, a financing statement
20 filed to perfect a harvester's lien shall be governed by
21 chapter 554, article 9, part 5, in the same manner as any
22 other financing statement.

23 1. The lien becomes effective at the time that the
24 harvesting services provided under section 571.1B are
25 rendered.

26 2. In order to perfect the lien, the harvester must file a
27 financing statement in the office of the secretary of state as
28 provided in section 554.9308 within ten days after the last
29 date that the harvesting services were rendered. The
30 financing statement shall meet the requirements of section
31 554.9502, subsection 1, and include all applicable information
32 described in section 554.9516. Filing a financing statement
33 as provided in this subsection satisfies all requirements for
34 perfection of an agricultural lien as provided in chapter 554,
35 article 9.

1 Sec. 12. NEW SECTION. 571.3A PRIORITY OF LIEN.

2 Except as provided in this section, section 554.9322 shall
3 govern the priority of a harvester's lien that is effective or
4 perfected as provided in section 571.3.

5 1. A harvester's lien that is effective but not perfected
6 under section 571.3 shall have priority as provided in section
7 554.9322.

8 2. A harvester's lien that is perfected under section
9 571.3 shall have priority over a conflicting security interest
10 in harvested crops regardless of when such security interest
11 is perfected. Except for a perfected commodity production
12 contract lien as provided in subsection 3, a perfected
13 harvester's lien shall have priority over a conflicting lien
14 including a landlord's lien as provided in chapter 570,
15 regardless of when such security interest or lien is
16 perfected.

17 3. A commodity production contract lien that is perfected
18 as provided in section 579B.4, and that has priority as
19 provided in that section, shall have priority over a
20 harvester's lien regardless of when the harvester's lien is
21 perfected.

22 Sec. 13. Section 571.5, Code 2003, is amended to read as
23 follows:

24 571.5 ENFORCEMENT OF LIEN.

25 A harvester may enforce a harvester's lien as-provided-in
26 this-chapter-may-be-enforced in the manner provided for
27 agricultural liens pursuant to the uniform commercial code,
28 chapter 554, article 9, part 6.

29 Sec. 14. Sections 571.1, 571.2, 571.4, and 571.6, Code
30 2003, are repealed.

31

DIVISION III

32

VETERINARIAN'S LIEN

33 Sec. 15. NEW SECTION. 581.1A DEFINITIONS.

34 As used in this chapter, unless the context otherwise
35 requires:

1 1. "Livestock" means an animal belonging to the bovine,
2 caprine, equine, ovine, or porcine species, ostriches, rheas,
3 emus, poultry, or fish or shellfish.

4 2. "Veterinarian" means a person who practices veterinary
5 medicine under a valid license or temporary permit as provided
6 in chapter 169.

7 3. "Veterinarian's lien" or "lien" means a veterinarian's
8 lien created under section 581.2A.

9 Sec. 16. Section 581.2, Code 2003, is amended by striking
10 the section and inserting in lieu thereof the following:

11 581.2 PRIORITY.

12 Except as provided in this section, section 554.9322 shall
13 govern the priority of a veterinarian's lien that is effective
14 or perfected as provided in section 581.3.

15 1. A veterinarian's lien that is effective but not
16 perfected under section 581.3 shall have priority as provided
17 in section 554.9322.

18 2. A veterinarian's lien that is perfected under section
19 581.3 shall have priority over any conflicting security
20 interest in livestock treated by a veterinarian, regardless of
21 when such security interest is perfected. A perfected
22 veterinarian's lien in livestock treated by a veterinarian
23 shall have priority over any conflicting lien in the livestock
24 regardless of when such lien is perfected, including but not
25 limited to any of the following agricultural liens:

26 a. A landlord's lien that is perfected pursuant to section
27 570.1 which has priority as provided in that section.

28 b. An agricultural supply dealer's lien that is perfected
29 pursuant to section 570A.4 which has priority as provided in
30 section 570A.5.

31 c. A custom cattle feedlot lien that is perfected pursuant
32 to section 579A.2 which has priority as provided in that
33 section.

34 d. A commodity production contract lien that is perfected
35 as provided in section 579B.4 which has priority as provided

1 in that section.

2 Sec. 17. NEW SECTION. 581.2A LIEN CREATED.

3 A veterinarian shall have an agricultural lien as provided
4 in section 554.9102 for the actual and reasonable value of
5 treating livestock, including the cost of any product used and
6 the actual and reasonable value of any professional service
7 rendered by the veterinarian. The veterinarian is a secured
8 party and the owner of the livestock is a debtor for purposes
9 of chapter 554, article 9. The lien applies to the livestock
10 treated by the veterinarian.

11 Sec. 18. Section 581.3, Code 2003, is amended by striking
12 the section and inserting in lieu thereof the following:

13 581.3 PERFECTING THE LIEN -- FILING REQUIREMENTS.

14 Except as provided in this section, a financing statement
15 filed to perfect a veterinarian's lien shall be governed by
16 chapter 554, article 9, part 5, in the same manner as any
17 other financing statement.

18 1. The lien becomes effective at the time that the
19 veterinarian treats the livestock.

20 2. In order to perfect the lien, the veterinarian must
21 file a financing statement in the office of the secretary of
22 state as provided in section 554.9308 within sixty days after
23 the day that the veterinarian treats the livestock. The
24 financing statement shall meet the requirements of section
25 554.9502, subsection 1, and include all applicable information
26 described in section 554.9516. Filing a financing statement
27 as provided in this subsection satisfies all requirements for
28 perfection of an agricultural lien as provided in chapter 554,
29 article 9.

30 Sec. 19. Section 581.4, Code 2003, is amended to read as
31 follows:

32 581.4 ENFORCEMENT.

33 ~~The-lienholder~~ A veterinarian may enforce the a
34 veterinarian's lien by-a-suit-in-equity in the manner provided
35 for agricultural liens pursuant to the uniform commercial

1 code, chapter 554, article 9, part 6.

2 Sec. 20. Section 602.8012, subsection 82, Code 2003, is
3 amended to read as follows:

4 82. Carry out duties relating to liens as provided in
5 chapters 249A, ~~570~~⁷-~~571~~⁷ 572, 574, 580, ~~581~~⁷ 582, and 584.

6 Sec. 21. Section 581.1, Code 2003, is repealed.

7 EXPLANATION

8 BACKGROUND. In 2000, the general assembly enacted House
9 File 2513 (2000 Iowa Acts, chapter 1149) adopting revised
10 article 9 of the uniform commercial code (Code chapter 554) as
11 proposed by the American law institute and the national
12 conference of commissioners on uniform state laws, and
13 conforming amendments to a number of articles within the Code
14 chapter as well as other Code chapters providing for security
15 interests and liens.

16 ARTICLE 9 AND AGRICULTURAL LIENS. With limited exceptions,
17 new article 9 governs the creation, priority, and enforcement
18 of creditor's consensual liens, which are defined as security
19 interests in personal property and fixtures. Revised article
20 9, like its predecessor, provides generally for the
21 effectiveness of security agreements and the rights and duties
22 of creditors (i.e., secured parties), including parties having
23 possession and control of collateral. Much of revised article
24 9 provides for perfecting a security interest, usually
25 accomplished by filing a financing statement. The article
26 provides for the contents of financing statements and the
27 location where such financing statements must be filed (e.g.,
28 with the secretary of state). In perfecting a security
29 interest, a debtor is generally assured rights in the
30 collateral superior to a security interest perfected later in
31 time. Prior to the revision of article 9, liens created in
32 statutes outside Code chapter 554 were not affected by the
33 provisions of Code chapter 554. These liens include types of
34 agricultural liens such as those created for landlords (Code
35 chapter 570), agricultural supply dealers (Code chapter 570A),

1 threshers and cornshellers (Code chapter 571), custom cattle
2 feedlots (Code chapter 579A), contract producers of
3 commodities (Code chapter 579B), and veterinarians (Code
4 chapter 581). These Code chapters provide that persons filing
5 these liens enjoy super priority. Revised article 9 provides
6 filing requirements for perfecting agricultural liens, and
7 therefore may control issues relating to priority of
8 conflicting security interests and liens.

9 PROVISIONS OF THE BILL. The bill amends Code chapters
10 570A, 571, and 581 by eliminating requirements for filing that
11 are inconsistent with the requirements contained in revised
12 article 9. The bill expressly states that the liens are
13 agricultural liens, replaces references to lien statements
14 with financing statements, and maintains their priority status
15 over other security interests and liens to the extent that
16 these liens also have been perfected as agricultural liens
17 under revised article 9.

18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

SENATE FILE 379

AN ACT
RELATING TO CERTAIN AGRICULTURAL LIENS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I
AGRICULTURAL SUPPLY DEALERS LIEN

Section 1. Section 570A.1, Code 2003, is amended by adding the following new subsections:

NEW SUBSECTION. 2A. "Agricultural supply" means an agricultural chemical, seed, feed, or a petroleum product that is used for an agricultural purpose.

NEW SUBSECTION. 3A. "Agricultural supply dealer lien" or "lien" means the agricultural supply dealer lien created in section 570A.3.

Sec. 2. Section 570A.1, subsections 3, 4, 11, and 12, Code 2003, are amended to read as follows:

3. "Agricultural supply dealer" or "dealer" means a person engaged in the retail sale of agricultural chemicals, seed, feed, or petroleum products used for an agricultural purpose.

4. "Certified request" means a request delivered by certified mail or registered or certified mail, or a request delivered in person if in writing and signed and dated by the respective parties, or in the manner provided by the Iowa rules of civil procedure for the personal service of original notice.

11. "Livestock" means ~~cattle, sheep, swine, an animal belonging to the bovine, caprine, equine, ovine, or porcine species, ostriches, rheas, emus, poultry, or other animals or fowl fish or shellfish.~~ an animal belonging to the bovine, caprine, equine, ovine, or porcine species, ostriches, rheas, emus, poultry, or other animals or fowl fish or shellfish.

12. "Petroleum product" means a motor fuel or special fuel which is used in the production of crops and or livestock,

including but not limited to motor fuel as defined in section 452A.2.

Sec. 3. Section 570A.2, subsection 1, Code 2003, is amended to read as follows:

1. Upon the receipt of a certified request of an agricultural supply dealer, prior to or upon a sale on a credit basis of ~~agricultural-chemicals, seed, feed, or petroleum-products~~ an agricultural supply to a farmer, a financial institution which has either a security interest in collateral owned by the farmer or an outstanding loan to the farmer for an agricultural purpose shall issue within four business days a memorandum which states whether or not the farmer has a sufficient net worth or line of credit to assure payment of the purchase price on the terms of the sale. The certified request submitted by the agricultural supply dealer shall state the amount of the purchase and the terms of sale and shall be accompanied by a waiver of confidentiality signed by the farmer, and a fifteen dollar fee. The waiver of confidentiality and the certified request may be combined and submitted as one document. If the financial institution states in its memorandum that the farmer has a sufficient net worth or line of credit to assure payment of the purchase price, the memorandum is an irrevocable and unconditional letter of credit to the benefit of the agricultural supply dealer for a period of thirty days following the date on which the final payment is due for the amount of the purchase price which remains unpaid. If the financial institution does not state in its memorandum that the farmer has a sufficient net worth or line of credit to assure payment of the purchase price, the financial institution shall transmit the relevant financial history which it holds on the person. This financial history shall remain confidential between the financial institution, the agricultural supply dealer, and the farmer.

Sec. 4. Section 570A.3, Code 2003, is amended to read as follows:

570A.3 LIEN CREATED.

~~1. An agricultural supply dealer furnishing who provides an agricultural chemical, seed, or a petroleum product supply to a farmer has a lien shall have an agricultural lien as provided in section 554.9102. The agricultural supply dealer is a secured party and the farmer is a debtor for purposes of chapter 554, article 9. The amount of the lien shall be the amount owed to the agricultural supply dealer for the retail cost of the agricultural chemical, seed, or petroleum product supply, including labor furnished provided. The lien attaches applies to all crops of the following:~~

~~1. Crops which are produced upon the land to which the agricultural chemical was applied, or produced from the seed furnished provided, or produced using the petroleum product furnished, for a period of sixteen months following the date of perfection of the lien pursuant to section 570A.4. However, the lien does not attach to that portion of the crops of a farmer who has paid all amounts due from the farmer for the retail cost, including labor, of provided. The lien shall not apply to any crops so produced upon the land after four hundred ninety days from the date that the farmer purchased the agricultural chemical, seed, or petroleum product provided supply.~~

~~2. An agricultural supply dealer furnishing feed to a farmer has a lien for the unpaid amount of the retail cost of the feed, including labor. The lien attaches to all livestock Livestock consuming the feed. However, the lien does not attach apply to that portion of the livestock of a farmer who has paid all amounts due from the farmer for the retail cost, including labor, of the feed.~~

Sec. 5. Section 570A.4, Code 2003, is amended by striking the section and inserting in lieu thereof the following:

570A.4 PERFECTING THE LIEN -- FILING REQUIREMENTS.

Except as provided in this section, a financing statement filed to perfect an agricultural supply dealer lien shall be governed by chapter 554, article 9, part 5, in the same manner as any other financing statement.

1. The lien becomes effective at the time that the farmer purchases the agricultural supply.

2. In order to perfect the lien, the agricultural supply dealer must file a financing statement in the office of the secretary of state as provided in section 554.9308 within thirty-one days after the date that the farmer purchases the agricultural supply. The financing statement shall meet the requirements of section 554.9502, subsection 1, and include all applicable information described in section 554.9516. Filing a financing statement as provided in this subsection satisfies all requirements for perfection of an agricultural lien as provided in chapter 554, article 9.

Sec. 6. Section 570A.5, Code 2003, is amended to read as follows:

570A.5 PRIORITY OF LIEN.

~~1. A Except as provided in this section, an agricultural supply dealer's lien that is effective or perfected under this chapter is superior to a lien or security interest which attaches subsequent to the time the lien statement is filed with the secretary of state, except liens which arise under this chapter or under chapters 570 and 571 as provided in section 570A.4 shall be subject to the rules of priority as provided in section 554.9322. For an agricultural supply dealer's lien that is perfected under section 570A.4, all of the following shall apply:~~

~~1. A The lien shall have priority over a lien perfected under this chapter is equal to a lien or security interest which is of record or which is perfected prior to the time the lien statement is filed with the secretary of state except as provided in section 570A.2, subsection 3 that applies subsequent to the time that the agricultural supply dealer's lien is perfected.~~

~~2. A Except as provided in section 570A.2, subsection 3, the lien perfected under this chapter for the purposes of feed will continue to be perfected in the livestock and takes shall have equal priority to a lien or security interest which~~

is perfected prior to the time that the agricultural supply dealer's lien is perfected. However, a landlord's lien that is perfected pursuant to section 570.1 shall have priority over a conflicting agricultural supply dealer's lien as provided in section 570.1, and a harvester's lien that is perfected pursuant to section 571.3 shall have priority over a conflicting agricultural supply dealer's lien as provided in section 571.3A.

3. A lien in livestock feed shall have priority over an earlier perfected lien or security interest to the extent of the difference between the acquisition price of the livestock and the fair market value of the livestock at the time the lien attaches or the sale price of the livestock, whichever is greater.

Sec. 7. Section 570A.6, Code 2003, is amended by striking the section and inserting in lieu thereof the following:

570A.6 ENFORCEMENT OF LIEN.

An agricultural supply dealer may enforce an agricultural supply dealer's lien in the manner provided for agricultural liens pursuant to chapter 554, article 9, part 6.

Sec. 8. Sections 570A.7 through 570A.11, Code 2003, are repealed.

DIVISION II

HARVESTER'S LIEN

Sec. 9. NEW SECTION. 571.1A DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "Crop" includes but is not limited to corn, soybeans, hay, straw, and crops produced on trees, vines, or bushes.

2. "Harvester" means a person who performs harvesting services.

3. "Harvesting services" means baling, chopping, combining, cutting, husking, picking, shelling, stacking, threshing, or winnowing a crop, regardless of the means or method employed.

4. "Harvester's lien" or "lien" means the harvester's lien created in section 571.1B.

Sec. 10. NEW SECTION. 571.1B LIEN CREATED.

A harvester shall have an agricultural lien as provided in section 554.9102 for the reasonable value of harvesting services. The harvester is a secured party and the person for whom the harvester renders such harvesting services is a debtor for purposes of chapter 554, article 9. The lien applies to crops harvested by the harvester.

Sec. 11. Section 571.3, Code 2003, is amended by striking the section and inserting in lieu thereof the following:

571.3 PERFECTING THE LIEN -- FILING REQUIREMENTS.

Except as provided in this section, a financing statement filed to perfect a harvester's lien shall be governed by chapter 554, article 9, part 5, in the same manner as any other financing statement.

1. The lien becomes effective at the time that the harvesting services provided under section 571.1B are rendered.

2. In order to perfect the lien, the harvester must file a financing statement in the office of the secretary of state as provided in section 554.9308 within ten days after the last date that the harvesting services were rendered. The financing statement shall meet the requirements of section 554.9502, subsection 1, and include all applicable information described in section 554.9516. Filing a financing statement as provided in this subsection satisfies all requirements for perfection of an agricultural lien as provided in chapter 554, article 9.

Sec. 12. NEW SECTION. 571.3A PRIORITY OF LIEN.

Except as provided in this section, section 554.9322 shall govern the priority of a harvester's lien that is effective or perfected as provided in section 571.3.

1. A harvester's lien that is effective but not perfected under section 571.3 shall have priority as provided in section 554.9322.

2. A harvester's lien that is perfected under section 571.3 shall have priority over a conflicting security interest in harvested crops regardless of when such security interest is perfected. A perfected harvester's lien shall have priority over a conflicting landlord's lien as provided in chapter 570, regardless of when such landlord's lien is perfected.

Sec. 13. Section 571.5, Code 2003, is amended to read as follows:

571.5 ENFORCEMENT OF LIEN.

A ~~harvester may enforce a harvester's~~ lien ~~as provided in this chapter may be enforced~~ in the manner provided for agricultural liens pursuant to the uniform commercial code, chapter 554, article 9, part 6.

Sec. 14. Sections 571.1, 571.2, 571.4, and 571.6, Code 2003, are repealed.

DIVISION III
VETERINARIAN'S LIEN

Sec. 15. NEW SECTION. 581.1A DEFINITIONS.

As used in this chapter, unless the context otherwise requires:

1. "Livestock" means an animal belonging to the bovine, caprine, equine, ovine, or porcine species, ostriches, rheas, emus, poultry, or fish or shellfish.
2. "Veterinarian" means a person who practices veterinary medicine under a valid license or temporary permit as provided in chapter 169.
3. "Veterinarian's lien" or "lien" means a veterinarian's lien created under section 581.2A.

Sec. 16. Section 581.2, Code 2003, is amended by striking the section and inserting in lieu thereof the following:

581.2 PRIORITY.

Except as provided in this section, section 554.9322 shall govern the priority of a veterinarian's lien that is effective or perfected as provided in section 581.3.

1. A veterinarian's lien that is effective but not perfected under section 581.3 shall have priority as provided in section 554.9322.

2. A veterinarian's lien that is perfected under section 581.3 shall have priority over any conflicting security interest or lien in livestock treated by a veterinarian, regardless of when such security interest or lien is perfected.

Sec. 17. NEW SECTION. 581.2A LIEN CREATED.

A veterinarian shall have an agricultural lien as provided in section 554.9102 for the actual and reasonable value of treating livestock, including the cost of any product used and the actual and reasonable value of any professional service rendered by the veterinarian. The veterinarian is a secured party and the owner of the livestock is a debtor for purposes of chapter 554, article 9. The lien applies to the livestock treated by the veterinarian.

Sec. 18. Section 581.3, Code 2003, is amended by striking the section and inserting in lieu thereof the following:

581.3 PERFECTING THE LIEN -- FILING REQUIREMENTS.

Except as provided in this section, a financing statement filed to perfect a veterinarian's lien shall be governed by chapter 554, article 9, part 5, in the same manner as any other financing statement.

1. The lien becomes effective at the time that the veterinarian treats the livestock.
2. In order to perfect the lien, the veterinarian must file a financing statement in the office of the secretary of state as provided in section 554.9308 within sixty days after the day that the veterinarian treats the livestock. The financing statement shall meet the requirements of section 554.9502, subsection 1, and include all applicable information described in section 554.9516. Filing a financing statement as provided in this subsection satisfies all requirements for perfection of an agricultural lien as provided in chapter 554, article 9.

Sec. 19. Section 581.4, Code 2003, is amended to read as follows:

581.4 ENFORCEMENT.

~~The-lienholder~~ A veterinarian may enforce the a veterinarian's lien by-a-suit-in-equity in the manner provided for agricultural liens pursuant to the uniform commercial code, chapter 554, article 9, part 6.

Sec. 20. Section 602.8102, subsection 82, Code 2003, is amended to read as follows:

82. Carry out duties relating to liens as provided in chapters 249A, ~~570, 571, 572, 574, 580, 581, 582, and 584.~~

Sec. 21. Section 581.1, Code 2003, is repealed.

MARY E. KRAMER

President of the Senate

CHRISTOPHER C. RANTS

Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 379, Eightieth General Assembly.

MICHAEL E. MARSHALL

Secretary of the Senate

Approved _____, 2003

THOMAS J. VILSACK

Governor