

CHAPTER 204
AGRICULTURAL SUPPLY DEALER'S LIEN
S.F. 538

AN ACT relating to an agricultural supply dealer's lien.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 570A.1, Code 1985, is amended by adding the following new subsection 11 and renumbering the subsequent subsections:

NEW SUBSECTION. 11. "Livestock" means cattle, sheep, swine, poultry, or other animals or fowl.

Sec. 2. Section 570A.2, subsection 1, Code 1985, 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 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 two 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. 3. Section 570A.3, subsection 1, Code 1985, is amended to read as follows:

1. An agricultural supply dealer furnishing an agricultural chemical, seed, or a petroleum product to a farmer has a lien for the retail cost of the agricultural chemical, seed, or petroleum product, including labor furnished. The lien attaches to all crops which are produced upon the land to which the agricultural chemical was applied within sixteen months following the last date on which the agricultural chemical was applied, or produced from seed furnished, 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 the agricultural chemical, seed, or petroleum product provided.

Sec. 4. Section 570A.4, subsections 1 and 5, Code 1985, are amended to read as follows:

1. In order to perfect the lien created by section 570A.3, the agricultural supply dealer entitled to the lien shall file a verified lien statement with the office of the secretary of state. The lien statement ~~must be filed either within thirty-one days after the first date on which payment is due from the farmer, or for an agricultural chemical, seed, or feed on or before September 1 of the current crop year and for a petroleum product on or before December 1 of the current crop year, whichever is earlier, except that lien statements related to feed may be filed at the time the agricultural chemical, seed, feed, or petroleum product is purchased or delivered but not later than thirty-one days after the first date on which payment is due under the terms of payment agreed to by the farmer and the agricultural supply dealer.~~ The lien statement shall disclose all of the following:

- a. The name and address of the agricultural supply dealer claiming the lien.
- b. An itemized declaration of the nature and retail cost of the agricultural chemical, seed, feed, or petroleum product which ~~was furnished~~ has been or may be furnished pursuant to the certified request or the combined certified request and waiver of confidentiality.
- c. The last date ~~on~~ through which the agricultural supply dealer claiming the lien ~~furnished the agricultural chemical, seed, feed, or petroleum product for which the lien is claimed~~ has agreed to furnish agricultural chemicals, seed, feed, or petroleum products as stated in the certified request or the combined certified request and waiver of confidentiality.
- d. The first date on which payment was due, according to the terms of payment, from the farmer for whom the agricultural chemical, seed, feed, or petroleum product was furnished or may be furnished pursuant to the certified request or the combined certified request and waiver of confidentiality.
- e. The name and address of the farmer for whom the agricultural chemical, seed, feed, or petroleum product was furnished or may be furnished pursuant to the certified request or the combined certified request and waiver of confidentiality.
- f. ~~The legal~~ A description of the real property on which the crops to which the lien attaches are growing or are to be grown or the description of the livestock ~~or animals~~ to which the lien attaches.

5. An agricultural supply dealer filing a verified lien statement shall request from the secretary of state a certificate showing any effective financing statement or verified lien statements naming the debtor and the crops or livestock to which the lien attaches. The agricultural supply dealer shall notify by registered or certified mail, return receipt requested, any other creditor who holds a lien or security interest which is subordinate or equal to the agricultural supply dealer's lien.

Approved May 28, 1985