

**SENATE BILL REPORT**

**SB 6416**

**AS REPORTED BY COMMITTEE ON AGRICULTURE & WATER RESOURCES,  
FEBRUARY 7, 1992**

**Brief Description:** Regulating producer liens for agricultural products.

**SPONSORS:** Senators Barr, Newhouse and Gaspard

**SENATE COMMITTEE ON AGRICULTURE & WATER RESOURCES**

**Majority Report:** That Substitute Senate Bill No. 6416 be substituted therefor, and the substitute bill do pass.

Signed by Senators Barr, Chairman; Anderson, Vice Chairman; Bailey, Gaspard, Hansen, and Newhouse.

**Staff:** Ben Barnes (786-7465)

**Hearing Dates:** February 7, 1992

**BACKGROUND:**

Statutory agricultural liens currently exist for crops and for processors and preparers.

**SUMMARY:**

A first priority statutory lien in favor of producers who deliver crops to a "handler" is created. A "handler" is anyone who accepts delivery of and agrees to sell agricultural products on a consignment basis. The lien attaches to the agricultural products and to the account receivables for such products.

**EFFECT OF PROPOSED SUBSTITUTE:**

A consignment of agricultural products by a producer to a handler does not vest title or right to the products in the handler; it only confers the right to sell the products on the producer's behalf. Any disposition of agricultural products consigned to a handler without the producer's consent is automatically void.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested

**TESTIMONY FOR:**

Producers who deliver their crops on consignment to fruit packers need statutory clarification that such consignment does not transfer ownership of the crops to the packer and thereby subject the crops and/or proceeds to the claims of the packer's creditors.

**TESTIMONY AGAINST:** None

**TESTIFIED:** Darrell O. Turner, WA State Farm Bureau; Dan Coyne, WA State Council of Farmer Cooperatives; Trevor Sandison, WA Bankers Assn.