

FINAL BILL REPORT

ESSB 6703

C 278 L 02
Synopsis as Enacted

Brief Description: Changing timing provisions relating to agricultural liens.

Sponsors: Senate Committee on Agriculture & International Trade (originally sponsored by Senators Rasmussen, Hochstatter, Shin, Sheahan, Swecker, Hewitt, Honeyford and Hale).

Senate Committee on Agriculture & International Trade
House Committee on Agriculture & Ecology

Background: The processor lien statutes provide a mechanism for protecting producers of agricultural products who deliver crops to processors that are failing financially. An automatic statutory lien is in place from the date of delivery until 20 days after payment is due and remains unpaid. The current law requires the producer to file a statement of lien within 20 days after payment is due and remains unpaid if the priority status of the lien is to be retained. In those cases that the date of payment is not stated in the contract, the statutes provide for the purpose of filing a processor lien, that payment is assumed to be due 30 days after delivery. The result is that to preserve a priority lien, a lien statement must be filed within 50 days of delivery if the contract does not specify a payment date.

To file a processor lien, a true statement containing the amount demanded after deducting all credits and offsets must be submitted to the Department of Licensing. Concern has been expressed by farmers that reports from processors showing cleaning rates and cleaning charges are not frequently available within the 50-day period.

If a lien statement is filed, the processor lien terminates six months after the later of the date of attachment or filing, unless a suit to foreclose the lien has been filed.

Summary: Clarification is provided that vegetable seeds are included in the agricultural products for the purposes of the chapter.

A producer may file a lien with either a true statement or a reasonable estimate of the amount due.

The period of time that a processor lien terminates without having to file a suit is extended from six months to 12 months.

Votes on Final Passage:

Senate	47 0
House	93 0

Effective: June 13, 2002