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**SUBSTITUTE SENATE BILL 6703**

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**State of Washington 57th Legislature**

**2002 Regular Session**

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

READ FIRST TIME 02/08/2002.

1 AN ACT Relating to agricultural liens; and amending RCW 60.13.010,  
2 60.13.050, and 60.13.060.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 60.13.010 and 1991 c 174 s 2 are each amended to read  
5 as follows:

6 As used in this chapter, the terms defined in this section have the  
7 meanings indicated unless the context clearly requires otherwise.

8 (1) "Agricultural product" means any unprocessed horticultural,  
9 vermicultural and its byproducts, viticultural, berry, poultry, poultry  
10 product, grain, bee, or other agricultural products, and includes mint  
11 or mint oil processed by or for the producer thereof and hay and straw  
12 baled or prepared for market in any manner or form and livestock. When  
13 used in RCW 60.13.020, "agricultural product" means horticultural,  
14 viticultural, aquacultural, or berry products, hay and straw, milk and  
15 milk products, vegetable seed, or turf and forage seed and applies only  
16 when such products are delivered to a processor or conditioner in an  
17 unprocessed form.

18 (2) "Conditioner," "consignor," "person," and "producer" have the  
19 meanings defined in RCW 20.01.010.

1 (3) "Delivers" means that a producer completes the performance of  
2 all contractual obligations with reference to the transfer of actual or  
3 constructive possession or control of an agricultural product to a  
4 processor or conditioner or preparer, regardless of whether the  
5 processor or conditioner or preparer takes physical possession.

6 (4) "Preparer" means a person engaged in the business of feeding  
7 livestock or preparing livestock products for market.

8 (5) "Processor" means any person, firm, company, or other  
9 organization that purchases agricultural products except milk and milk  
10 products from a consignor and that cans, freezes, dries, dehydrates,  
11 cooks, presses, powders, or otherwise processes those crops in any  
12 manner whatsoever for eventual resale, or that purchases or markets  
13 milk from a dairy producer and is obligated to remit payment to such  
14 dairy producer directly.

15 (6) "Commercial fisherman" means a person licensed to fish  
16 commercially for or to take food fish or shellfish or steelhead legally  
17 caught pursuant to executive order, treaty right, or federal statute.

18 (7) "Fish" means food fish or shellfish or steelhead legally caught  
19 pursuant to executive order, treaty right, or federal statute.

20 **Sec. 2.** RCW 60.13.050 and 1987 c 148 s 4 are each amended to read  
21 as follows:

22 (1)(a)(i) For contracts that specify a date of payment and if a  
23 statement is filed pursuant to RCW 60.13.040 within twenty days of the  
24 date upon which payment from the processor, conditioner, or preparer to  
25 the producer or commercial fisherman is due and remains unpaid, the  
26 processor or preparer lien evidenced by the statement continues its  
27 priority over all other liens or security interests upon agricultural  
28 products or fish, inventory, and accounts receivable, except as  
29 provided in (b) of this subsection. ((Such priority))

30 (ii) For contracts that do not specify a date of payment and if a  
31 statement is filed pursuant to RCW 60.13.040 within one hundred eighty  
32 days of the date upon which payment from the processor, conditioner, or  
33 preparer to the producer or commercial fisherman is due and remains  
34 unpaid, the processor or preparer lien evidenced by the statement  
35 continues its priority over all other liens or security interests upon  
36 agricultural products or fish, inventory, and accounts receivable,  
37 except as provided in (b) of this subsection.

1        (iii) The priority in this subsection (1)(a) is without regard to  
2 whether the other liens or security interests attached before or after  
3 the date on which the processor or preparer lien attached.

4        (b) The processor or preparer lien shall be subordinate to liens  
5 for taxes or labor perfected before filing of the processor or preparer  
6 lien.

7        (2) If the statement provided for in RCW 60.13.040 is not filed  
8 within twenty days of the date payment is due and remains unpaid, the  
9 processor or preparer lien shall thereupon become subordinate to:

10        (a) A lien that has attached to the agricultural product or fish,  
11 inventory, or accounts receivable before the date on which the  
12 processor or preparer lien attaches; and

13        (b) A perfected security interest in the agricultural product or  
14 fish, inventory, or accounts receivable.

15        **Sec. 3.** RCW 60.13.060 and 1987 c 148 s 5 are each amended to read  
16 as follows:

17        (1) The processor lien shall terminate (~~((six))~~) twelve months after,  
18 and the preparer lien shall terminate fifty days after, the later of  
19 the date of attachment or filing, unless a suit to foreclose the lien  
20 has been filed before that time as provided in RCW 60.13.070.

21        (2) If a statement has been filed as provided in RCW 60.13.040 and  
22 the producer or commercial fisherman has received payment for the  
23 obligation secured by the lien, the producer or fisherman shall  
24 promptly file with the department of licensing a statement declaring  
25 that full payment has been received and that the lien is discharged.  
26 If, after payment, the producer or fisherman fails to file such  
27 statement of discharge within ten days following a request to do so,  
28 the producer or fisherman shall be liable to the processor,  
29 conditioner, or preparer in the sum of one hundred dollars plus actual  
30 damages caused by the failure.

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