
SUBSTITUTE SENATE BILL 5074

State of Washington

69th Legislature

2025 Regular Session

By Senate Agriculture & Natural Resources (originally sponsored by Senators Boehnke, Chapman, and Krishnadasan)

READ FIRST TIME 02/17/25.

1 AN ACT Relating to payment of seed contracts; and adding a new
2 chapter to Title 15 RCW.

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

4 NEW SECTION. **Sec. 1.** The definitions in this section apply
5 throughout this chapter unless the context clearly requires
6 otherwise.

7 (1) "Authenticate" means to sign or with present intent to adopt
8 or accept a record, to attach to, or logically associate with the
9 record, an electronic sound, symbol, or process.

10 (2) "Producer" means any person engaged in the business of
11 growing or producing any agricultural product, whether as the owner
12 of the products, or producing the products for others holding the
13 title thereof.

14 (3) "Seed bailment contract" means any bailment contract for the
15 increase in agricultural seeds where the bailor retains the title to
16 seed, seed stock, plant life, and the seed crop resulting therefrom.

17 (4) "Turfgrass seed" means Kentucky bluegrass, perennial
18 ryegrass, tall fescue, hard fescue, slender fescue, and creeping red
19 fescue. Forage fescue and reclamation grass seed are excluded from
20 this order.

1 (5) "Turf seed dealer" means a person that in the ordinary course
2 of business contracts to buy turfgrass seed grown in this state by a
3 producer or contracts with a producer for the growing of turfgrass
4 seed in this state. "Turf seed dealer" does not include a common
5 carrier used to transport an agricultural commodity.

6 (6) "Turf seed producer" means a person that grows turfgrass seed
7 in this state on a commercial basis without entering into a contract
8 with a turf seed dealer before harvesting of the seed.

9 (7) "Turf seed production contract" means a written agreement
10 between a producer and a turf seed dealer for the growing of
11 turfgrass seed in this state.

12 (8) "Turf seed purchase contract" means a written agreement for a
13 turf seed dealer to purchase turfgrass seed that has been grown by a
14 turf seed producer. "Turf seed purchase contract" does not include a
15 seed production contract.

16 (9) "Variety not stated seed" means seed that is sold in unmarked
17 plastic bags or other unmarked containers without any reference to a
18 variety name for the seed.

19 NEW SECTION. **Sec. 2.** (1) If the turf seed production contract
20 does not settle the price of the turfgrass seed, the contract is
21 enforceable and the price shall be determined as described in RCW
22 62A.2-305 (1) through (3).

23 (2) Except as provided in section 3 of this act, payment to the
24 producer is due by the earliest of the following:

25 (a) The dates specified in the contract;

26 (b) 30 days after seed delivery; or

27 (c) May 1st of the calendar year following the harvesting of the
28 seed.

29 (3) Unless expressly provided otherwise in a turf seed production
30 contract that is authenticated by the producer and turf seed dealer
31 before the producer planting the turfgrass seed, the risk of loss and
32 the responsibility for the payment of storage fees transfer from the
33 producer to the turf seed dealer upon the earlier of:

34 (a) The delivery of the seed to the turf seed dealer pursuant to
35 a notice from the turf seed dealer; or

36 (b) The delivery to the turf seed dealer of test results
37 establishing that the seed meets quality standards set forth in the
38 contract.

1 (4) It is an implied condition of any price or payment
2 requirement described in subsections (1) through (3) of this section
3 that the producer is performing, or has completed performance, in
4 accordance with the seed production contract and has not otherwise
5 breached the contract.

6 (5) Except as provided in subsection (7) of this section, a turf
7 seed production contract described in this section may contain any
8 additional terms agreed to by the parties.

9 (6) If a turf seed production contract is extended or renewed,
10 for the extension or renewal period the parties may:

11 (a) Subject to (b) of this subsection, continue the terms of the
12 original contract or agree to new or different contract terms; and

13 (b) Agree to payment due date terms as provided under this
14 section or section 3(3) of this act.

15 (7) A turf seed production contract may not:

16 (a) Provide for exclusive venue or jurisdiction in another state;

17 (b) Provide for the terms of the contract to be interpreted under
18 the laws of another state;

19 (c) Waive the application of sections 1 through 9 of this act to
20 the contract; or

21 (d) Authorize a unilateral material modification of the contract.

22 (8) Subject to RCW 62A.2-201, subsections (1) and (7) of this
23 section also apply to a nonwritten agreement for the production of
24 turfgrass seed.

25 (9) A term in a turf seed production contract that conflicts with
26 subsection (1) or (7) of this section is void.

27 NEW SECTION. **Sec. 3.** (1) A turf seed production contract that
28 is authenticated by the producer and turf seed dealer before the
29 producer planting the turfgrass seed may contain payment due date
30 terms that differ from the payment due date terms described in
31 section 2(2) of this act if the contract states the date by which
32 final payment for the turfgrass seed is due.

33 (2) If a turf seed production contract that is authenticated by
34 the producer and turf seed dealer before the producer planting the
35 turfgrass seed does not contain the information required under
36 subsection (1) of this section, notwithstanding any contrary payment
37 due date terms stated in the contract, the payment due date terms of
38 the contract are subject to section 2(2) of this act.

1 (3) An extension or renewal of any turf seed production contract,
2 regardless of when the contract was authenticated, may contain
3 payment due date terms that differ from the payment due date terms
4 described in section 2(2) of this act if the extension or renewal
5 contains the information required under subsection (1) of this
6 section. If an extension or renewal of a turf seed production
7 contract does not contain the information required under subsection
8 (1) of this section, notwithstanding any contrary payment due date
9 terms stated in the extension or renewal, the payment due date terms
10 for the extension or renewal are subject to section 2(2) of this act.

11 (4) It is an implied condition of any payment requirement created
12 as provided under this section that the producer is performing, or
13 has completed performance, in accordance with the turf seed
14 production contract and has not otherwise breached the contract.

15 NEW SECTION. **Sec. 4.** (1) A seed bailment contract or seed
16 purchase contract does not create a possessory security interest in
17 goods under the uniform commercial code, chapter 62A.9A RCW. For a
18 seed bailment contract, filing, recording, or notice of the contract
19 is not a requirement for establishing, during the term of the
20 contract, the validity of the contract or for establishing and
21 confirming in the turf seed dealer the title to all seed, seed stock,
22 and plant life grown or used by the bailee under the terms of the
23 contract.

24 (2) Payments due from a turf seed dealer to a bailee under the
25 terms of a seed bailment contract, or due to a turf seed producer
26 under the terms of a turf seed purchase contract, are subject to lien
27 under chapter 60.11 RCW and to security interests perfected as
28 provided under Title 62A RCW.

29 NEW SECTION. **Sec. 5.** (1) The terms of a turf seed purchase
30 contract must include:

- 31 (a) The estimated date for seed delivery;
32 (b) The terms and estimated date for the turf seed dealer to pay
33 the seed producer;
34 (c) The amount of turfgrass seed to be purchased; and
35 (d) The species, cultivars, and quality standards of the
36 turfgrass seed to be purchased.

37 (2) If the turf seed purchase contract does not settle the price
38 of the turfgrass seed, the contract is enforceable and price shall be

1 determined as described in RCW 62A.2-305 (1) through (3). A turf seed
2 purchase contract must require the turf seed dealer to make payment
3 to the turf seed producer within 30 days after seed delivery.
4 However, upon written mutual agreement of the turf seed producer and
5 the turf seed dealer, the producer may extend the period available
6 for the dealer to make payment.

7 NEW SECTION. **Sec. 6.** (1) A turf seed dealer that requests
8 modification to the payment terms of a seed production contract for
9 turfgrass seed shall pay an amount equal to at least 25 percent of
10 the value of the contract prior to modification of the contract.

11 (2) A party to a turf seed production contract or turf seed
12 purchase contract may not, as a condition of performance, require the
13 other party to agree to a material modification of the contract. A
14 contract modification obtained in violation of this subsection is
15 unenforceable.

16 (3) In any action to recover damages for breach of a turf seed
17 production contract or turf seed purchase contract, if the court
18 finds that a party to the contract failed to act in good faith as
19 defined in RCW 62A.1-201, the court may award the prevailing party
20 court costs and reasonable attorneys' fees.

21 NEW SECTION. **Sec. 7.** (1) If testing as provided under a turf
22 seed production contract establishes that turfgrass seed does not
23 meet the quality standards set forth in the contract, the producer
24 may at any time send the test results to the turf seed dealer and
25 inquire whether the turf seed dealer intends to purchase the seed.
26 If, within 30 days after the turf seed dealer receives the test
27 results and inquiry from the producer, the turf seed dealer delivers
28 a response informing the producer that the turf seed dealer intends
29 to purchase the seed, the response is an accord that forms a turf
30 seed purchase contract for the seed purchased under this subsection.
31 Except as provided in this subsection regarding price, the parties
32 may establish the terms of the turf seed purchase contract as
33 provided under section 4 of this act. The price of the seed that is
34 subject to the turf seed purchase contract shall be:

35 (a) Any price stated in the turf seed production contract for
36 seed not meeting quality standards;

37 (b) If not determined by the turf seed production contract, any
38 price agreed to by the parties; or

1 (c) If not determined by the turf seed production contract or by
2 agreement, the market price for seed of the same kind and quality as
3 the produced seed. However, a seed price established by the use of
4 market price may not exceed any price established in the turf seed
5 production contract for seed that meets quality standards.

6 (2) An accord that creates a turf seed purchase contract under
7 subsection (1) of this section does not affect the terms of a turf
8 seed production contract for any seed that was not described in the
9 test results and inquiry sent by the producer.

10 (3) A producer may send test results and make an inquiry under
11 subsection (1) of this section in any manner that documents turf seed
12 dealer receipt of the test results and inquiry. A turf seed dealer
13 may send a response under subsection (1) of this section to a
14 producer in any manner that documents producer receipt of the
15 response.

16 (4) If, within 30 days after the turf seed dealer receives the
17 test results and inquiry from the producer, the turf seed dealer has
18 not delivered a response informing the producer that the turf seed
19 dealer intends to purchase the seed, the turf seed dealer is deemed
20 to have refused purchase of the seed and to have authorized the
21 producer to sell the seed in a commercially legal manner as variety
22 not stated seed. This subsection does not authorize the sale of any
23 seed, seed stock, or plant life of a protected variety grown or used
24 by the producer other than a sale of seed as variety not stated seed.
25 The remedy provided under this subsection is in addition to any other
26 remedy available to a producer by law. An authorization for sale
27 arising under this subsection is in addition to any other conditional
28 or unconditional authorization for sale that a turf seed dealer may
29 grant to a producer.

30 NEW SECTION. **Sec. 8.** (1) If a seed dealer fails to pay a
31 producer for turfgrass seed when payment is due under a turf seed
32 production contract or fails to pay a seed grower for turfgrass seed
33 when payment is due under a seed purchase contract, the producer or
34 turfgrass seed grower may notify the department. Upon notification by
35 a producer or turfgrass seed grower, the department shall determine
36 whether payment has been made when due. If the department determines
37 that the turf seed dealer has not made a payment that is due under a
38 turf seed production contract or turf seed purchase contract, the
39 department shall notify the seed dealer in writing that the dealer

1 has 30 days to pay the producer or turfgrass seed grower all
2 delinquent amounts plus interest on each delinquent amount at the
3 rate of one percent per month simple interest from the final payment
4 date for that delinquent amount.

5 (2) A turf seed production contract or turf seed purchase
6 contract may not vary the terms of the remedy provided by this
7 section. This section does not prevent a producer or turfgrass seed
8 grower from filing a notice of lien against a turf seed dealer.

9 (3) If a turf seed dealer fails to make payment as required by a
10 notice given by the department under this section, the department, in
11 accordance with chapter 20.01 RCW, shall suspend any turf seed dealer
12 license issued to the dealer until the dealer demonstrates to the
13 satisfaction of the department that the dealer is current on all
14 payments due to all producers and turfgrass seed growers.

15 (4) A seed dealer that fails to make payment on a seed production
16 contract or seed purchase contract as required by a notice given by
17 the department under this section is considered to have authorized
18 the producer or turfgrass seed grower to sell in a commercially
19 reasonable manner any seed from the contract that is still in the
20 possession of the producer. This subsection does not prevent a turf
21 seed dealer from giving consent to the producer or turfgrass seed
22 grower by other means and does not supersede the terms of a consent
23 given by other means.

24 (5) To enforce this chapter, the department may charge a turf
25 seed producer in accordance with RCW 20.01.480.

26 NEW SECTION. **Sec. 9.** (1) The department may adopt rules to
27 require, as a condition of issuing a seed dealer license under
28 chapter 20.01 RCW, that each seed dealer provide the department
29 financial assurance for the performance by the seed dealer under any
30 turf seed production contract or turf seed purchase contract entered
31 into by the seed dealer.

32 (2) The department may refuse to issue a seed dealer license to
33 an applicant if the applicant, any owner or officer of the applicant,
34 or any individual exercising substantial control over the turf seed
35 industry activities of the applicant:

36 (a) Is a seed dealer for which the license has been suspended
37 under section 8 of this act;

1 (b) Is or was an owner or officer of a seed dealer at the time of
2 an event that resulted in the license of the seed dealer being
3 suspended under section 8 of this act; or

4 (c) Was an individual who exercised substantial control over the
5 seed industry activities of a turf seed dealer at the time of an
6 event that resulted in the license of the seed dealer being suspended
7 under section 8 of this act.

8 (3) An agent that enters into a turf seed production contract on
9 behalf of a turf seed dealer is conclusively presumed to have actual
10 authority to establish the performance obligations of the seed dealer
11 under the contract.

12 (4) For the purposes of this section:

13 (a) "Officer" means any of the following individuals:

14 (i) A president, vice president, secretary, treasurer, or
15 director of a corporation;

16 (ii) A general partner in a limited partnership;

17 (iii) A manager in a manager-managed limited liability company;

18 (iv) A member of a member-managed limited liability company;

19 (v) A trustee; or

20 (vi) An individual who is an officer as defined by the department
21 by rule. A definition of "officer" adopted by department rule may
22 include individuals not listed in this subsection (4)(a) who may
23 exercise substantial control over a business.

24 (b) "Owner" means:

25 (i) A sole proprietor of, partner in, or holder of a controlling
26 interest in an applicant; or

27 (ii) Any person who is an owner as defined by the department by
28 rule.

29 NEW SECTION. **Sec. 10.** (1) The department may adopt rules for
30 the administration and enforcement of sections 1 through 9 of this
31 act.

32 (2) The director may make mediation services available through
33 the department for the resolution of turf seed production contract
34 disputes and seed purchase contract disputes.

35 NEW SECTION. **Sec. 11.** Sections 1 through 10 of this act apply
36 to seed contracts entered into, extended, or renewed on or after the
37 effective date of this section.

1 NEW SECTION. **Sec. 12.** Sections 1 through 11 of this act
2 constitute a new chapter in Title 15 RCW.

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