

Substitute for  
SF 436  
3-27-01  
(P 864)

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MAR 7 2001

Place On Calendar

HOUSE FILE 549

BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HF 377)

Passed House, Date <sup>(P. 779)</sup> 3/30/01

Passed Senate, Date <sup>(P. 867)</sup> 3-27-01

Vote: Ayes 98 Nays 0

Vote: Ayes 48 Nays 0

Approved April 4, 2001

## A BILL FOR

1 An Act providing for agricultural liens.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 549

DIVISION I

CUSTOM CATTLE FEEDLOT LIEN

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2  
3 Section 1. Section 579A.1, Code 2001, is amended by adding  
4 the following new subsection:

5 NEW SUBSECTION. 4A. "Lien" means a custom cattle feedlot  
6 lien created in section 579A.2.

7 Sec. 2. Section 579A.1, subsection 5, Code 2001, is  
8 amended to read as follows:

9 5. "Personal representative" means a person who is  
10 authorized by the owner of a custom cattle feedlot to act on  
11 behalf of the owner, including by executing an agreement,  
12 managing a custom cattle feedlot, ~~or~~ filing a financing  
13 statement to perfect a lien, and enforcing ~~liens~~ a lien under  
14 this chapter.

15 Sec. 3. Section 579A.2, Code 2001, is amended to read as  
16 follows:

17 579A.2 ESTABLISHMENT OF LIEN -- PRIORITY.

18 1. A custom cattle feedlot lien is created. The lien is  
19 an agricultural lien as provided in section 554.9302.

20 2. A custom cattle feedlot operator shall have a lien upon  
21 the cattle and the identifiable cash proceeds from the sale of  
22 the cattle for the amount of the contract price for the feed  
23 and care of the cattle at the custom cattle feedlot pursuant  
24 to a written or oral agreement by the custom cattle feedlot  
25 operator and the person who owns the cattle, which may be  
26 enforced as provided in section 579A.3. The custom cattle  
27 feedlot operator is a secured party and the owner of the  
28 cattle is a debtor for purposes of chapter 554, article 9.

29 ~~2. 3.~~ The A custom cattle feedlot lien is-created becomes  
30 effective at the time the cattle arrive at the custom cattle  
31 feedlot and-continues-for-one-year-after-the-cattle-have-left  
32 the-custom-cattle-feedlot. In order to preserve perfect the  
33 lien, the custom cattle feedlot operator must, within-twenty  
34 days-after-the-cattle-arrive-at-the-custom-cattle-feedlot,  
35 file must file a financing statement in the office of the

1 secretary of state, ~~a lien statement on a form prescribed by~~  
2 ~~the secretary of state~~ as provided in section 554.9308 within  
3 twenty days after the cattle arrive at the custom cattle  
4 feedlot. ~~The secretary of state shall charge a fee of not~~  
5 ~~more than ten dollars for filing the statement.~~ ~~The secretary~~  
6 ~~of state may adopt rules pursuant to chapter 17A for the~~  
7 ~~electronic filing of the statements.~~ ~~The statement must~~  
8 ~~include all of the following:~~

9 a. ~~An estimate of the amount of feed and care provided to~~  
10 ~~the cattle pursuant to the contract.~~ The financing statement  
11 shall meet the requirements of section 554.9502, subsection 1,  
12 and include all applicable information described in section  
13 554.9516.

14 b. ~~The estimated duration of the period when the cattle~~  
15 ~~are subject to feed and care at the custom cattle feedlot.~~  
16 The lien terminates one year after the cattle have left the  
17 custom cattle feedlot. Section 554.9515 shall not apply to a  
18 financing statement perfecting the lien. The lien may be  
19 terminated by the custom cattle feedlot operator who files a  
20 termination statement as provided in chapter 554, article 9.

21 c. ~~The name of the party to the contract whose cattle are~~  
22 ~~subject to feed and care at the custom cattle feedlot.~~

23 d. ~~The description of the location of the custom cattle~~  
24 ~~feedlot, by county and township.~~

25 e. ~~The printed name and signature of the person filing the~~  
26 ~~form.~~

27 4. Filing a financing statement as provided in this  
28 section satisfies all requirements for perfection of an  
29 agricultural lien as provided in chapter 554, article 9.

30 3. 5. a. Except as provided in chapter 581 this  
31 paragraph, a custom cattle feedlot lien created that is  
32 perfected under this section until preserved and a lien  
33 preserved under this section is superior to and shall have  
34 priority over a conflicting lien or security interest in the  
35 cattle, including a lien or security interest that was

1 perfected prior to the ~~creation-of-the~~ perfection of the  
2 custom cattle feedlot lien provided-under-this-section.  
3 However, a custom cattle feedlot lien shall not be superior to  
4 a veterinarian's lien created under chapter 581, that is  
5 perfected as an agricultural lien as provided in chapter 554,  
6 article 9.

7 b. A custom cattle feedlot lien that is effective but not  
8 perfected under this section has priority as provided in  
9 section 554.9322.

10 Sec. 4. Section 579A.4, Code 2001, is amended to read as  
11 follows:

12 579A.4 WAIVERS UNENFORCEABLE.

13 A waiver of a right created by this chapter, including but  
14 not limited to, a waiver of the right to file a ~~lien~~ financing  
15 statement pursuant to this chapter is void and unenforceable.  
16 This section does not affect other provisions of a contract,  
17 including a production contract or a related document, policy,  
18 or agreement which can be given effect without the voided  
19 provision.

20 Sec. 5. Section 579A.5, Code 2001, is amended to read as  
21 follows:

22 579A.5 ALTERNATE LIEN PROCEDURE.

23 A person who is a custom cattle feedlot operator may file a  
24 financing statement and enforce a lien as a contract producer  
25 under this chapter or chapter 579B, but not both.

26 DIVISION II

27 COMMODITY PRODUCTION CONTRACT LIEN

28 Sec. 6. Section 579B.1, Code 2001, is amended by adding  
29 the following new subsections:

30 NEW SUBSECTION. 1A. "Continuous arrival" means the  
31 arrival of livestock at a contract livestock facility on a  
32 monthly basis or more frequently as provided in a production  
33 contract.

34 NEW SUBSECTION. 8A. "Lien" means a commodity production  
35 contract lien created in section 579B.3.

1 Sec. 7. Section 579B.1, subsection 11, Code 2001, is  
2 amended to read as follows:

3 11. "Personal representative" means a person who is  
4 authorized by a contract producer to act on behalf of the  
5 contract producer, including by executing an agreement,  
6 managing a contract operation, or filing a financing statement  
7 perfecting a lien, and enforcing a lien as provided in this  
8 chapter.

9 Sec. 8. Section 579B.3, unnumbered paragraph 1, Code 2001,  
10 is amended to read as follows:

11 0A. A commodity production contract lien is created. The  
12 lien is an agricultural lien as provided in section 554.9302.

13 0B. A contract producer who is a party to a production  
14 contract executed pursuant to section 579B.2 shall have a lien  
15 as provided in this section. The contract producer is a  
16 secured party and the owner of the commodity is a debtor for  
17 purposes of chapter 554, article 9. The amount of the lien  
18 shall be the amount owed to the contract producer pursuant to  
19 the terms of the production contract, which may be enforced as  
20 provided in section 579B.5.

21 Sec. 9. Section 579B.3, subsection 1, paragraph b, Code  
22 2001, is amended by striking the paragraph.

23 Sec. 10. Section 579B.3, subsection 2, paragraph b, Code  
24 2001, is amended by striking the paragraph.

25 Sec. 11. Section 579B.4, Code 2001, is amended to read as  
26 follows:

27 579B.4 PRESERVING PERFECTING THE LIEN -- FILING  
28 REQUIREMENTS.

29 1. In-order-to-preserve-a-lien-created-pursuant-to-section  
30 579B.3, a contract producer must file in the office of the  
31 secretary of state a lien statement on a form prescribed by  
32 the secretary of state. A commodity production contract lien  
33 becomes effective and is perfected as follows:

34 a. If the For a lien arises arising out of producing  
35 livestock or raw milk, the lien becomes effective the contract

1 ~~producer-must-file-the-lien-within-forty-five-days-after-the~~  
2 day that the livestock first arrives at the contract livestock  
3 facility. In order to perfect the lien, the contract producer  
4 must file a financing statement in the office of the secretary  
5 of state as provided in section 554.9308. Unless the  
6 production contract provides for continuous arrival, the  
7 contract producer must file the financing statement for the  
8 livestock within forty-five days after the livestock's  
9 arrival. If the production contract provides for continuous  
10 arrival, the contract producer must file the financing  
11 statement for the livestock within one hundred eighty days  
12 after the livestock's arrival. The lien terminates one year  
13 after the livestock is no longer under the authority of the  
14 contract producer. For purposes of this section, livestock is  
15 no longer under the authority of the contract producer when  
16 the livestock leaves the contract livestock facility. Section  
17 554.9515 shall not apply to a financing statement perfecting  
18 the lien. The lien may be terminated by the contract producer  
19 who files a termination statement as provided in chapter 554,  
20 article 9.

21 b. If the For a lien arises arising out of producing a  
22 crop, ~~the-contract-producer-must-file-the-lien-within-forty-~~  
23 ~~five-days-after~~ the lien becomes effective the day that the  
24 crop is first planted. In order to perfect the lien, the  
25 contract producer must file a financing statement in the  
26 office of the secretary of state as provided in section  
27 554.9308. The contract producer must file a financing  
28 statement for the crop within forty-five days after the crop  
29 is first planted. The-secretary-of-state-shall-charge-a-fee  
30 of-not-more-than-ten-dollars-for-filing-the-statement.--The  
31 secretary-of-state-may-adopt-rules-pursuant-to-chapter-17A-for  
32 the-electronic-filing-of-the-statements. The lien terminates  
33 one year after the crop is no longer under the authority of  
34 the contract producer. For purposes of this section, a crop  
35 is no longer under the authority of the contract producer when

1 the crop or a warehouse receipt issued by a warehouse operator  
2 licensed under chapter 203C for grain from the crop is no  
3 longer under the custody or control of the contract producer.  
4 Section 554.9515 shall not apply to a financing statement  
5 perfecting the lien. The lien may be terminated by the  
6 contract producer who files a termination statement as  
7 provided in chapter 554, article 9.

8 2. ~~The statement must include all of the following:~~ The  
9 financing statement shall meet the requirements of section  
10 554.9502, subsection 1, and include all applicable information  
11 described in section 554.9516.

12 ~~a.--An estimate of the amount owed pursuant to the~~  
13 ~~production contract.~~

14 ~~b.--The date when the livestock arrives at the contract~~  
15 ~~livestock facility or the date when the crop was planted.~~

16 ~~c.--The estimated duration of the period when the commodity~~  
17 ~~will be under the authority of the contract producer.~~

18 ~~d.--The name of the party to the production contract whose~~  
19 ~~commodity is produced pursuant to the production contract.~~

20 ~~e.--The description of the location of the contract~~  
21 ~~operation, by county and township.~~

22 ~~f.--The printed name and signature of the person filing the~~  
23 ~~form.~~

24 3. Filing a financing statement as provided in this  
25 section satisfies all requirements for perfection of an  
26 agricultural lien as provided in chapter 554, article 9.

27 ~~3. 4. a.~~ Except as provided in chapter 581 this  
28 paragraph, a commodity production contract lien created that  
29 is perfected under this section 579B.3 and a lien preserved  
30 under this section are is superior to and shall have priority  
31 over a conflicting lien or security interest in the commodity,  
32 including a lien or security interest that was perfected prior  
33 to the creation perfection of the commodity production  
34 contract lien under this chapter. However, a commodity  
35 production contract lien shall not be superior to a

1 veterinarian's lien created under chapter 581 that is  
2 perfected as an agricultural lien.

3 b. A commodity production contract lien that is effective  
4 but not perfected under this section has priority as provided  
5 in section 554.9322.

6 EXPLANATION

7 In 1999, the general assembly enacted House File 322 (1999  
8 Iowa Acts, chapter 169) that regulated the relationship  
9 between an agricultural producer (contract producer) and the  
10 owner of a commodity (contractor) in which the producer  
11 produced a commodity under contract. In part, the Act created  
12 Code chapter 579B providing for a lien upon commodities  
13 produced at a contractor producer's contract operation in  
14 favor of the contract producer. The chapter was based on Code  
15 chapter 579A which allows a custom cattle feedlot operator to  
16 file a lien on cattle produced at a custom cattle feedlot.

17 Generally a lien created under these chapters is superior to  
18 and has priority over conflicting liens or security interests.

19 In 2000, the general assembly enacted House File 2513 (2000  
20 Iowa Acts, chapter 1149) adopting revised article 9 of the  
21 uniform commercial code (Code chapter 554) as proposed by the  
22 American law institute and the national conference of  
23 commissioners on uniform state laws, and conforming amendments  
24 to a number of articles within that chapter as well as other  
25 chapters providing for security interests and liens. This Act  
26 goes into effect on July 1, 2001.

27 With limited exceptions, new article 9 governs the  
28 creation, priority, and enforcement of creditors' consensual  
29 liens, which are defined as security interests in personal  
30 property and fixtures. Revised article 9, like its  
31 predecessor, provides generally for the effectiveness of  
32 security agreements and the rights and duties of creditors  
33 (i.e., secured parties), including parties having possession  
34 and control of collateral. Much of revised article 9 provides  
35 for perfecting a security interest, usually accomplished by

1 filing a financing statement. The article provides for the  
2 contents of financing statements and the location where such  
3 financing statements must be filed (e.g., with the secretary  
4 of state). In perfecting a security interest, a debtor is  
5 generally assured rights in the collateral superior to a  
6 security interest perfected later in time.

7 Prior to the revision of article 9, liens created in  
8 statutes outside Code chapter 554 were not affected by its  
9 provisions. These liens include types of agricultural liens  
10 such as those created in Code chapters 579A and 579B. Under  
11 chapter 579A, the lien is created at the time the cattle  
12 arrive at a feedlot, and must be preserved by filing a lien  
13 statement with the secretary of state within 20 days. Under  
14 Code chapter 579B, the lien is created at the time the  
15 livestock arrive at a contract operation or the time that the  
16 crop is planted, and must be preserved by filing a lien  
17 statement with the secretary of state. Revised article 9  
18 provides filing requirements for perfecting agricultural liens  
19 and therefore may control issues relating to priority of  
20 conflicting security interests and liens.

21 The bill amends both Code chapters 579A and 579B by  
22 eliminating requirements for filing that are inconsistent with  
23 the requirements contained in revised article 9. The bill  
24 expressly states that the two types of liens are agricultural  
25 liens, replaces references to lien statements with financing  
26 statements, and provides for their super-priority status over  
27 other security interests and liens with the exception of  
28 veterinarian liens to the extent that these liens also have  
29 been perfected as agricultural liens under revised article 9.

30 The bill provides that where a production contract provides  
31 for continuous arrival of livestock at a contract operation,  
32 the contract producer must file a financing statement within  
33 180 days from the date of arrival. The bill provides for the  
34 priority of competing liens perfected as required under  
35 revised article 9, or effective but not perfected under the

1 article by following the first-in-time rule adopted under the  
2 uniform commercial code.

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**HOUSE FILE 549**

**H-1250**

- 1 Amend House File 549 as follows:
- 2 1. Page 2, line 11, by inserting after the word
- 3 "shall" the following: "substantially".
- 4 2. Page 2, line 28, by inserting after the word
- 5 "section" the following: "substantially".
- 6 3. Page 6, line 9, by inserting after the word
- 7 "shall" the following: "substantially".

By KREIMAN of Davis  
TEIG of Hamilton

**H-1250 FILED MARCH 19, 2001**

*Adopted 3/20/01 (P.779)* \_\_\_\_\_

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HOUSE FILE 549  
BY COMMITTEE ON AGRICULTURE

(SUCCESSOR TO HF 377)

(As Amended and Passed by the House March 20, 2001)

Passed House, Date <sup>(P. 779)</sup> 3/20/01 Passed Senate, Date <sup>P. 867</sup> 3-27-01  
Vote: Ayes 98 Nays 0 Vote: Ayes 48 Nays 0  
Approved April 4, 2001

A BILL FOR

1 An Act providing for agricultural liens.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

House Amendments \_\_\_\_\_

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DIVISION I

CUSTOM CATTLE FEEDLOT LIEN

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3 Section 1. Section 579A.1, Code 2001, is amended by adding  
4 the following new subsection:

5 NEW SUBSECTION. 4A. "Lien" means a custom cattle feedlot  
6 lien created in section 579A.2.

7 Sec. 2. Section 579A.1, subsection 5, Code 2001, is  
8 amended to read as follows:

9 5. "Personal representative" means a person who is  
10 authorized by the owner of a custom cattle feedlot to act on  
11 behalf of the owner, including by executing an agreement,  
12 managing a custom cattle feedlot, ~~or~~ filing a financing  
13 statement to perfect a lien, and enforcing ~~liens~~ a lien under  
14 this chapter.

15 Sec. 3. Section 579A.2, Code 2001, is amended to read as  
16 follows:

17 579A.2 ESTABLISHMENT OF LIEN -- PRIORITY.

18 1. A custom cattle feedlot lien is created. The lien is  
19 an agricultural lien as provided in section 554.9302.

20 2. A custom cattle feedlot operator shall have a lien upon  
21 the cattle and the identifiable cash proceeds from the sale of  
22 the cattle for the amount of the contract price for the feed  
23 and care of the cattle at the custom cattle feedlot pursuant  
24 to a written or oral agreement by the custom cattle feedlot  
25 operator and the person who owns the cattle, which may be  
26 enforced as provided in section 579A.3. The custom cattle  
27 feedlot operator is a secured party and the owner of the  
28 cattle is a debtor for purposes of chapter 554, article 9.

29 ~~2. 3. The~~ A custom cattle feedlot lien is-created becomes  
30 effective at the time the cattle arrive at the custom cattle  
31 ~~feedlot and-continues-for-one-year-after-the-cattle-have-left~~  
32 ~~the-custom-cattle-feedlot.~~ In order to preserve perfect the  
33 lien, the custom cattle feedlot operator ~~must,~~ within twenty  
34 ~~days-after-the-cattle-arrive-at-the-custom-cattle-feedlot,~~  
35 ~~file~~ must file a financing statement in the office of the

1 secretary of state, ~~a lien statement on a form prescribed by~~  
2 ~~the secretary of state~~ as provided in section 554.9308 within  
3 twenty days after the cattle arrive at the custom cattle  
4 feedlot. ~~The secretary of state shall charge a fee of not~~  
5 ~~more than ten dollars for filing the statement.~~ ~~The secretary~~  
6 ~~of state may adopt rules pursuant to chapter 17A for the~~  
7 ~~electronic filing of the statements.~~ ~~The statement must~~  
8 ~~include all of the following:~~

9 a. ~~An estimate of the amount of feed and care provided to~~  
10 ~~the cattle pursuant to the contract.~~ The financing statement  
11 shall substantially meet the requirements of section 554.9502,  
12 subsection 1, and include all applicable information described  
13 in section 554.9516.

14 b. ~~The estimated duration of the period when the cattle~~  
15 ~~are subject to feed and care at the custom cattle feedlot.~~  
16 The lien terminates one year after the cattle have left the  
17 custom cattle feedlot. Section 554.9515 shall not apply to a  
18 financing statement perfecting the lien. The lien may be  
19 terminated by the custom cattle feedlot operator who files a  
20 termination statement as provided in chapter 554, article 9.

21 c. ~~The name of the party to the contract whose cattle are~~  
22 ~~subject to feed and care at the custom cattle feedlot.~~

23 d. ~~The description of the location of the custom cattle~~  
24 ~~feedlot, by county and township.~~

25 e. ~~The printed name and signature of the person filing the~~  
26 ~~form.~~

27 4. Filing a financing statement as provided in this  
28 section substantially satisfies all requirements for  
29 perfection of an agricultural lien as provided in chapter 554,  
30 article 9.

31 3. 5. a. Except as provided in ~~chapter 581~~ this  
32 paragraph, a custom cattle feedlot lien created that is  
33 perfected under this section until preserved and a lien  
34 preserved under this section is superior to and shall have  
35 priority over a conflicting lien or security interest in the

1 cattle, including a lien or security interest that was  
2 perfected prior to the ~~creation-of-the~~ perfection of the  
3 custom cattle feedlot lien provided-under-this-section.  
4 However, a custom cattle feedlot lien shall not be superior to  
5 a veterinarian's lien created under chapter 581, that is  
6 perfected as an agricultural lien as provided in chapter 554,  
7 article 9.

8 b. A custom cattle feedlot lien that is effective but not  
9 perfected under this section has priority as provided in  
10 section 554.9322.

11 Sec. 4. Section 579A.4, Code 2001, is amended to read as  
12 follows:

13 579A.4 WAIVERS UNENFORCEABLE.

14 A waiver of a right created by this chapter, including but  
15 not limited to, a waiver of the right to file a ~~lien~~ financing  
16 statement pursuant to this chapter is void and unenforceable.  
17 This section does not affect other provisions of a contract,  
18 including a production contract or a related document, policy,  
19 or agreement which can be given effect without the voided  
20 provision.

21 Sec. 5. Section 579A.5, Code 2001, is amended to read as  
22 follows:

23 579A.5 ALTERNATE LIEN PROCEDURE.

24 A person who is a custom cattle feedlot operator may file a a  
25 financing statement and enforce a lien as a contract producer  
26 under this chapter or chapter 579B, but not both.

27 DIVISION II

28 COMMODITY PRODUCTION CONTRACT LIEN

29 Sec. 6. Section 579B.1, Code 2001, is amended by adding  
30 the following new subsections:

31 NEW SUBSECTION. 1A. "Continuous arrival" means the  
32 arrival of livestock at a contract livestock facility on a  
33 monthly basis or more frequently as provided in a production  
34 contract.

35 NEW SUBSECTION. 8A. "Lien" means a commodity production

1 contract lien created in section 579B.3.

2 Sec. 7. Section 579B.1, subsection 11, Code 2001, is  
3 amended to read as follows:

4 11. "Personal representative" means a person who is  
5 authorized by a contract producer to act on behalf of the  
6 contract producer, including by executing an agreement,  
7 managing a contract operation, or filing a financing statement  
8 perfecting a lien, and enforcing a lien as provided in this  
9 chapter.

10 Sec. 8. Section 579B.3, unnumbered paragraph 1, Code 2001,  
11 is amended to read as follows:

12 0A. A commodity production contract lien is created. The  
13 lien is an agricultural lien as provided in section 554.9302.

14 0B. A contract producer who is a party to a production  
15 contract executed pursuant to section 579B.2 shall have a lien  
16 as provided in this section. The contract producer is a  
17 secured party and the owner of the commodity is a debtor for  
18 purposes of chapter 554, article 9. The amount of the lien  
19 shall be the amount owed to the contract producer pursuant to  
20 the terms of the production contract, which may be enforced as  
21 provided in section 579B.5.

22 Sec. 9. Section 579B.3, subsection 1, paragraph b, Code  
23 2001, is amended by striking the paragraph.

24 Sec. 10. Section 579B.3, subsection 2, paragraph b, Code  
25 2001, is amended by striking the paragraph.

26 Sec. 11. Section 579B.4, Code 2001, is amended to read as  
27 follows:

28 579B.4 PRESERVING PERFECTING THE LIEN -- FILING  
29 REQUIREMENTS.

30 1. In-order-to-preserve-a-lien-created-pursuant-to-section  
31 579B.3, a contract producer must file in the office of the  
32 secretary of state a lien statement on a form prescribed by  
33 the secretary of state. A commodity production contract lien  
34 becomes effective and is perfected as follows:

35 a. If-the For a lien arises arising out of producing

1 livestock or raw milk, the lien becomes effective the contract  
2 producer-must-file-the-lien-within-forty-five-days-after-the  
3 day that the livestock first arrives at the contract livestock  
4 facility. In order to perfect the lien, the contract producer  
5 must file a financing statement in the office of the secretary  
6 of state as provided in section 554.9308. Unless the  
7 production contract provides for continuous arrival, the  
8 contract producer must file the financing statement for the  
9 livestock within forty-five days after the livestock's  
10 arrival. If the production contract provides for continuous  
11 arrival, the contract producer must file the financing  
12 statement for the livestock within one hundred eighty days  
13 after the livestock's arrival. The lien terminates one year  
14 after the livestock is no longer under the authority of the  
15 contract producer. For purposes of this section, livestock is  
16 no longer under the authority of the contract producer when  
17 the livestock leaves the contract livestock facility. Section  
18 554.9515 shall not apply to a financing statement perfecting  
19 the lien. The lien may be terminated by the contract producer  
20 who files a termination statement as provided in chapter 554,  
21 article 9.

22 b. If-the For a lien arises arising out of producing a  
23 crop, the-contract-producer-must-file-the-lien-within-forty-  
24 five-days-after the lien becomes effective the day that the  
25 crop is first planted. In order to perfect the lien, the  
26 contract producer must file a financing statement in the  
27 office of the secretary of state as provided in section  
28 554.9308. The contract producer must file a financing  
29 statement for the crop within forty-five days after the crop  
30 is first planted. The-secretary-of-state-shall-charge-a-fee  
31 of-not-more-than-ten-dollars-for-filing-the-statement.--The  
32 secretary-of-state-may-adopt-rules-pursuant-to-chapter-17A-for  
33 the-electronic-filing-of-the-statements. The lien terminates  
34 one year after the crop is no longer under the authority of  
35 the contract producer. For purposes of this section, a crop

1 is no longer under the authority of the contract producer when  
2 the crop or a warehouse receipt issued by a warehouse operator  
3 licensed under chapter 203C for grain from the crop is no  
4 longer under the custody or control of the contract producer.  
5 Section 554.9515 shall not apply to a financing statement  
6 perfecting the lien. The lien may be terminated by the  
7 contract producer who files a termination statement as  
8 provided in chapter 554, article 9.

9 2. ~~The statement must include all of the following:~~ The  
10 financing statement shall substantially meet the requirements  
11 of section 554.9502, subsection 1, and include all applicable  
12 information described in section 554.9516.

13 ~~a.--An estimate of the amount owed pursuant to the~~  
14 ~~production contract.~~

15 ~~b.--The date when the livestock arrives at the contract~~  
16 ~~livestock facility or the date when the crop was planted.~~

17 ~~c.--The estimated duration of the period when the commodity~~  
18 ~~will be under the authority of the contract producer.~~

19 ~~d.--The name of the party to the production contract whose~~  
20 ~~commodity is produced pursuant to the production contract.~~

21 ~~e.--The description of the location of the contract~~  
22 ~~operation, by county and township.~~

23 ~~f.--The printed name and signature of the person filing the~~  
24 ~~form.~~

25 3. Filing a financing statement as provided in this  
26 section satisfies all requirements for perfection of an  
27 agricultural lien as provided in chapter 554, article 9.

28 3. 4. a. ~~Except as provided in chapter 581 this~~  
29 ~~paragraph, a commodity production contract lien created that~~  
30 ~~is perfected under this section 579B-3 and a lien preserved~~  
31 ~~under this section are is superior to and shall have priority~~  
32 ~~over a conflicting lien or security interest in the commodity,~~  
33 ~~including a lien or security interest that was perfected prior~~  
34 ~~to the creation perfection of the commodity production~~  
35 ~~contract lien under this chapter. However, a commodity~~

1 production contract lien shall not be superior to a  
2 veterinarian's lien created under chapter 581 that is  
3 perfected as an agricultural lien.

4 b. A commodity production contract lien that is effective  
5 but not perfected under this section has priority as provided  
6 in section 554.9322.

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## HOUSE FILE 549

## AN ACT

## PROVIDING FOR AGRICULTURAL LIENS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

## DIVISION I

## CUSTOM CATTLE FEEDLOT LIEN

Section 1. Section 579A.1, Code 2001, is amended by adding the following new subsection:

NEW SUBSECTION. 4A. "Lien" means a custom cattle feedlot lien created in section 579A.2.

Sec. 2. Section 579A.1, subsection 5, Code 2001, is amended to read as follows:

5. "Personal representative" means a person who is authorized by the owner of a custom cattle feedlot to act on behalf of the owner, including by executing an agreement, managing a custom cattle feedlot, or filing a financing statement to perfect a lien, and enforcing ~~it~~ a lien under this chapter.

Sec. 3. Section 579A.2, Code 2001, is amended to read as follows:

## 579A.2 ESTABLISHMENT OF LIEN -- PRIORITY.

1. A custom cattle feedlot lien is created. The lien is an agricultural lien as provided in section 554.9302.

2. A custom cattle feedlot operator shall have a lien upon the cattle and the identifiable cash proceeds from the sale of the cattle for the amount of the contract price for the feed and care of the cattle at the custom cattle feedlot pursuant to a written or oral agreement by the custom cattle feedlot operator and the person who owns the cattle, which may be enforced as provided in section 579A.3. The custom cattle feedlot operator is a secured party and the owner of the cattle is a debtor for purposes of chapter 554, article 9.

~~2. 3. The A custom cattle feedlot lien is created becomes effective at the time the cattle arrive at the custom cattle feedlot and continues for one year after the cattle have left the custom cattle feedlot. In order to preserve perfect the lien, the custom cattle feedlot operator must, within twenty days after the cattle arrive at the custom cattle feedlot, file must file a financing statement in the office of the secretary of state, a lien statement on a form prescribed by the secretary of state as provided in section 554.9308 within twenty days after the cattle arrive at the custom cattle feedlot. The secretary of state shall charge a fee of not more than ten dollars for filing the statement. The secretary of state may adopt rules pursuant to chapter 17A for the electronic filing of the statements. The statement must include all of the following:~~

a. An estimate of the amount of feed and care provided to the cattle pursuant to the contract. The financing statement shall substantially meet the requirements of section 554.9502, subsection 1, and include all applicable information described in section 554.9516.

b. The estimated duration of the period when the cattle are subject to feed and care at the custom cattle feedlot. The lien terminates one year after the cattle have left the custom cattle feedlot. Section 554.9515 shall not apply to a financing statement perfecting the lien. The lien may be terminated by the custom cattle feedlot operator who files a termination statement as provided in chapter 554, article 9.

~~c. The name of the party to the contract whose cattle are subject to feed and care at the custom cattle feedlot.~~

~~d. The description of the location of the custom cattle feedlot, by county and township.~~

~~e. The printed name and signature of the person filing the form.~~

4. Filing a financing statement as provided in this section substantially satisfies all requirements for perfection of an agricultural lien as provided in chapter 554, article 9.

3- 5. a. Except as provided in chapter 581 this paragraph, a custom cattle feedlot lien created that is perfected under this section until preserved and a lien preserved under this section is superior to and shall have priority over a conflicting lien or security interest in the cattle, including a lien or security interest that was perfected prior to the creation of the perfection of the custom cattle feedlot lien provided under this section. However, a custom cattle feedlot lien shall not be superior to a veterinarian's lien created under chapter 581, that is perfected as an agricultural lien as provided in chapter 554, article 9.

b. A custom cattle feedlot lien that is effective but not perfected under this section has priority as provided in section 554.9322.

Sec. 4. Section 579A.4, Code 2001, is amended to read as follows:

579A.4 WAIVERS UNENFORCEABLE.

A waiver of a right created by this chapter, including but not limited to, a waiver of the right to file a lien financing statement pursuant to this chapter is void and unenforceable. This section does not affect other provisions of a contract, including a production contract or a related document, policy, or agreement which can be given effect without the voided provision.

Sec. 5. Section 579A.5, Code 2001, is amended to read as follows:

579A.5 ALTERNATE LIEN PROCEDURE.

A person who is a custom cattle feedlot operator may file a financing statement and enforce a lien as a contract producer under this chapter or chapter 579B, but not both.

DIVISION II

COMMODITY PRODUCTION CONTRACT LIEN

Sec. 6. Section 579B.1, Code 2001, is amended by adding the following new subsections:

NEW SUBSECTION. 1A. "Continuous arrival" means the arrival of livestock at a contract livestock facility on a monthly basis or more frequently as provided in a production contract.

NEW SUBSECTION. 8A. "Lien" means a commodity production contract lien created in section 579B.3.

Sec. 7. Section 579B.1, subsection 11, Code 2001, is amended to read as follows:

11. "Personal representative" means a person who is authorized by a contract producer to act on behalf of the contract producer, including by executing an agreement, managing a contract operation, or filing a financing statement perfecting a lien, and enforcing a lien as provided in this chapter.

Sec. 8. Section 579B.3, unnumbered paragraph 1, Code 2001, is amended to read as follows:

0A. A commodity production contract lien is created. The lien is an agricultural lien as provided in section 554.9302.

0B. A contract producer who is a party to a production contract executed pursuant to section 579B.2 shall have a lien as provided in this section. The contract producer is a secured party and the owner of the commodity is a debtor for purposes of chapter 554, article 9. The amount of the lien shall be the amount owed to the contract producer pursuant to the terms of the production contract, which may be enforced as provided in section 579B.5.

Sec. 9. Section 579B.3, subsection 1, paragraph b, Code 2001, is amended by striking the paragraph.

Sec. 10. Section 579B.3, subsection 2, paragraph b, Code 2001, is amended by striking the paragraph.

Sec. 11. Section 579B.4, Code 2001, is amended to read as follows:

579B.4 PRESERVING PERFECTING THE LIEN -- FILING REQUIREMENTS.

1. In order to preserve a lien created pursuant to section 579B.3, a contract producer must file in the office of the

~~secretary of state a lien statement on a form prescribed by the secretary of state. A commodity production contract lien becomes effective and is perfected as follows:~~

~~a. If the For a lien arises arising out of producing livestock or raw milk, the lien becomes effective the contract producer must file the lien within forty-five days after the day that the livestock first arrives at the contract livestock facility. In order to perfect the lien, the contract producer must file a financing statement in the office of the secretary of state as provided in section 554.9308. Unless the production contract provides for continuous arrival, the contract producer must file the financing statement for the livestock within forty-five days after the livestock's arrival. If the production contract provides for continuous arrival, the contract producer must file the financing statement for the livestock within one hundred eighty days after the livestock's arrival. The lien terminates one year after the livestock is no longer under the authority of the contract producer. For purposes of this section, livestock is no longer under the authority of the contract producer when the livestock leaves the contract livestock facility. Section 554.9515 shall not apply to a financing statement perfecting the lien. The lien may be terminated by the contract producer who files a termination statement as provided in chapter 554, article 9.~~

~~b. If the For a lien arises arising out of producing a crop, the contract producer must file the lien within forty-five days after the lien becomes effective the day that the crop is first planted. In order to perfect the lien, the contract producer must file a financing statement in the office of the secretary of state as provided in section 554.9308. The contract producer must file a financing statement for the crop within forty-five days after the crop is first planted. The secretary of state shall charge a fee of not more than ten dollars for filing the statement. The secretary of state may adopt rules pursuant to chapter 17A for~~

~~the electronic filing of the statements. The lien terminates one year after the crop is no longer under the authority of the contract producer. For purposes of this section, a crop is no longer under the authority of the contract producer when the crop or a warehouse receipt issued by a warehouse operator licensed under chapter 203C for grain from the crop is no longer under the custody or control of the contract producer. Section 554.9515 shall not apply to a financing statement perfecting the lien. The lien may be terminated by the contract producer who files a termination statement as provided in chapter 554, article 9.~~

~~2. The statement must include all of the following: The financing statement shall substantially meet the requirements of section 554.9502, subsection 1, and include all applicable information described in section 554.9516.~~

~~a. An estimate of the amount owed pursuant to the production contract.~~

~~b. The date when the livestock arrives at the contract livestock facility or the date when the crop was planted.~~

~~c. The estimated duration of the period when the commodity will be under the authority of the contract producer.~~

~~d. The name of the party to the production contract whose commodity is produced pursuant to the production contract.~~

~~e. The description of the location of the contract operation, by county and township.~~

~~f. The printed name and signature of the person filing the form.~~

~~3. Filing a financing statement as provided in this section satisfies all requirements for perfection of an agricultural lien as provided in chapter 554, article 9.~~

~~3. 4. a. Except as provided in chapter 58, this paragraph, a commodity production contract lien created that is perfected under this section 579B:3 and a lien preserved under this section are is superior to and shall have priority over a conflicting lien or security interest in the commodity, including a lien or security interest that was perfected prior~~

to the creation perfection of the commodity production contract lien under this chapter. However, a commodity production contract lien shall not be superior to a veterinarian's lien created under chapter 581 that is perfected as an agricultural lien.

b. A commodity production contract lien that is effective but not perfected under this section has priority as provided in section 554.9322.

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BRENT SIEGRIST  
Speaker of the House

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MARY E. KRAMER  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 549, Seventy-ninth General Assembly.

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MARGARET THOMSON  
Chief Clerk of the House

Approved April 4, 2001

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THOMAS J. VILSACK  
Governor