

MINUTES OF THE Senate COMMITTEE ON Agriculture

The meeting was called to order by Senator Allen at
Chairperson

10:00 a.m./~~p.m.~~ on March 11, 1985 in room 423-S of the Capitol.

All members were present ~~except~~

Committee staff present: Raney Gilliland, Research Department
Jim Wilson, Revisor of Statute's Office

Conferees appearing before the committee:

Senator Allen called the committee to order at 10:00 a.m. and reminded the committee action would be completed on the motion Senator Norvell made and Senator Warren seconded at the last meeting.

Senator Norvell explained the motion was to delete section 8 (a) from SB 330.

Discussion followed concerning the dislikes of the proposed penalties for conviction of noncompliance.

Senator Arasmith made a substitute motion to make the penalties listed as an unclassified misdemeanor with specified monetary penalty of up to \$500.00; do away with subsection A and F and delete words "Each day shall constitute a separate offense in case of continued violation". Seconded by Senator Norvell. Motion carried.

Senator Gannon made a conceptual motion to strike anything referring to examinations section 6 lines 125 through 138 and the first sentence of (f) lines 159 and 160. Senator Kerr seconded the motion. Motion carried.

Senator Norvell made a motion to reinstate the words 'examination' back into the bill. Senator Warren seconded the motion. Motion was defeated. Senator Norvell requested the minutes record that he favored the motion.

Senator Arasmith made the motion that SB 330 be recommended favorably for passage as amended. Senator Montgomery seconded the motion. Motion carried. Senator Norvell requested the minutes state that he voted no because the safety provided in this bill was so diluted that no safety was left in the bill.

Senator Allen called for committee action on SB 165.

Senator Norvell made a motion to amend section 3 of SB 165 to read to become effective when surrounding states adopt a similar law. Senator Gordon seconded the motion.

Senator Warren made a conceptual substitute motion that it be written within the bill that it become effective when the four surrounding states adopt the same regulations. Senator Norvell seconded the motion. Motion carried.

Senator Warren made a motion that SB 165 be recommended favorably for passage as amended. Senator Karr seconded the motion. Motion carried.

Senator Allen ask Senator Arasmith as chairman of subcommittee on SB 289 to make a report. Senator Arasmith reported the subcommittee met and a hearing was held and a written report completed. (see attachment A).

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Agriculture,
room 423-S, Statehouse, at 10:00 a.m./~~p.m.~~ on March 11, 1985

Senator Arasmith reported the interested organizations had not, as requested, reached a compromise. Senator Arasmith stated all had worked in a spirit of cooperation but all parties are still not satisfied and therefore the subcommittee made no recommendation on the bill.

Senator Doyen made a motion SB 289 be referred to Federal and State Affairs Committee or Ways and Means Committee to allow SB 289 be rereferred to the Agriculture Committee for more action. Senator Norvell seconded the motion. Motion carried.

Senator Doyen made a motion SB 336 be referred to Federal and State Affairs Committee or Ways and Means Committee to be rereferred to the Agriculture Committee for action. Senator Montgomery seconded the motion. Motion carried.

Senator Thiessen made a motion SB 288 be referred to Federal and State Affairs Committee or Ways and Means Committee to be rereferred to Agriculture Committee for action. Senator Doyen seconded the motion. Motion carried.

Senator Allen declared the committee adjourned at 11:00 a.m.

SENATE AGRICULTURE COMMITTEE
SUBCOMMITTEE REPORT ON S.B. 289

Mr. Chairman, your Subcommittee on S.B. 289 makes the following report for consideration by the entire Committee. The Subcommittee recommends that S.B. 289 be amended so that a buyer of farm products takes free of any security interest if the buyer has been listed by the seller as a potential buyer and prior to making payment has received written notice of the security interest. The proposed amendment would outline the information to be included on the written notice, as provided by the Secretary of State. The written notice is effective for 12 months.

The Subcommittee also recommends that within 15 days after there is no outstanding secured obligation, the secured party is required to inform a buyer to whom written notice has been sent that satisfaction of the obligation has been met.

Further, the Subcommittee recommends that the debtor be required to provide the secured party with a written list of potential buyers when farm products are involved as part of the security interest.

Two additional recommendations of the Subcommittee include:

1. that the entity holding the security interest in farm products be required to give notice of the security interest to the list of potential buyers provided by the debtor; and
2. that buyers of farm products must conduct lien checks as they probably do now when the person selling farm products is not listed on any of the written notices received by the buyer.

Finally, the Subcommittee recommends that this legislation take effect from and after January 1, 1986. It also would have an expiration date of January 1, 1991.

Respectfully submitted,

Senator Neil Arasmith, Chairman

Senator Don Montgomery

Senator Richard Gannon