

Approved: _____

2-26-99

Date

MINUTES OF THE SENATE COMMITTEE ON AGRICULTURE.

The meeting was called to order by Chairperson Steve Morris at 10:00 a.m. on February 23, 1999 in Room 423-S of the Capitol.

All members were present except:

Committee staff present: Raney Gilliland, Legislative Research Department
 Bruce Kinzie, Revisor of Statutes
 Nancy Kippes, Committee Secretary

Conferees appearing before the committee:

Others attending: (See Attached)

Senator Umbarger made a motion to approve the minutes of the February 19, 1999 meeting. Senator Stephens seconded. Motion carried.

Staff gave a review of the requested amendments.

Senator Clark made a motion to accept all the amendments in the balloon (Attachment 1). Senator Downey seconded. The motion carried.

Senator Clark made a motion to pass favorably a substitute bill. Senator Huelskamp seconded. The motion carried.

The next meeting will be March 3, 1999.

SENATE BILL No. 281

By Committee on Agriculture

2-10

*Senate Agriculture
2-23-99
Attachment 1*

9 AN ACT concerning liens; providing liens on crops.

10 Be it enacted by the Legislature of the State of Kansas:

11 Section 1. A person, including a firm or corporation, who shall con- (a)
12 tract or agree with another to: (1)

13 (a) Furnish seed to be sown or planted shall have a lien upon all crops
14 produced from the seed furnished to secure the payment of the purchase
15 price of the seed; (2) (A)

16 (b) (1) furnish any fertilizer, soil conditioner or agricultural chemical;
17 (2) furnish machinery and equipment for the application of such products; (B)

18 or (3) to perform work or labor in the application of such products shall
19 have a lien for the agreed charges, or in the absence of an agreement, for
20 the reasonable charges and costs of satisfying such lien, upon the crops
21 produced within one year upon the land where such product was applied,
22 the machinery or equipment for application was used, or the work or
23 labor of application was performed, and upon the proceeds from the sale
24 of the crops; and (3)

25 (c) furnish machinery or equipment for the purpose of planting, cul-
26 tivating, growing, producing, harvesting, drying and storing crops or crop
27 products shall have a lien upon all crops or crop products produced with
28 such machinery or equipment to secure the payment of the purchase or
29 lease price of such machinery or equipment. (3) to the person

30 Sec. 2. Any lien under section 1, and amendments thereto, shall be
31 perfected by filing a notice of lien with the county clerk of the county
32 where the land is located upon which the crops are growing or are to be
33 planted. The notice of lien shall state: (a) Insert 1 - See attached)

34 (a) The name and address ~~and the social security number or federal~~
35 ~~tax identification number, if known~~ of the person to whom any seed,
36 product, machinery or equipment was furnished or for whom work or
37 labor was done; (b) the name and address ~~and the social security number~~
38 ~~or federal tax identification number~~ of the person claiming the lien; (c)

39 the last date upon which such seed, product, machinery or equipment
40 was furnished or work or labor done under the contract; (d) the amount
41 due for the seed, product, machinery or equipment furnished or work or
42 labor done; (e) for a lien under subsection (a) of section 1, and amend-

43

44

45

Insert 1 - See attached)

secretary of state

(a)

under subsection (a) of section 1, and amendments thereto

(1)

(2)

(3)

(4)

(5)

paragraph (1)

Insert 1

(b) The person, including a firm or corporation, who shall contract or agree with another to receive and pay for the services, products or machinery or equipment under subsection (a) shall have a lien on the business assets of the person, firm or corporation furnishing such services, products or machinery or equipment for breaching such contract or agreement, or for performing such contract or agreement in such a manner as to cause damages to the person receiving such services, products or machinery or equipment.

1 ments thereto, the contract price or reasonable value of the seed, the type
 2 and amount of seed, and the date of the delivery of the seed; and (f) the
 3 legal description of the land upon which the crops are growing or are to
 4 be planted. ~~The failure to include the social security number or federal~~
 5 ~~tax identification number shall not render any filing unperfected.~~ At the
 6 time the lien is filed, the lienholder shall send a copy to the person to
 7 whom the seed, product, machinery or equipment was furnished or for
 8 whom the work or labor was done. The fee for filing, amending or re-
 9 leasing such lien shall be the same as set forth in K.S.A. 84-9-403, and
 10 amendments thereto.

(6)

(Insert 2 - See attached)

11 Sec. 3. In order to be valid against subsequent lienholders, any lien
 12 under section 1, and amendments thereto, shall be filed ~~within 120~~ days
 13 of the last date upon which the seed product, machinery or equipment
 14 was furnished, or work or labor was performed, under the contract, ~~but~~
 15 ~~in no event shall it~~ have priority over prior lienholders unless prior lien-
 16 holders have agreed to the contract in writing. Such lien shall attach as
 17 of the date of filing and may be foreclosed in the manner and form pro-
 18 vided for the foreclosure of secured transactions as provided in article 9
 19 ~~Uniform Commercial Code~~

: (a) For liens filed under subsection (a) of section 1, and amendments thereto, at least 60 days after but within 180

; (b) For liens filed under subsection (b) of section 1, and amendments thereto, within 180 days after the breach of contract or agreement or damages sustained. In no event shall a lien filed under this act

20 Sec. 4. When a lien provided by section 1, and amendments thereto,
 21 is satisfied, the lienholder shall file in the office where the lien is filed a
 22 termination statement to the effect that the lienholder no longer claims
 23 an interest under the lien, which shall be identified by file number. A
 24 termination statement signed by a person other than the lienholder of
 25 record shall be accompanied by a separate written statement of assign-
 26 ment signed by the lienholder of record complying with subsection (2) of
 27 K.S.A. 84-9-405, and amendments thereto, including payment of the re-
 28 quired fee. If the affected lienholder fails to file such a termination state-
 29 ment within 30 days after such lienholder no longer claims an interest,
 30 such lienholder shall be liable to the person to whom the seed, product,
 31 machinery or equipment was furnished or for whom the work or labor
 32 was done for any losses caused to such person by such failure and for
 33 reasonable attorney fees and court costs.

of chapter 84 of the Kansas Statutes Annotated

for \$500 or

34 On presentation to the filing officer of such a termination statement,
 35 the filing officer shall note such termination statement in the index. If
 36 the filing officer has received the termination statement in duplicate, the
 37 filing officer shall return one copy of the termination statement to the
 38 lienholder stamped to show the time of receipt.

(Insert 3 - See attached)

39 Sec. 5. This act shall take effect and be in force from and after its
 40 publication in the statute book.

1-4
1

Insert 2

(b) The notice of lien under subsection (b) of section 1, and amendments thereto, shall state:

(1) The name and address of the person furnishing such services, products or machinery or equipment;

(2) the name and address of the person claiming the lien;

(3) the damages claimed by the person under subsection (b) of section 1, and amendments thereto.

At the time the lien is filed, the lienholder shall send a copy to the person who furnished such services, products or machinery or equipment. The fee for filing shall be the same as set forth in K.S.A. 84-9-403, and amendments thereto.

Insert 3

(a) If a lienholder fails to file a termination statement a person may file in the secretary of state's office a correction statement with respect to such lien.

(b) A correction statement must:

(1) Identify the record to which it relates by the file number assigned to the initial financing statement to which the record relates:

(2) indicate that it is a correction statement; and

(3) provide the basis for the person's belief that the record is inaccurate and indicate the manner in which the person believes the record should be amended to cure any inaccuracy. There shall be no fee for the filing of such correction statement.

U