

ASSEMBLY BILL

No. 2256

Introduced by Assembly Member Dickerson

February 20, 2002

An act to amend Sections 55631, 55634, and 55904 of the Food and Agricultural Code, relating to producer's liens.

LEGISLATIVE COUNSEL'S DIGEST

AB 2256, as introduced, Dickerson. Producer's liens.

Existing law provides that every producer of any farm product that sells any product which is grown by the producer to any processor under contract, express or implied, in addition to all other rights and remedies that are provided for by law, has a lien upon that product and upon all processed or manufactured forms of that farm product for the labor, care, and expense in growing and harvesting that product.

This bill would extend the scope of the lien to include the proceeds of any sale or transfer of the product by the processor. This bill would also provide that the lien would not be waivable, except upon payment in full pursuant to the relevant contract.

Existing law provides that every producer's lien is on every farm product and any processed form of the farm product in the possession of the processor without segregation of the product, and that any and all farm products or processed form of farm products deposited by a processor with a warehouse, whether or not warehouse receipts are given as security to a lender, shall be considered as being in the possession of the processor and subject to the lien.

This bill would extend these provisions to proceeds.

Existing law provides that it is a misdemeanor for specified persons to falsely deny the amount, or the validity, of any producer's claim, or

that it is due, with the intent to secure for himself or herself, his or her employer, or other person, any discount upon the indebtedness, or with the intent to annoy, harass, oppress, hinder, delay, or defraud the person to whom the indebtedness is due.

This bill would, in addition, provide that it is a misdemeanor for any person, firm, corporation, or lending institution receiving payments from a processor to falsely deny, or refuse to recognize the amount, or the validity of any valid producer’s lien, or that it is due.

By creating a new crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 55631 of the Food and Agricultural
 2 Code is amended to read:
 3 55631. Every producer of any farm product that sells any
 4 product ~~which~~ that is grown by ~~him~~ that producer to any processor
 5 under contract, express or implied, in addition to all other rights
 6 and remedies ~~which~~ that are provided for by law, has a lien upon
 7 ~~such~~ that product and upon all processed or manufactured forms
 8 of ~~such~~ that farm product *and upon all proceeds from the sale of*
 9 *that product* for ~~his~~ the producer’s labor, care, and expense in
 10 growing and harvesting ~~such~~ that product. The lien shall be to the
 11 extent of the agreed price, if any, for ~~such~~ the product so sold. If
 12 there is no agreed price or a method for determining it which is
 13 agreed upon, the extent of the lien is the value of the farm product
 14 as of the date of the delivery. Any portion of ~~such~~ the product or
 15 the processed or manufactured forms of ~~such~~ the product, in excess
 16 of the amount necessary to satisfy the total amount owed to
 17 producers under contract, shall be free and clear of ~~such~~ the lien.
 18 *The lien may not be waived, except upon payment in full pursuant*
 19 *to the relevant contract.*



1 SEC. 2. Section 55634 of the Food and Agricultural Code is
2 amended to read:

3 55634. Every lien ~~which~~ *that* is provided for in this article is
4 on every farm product and any processed form of the farm product
5 which is possession of the processor without segregation of the
6 product, *and on the proceeds of sale or transfer of every farm*
7 *product and any processed form of the farm product that is or was,*
8 *prior to sale or transfer, in the possession of the processor, without*
9 *segregation of the product.* For purposes of this chapter, any and
10 all farm products or processed form of farm products deposited by
11 a processor with a warehouse, whether or not warehouse receipts
12 are given as security to a lender, shall be considered as being in the
13 possession of the processor and subject to the lien. *This lien may*
14 *not be waived except upon payment in full pursuant to the relevant*
15 *contract.*

16 SEC. 3. Section 55904 of the Food and Agricultural Code is
17 amended to read:

18 55904. (a) It is a misdemeanor for any person that is subject
19 to this chapter to falsely deny the amount, or the validity, of any
20 producer's claim, or that it is due, with the intent to secure for
21 ~~himself, his~~ *any person or their* employer or other person, any
22 discount upon ~~such~~ *that* indebtedness, or with the intent to annoy,
23 harass, oppress, hinder, delay, or defraud the person to whom ~~such~~
24 *that* indebtedness is due.

25 (b) *It is a misdemeanor for any person, firm, corporation, or*
26 *lending institution receiving payments from a processor to falsely*
27 *deny, or knowingly refuse to recognize the amount, or the validity*
28 *of any valid producer's lien, or that it is due.*

29 SEC. 4. No reimbursement is required by this act pursuant to
30 Section 6 of Article XIII B of the California Constitution because
31 the only costs that may be incurred by a local agency or school
32 district will be incurred because this act creates a new crime or
33 infraction, eliminates a crime or infraction, or changes the penalty
34 for a crime or infraction, within the meaning of Section 17556 of
35 the Government Code, or changes the definition of a crime within
36 the meaning of Section 6 of Article XIII B of the California
37 Constitution.

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