

By: Smithee

H.B. No. 3154

A BILL TO BE ENTITLED

AN ACT

relating to creation, attachment, perfection, and enforcement of certain liens in the slaughtering of livestock.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 148.026, Agriculture Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) Notwithstanding Chapter 9, Business & Commerce Code, or any other law, a [A] lien under this section is attached and perfected on delivery of the livestock to the purchaser without further action, including the filing of a financial statement. The lien continues as to the animal, its carcass, its products, and the proceeds of any sale without regard to possession by the party entitled to the lien.

(c) A provision of this section that relates to the creation, attachment, perfection, or enforcement of a lien controls to the extent of a conflict with Chapter 9, Business & Commerce Code, or other applicable law.

SECTION 2. The heading to Section 148.026, Agriculture Code, is amended to read as follows:

Sec. 148.026. SELLER'S LIEN.

SECTION 3. Section 148.027(a), Agriculture Code, is amended to read as follows:

(a) If an animal, its carcass, or its products is under a

1 lien under Section 148.026 and is commingled with other livestock,  
2 carcasses, or products so that the identity is lost, the lien  
3 extends to all of the commingled animals, carcasses, or products as  
4 if the lien had been perfected originally in all of them.

5 SECTION 4. Section 148.028, Agriculture Code, is amended to  
6 read as follows:

7 Sec. 148.028. PRIORITY OF SELLER'S LIEN. (a) Except as  
8 provided by Subsection (b), a [A] lien under Section 148.026 [this  
9 subchapter] has priority over any other lien or perfected security  
10 interest in the animal, its carcass, its products, or proceeds from  
11 the sale of the animal, its carcass, or its products.

12 (b) A lien under Section 148.031 on an animal, its carcass,  
13 its products, or any proceeds from the disposition of the animal,  
14 its carcass, or its products has priority over a lien under Section  
15 148.026.

16 SECTION 5. Subchapter C, Chapter 148, Agriculture Code, is  
17 amended by adding Section 148.031 to read as follows:

18 Sec. 148.031. TERMINAL LIVESTOCK FEEDING FACILITY LIEN.

19 (a) In this section, "terminal livestock feeding facility" means a  
20 facility that provides feeding and care to livestock that are left  
21 with the facility for preparation for slaughter.

22 (b) To secure the payment of the charges for the services  
23 provided by a terminal livestock feeding facility, the facility has  
24 a lien on:

- 25 (1) each animal left with the facility;  
26 (2) the products from each animal; and  
27 (3) all proceeds from the disposition of each animal,

1 its carcass, or its products.

2 (c) A lien under this section secures the amount of charges  
3 due under an agreement or, if an amount is not specified by  
4 agreement, the reasonable and usual compensation for services that  
5 are similar to the services provided by the terminal livestock  
6 feeding facility.

7 (d) Notwithstanding Chapter 9, Business & Commerce Code, or  
8 any other law, a lien under this section attaches on the date on  
9 which a terminal livestock feeding facility first provides feed and  
10 care to an animal left with the facility and is perfected on  
11 attachment and remains perfected without further action by the  
12 facility, including the filing of a financial statement. Until the  
13 lien is satisfied, the lien continues as to the animal, its carcass,  
14 its products, and any proceeds from the disposition of the animal,  
15 its carcass, or its products regardless of whether the facility  
16 retains possession of the animal.

17 (e) A lien under this section has priority over any other  
18 lien or perfected security interest in an animal, its carcass, its  
19 products, or any proceeds from the disposition of the animal, its  
20 carcass, or its products, regardless of whether the lien under this  
21 section was created or perfected after the date on which another  
22 lien was created or perfected.

23 (f) A person who acquires an interest in an animal, its  
24 carcass, its products, or any proceeds from the disposition of the  
25 animal, its carcass, or its products subject to a lien under this  
26 section shall pay to the terminal livestock feeding facility the  
27 amount of the charges secured by the lien.

1       (g) A terminal livestock feeding facility holding a lien  
2 under this section may enforce that lien in any manner authorized by  
3 Chapter 9, Business & Commerce Code, and may recover:

4               (1) the reasonable costs of collection and  
5 enforcement; and

6               (2) the reasonable attorney's fees and legal expenses  
7 incurred by the facility.

8       (h) A provision of this section that relates to the  
9 creation, attachment, perfection, or enforcement of a lien controls  
10 to the extent of a conflict with Chapter 9, Business & Commerce  
11 Code, or other applicable law.

12       SECTION 6. This Act takes effect September 1, 2017.