

By: Burns

H.B. No. 3663

A BILL TO BE ENTITLED

AN ACT

relating to marketing contracts and agricultural liens.

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

SECTION 1. Section 70.4045(c), Property Code, is amended to read as follows:

(c) Notwithstanding Chapter 9, Business & Commerce Code, a lien created and perfected under this subchapter has priority over a conflicting security interest in or lien on the agricultural crop or the proceeds from the sale of the crop created by the contract purchaser in favor of a third party, ~~[other than a cotton ginner's lien created under Section 70.003(d),]~~ regardless of the date the security interest or lien created by the contract purchaser attached. This subsection does not: ~~[affect a security interest or lien created and perfected to secure a loan directly to the agricultural producer.]~~

(1) affect the validity or priority of a security interest or lien created and perfected to secure a loan directly to the agricultural producer;

(2) affect the validity or priority of a cotton ginner's lien created under Section 70.003(d);

(3) apply to a contract purchaser who purchases an agricultural crop from an agricultural producer pursuant to a marketing contract created under Section 52.016, Agriculture Code, or under Title 7, USC (specifically Chapter 35A, Subchapter I, §

1 1421, and Subchapter II, § 1441, and Chapter 106, Subchapter II, §§
2 7931-7939) and Title 15, Chapter 15, Subchapter II, USC (statutes
3 relating to the Commodity Credit Corporation, and specifically §§
4 714b, 714c, and 714j).

5 SECTION 2. This Act takes effect September 1, 2017.