

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003
4

A Bill

Act 32 of 2003
HOUSE BILL 1002

5 By: Representatives Boyd, Dangeau, Scroggin, Milligan, Thomas, Weaver, Bolin, Cleveland, Gipson,
6 Hickinbotham, Nichols, Prater, Rankin, Seawel, King, House, Childers, Gillespie, Hathorn, Ormond,
7 Stovall, Jacobs, Petrus
8 By: Senators Wooldridge, J. Jeffress, Whitaker, Glover, G. Jeffress, B. Johnson
9

For An Act To Be Entitled

12 AN ACT TO RESTORE THIS STATE'S TRADITIONAL SYSTEM
13 FOR ESTABLISHING LANDLORDS' LIENS ON CROPS AND TO
14 EXEMPT LANDLORDS' LIENS ON CROPS FROM THE UNIFORM
15 COMMERCIAL CODE-SECURED TRANSACTIONS; AND FOR
16 OTHER PURPOSES.

Subtitle

19 AN ACT TO RESTORE THIS STATE'S
20 TRADITIONAL SYSTEM FOR ESTABLISHING
21 LANDLORDS' LIENS ON CROPS AND TO EXEMPT
22 LANDLORDS' LIENS ON CROPS FROM THE
23 UNIFORM COMMERCIAL CODE-SECURED
24 TRANSACTIONS.

26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
27

28 SECTION 1. The General Assembly has determined that by the enactment
29 of Act 1439 of 2001 it inadvertently changed the law regarding landlords'
30 liens on crops. It is the intent of this act to correct that inadvertent
31 change, remove landlords' liens on crops from the application of the Uniform
32 Commercial Code, reestablish Arkansas Code 18-41-101 and 18-41-103 as the law
33 applicable to landlords' liens on crops, and thereby make landlords' liens
34 under Arkansas Code 18-41-101 and 18-41-103 superior to all other liens on
35 the same collateral.
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1 SECTION 2. Arkansas Code § 4-9-102(a)(5), concerning the definition of
 2 agricultural lien for the Uniform Commercial Code-Secured Transactions, is
 3 amended to read as follows:

4 (5) "Agricultural lien" means an interest, other than a security
 5 interest or a landlord's lien under §18-41-101 or §18-41-103, in farm
 6 products:

7 (A) which secures payment or performance of an obligation for:

8 (i) goods or services furnished in connection with a
 9 debtor's farming operation; or

10 (ii) rent on real property leased by a debtor in
 11 connection with its farming operation;

12 (B) which is created by statute in favor of a person that:

13 (i) in the ordinary course of its business furnished goods
 14 or services to a debtor in connection with a debtor's farming operation; or

15 (ii) leased real property to a debtor in connection with
 16 the debtor's farming operation; and

17 (C) whose effectiveness does not depend on the person's
 18 possession of the personal property.

19
 20 SECTION 3. Arkansas Code § 18-41-101 is amended to read as follows:

21 18-41-101. Lien on crop - Period effective.

22 Every landlord shall have a lien upon the crop grown upon the demised
 23 premises in any year for rent that shall accrue for the year, and the lien is
 24 perfected and shall have priority over a conflicting security interest in or
 25 agricultural lien on the crop regardless of when the conflicting security
 26 interest or agricultural lien is perfected. The lien shall continue for six
 27 (6) months after the rent shall become due and payable, and no longer.

28
 29 SECTION 4. Arkansas Code § 18-41-103(a) is amended to read as follows:

30 (a) In addition to the lien given by law to landlords, if any
 31 landlord, to enable his tenant or employee to make and gather the crop, shall
 32 advance the tenant or employee any necessary supplies, either of money,
 33 provisions, clothing, stock, or other necessary articles, the landlord shall
 34 have a lien upon the crop raised upon the premises for the value of the
 35 advances, and the lien is perfected and shall have priority over a
 36 conflicting security interest in or agricultural lien on the crop regardless

1 of when the conflicting security interest or agricultural lien is perfected.

2
3 SECTION 5. EMERGENCY CLAUSE. It is found and determined by the
4 General Assembly that inadvertent changes to the Uniform Commercial Code-
5 Secured Transactions by the Eighty-Third General Assembly substantially
6 altered the traditional method for establishing landlords' liens on crops
7 which has been operating in this state for over one hundred years. The
8 inadvertent changes have resulted in widespread confusion which threatens to
9 seriously disrupt the traditional process of crop loans and farm land tenancy
10 in this state's largest industry. This confusion and unintended result will
11 continue until this act becomes effective. Therefore, an emergency is
12 declared to exist and this act being immediately necessary for the
13 preservation of the public peace, health and safety shall become effective
14 on:

15 (1) The date of its approval by the Governor;

16 (2) If the bill is neither approved nor vetoed by the Governor, the
17 expiration of the period of time during which the Governor may veto the bill;

18 (3) If the bill is vetoed by the Governor and the veto is overridden,
19 the date the last house overrides the veto.

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22 APPROVED: 2/3/2003
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