

HB 4068 STAFF MEASURE SUMMARY

Carrier: Sen. Beyer

Senate Committee On Business and Transportation

Action Date: 02/19/18
Action: Do pass.
Vote: 4-0-1-0
Yeas: 4 - Beyer, Girod, Monroe, Thomsen
Exc: 1 - Riley
Fiscal: Has minimal fiscal impact
Revenue: No revenue impact
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WHAT THE MEASURE DOES:

Establishes requirements for seed production contracts and seed purchase contracts for commercially-grown seed or seed mixtures. Specifies payment to the producer under a seed production contract is due no later than the earliest of: the dates specified in the contract, thirty days after seed delivery, or July 1 of the calendar year following seed harvest. Clarifies the timeline for transfer of responsibility for storage fee payment and risk of loss from producer to dealer. Clarifies seed production contract requirements apply to non-written seed production agreements. Specifies terms a seed purchase contract must include. Specifies possible courses of action if the seed dealer receives notice from the producer that test results indicate seed does not meet quality standards, and an inquiry from the producer as to whether the seed dealer intends to purchase the seed. Authorizes the Oregon Department of Agriculture (ODA) to determine whether timely payment has been made upon notification by a producer or seed grower. Authorizes the ODA Director to adopt rules and charge fees for the administration and enforcement of the Act, and to make mediation services available. Requires ODA to report rule adoption to the next regular session of the Legislative Assembly.

ISSUES DISCUSSED:

- Seed farmers' experiences with delayed payments
- Expansion of contract production and payment provisions currently offered to grass seed producers
- Stakeholders participating in work group that developed bill

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

ORS 576.715 to 576.747 are commonly known as the "slow pay, no pay" statutes established in 2011 (House Bill 2159) with the intent of addressing ambiguity in contract payment dates and prices, and delayed contract payments to grass seed growers from grass seed dealers. The legislation established provisions for seed production and purchase contract terms, payment due dates, contract modification terms, seed not meeting quality standards, seed dealer failure to make timely payments, seed dealer financial assurance, rules adoption, and mediation services. The 2011 legislation pertains only to agricultural seed, defined as grass seed commonly sold for use in turf lawns or as forage seed.

House Bill 4068 would extend seed production and purchase contract requirements to the entire seed industry.