

HB 4065 A STAFF MEASURE SUMMARY

Senate Committee On Natural Resources and Wildfire

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Meeting Dates: 2/26

WHAT THE MEASURE DOES:

The measure revises provisions related to a seed dealer's failure to make timely payment under a seed production or purchase contract by requiring any seed dealer that receives a delinquency notice from the Oregon Department of Agriculture (ODA) to submit proof of payment within 30 days of receiving the notice. It also updates the interest rates applied to delinquent amounts and revises the maximum fees ODA may charge for payment verification and issuing delinquency notices. The measure declares an emergency, effective upon passage.

Fiscal impact: Fiscal impact.

Revenue impact: No revenue impact.

HOUSE VOTE: Ayes, 49; Nays, 0; Excused, 11.

Detailed Summary:

Adds the interest a seed dealer must pay on delinquent amounts to 1 percent above the current bank prime loan interest, as set by the Federal Reserve Statistical Release H.15.

Requires payments to occur within 30 days of a seed dealer receiving a delinquency notice from ODA and requires the seed dealer to submit proof of payment and supporting documentation to ODA.

Increases the maximum fees for the following:

- Payment verification for agricultural and grass seed contracts from \$50 to \$100
- Delinquency notices for agricultural and grass seed from \$200 to \$400
- Delinquency notices for other seed from \$50 to \$400

Reduces the maximum fee for payment verification for other seed contracts from \$200 to \$100

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Slow Pay/No Pay statutes (ORS 576.700–576.814) establish minimum contract standards for seed production and authorize ODA to help growers resolve delayed or missed payments. Originally, these protections applied only to grass seed commonly sold for turf or forage through the passage of [House Bill 2159](#) (2011). In 2018, [House Bill 4068](#) expanded the program to cover all other seed kinds, including agricultural, vegetable, and flower seeds.