

HB 4065-1
(LC 89)
2/26 (DJ/gpb/ps)

Requested by Representative SCHARF

**PROPOSED AMENDMENTS TO
HOUSE BILL 4065**

1 On page 1 of the printed bill, delete lines 4 through 29 and delete pages
2 2 and 3 and insert:

3 **“SECTION 1.** ORS 576.738 is amended to read:

4 “576.738. (1) If a seed dealer fails to pay a producer for agricultural seed
5 when payment is due under a seed production contract or fails to pay a seed
6 grower for grass seed when payment is due under a seed purchase contract,
7 the producer or seed grower may notify the State Department of Agriculture.
8 Upon notification by a producer or seed grower, the department shall deter-
9 mine whether payment has been made when due. If the department deter-
10 mines that the seed dealer has not made a payment that is due under a seed
11 production contract or seed purchase contract, the department shall notify
12 the seed dealer in writing [*that the*] **of the following requirements:**

13 **“(a) The seed** dealer [*has 30 days to*] **must** pay the producer or seed
14 grower all delinquent amounts plus interest on each delinquent amount.

15 **Interest shall be calculated** at the rate of one percent **above the bank**
16 **prime loan interest rate set forth in the most recent Federal Reserve**
17 **Statistical Release H.15** per month [*simple interest*] from the final payment
18 date for that delinquent amount.

19 **“(b) The payment required under paragraph (a) of this subsection**
20 **must occur within 30 days of the date that the department’s written**
21 **notice was issued to the seed dealer.**

1 **“(c) Within the 30-day period specified in paragraph (b) of this**
2 **subsection, the seed dealer must provide to the department a written**
3 **notice and supporting documentation verifying that the seed dealer**
4 **has made the payment required under paragraph (a) of this subsection.**

5 “(2) A seed production contract or seed purchase contract may not vary
6 the terms of the remedy provided by this section. [A *seed dealer may appeal*
7 *the notice*] **Notice** given by the department under this section [*as provided*
8 *in*] **is subject to** ORS chapter 183. This section does not prevent a producer
9 or seed grower from filing a notice of lien against a seed dealer.

10 “(3) If a seed dealer fails to make payment [*as required by a notice given*
11 *by the department under this section*] **within the 30-day period specified in**
12 **subsection (1) of this section**, the department shall suspend any seed dealer
13 license issued to the dealer until the dealer demonstrates to the satisfaction
14 of the department that the dealer is current on all payments due to all pro-
15 ducers and seed growers. An order suspending a license under this subsection
16 is subject to ORS chapter 183. However, the department may not suspend a
17 seed dealer license under this section using the procedure described in ORS
18 183.430 (2).

19 “(4) A seed dealer that fails to make payment on a seed production con-
20 tract or seed purchase contract as required by a notice given by the depart-
21 ment under this section is considered to have authorized the producer or seed
22 grower to sell in a commercially reasonable manner any seed from the con-
23 tract that is still in the possession of the producer or seed grower. This
24 subsection does not prevent a seed dealer from giving consent to the pro-
25 ducer or seed grower by other means and does not supersede the terms of a
26 consent given by other means.

27 “(5) The department may charge a producer or seed grower a fee, not to
28 exceed **\$100** [\$50], for determining whether payment has been made in ac-
29 cordance with the terms of a seed production contract or seed purchase
30 contract. The department may charge a producer or seed grower a fee, not

1 to exceed **\$400** [\$200], for notifying a seed dealer in writing regarding the
2 deadline for payment of delinquent amounts plus interest.

3 **“SECTION 2.** ORS 576.802 is amended to read:

4 “576.802. (1) If a seed dealer fails to pay a producer for other seed when
5 payment is due under a seed production contract or fails to pay a seed
6 grower for other seed when payment is due under a seed purchase contract,
7 the producer or seed grower may notify the State Department of Agriculture.
8 Upon notification by a producer or seed grower, the department shall deter-
9 mine whether payment has been made when due. If the department deter-
10 mines that the seed dealer has not made a payment that is due under a seed
11 production contract or seed purchase contract, the department shall notify
12 the seed dealer in writing [*that the*] **of the following requirements**:

13 **“(a) The seed dealer [has 30 days to] must** pay the producer or seed
14 grower all delinquent amounts plus interest on each delinquent amount.
15 **Interest shall be calculated** at the rate of one percent **above the bank**
16 **prime loan interest rate set forth in the most recent Federal Reserve**
17 **Statistical Release H.15** per month [*simple interest*] from the final payment
18 date for that delinquent amount.

19 **“(b) The payment required under paragraph (a) of this subsection**
20 **must occur within 30 days of the date that the department’s written**
21 **notice was issued to the seed dealer.**

22 **“(c) Within the 30-day period specified in paragraph (b) of this**
23 **subsection, the seed dealer must provide to the department a written**
24 **notice and supporting documentation verifying that the seed dealer**
25 **has made the payment required under paragraph (a) of this subsection.**

26 “(2) A seed production contract or seed purchase contract may not vary
27 the terms of the remedy provided by this section. [*A seed dealer may appeal*
28 *the notice*] **Notice** given by the department under this section [*as provided*
29 *in*] **is subject to** ORS chapter 183. This section does not prevent a producer
30 or seed grower from filing a notice of lien against a seed dealer.

1 “(3) If a seed dealer fails to make payment [*as required by a notice given*
2 *by the department under this section*] **within the 30-day period specified in**
3 **subsection (1) of this section**, the department shall suspend any seed dealer
4 license issued to the dealer until the dealer demonstrates to the satisfaction
5 of the department that the dealer is current on all payments due to all pro-
6 ducers and seed growers. An order suspending a license under this subsection
7 is subject to ORS chapter 183. However, the department may not suspend a
8 seed dealer license under this section using the procedure described in ORS
9 183.430 (2).

10 “(4) A seed dealer that fails to make payment on a seed production con-
11 tract or seed purchase contract as required by a notice given by the depart-
12 ment under this section is considered to have authorized the producer or seed
13 grower to sell in a commercially reasonable manner any seed from the con-
14 tract that is still in the possession of the producer or seed grower. This
15 subsection does not prevent a seed dealer from giving consent to the pro-
16 ducer or seed grower by other means and does not supersede the terms of a
17 consent given by other means.

18 “(5) The department may charge a producer or seed grower a fee, not to
19 exceed **\$100** [\$200], for determining whether payment has been made in ac-
20 cordance with the terms of a seed production contract or seed purchase
21 contract. The department may charge a producer or seed grower a fee, not
22 to exceed **\$400** [\$50], for notifying a seed dealer in writing regarding the
23 deadline for payment of delinquent amounts plus interest.

24 “**SECTION 3. This 2026 Act being necessary for the immediate**
25 **preservation of the public peace, health and safety, an emergency is**
26 **declared to exist, and this 2026 Act takes effect on its passage.”**

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