

HB 4065 -1 STAFF MEASURE SUMMARY

House Committee On Agriculture, Land Use, Natural Resources, and Water

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Meeting Dates: 2/9, 2/11

WHAT THE MEASURE DOES:

The measure requires seed dealers to submit proof of payment to the Oregon Department of Agriculture within 30 days of notice and revises the interest rates on delinquent amounts, as well as the maximum fees ODA may charge for payment verification and delinquency notices.

Detailed Summary

- Changes the interest a seed dealer has to pay on delinquent amounts to the current market interest rate as determined by ODA if higher than one percent.
- Requires a seed dealer to provide notice and supporting documentation of payment to the Oregon Department of Agriculture within 30 days of receiving notice from the Oregon Department of Agriculture
- Increases the maximum fee for payment verification for agricultural and grass seed contracts from \$50 to \$100.
- Increases the maximum fee for delinquency notices for agricultural and grass seed from \$200 to \$400.
- Reduces the maximum fee for payment verification for other seed contracts from \$200 to \$100.
- Increases the maximum fee for delinquency notices for other seed from \$50 to \$400.
- Declares an emergency, effective on passage

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 The amendment changes the interest to one percent above the current bank prime loan interest as set by the Federal Reserve Statistical Release H.15

FISCAL: No fiscal impact

REVENUE: No revenue impact

BACKGROUND:

The Slow Pay/No Pay statutes (ORS 576.700–576.814) establish minimum contract standards for seed production and authorize the Oregon Department of Agriculture 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.