

HOUSE AMENDMENTS TO HOUSE BILL 4065

By COMMITTEE ON AGRICULTURE, LAND USE, NATURAL RESOURCES, AND
WATER

February 13

1 On page 1 of the printed bill, delete lines 4 through 29 and delete pages 2 and 3 and insert:
2 **“SECTION 1.** ORS 576.738 is amended to read:

3 “576.738. (1) If a seed dealer fails to pay a producer for agricultural seed when payment is due
4 under a seed production contract or fails to pay a seed grower for grass seed when payment is due
5 under a seed purchase contract, the producer or seed grower may notify the State Department of
6 Agriculture. Upon notification by a producer or seed grower, the department shall determine
7 whether payment has been made when due. If the department determines that the seed dealer has
8 not made a payment that is due under a seed production contract or seed purchase contract, the
9 department shall notify the seed dealer in writing [*that the*] **of the following requirements**:

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

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

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

20 “(2) A seed production contract or seed purchase contract may not vary the terms of the remedy
21 provided by this section. [*A seed dealer may appeal the notice*] **Notice** given by the department under
22 this section [*as provided in*] **is subject to** ORS chapter 183. This section does not prevent a pro-
23 ducer or seed grower from filing a notice of lien against a seed dealer.

24 “(3) If a seed dealer fails to make payment [*as required by a notice given by the department under*
25 *this section*] **within the 30-day period specified in subsection (1) of this section**, the department
26 shall suspend any seed dealer license issued to the dealer until the dealer demonstrates to the sat-
27 isfaction of the department that the dealer is current on all payments due to all producers and seed
28 growers. An order suspending a license under this subsection is subject to ORS chapter 183. How-
29 ever, the department may not suspend a seed dealer license under this section using the procedure
30 described in ORS 183.430 (2).

31 “(4) A seed dealer that fails to make payment on a seed production contract or seed purchase
32 contract as required by a notice given by the department under this section is considered to have
33 authorized the producer or seed grower to sell in a commercially reasonable manner any seed from
34 the contract that is still in the possession of the producer or seed grower. This subsection does not
35 prevent a seed dealer from giving consent to the producer or seed grower by other means and does

1 not supersede the terms of a consent given by other means.

2 “(5) The department may charge a producer or seed grower a fee, not to exceed **\$100** [\$50], for
3 determining whether payment has been made in accordance with the terms of a seed production
4 contract or seed purchase contract. The department may charge a producer or seed grower a fee,
5 not to exceed **\$400** [\$200], for notifying a seed dealer in writing regarding the deadline for payment
6 of delinquent amounts plus interest.

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

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

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

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

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

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

29 “(3) If a seed dealer fails to make payment [*as required by a notice given by the department under*
30 **this section**] **within the 30-day period specified in subsection (1) of this section**, the department
31 shall suspend any seed dealer license issued to the dealer until the dealer demonstrates to the sat-
32 isfaction of the department that the dealer is current on all payments due to all producers and seed
33 growers. An order suspending a license under this subsection is subject to ORS chapter 183. How-
34 ever, the department may not suspend a seed dealer license under this section using the procedure
35 described in ORS 183.430 (2).

36 “(4) A seed dealer that fails to make payment on a seed production contract or seed purchase
37 contract as required by a notice given by the department under this section is considered to have
38 authorized the producer or seed grower to sell in a commercially reasonable manner any seed from
39 the contract that is still in the possession of the producer or seed grower. This subsection does not
40 prevent a seed dealer from giving consent to the producer or seed grower by other means and does
41 not supersede the terms of a consent given by other means.

42 “(5) The department may charge a producer or seed grower a fee, not to exceed **\$100** [\$200], for
43 determining whether payment has been made in accordance with the terms of a seed production
44 contract or seed purchase contract. The department may charge a producer or seed grower a fee,
45 not to exceed **\$400** [\$50], for notifying a seed dealer in writing regarding the deadline for payment

1 of delinquent amounts plus interest.

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

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