

116TH CONGRESS
2D SESSION

H. R. 6067

To amend the Packers and Stockyards Act, 1921, to provide for the establishment of a trust for the benefit of unpaid cash sellers of livestock, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 2020

Mr. MARSHALL (for himself and Mr. COSTA) introduced the following bill;
which was referred to the Committee on Agriculture

A BILL

To amend the Packers and Stockyards Act, 1921, to provide for the establishment of a trust for the benefit of unpaid cash sellers of livestock, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Securing All Livestock
5 Equitably Act of 2020” or the “SALE Act of 2020”.

1 **SEC. 2. ESTABLISHMENT OF TRUST FOR BENEFIT OF UN-**
2 **PAID CASH SELLERS OF LIVESTOCK.**

3 The Packers and Stockyards Act, 1921, is amended
4 by inserting after section 317 (7 U.S.C. 217a) the fol-
5 lowing new section:

6 **“SEC. 318. STATUTORY TRUST ESTABLISHED; DEALER.**

7 “(a) ESTABLISHMENT.—

8 “(1) IN GENERAL.—All livestock purchased by
9 a dealer in cash sales and all inventories of, or re-
10 ceivables or proceeds from, such livestock shall be
11 held by such dealer in trust for the benefit of all un-
12 paid cash sellers of such livestock until full payment
13 has been received by such unpaid cash sellers.

14 “(2) EXEMPTION.—Any dealer whose average
15 annual purchases of livestock do not exceed
16 \$100,000 shall be exempt from the provisions of this
17 section.

18 “(3) EFFECT OF DISHONORED INSTRU-
19 MENTS.—For purposes of determining full payment
20 under paragraph (1), a payment to an unpaid cash
21 seller shall not be considered to have been made if
22 the unpaid cash seller receives a payment instrument
23 that is dishonored.

24 “(b) PRESERVATION OF TRUST.—An unpaid cash
25 seller shall lose the benefit of a trust under subsection (a)
26 if the unpaid cash seller has not preserved the trust by

1 giving written notice to the dealer involved and filing such
2 notice with the Secretary—

3 “(1) within 30 days of the final date for mak-
4 ing a payment under section 409 in the event that
5 a payment instrument has not been received; or

6 “(2) within 15 business days after the date on
7 which the seller receives notice that the payment in-
8 strument promptly presented for payment has been
9 dishonored.

10 “(c) NOTICE TO LIEN HOLDERS.—When a dealer re-
11 ceives notice under subsection (b) of the unpaid cash sell-
12 er’s intent to preserve the benefits of the trust, the dealer
13 shall, within 15 business days, give notice to all persons
14 who have recorded a security interest in, or lien on, the
15 livestock held in such trust.

16 “(d) CASH SALES DEFINED.—For the purpose of
17 this section, a cash sale means a sale in which the seller
18 does not expressly extend credit to the buyer.

19 “(e) PURCHASE OF LIVESTOCK SUBJECT TO
20 TRUST.—

21 “(1) IN GENERAL.—A person purchasing live-
22 stock subject to a dealer trust shall receive good title
23 to the livestock if the person receives the livestock—

24 “(A) in exchange for payment of new
25 value; and

1 “(B) in good faith without notice that the
2 transfer is a breach of trust.

3 “(2) DISHONORED PAYMENT INSTRUMENT.—
4 Payment shall not be considered to have been made
5 if a payment instrument given in exchange for the
6 livestock is dishonored.

7 “(3) TRANSFER IN SATISFACTION OF ANTE-
8 CEDENT DEBT.—A transfer of livestock subject to a
9 dealer trust is not for value if the transfer is in sat-
10 isfaction of an antecedent debt or to a secured party
11 pursuant to a security agreement.

12 “(f) ENFORCEMENT.—Whenever the Secretary has
13 reason to believe that a dealer subject to section 318 has
14 failed to perform the duties required by section 318 or
15 whenever the Secretary has reason to believe that it will
16 be in the best interest of unpaid cash sellers, the Secretary
17 shall do one or more of the following—

18 “(1) appoint an independent trustee to carry
19 out the duties required by section 318, preserve
20 trust assets, and enforce the trust;

21 “(2) serve as independent trustee, preserve
22 trust assets, and enforce the trust; or

23 “(3) file suit in the United States district court
24 for the district in which the dealer resides to enjoin
25 the dealer’s failure to perform the duties required by

1 section 318, preserve trust assets, and to enforce the
2 trust. Attorneys employed by the Secretary may,
3 with the approval of the Attorney General, represent
4 the Secretary in any such suit. Nothing herein shall
5 preclude unpaid sellers from filing suit to preserve
6 or enforce the trust.”.

○