

Note: See note under 576.715.

Enforcement of the Slow Pay No Pay Law - Oregon Statutory Law

576.738 Seed dealer failure to timely make payment; fee. (1) If a seed dealer fails to pay a producer for agricultural seed when payment is due under a seed production contract or fails to pay a seed grower for grass seed when payment is due under a seed purchase contract, the producer or seed grower may notify the State Department of Agriculture. Upon notification by a producer or seed grower, the department shall determine whether payment has been made when due. **If the department determines that the seed dealer has not made a payment that is due under a seed production contract or seed purchase contract, the department shall notify the seed dealer in writing that the dealer has 30 days to pay the producer or seed grower** all delinquent amounts plus interest on each delinquent amount at the rate of one percent per month simple interest from the final payment date for that delinquent amount.

(2) A seed production contract or seed purchase contract may not vary the terms of the remedy provided by this section. A seed dealer may appeal the notice given by the department under this section as provided in ORS chapter 183. This section does not prevent a producer or seed grower from filing a notice of lien against a seed dealer.

(3) **If a seed dealer fails to make payment as required by a notice given by the department under this section, the department SHALL suspend any seed dealer license** issued to the dealer until the dealer demonstrates to the satisfaction of the department that the dealer **is current on all payments due to all producers and seed growers**. An order suspending a license under this subsection is subject to ORS chapter 183. However, the department may not suspend a seed dealer license under this section using the procedure described in ORS 183.430 (2).

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

(5) The department may charge a producer or seed grower a fee, not to exceed \$50, for determining whether payment has been made in accordance with the terms of a seed production contract or seed purchase contract. The department may charge a producer or seed grower a fee, not to exceed \$200, for notifying a seed dealer in writing regarding the deadline for payment of delinquent amounts plus interest. [2011 c.356 §8]