

PROPERTY CODE
CHAPTER 70. MISCELLANEOUS LIENS
SUBCHAPTER A. POSSESSORY LIENS

Sec. 70.001. WORKER'S LIEN. (a) A worker in this state who by labor repairs an article, including a vehicle, motorboat, vessel, or outboard motor, may retain possession of the article until:

(1) the amount due under the contract for the repairs is paid; or

(2) if no amount is specified by contract, the reasonable and usual compensation is paid.

(b) If a worker relinquishes possession of a motor vehicle, motorboat, vessel, or outboard motor in return for a check, money order, or a credit card transaction on which payment is stopped, has been dishonored because of insufficient funds, no funds or because the drawer or maker of the order or the credit card holder has no account or the account upon which it was drawn or the credit card account has been closed, the lien provided by this section continues to exist and the worker is entitled to possession of the vehicle, motorboat, vessel, or outboard motor until the amount due is paid, unless the vehicle, motorboat, vessel, or outboard motor is possessed by a person who became a bona fide purchaser of the vehicle after a stop payment order was made. A person entitled to possession of property under this subsection is entitled to take possession thereof in accordance with the provisions of Section 9.609, Business & Commerce Code.

(c) A worker may take possession of an article under Subsection (b) only if the person obligated under the repair contract has signed a notice stating that the article may be subject to repossession under this section. A notice under this subsection must be:

(1) separate from the written repair contract; or

(2) printed on the written repair contract, credit agreement, or other document in type that is boldfaced, capitalized, underlined, or otherwise set out from surrounding written material so as to be conspicuous with a separate signature line.

(d) A worker who takes possession of an article under Subsection (b) may require a person obligated under the repair contract to pay the costs of repossession as a condition of reclaiming the article only to the extent of the reasonable fair market value of the services required to take possession of the article. For the purpose of this subsection, charges represent the fair market value of the services required to take possession of an article if the charges represent the actual cost incurred by the worker in taking possession of the article.

(e) A worker may not transfer to a third party, and a person who performs repossession services may not accept, a check, money order, or credit card transaction that is received as payment for repair of an article and that is returned to the worker because of insufficient funds or no funds, because the drawer or maker of the check or money order or the credit card holder has no account, or because the account on which the check or money order is drawn or the credit card account has been closed.

(f) A person commits an offense if the person transfers or accepts a check, money order, or credit card transaction in violation of Subsection (e). An offense under this subsection is a Class B misdemeanor.

(g) A motor vehicle that is repossessed under this section shall be promptly delivered to the location where the repair was performed or a vehicle storage facility licensed under Chapter 2303, Occupations Code. The motor vehicle must remain at the repair location or a licensed vehicle storage facility at all times until the motor vehicle is lawfully returned to the motor vehicle's owner or a lienholder or is disposed of as provided by this subchapter.

Acts 1983, 68th Leg., p. 3579, ch. 576, Sec. 1, eff. Jan. 1, 1984. Amended by Acts 1984, 68th Leg., 2nd C.S., ch. 18, Sec. 6(b), eff. Oct. 2, 1984; Acts 1985, 69th Leg., ch. 275, Sec. 1, eff. June 5, 1985; Acts 1993, 73rd Leg., ch. 754, Sec. 1, 2, eff. Sept. 1, 1993; Acts 1995, 74th Leg., ch. 375, Sec. 1, eff. Sept. 1, 1995; Acts 1999, 76th Leg., ch. 414, Sec. 2.38, eff. July 1, 2001; Acts 1999, 76th Leg., ch. 978, Sec. 1, eff. Sept. 1, 1999; Acts 2003, 78th Leg., ch. 1276, Sec. 14A.807, eff. Sept. 1, 2003.

Sec. 70.002. LIENS ON GARMENTS. A person with whom a garment

is left for repair, alteration, dyeing, cleaning, laundering, or pressing may retain possession of the garment until:

(1) the amount due the person under the contract for the work is paid; or

(2) if no amount is specified by contract, the reasonable and usual compensation is paid.

Acts 1983, 68th Leg., p. 3580, ch. 576, Sec. 1, eff. Jan. 1, 1984.

Sec. 70.003. STABLE KEEPER'S, GARAGEMAN'S, PASTURER'S, AND COTTON GINNER'S LIEN'S. (a) A stable keeper with whom an animal is left for care has a lien on the animal for the amount of the charges for the care.

(b) An owner or lessee of a pasture with whom an animal is left for grazing has a lien on the animal for the amount of charges for the grazing.

(c) A garageman with whom a motor vehicle, motorboat, vessel, or outboard motor is left for care has a lien on the motor vehicle, motorboat, vessel, or outboard motor for the amount of the charges for the care, including reasonable charges for towing the motor vehicle, motorboat, vessel, or outboard motor to the garageman's place of business.

(d)(1) A cotton ginner to whom a cotton crop has been delivered for processing or who, under an agreement, is to be paid for harvesting a cotton crop has a lien on the cotton processed or harvested for the amount of the charges for the processing or harvesting. The lienholder is entitled to retain possession of the cotton until the amount of the charge due under an agreement is paid or, if an amount is not specified by agreement, the reasonable and usual compensation is paid. If the cotton owner's address is known and the amount of the charge is not paid before the 31st day after the date the cotton ginner's work is completed or the date payment is due under a written agreement, whichever is later, the lienholder shall request the owner to pay the unpaid charge due and shall notify the owner and any other person having a lien on the cotton which is properly recorded under applicable law with the secretary of state of the fact that unless payment is made not later than the 15th day after the date the notice is received, the lienholder is entitled to sell the cotton under any procedure authorized by Section 9.610, Business & Commerce Code. If the cotton owner's address is not known and the amount of the charge is not paid before the 61st day after the date the cotton ginner's work is completed or the date payment is due under a written agreement, whichever is later, the lienholder is entitled to sell the cotton without notice at a commercially reasonable sale. The proceeds of a sale under this subsection shall be applied first to charges due under this subsection, and any remainder shall be paid in appropriate proportion to:

(A) any other person having a lien on the cotton which is properly recorded under applicable law with the secretary of state; and

(B) the cotton owner.

(2) Nothing in this subsection shall be construed to place an affirmative burden on the cotton ginner to perform any lien searches except as may be appropriate to provide notices required by this section.

Acts 1983, 68th Leg., p. 3580, ch. 576, Sec. 1, eff. Jan. 1, 1984. Amended by Acts 1989, 71st Leg., ch. 629, Sec. 1, eff. June 14, 1989; Acts 1997, 75th Leg., ch. 462, Sec. 1, 2, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 414, Sec. 2.39, eff. July 1, 2001.

Sec. 70.004. POSSESSION OF MOTOR VEHICLE, MOTORBOAT, VESSEL, OR OUTBOARD MOTOR. (a) A holder of a lien under Section 70.003 on a motor vehicle, motorboat, vessel, or outboard motor who obtains possession of the motor vehicle, motorboat, vessel, or outboard motor under a state law or city ordinance shall give notice for a motor vehicle, motorboat, vessel, or outboard motor registered in this state to the last known registered owner and each lienholder of record not later than the fifth day after the day possession is obtained. If the motor vehicle, motorboat, vessel, or outboard motor is registered outside this state, the notice shall be given to the last known registered owner and each lienholder of record not later than the 14th day after the day possession is obtained.

(b) Except as provided by Subsection (c), the notice must be sent by certified mail with return receipt requested and must contain:

(1) a request to remove the motor vehicle, motorboat, vessel, or outboard motor;

- (2) a request for payment;
- (3) the location of the motor vehicle, motorboat, vessel, or outboard motor; and
- (4) the amount of accrued charges.

(c) The notice may be given by publishing the notice once in a newspaper of general circulation in the county in which the motor vehicle, motorboat, vessel, or outboard motor is stored if:

(1) the motor vehicle, motorboat, vessel, or outboard motor is registered in another state;

(2) the holder of the lien submits a written request by certified mail, return receipt requested, to the governmental entity with which the motor vehicle, motorboat, vessel, or outboard motor is registered requesting information relating to the identity of the last known registered owner and any lienholder of record;

(3) the holder of the lien:

(A) is advised in writing by the governmental entity with which the motor vehicle, motorboat, vessel, or outboard motor is registered that the entity is unwilling or unable to provide information on the last known registered owner or any lienholder of record; or

(B) does not receive a response from the governmental entity with which the motor vehicle, motorboat, vessel, or outboard motor is registered on or before the 21st day after the date the holder of the lien submits a request under Subdivision (2);

(4) the identity of the last known registered owner cannot be determined;

(5) the registration does not contain an address for the last known registered owner; and

(6) the holder of the lien cannot determine the identities and addresses of the lienholders of record.

(d) The holder of the lien is not required to publish notice under Subsection (c) if a correctly addressed notice is sent with sufficient postage under Subsection (b) and is returned as unclaimed or refused or with a notation that the addressee is unknown or has moved without leaving a forwarding address.

(e) A person is entitled to fees for towing, impoundment, preservation, and notification and to reasonable storage fees for up to five days before the day that the notice is mailed or published, as applicable. After the day that the notice is mailed or published, the person is entitled to reasonable storage, impoundment, and preservation fees until the motor vehicle, motorboat, vessel, or outboard motor is removed and accrued charges are paid.

(f) A person charging fees under Subsection (e) commits an offense if the person charges a storage fee for a period of time not authorized by that subsection. An offense under this subsection is punishable by a fine of not less than \$200 nor more than \$1,000. Acts 1983, 68th Leg., p. 3580, ch. 576, Sec. 1, eff. Jan. 1, 1984. Amended by Acts 1984, 68th Leg., 2nd C.S., ch. 18, Sec. 6(c), eff. Oct. 2, 1984; Acts 1985, 69th Leg., ch. 308, Sec. 1, eff. Sept. 1, 1985; Acts 1989, 71st Leg., ch. 629, Sec. 2, eff. June 14, 1989; Acts 1999, 76th Leg., ch. 70, Sec. 2, eff. Sept. 1, 1999.

Sec. 70.005. SALE OF PROPERTY. (a) Except as provided by Subsection (c), a person holding a lien under this subchapter on property other than a motor vehicle subject to Chapter 501, Transportation Code, or cotton under Section 70.003(d), who retains possession of the property for 60 days after the day that the charges accrue shall request the owner to pay the unpaid charges due if the owner's residence is in this state and known. If the charges are not paid before the 11th day after the day of the request, the lienholder may, after 20 days' notice, sell the property at a public sale, or if the lien is on a garment, at a public or private sale.

(b) Except as provided by Subsection (c), if the residence of the owner of property subject to sale under this section is not in this state or not known, the lienholder may sell the property without notice at a public sale after the 60th day after the day that the unpaid charges accrued.

(c) A person holding a lien under Section 70.003(a) on an animal fed in confinement for slaughter may enforce that lien in any manner authorized by Sections 9.610-9.619, Business & Commerce Code.

(d) The lienholder shall apply the proceeds of a sale under this section to the charges. If the lien is on a garment, the lienholder shall apply the proceeds to the charges and the

reasonable costs of holding the sale. The lienholder shall pay excess proceeds to the person entitled to them.

Acts 1983, 68th Leg., p. 3581, ch. 576, Sec. 1, eff. Jan. 1, 1984. Amended by Acts 1997, 75th Leg., ch. 165, Sec. 30.247, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 249, Sec. 1, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 462, Sec. 3, 4, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 414, Sec. 2.40, eff. July 1, 2001.

Sec. 70.006. SALE OF MOTOR VEHICLE, MOTORBOAT, VESSEL, OR OUTBOARD MOTOR. (a) A holder of a lien under this subchapter or Chapter 59 on a motor vehicle subject to Chapter 501, Transportation Code, or on a motorboat, vessel, or outboard motor for which a certificate of title is required under Subchapter B, Chapter 31, Parks and Wildlife Code, as amended, who retains possession of the motor vehicle, motorboat, vessel, or outboard motor for 30 days after the day that the charges accrue shall give written notice to the owner and each holder of a lien recorded on the certificate of title. If the motor vehicle, motorboat, vessel, or outboard motor is registered outside this state, the holder of a lien under this subchapter who retains possession during that period shall give notice to the last known registered owner and each lienholder of record.

(b) Except as provided by Subsection (c), the notice must be sent by certified mail with return receipt requested and must include the amount of the charges and a request for payment.

(c) The notice may be given by publishing the notice once in a newspaper of general circulation in the county in which the motor vehicle, motorboat, vessel, or outboard motor is stored if:

(1) the holder of the lien submits a written request by certified mail, return receipt requested, to the governmental entity with which the motor vehicle, motorboat, vessel, or outboard motor is registered requesting information relating to the identity of the last known registered owner and any lienholder of record;

(2) the holder of the lien:

(A) is advised in writing by the governmental entity with which the motor vehicle, motorboat, vessel, or outboard motor is registered that the entity is unwilling or unable to provide information on the last known registered owner or any lienholder of record; or

(B) does not receive a response from the governmental entity with which the motor vehicle, motorboat, vessel, or outboard motor is registered on or before the 21st day after the date the holder of the lien submits a request under Subdivision (1);

(3) the identity of the last known registered owner cannot be determined;

(4) the registration does not contain an address for the last known registered owner; and

(5) the holder of the lien cannot determine the identities and addresses of the lienholders of record.

(d) The holder of the lien is not required to publish notice under Subsection (c) if a correctly addressed notice is sent with sufficient postage under Subsection (b) and is returned as unclaimed or refused or with a notation that the addressee is unknown or has moved without leaving a forwarding address.

(e) After notice is given under this section to the owner of or the holder of a lien on the motor vehicle, motorboat, vessel, or outboard motor, the owner or holder of the lien may obtain possession of the motor vehicle, motorboat, vessel, or outboard motor by paying all charges due to the holder of a lien under this subchapter and Chapter 59 before the 31st day after the date the notice is mailed or published as provided by this section.

(f) If the charges are not paid before the 31st day after the day that the notice is mailed or published, as applicable, the lienholder may sell the motor vehicle, motorboat, vessel, or outboard motor at a public sale and apply the proceeds to the charges. The lienholder shall pay excess proceeds to the person entitled to them.

Acts 1983, 68th Leg., p. 3581, ch. 576, Sec. 1, eff. Jan. 1, 1984. Amended by Acts 1984, 68th Leg., 2nd C.S., ch. 18, Sec. 6(d), eff. Oct. 2, 1984; Acts 1997, 75th Leg., ch. 165, Sec. 30.248, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 70, Sec. 3, eff. Sept. 1, 1999.

Sec. 70.007. UNCLAIMED EXCESS. (a) If a person entitled to excess proceeds under this subchapter is not known or has moved from this state or the county in which the lien accrued, the person

holding the excess shall pay it to the county treasurer of the county in which the lien accrued. The treasurer shall issue the person a receipt for the payment.

(b) If the person entitled to the excess does not claim it before two years after the day it is paid to the treasurer, the excess becomes a part of the county's general fund.

Acts 1983, 68th Leg., p. 3582, ch. 576, Sec. 1, eff. Jan. 1, 1984.

Sec. 70.008. ATTORNEY'S FEES. The court in a suit concerning possession of a motor vehicle, motorboat, vessel, or outboard motor and a debt due on it may award reasonable attorney's fees to the prevailing party.

Acts 1983, 68th Leg., p. 3582, ch. 576, Sec. 1, eff. Jan. 1, 1984. Amended by Acts 1984, 68th Leg., 2nd C.S., ch. 18, Sec. 6(e), eff. Oct. 2, 1984.

Sec. 70.009. PLASTIC FABRICATOR LIENS. (a) A plastic fabricator has a lien on any die, mold, form, or pattern in his possession that belongs to a customer for the amount due from the customer for plastic fabrication work performed with the die, mold, form, or pattern. The plastic fabricator may retain possession of the die, mold, form, or pattern until the amount due is paid.

(b) In this section:

(1) "Customer" means a person who contracts with or causes a plastic fabricator to use a die, mold, form, or pattern to manufacture, assemble, or otherwise make a plastic product or products.

(2) "Plastic fabricator" means a person, including a tool or die maker, who manufactures or causes to be manufactured, or who assembles or improves, a die, form, mold, or pattern for a customer, or who uses or contracts to use a die, mold, form, or pattern to manufacture, assemble, or otherwise make a plastic product or products for a customer.

Added by Acts 1985, 69th Leg., ch. 357, Sec. 1, eff. Sept. 1, 1985.

SUBCHAPTER B. LIENS ON VESSELS

Sec. 70.101. GENERAL LIEN ON VESSELS. A person who furnishes supplies or materials or who performs repairs or labor for or on account of a domestic vessel that is owned in whole or part in this state has a lien for the person's charges.

Acts 1983, 68th Leg., p. 3582, ch. 576, Sec. 1, eff. Jan. 1, 1984.

Sec. 70.102. LIEN OF NAVIGATION DISTRICT OR PORT. (a) A navigation district or port within the territorial limits of this state that furnishes supplies or materials, performs repairs or labor, or provides a facility or service for which charges are specified in its official published port tariff for or on account of a domestic vessel that is owned in whole or part in this state has a maritime lien for the amount of its charges.

(b) A lien under this section may be enforced in rem. A plaintiff in an action to enforce the lien need not allege or prove that credit was given to the vessel.

Acts 1983, 68th Leg., p. 3582, ch. 576, Sec. 1, eff. Jan. 1, 1984.

Sec. 70.103. PROPERTY SUBJECT TO LIEN. A lien under this subchapter attaches to the vessel and its tackle, apparel, furniture, and freight money.

Acts 1983, 68th Leg., p. 3583, ch. 576, Sec. 1, eff. Jan. 1, 1984.

Sec. 70.104. PERSONS WHO MAY BIND VESSEL. (a) The following persons are presumed to be authorized by the owner of a vessel to incur charges that give rise to a lien under this subchapter:

- (1) the managing owner;
- (2) the ship's husband;
- (3) the master;
- (4) the local agent; and
- (5) a person entrusted with management of the vessel at the port of supply.

(b) A person tortiously or unlawfully in possession or charge of a vessel may not bind the vessel.

Acts 1983, 68th Leg., p. 3583, ch. 576, Sec. 1, eff. Jan. 1, 1984.

SUBCHAPTER C. STOCK BREEDER'S LIEN

Sec. 70.201. STOCK BREEDER'S LIEN. An owner or keeper of a stallion, jack, bull, or boar confined to be bred for profit has a preference lien on the offspring of the animal for the amount of the charges for the breeding services, unless the owner or keeper misrepresents the animal by false pedigree.

Acts 1983, 68th Leg., p. 3583, ch. 576, Sec. 1, eff. Jan. 1, 1984.

Sec. 70.202. ENFORCEMENT OF LIEN. The lien may be enforced in the same manner as a statutory landlord's lien. The lien remains in force for 10 months from the day that the offspring is born, but

the lien may not be enforced until five months after the date of birth of the offspring.

Acts 1983, 68th Leg., p. 3583, ch. 576, Sec. 1, eff. Jan. 1, 1984.

SUBCHAPTER D. AIRCRAFT REPAIR AND MAINTENANCE LIEN

Sec. 70.301. LIEN. (a) A person who stores, fuels, repairs, or performs maintenance work on an aircraft has a lien on the aircraft for:

(1) the amount due under a contract for the storage, fuel, repairs, or maintenance work; or

(2) if no amount is specified by contract, the reasonable and usual compensation for the storage, fuel, repairs, or maintenance work.

(b) This subchapter applies to a contract for storage only if it is:

(1) written; or

(2) oral and provides for a storage period of at least 30 days.

Added by Acts 1989, 71st Leg., ch. 250, Sec. 1, eff. Sept. 1, 1989.

Amended by Acts 1995, 74th Leg., ch. 946, Sec. 1, eff. Aug. 28, 1995; Acts 2001, 77th Leg., ch. 1171, Sec. 1, eff. Sept. 1, 2001.

Sec. 70.302. POSSESSION. (a) A holder of a lien under this subchapter may retain possession of the aircraft subject to the lien until the amount due is paid.

(b) Except as provided by Subsection (c), if the holder of a lien under this subchapter relinquishes possession of the aircraft before the amount due is paid, the person may retake possession of the aircraft as provided by Section 9.609, Business & Commerce Code.

(c) The holder of a lien under this subchapter may not retake possession of the aircraft from a bona fide purchaser for value who purchases the aircraft without knowledge of the lien before the date the lien is recorded under Section 70.303.

Added by Acts 1989, 71st Leg., ch. 250, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1999, 76th Leg., ch. 414, Sec. 2.41, eff. July 1, 2001.

Sec. 70.303. RECORDING OF LIEN: AIRCRAFT REGISTERED IN UNITED STATES. A holder of a lien under this subchapter may record the lien on the aircraft by filing with the Federal Aviation Administration Aircraft Registry not later than the 180th day after the date of the completion of the contractual storage period or the performance of the last repair or maintenance a verified document in the form and manner required by applicable federal laws and regulations that states:

(1) the name, address, and telephone number of the holder of the lien under this subchapter;

(2) the amount due for storage, fuel, repairs, or maintenance;

(3) a complete description of the aircraft; and

(4) the name and address of the owner of the aircraft and the number assigned the aircraft by the Federal Aviation Administration, if known.

Added by Acts 1989, 71st Leg., ch. 250, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1995, 74th Leg., ch. 946, Sec. 1, eff. Aug. 28, 1995; Acts 2001, 77th Leg., ch. 1171, Sec. 2, eff. Sept. 1, 2001; Acts 2005, 79th Leg., ch. 677, Sec. 1, eff. June 17, 2005.

Sec. 70.3031. RECORDING OF LIEN: AIRCRAFT NOT REGISTERED IN UNITED STATES. (a) A holder of a lien under this subchapter on an aircraft that is registered in a nation other than the United States or that is not registered in any national jurisdiction may record the lien on the aircraft by filing with the secretary of state not later than the 180th day after the date of the completion of the contractual storage period or the performance of the last repair, fueling, or maintenance an affidavit that states:

(1) the name, address, and telephone number of the holder of the lien under this subchapter;

(2) the amount due for storage, repairs, fuel, or maintenance;

(3) a complete description of the aircraft; and

(4) the name and last known address of the owner of the aircraft and the number assigned the aircraft by the applicable jurisdiction, if known.

(b) An inaccurate address stated under Subsection (a)(4) does not invalidate the affidavit.

(c) The secretary of state shall maintain a record of information filed with the secretary of state under this section

and index the records in the name of the owner of the aircraft.

(d) The fee for filing information with the secretary of state under this section is:

(1) \$15 if the information is communicated in writing and consists of one or two pages;

(2) \$30 if the information is communicated in writing and consists of more than two pages; and

(3) \$5 if the information is communicated by another medium authorized by the secretary of state by rule.

Added by Acts 2005, 79th Leg., ch. 677, Sec. 2, eff. June 17, 2005.

Sec. 70.304. NOTICE TO OWNER AND LIENHOLDERS. (a) Not later than the 60th day after the date of the completion of the contractual storage period or the performance of the last fueling, repair, or maintenance, a holder of a lien under this subchapter who retains possession of the aircraft shall notify the owner shown on the certificate of registration and each holder of a lien on the aircraft as shown by the records maintained for that purpose by the Federal Aviation Administration Aircraft Registry or the secretary of state. The notice must state:

(1) the name, address, and telephone number of the holder of the lien under this subchapter;

(2) the amount due for storage, fuel, repairs, or maintenance;

(3) a complete description of the aircraft; and

(4) the legal right of the holder of the lien under this subchapter to sell the aircraft at public auction and apply the proceeds to the amount due.

(b) The notice must be delivered by certified or registered mail, return receipt requested.

Added by Acts 1989, 71st Leg., ch. 250, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., ch. 538, Sec. 1, eff. June 15, 1991; Acts 1995, 74th Leg., ch. 946, Sec. 1, eff. Aug. 28, 1995; Acts 2001, 77th Leg., ch. 1171, Sec. 3, eff. Sept. 1, 2001; Acts 2005, 79th Leg., ch. 677, Sec. 3, eff. June 17, 2005.

Sec. 70.305. SALE OF AIRCRAFT. If the holder of a lien under this subchapter provides the notice required by Section 70.304 and the amount due remains unpaid after the 90th day after the date of the completion of the contractual storage period or the performance of the last fueling, repair, or maintenance, the holder of the lien may sell the aircraft at a public sale and apply the proceeds to the amount due. The lienholder shall pay any excess proceeds to the person entitled to them.

Added by Acts 1989, 71st Leg., ch. 250, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1995, 74th Leg., ch. 946, Sec. 1, eff. Aug. 28, 1995; Acts 2001, 77th Leg., ch. 1171, Sec. 4, eff. Sept. 1, 2001; Acts 2005, 79th Leg., ch. 677, Sec. 4, eff. June 17, 2005.

Sec. 70.306. ATTORNEY'S FEES. The court in a suit brought under this subchapter may award reasonable attorney's fees to the prevailing party.

Added by Acts 1989, 71st Leg., ch. 250, Sec. 1, eff. Sept. 1, 1989.

Sec. 70.307. CRIMINAL OFFENSE: IMPROPERLY OBTAINING POSSESSION OF AIRCRAFT SUBJECT TO LIEN.. (a) A person commits an offense if the person, through surreptitious removal or by trick, fraud, or device perpetrated on the holder of the lien, obtains possession of all or part of an aircraft that is subject to a lien under this subchapter.

(b) An offense under this section is a Class B misdemeanor.

(c) If conduct that constitutes an offense under this section also constitutes an offense under any other law, the actor may be prosecuted under this section or the other law.

Added by Acts 2005, 79th Leg., ch. 677, Sec. 5, eff. June 17, 2005.

SUBCHAPTER E. AGRICULTURAL LIENS

Sec. 70.401. DEFINITIONS. In this subchapter:

(1) "Agricultural crop" means a plant product that is grown, produced, or harvested as a result of an agricultural producer's farm operation.

(2) "Agricultural producer" means a person who is engaged in the business of growing, producing, or harvesting an agricultural crop.

(3) "Buyer in ordinary course of business" has the meaning assigned by Section 1.201, Business & Commerce Code.

(4) "Contract purchaser" means a person who, before the planting of an agricultural crop, has agreed under a written contract to purchase the crop or otherwise pay the agricultural producer for growing, producing, or harvesting the agricultural

crop. The term does not include a person who, as to the transaction in question, is licensed and bonded under Chapter 14, Agriculture Code, or the United States Warehouse Act (7 U.S.C. Section 241 et seq.).

Added by Acts 2001, 77th Leg., ch. 732, Sec. 1, eff. Sept. 1, 2001.

Sec. 70.402. LIEN CREATED. (a) An agricultural producer who, under a written contract with a contract purchaser, is to receive consideration for selling an agricultural crop grown, produced, or harvested by the producer has a lien for the amount owed under the contract, or for the reasonable value of the crop on the date of transfer or delivery if there is no provision concerning the amount owed in the agreement.

(b) A lien created under this subchapter is on every agricultural crop, either in raw or processed form, that has been transferred or delivered by the agricultural producer and is in the possession of the contract purchaser. If the agricultural crop is commingled after the crop has been transferred or delivered, a lien created under this subchapter applies only to that portion of the contract purchaser's inventory in an amount that is equal to the amount of the crop transferred or delivered by the agricultural producer.

(c) For purposes of this subchapter, an agricultural crop or processed form of an agricultural crop deposited by a contract purchaser with a warehouse, whether or not a warehouse receipt is given as security, is considered to be in the possession of the contract purchaser and subject to the lien.

Added by Acts 2001, 77th Leg., ch. 732, Sec. 1, eff. Sept. 1, 2001.

Sec. 70.403. WHEN LIEN ATTACHES. A lien created under this subchapter attaches to the agricultural crop on the date on which physical possession of the crop is delivered or transferred by the agricultural producer to the contract purchaser or the purchaser's agent, or if there is to be a series of deliveries to the contract purchaser or purchaser's agent, on the date of the last delivery of the agricultural crop to the contract purchaser or purchaser's agent.

Added by Acts 2001, 77th Leg., ch. 732, Sec. 1, eff. Sept. 1, 2001.

Sec. 70.404. APPLICABILITY OF OTHER LAW. Chapter 9, Business & Commerce Code, including applicable filing and perfection requirements, applies to a lien created under this subchapter.

Added by Acts 2001, 77th Leg., ch. 732, Sec. 1, eff. Sept. 1, 2001.

Sec. 70.405. DURATION OF LIEN. A lien created under this subchapter expires on the first anniversary of the date of attachment.

Added by Acts 2001, 77th Leg., ch. 732, Sec. 1, eff. Sept. 1, 2001.

Sec. 70.406. EFFECT OF LIEN; RECOVERY. (a) A buyer in ordinary course of business of an agricultural crop, including a person who buys any portion of an agricultural crop from a contract purchaser, whether or not the agricultural crop has been commingled, takes the agricultural crop free of a lien created under this subchapter, and the lien created by this subchapter does not pass to any subsequent claimant of the agricultural crop.

(b) An unequal pro rata recovery between agricultural producers is not prohibited under this subchapter if the inequality results from a lien on accounts receivable.

Added by Acts 2001, 77th Leg., ch. 732, Sec. 1, eff. Sept. 1, 2001.

Sec. 70.407. DISCHARGE OF LIEN. (a) A lien created under this subchapter is discharged when:

(1) the lienholder receives full payment for the agricultural crop; or

(2) payment is tendered by the contract purchaser and the lienholder, without coercion, defers payment.

(b) If payment for the agricultural crop is received in the form of a negotiable instrument, full payment is received when the negotiable instrument clears all financial institutions.

Added by Acts 2001, 77th Leg., ch. 732, Sec. 1, eff. Sept. 1, 2001.

Sec. 70.408. JOINDER OF ACTIONS. Persons claiming a lien against the same agricultural crop under this subchapter may join in the same action, and if separate actions are commenced, the court may consolidate them.

Added by Acts 2001, 77th Leg., ch. 732, Sec. 1, eff. Sept. 1, 2001.

Sec. 70.409. RECOVERY OF COSTS. An agricultural producer who prevails in an action brought to enforce a lien created under this subchapter is entitled to recover:

(1) reasonable and necessary attorney's fees and court

costs; and

(2) interest on funds subject to the lien at the judgment interest rate as provided by Chapter 304, Finance Code.

Added by Acts 2001, 77th Leg., ch. 732, Sec. 1, eff. Sept. 1, 2001.

Sec. 70.410. WAIVER OF CERTAIN RIGHTS PROHIBITED. An agricultural producer's agreement with a contract purchaser to waive the producer's right to seek a remedy provided by this subchapter is void.

Added by Acts 2001, 77th Leg., ch. 732, Sec. 1, eff. Sept. 1, 2001.