



What Is The *Crop Lien*?

- AND HOW TO USE IT -



Crop Liens (SB 846):

A Tool for Farmworkers to Quickly Collect Wages



What It Does:

- Allows farm workers involved in harvesting or transporting crops to file a lien against the crops or proceeds generated from their sale, if they were not paid their owed wages.

Why It Matters:

- The lien must be resolved before sale of the goods can be finalized or the proceeds of the sale can be paid to the grower.
- This increases the likelihood that workers will collect their wages and that those wages will be paid quickly.
 - In addition, this lien can protect workers when a grower has financial problems because the lien has priority over all other liens and must be paid first.

Important Limitations To Remember!

1. A Labor Commissioner wage claim or lawsuit **MUST** be filed within 45 DAYS of the completion of the harvesting work or the worker's right to a lien expires.
2. This lien can **ONLY** be claimed for a maximum of 2 weeks of wages or 25% of the value of the crops or of the proceeds of their sale.

What Wages Can Be Claimed Though The Lien:

- Minimum wages
- Overtime wages
- Contracted Rate of Pay
- Meal and Rest Break Premiums.
- Reporting Time Pay.
- Interest on unpaid wages.

What Can't Be Claimed Through The Lien?

- Liquidated Damages
- Waiting Time Penalties
- Other damages such as failure to provide an itemized wage statement

How To File The Lien:

- A worker must file a wage claim with the Labor Commissioner or a lawsuit in court to enforce the lien within 45 calendar days of completing work
 - If a claim is filed with the Labor Commissioner, please also send a copy of the claim by email to cropliens@dir.ca.gov.
- Notice of the lien can be filed through a UCC Financing Statement, with the Secretary of State's Office.
- If the wage claim is filed with the Labor Commissioner's Office, the LCO will file the Notice of Lien on behalf of the worker.

How to Complete the UCC-1 Form for a Farmworker Wage Lien (Civil Code section 3061.5-3061.6)

AT THE TOP (BOXES A, B, & C):

Enter the name and address of the person who will be the contact for the lien filing (e.g., a CBO, attorney, or the worker).

BOXES 1 & 2 (DEBTOR'S NAMES):

Enter the name and address of the owner(s) of the crops.

BOX 3 (SECURED PARTY'S NAME):

Enter the name and address of the worker. A mailing or "care of" address can be used for privacy or if the worker does not have a secure fixed address.



UCC-1 Form:

bizfileonline.sos.ca.gov/forms/ucc

BOX 4 (COLLATERAL):

Write a statement describing the crops that the lien attached to. For example:

"All crops harvested from DATE to DATE at LOCATION as authorized by Civil Code section 3061.5, including CROP TYPES. All proceeds from the sale of these crops as authorized by Civil Code section 3061.5. This lien is a 'preferred lien[], prior in dignity to all other liens, claims, or encumbrances.'" (Civ. Code § 3061.5, subd. (b).)

BOXES 5 & 6A:

Leave blank.

BOX 6B:

Check "Agricultural Lien".

BOX 7:

Leave blank.

BOX 8:

You may leave blank or enter a tracking number for your own records. For example, the Labor Commissioner wage claim case number may be entered here to help identify the case when looking at the lien filing.

THE ADDENDUM:

The addendum form will generally be unnecessary. Only use this if there are more than two crop owners, or you need additional space to describe the crops that the lien attached to.

SERVICE OF THE UCC-1 FORM:

Serve a copy of the completed form on the grower and any other known holders of liens against the crops. Other lien holders can be identified by searching the crop owner's name in the Secretary of State's UCC database:

bizfileonline.sos.ca.gov/search/ucc