

Senate Bill No. 846

CHAPTER 57

An act to amend Section 3061.5 of the Civil Code, relating to civil law.

[Approved by Governor July 14, 2025. Filed with Secretary of
State July 14, 2025.]

LEGISLATIVE COUNSEL'S DIGEST

SB 846, McNerney. Liens: harvested crops.

Existing law extends to any person who, as an employee, and by their own labor, performs work harvesting or transporting harvested crops or farm products that are owned and grown or produced by a limited partnership, a lien upon the severed crops or farm products, or proceeds from their sale, for the value of the labor done, unless the owner who otherwise would be subject to a lien gives the Labor Commissioner a bond that is conditioned upon the payment of all wages found to be due and unpaid in connection with the operations, as specified.

This bill would remove the condition on imposition of a lien, as described above, that the crops or farm products be owned and grown or produced by a limited partnership.

The people of the State of California do enact as follows:

SECTION 1. Section 3061.5 of the Civil Code is amended to read:

3061.5. (a) Except as provided in subdivision (d), any person who as an employee shall, by their own labor, do or perform any work harvesting or transporting harvested crops or farm products as defined in Section 55403 of the Food and Agricultural Code have a lien upon any and all of the severed crops or severed farm products or proceeds from their sale for the value of the labor done up to a maximum of earnings for two weeks. The liens attach whether the work was done at the instance of the owner who is the grower or producer of severed crops or severed farm products or of any other person acting by or under the owner's authority, directly or indirectly, as contractor or otherwise; and every contractor, subcontractor, or other person having charge of the harvesting or transporting of the severed crops or severed farm products shall be held to be the agent of the owner for the purposes of this section.

(b) The liens provided for in this section attach from the date of the commencement of the work or labor, and are preferred liens, prior in dignity to all other liens, claims, or encumbrances. Except as provided in subdivisions (a) and (c) they shall not be limited as to amount by any contract price agreed upon between the owner who is the grower or producer of the

severed crops or severed farm products and any contractor, but the several liens shall not in any case exceed in amount the reasonable value of the labor done, nor the price agreed upon for the labor between the claimant and their employer. In no event, if the claimant was employed by a contractor, or subcontractor, shall the lien extend to any labor not contemplated by, covered by, or reasonably necessary to the execution of, the original contract between the contractor and the owner who is the grower or producer of severed crops or severed farm products and of which contract, or modification thereof, the claimant had actual notice before the performance of the labor.

(c) The maximum liability of severed crops, severed farm products or the proceeds from their sale subject to liens under this section is limited to the lesser of actual proved claims or 25 percent of the fair market value of the severed crops, severed farm products, or 25 percent of the proceeds after their sale.

(d) No person has a lien if the owner who is the grower or producer of the severed crops, severed farm products, or their proceeds, who otherwise would be subject to a lien pursuant to subdivision (a), either gives directly, or requires a person or entity hired or used to furnish labor in connection with harvesting or transporting the severed crops, to give to the Labor Commissioner before the harvest and for 45 days after its completion, a bond executed by an admitted surety insurer in an amount and form acceptable to the Labor Commissioner, that is conditioned upon the payment of all wages found to be due and unpaid in connection with the operations under any provision of this code.

(e) A buyer in the ordinary course of business, as defined in paragraph (9) of subdivision (b) of Section 1201 of the Commercial Code, shall take free of any security interest created by this section, notwithstanding the fact that the lien is perfected and the buyer knows of its existence.