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VETERINARY LIENS

Anne Greenwood Brown

Pets vs. Livestock

Different types of lien laws apply, depending

on the animal at issue.





Pets

- Mechanics Lien (personal property)
 - Store, care for, contribute to the preservation of, or enhance the value of the animal;
 - At the request of the owner.



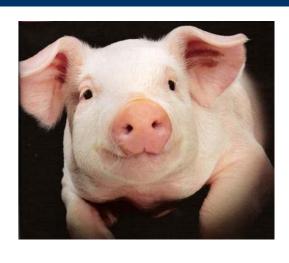
Pets

- Lien is for the value of storage, care, contribution
- Retain possession, or sell at auction



- Agricultural Liens (4 Types)
 - 1. Veterinarian Liens
 - 2. Feeder's Lien
 - 3. Breeder's Lien
 - 4. Production Input Lien





Veterinarian's Lien

- Licensed to practice
 - Emergency
 - Minimum cost
- At Request of Owner
- Lien is for value of services

Feeder's Lien

- Store, care for, contribute to the keeping, feeding, pasturing, or other care of livestock, including medical or surgical treatment and shoeing.
- Feed = commercial feeds...drugs, animal health products
 - Requires a "hands on" approach
- At request of owner
- Value

• Breeder's Lien

Production Input Lien

- Supply product to the debtor
- Lien for unpaid retail cost of product



Effective, Perfected, and Priority

- Effective means that you have a right to it,
 - You provided the service
- Perfected means that you have possession of the animal (pets) or filed a lien statement
 - With the Secretary of State
- Priority means that your lien gets satisfied before someone else's
 - Either because of the **type** of lien you have, or the **date** on which you perfected it.

Pets



- Effective upon service provided
- Perfected by maintaining possession
 - Or if animal surrendered then through filing within 60 days of surrender
- Priority over all others except a good faith purchaser with no notice of your lien.



- Veterinarian's Lien
 - Effective upon services provided
 - Perfected by filing financing statement within 180 days of last item of service
 - Look back period of one year



- Veterinarian's Lien
 - Effective upon services provided
 - Perfected by filing financing statement within 180 days of last item of service
 - Look back period of one year
 - Priority over all other security interests (i.e. bank) and agricultural liens, and then among other veterinary liens, according to date perfected

For Example,

- On January 1, 2013, Vet #1 vaccinates herd of horses against tetanus. Farm owner defaults. Vet files feeder's lien on March 1, 2013.
- On April 2, 2013, Vet #2 provides dystocia services. Farm owner defaults on bill. Vet files veterinarian lien on June 30, 2013.
- On April 12, 2013, Vet #3 performs emergency surgery on horse with severe impaction colic. Farmer defaults on bill. Vet files veterinarian lien on June 28, 2013.
- Whose lien has priority?

• Feeder's Lien

- Effective when service/contribution provided
- Perfected by filing a financing statement within 60 days of last date of service
- Priority above all other security interests and agricultural liens (except veterinarian liens) and then among other feeder's liens according to date perfected.

Production Input Lien

- Effective when products furnished
- Perfected by filing a financing statement within 6 months of furnishing
- Priority over security interests IF the bank has not yet made a loan to the debtor. Otherwise, its priority is determined by what the Bank does after receiving your Lien Notification Statement.

Lien Notification Statement

- Give written notice to Bank of your invoice
- Bank must respond within 10 days with a "Letter of Commitment" to pay, or otherwise issue a letter refusing to pay.
- If Letter issued, no need to get a lien because Bank will pay.
- If payment refused, you can get a lien, though it has less priority than the Bank's security interest.
- If Bank does not respond at all, your lien has priority over the Bank's security interest.

Questions?

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