

SJOBERG TEBELIUS

ATTORNEYS & COUNSELORS
AT LAW

VETERINARY LIENS

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Effective, Perfected, and Priority

- **Effective** means that you have a right to it (at least in theory); you've done the work and you're owed money.
- **Perfected** means that you have timely filed your lien and/or properly noticed your intent to pursue a lien. Failure to properly "perfect" your lien means that you have lost your right to it.
- **Priority** means that you perfected lien before some other claimant; therefore, your lien gets satisfied before theirs.

Pets vs. Livestock

- Different types of lien laws apply, depending on the animal at issue.

What's the Difference?

Pets

- Dogs
- Cats
- Poultry
- Horses?

Livestock → Ag Product

- Cattle
- Sheep
- Swine
- Goats
- Horses?
- Cervidae, llamas, ratitae, bison, goats, bees, fish...

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

Pets

- **Mechanic's Lien**

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

Livestock

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

Livestock

Veterinarian's Lien

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

Livestock

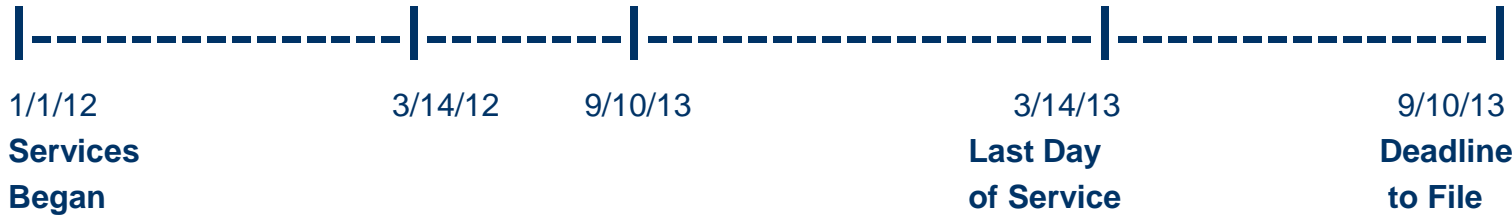
- **Veterinarian's Lien**

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

Lost \$

Recoverable \$

180 days



Livestock

- **Veterinarian's Lien**

- **Priority** over all other security interests (i.e. bank) and agricultural liens, and then among other veterinarians' liens, according to date effective.

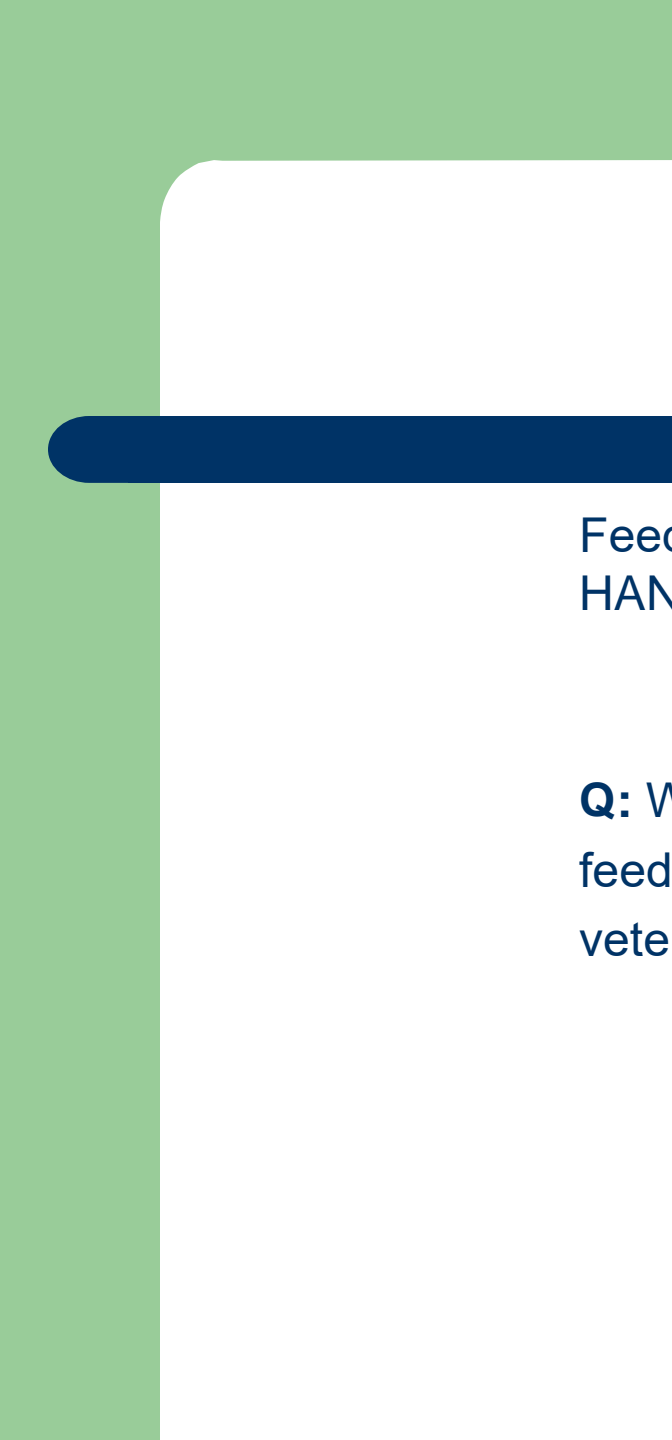
For Example,

- On January 2, 2015, the Bank files a security interest against a farmer's livestock.
- On January 15, 2015, you provide veterinary services for the benefit of the livestock, and you file a veterinarian's lien on February 28, 2015.
- On February 1, 2015 a second vet provides veterinary services for the benefit of the livestock and files a veterinarian's lien on February 20, 2015.
- When the farmer sells his livestock, who is paid first from the proceeds?

Livestock

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**
 - At request of owner
 - Value

A decorative graphic on the left side of the slide, consisting of a light green vertical bar and a dark blue horizontal bar with rounded ends.

Feeder's Liens require a
HANDS ON approach

Q: Why would a vet pursue a
feeder's lien, rather than a
veterinarian's lien?

Livestock

- **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's liens) and then among other feeder's liens according to date effective.

Livestock

Breeder's Lien

- Own the animal or provide the product used in artificial insemination
- The lien is on the livestock bred or its offspring

Livestock

- **Breeder's Lien**

- **Effective** when services/contribution provided
- **Perfected** by filing a financing statement within **6 months** of last date of service
- **Priority** above all other security interests and agricultural liens (except veterinarian's liens and feeder's liens) and then among other breeder's liens according to date perfected.

Livestock

Production Input Lien

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

Livestock

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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