

116TH CONGRESS  
2D SESSION

# H. R. 6067

To amend the Packers and Stockyards Act, 1921, to provide for the establishment of a trust for the benefit of unpaid cash sellers of livestock, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 2020

Mr. MARSHALL (for himself and Mr. COSTA) introduced the following bill;  
which was referred to the Committee on Agriculture

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## A BILL

To amend the Packers and Stockyards Act, 1921, to provide for the establishment of a trust for the benefit of unpaid cash sellers of livestock, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Securing All Livestock  
5 Equitably Act of 2020” or the “SALE Act of 2020”.

1 **SEC. 2. ESTABLISHMENT OF TRUST FOR BENEFIT OF UN-**  
2 **PAID CASH SELLERS OF LIVESTOCK.**

3 The Packers and Stockyards Act, 1921, is amended  
4 by inserting after section 317 (7 U.S.C. 217a) the fol-  
5 lowing new section:

6 **“SEC. 318. STATUTORY TRUST ESTABLISHED; DEALER.**

7 “(a) ESTABLISHMENT.—

8 “(1) IN GENERAL.—All livestock purchased by  
9 a dealer in cash sales and all inventories of, or re-  
10 ceivables or proceeds from, such livestock shall be  
11 held by such dealer in trust for the benefit of all un-  
12 paid cash sellers of such livestock until full payment  
13 has been received by such unpaid cash sellers.

14 “(2) EXEMPTION.—Any dealer whose average  
15 annual purchases of livestock do not exceed  
16 \$100,000 shall be exempt from the provisions of this  
17 section.

18 “(3) EFFECT OF DISHONORED INSTRU-  
19 MENTS.—For purposes of determining full payment  
20 under paragraph (1), a payment to an unpaid cash  
21 seller shall not be considered to have been made if  
22 the unpaid cash seller receives a payment instrument  
23 that is dishonored.

24 “(b) PRESERVATION OF TRUST.—An unpaid cash  
25 seller shall lose the benefit of a trust under subsection (a)  
26 if the unpaid cash seller has not preserved the trust by

1 giving written notice to the dealer involved and filing such  
2 notice with the Secretary—

3 “(1) within 30 days of the final date for mak-  
4 ing a payment under section 409 in the event that  
5 a payment instrument has not been received; or

6 “(2) within 15 business days after the date on  
7 which the seller receives notice that the payment in-  
8 strument promptly presented for payment has been  
9 dishonored.

10 “(c) NOTICE TO LIEN HOLDERS.—When a dealer re-  
11 ceives notice under subsection (b) of the unpaid cash sell-  
12 er’s intent to preserve the benefits of the trust, the dealer  
13 shall, within 15 business days, give notice to all persons  
14 who have recorded a security interest in, or lien on, the  
15 livestock held in such trust.

16 “(d) CASH SALES DEFINED.—For the purpose of  
17 this section, a cash sale means a sale in which the seller  
18 does not expressly extend credit to the buyer.

19 “(e) PURCHASE OF LIVESTOCK SUBJECT TO  
20 TRUST.—

21 “(1) IN GENERAL.—A person purchasing live-  
22 stock subject to a dealer trust shall receive good title  
23 to the livestock if the person receives the livestock—

24 “(A) in exchange for payment of new  
25 value; and

1           “(B) in good faith without notice that the  
2           transfer is a breach of trust.

3           “(2) DISHONORED PAYMENT INSTRUMENT.—  
4           Payment shall not be considered to have been made  
5           if a payment instrument given in exchange for the  
6           livestock is dishonored.

7           “(3) TRANSFER IN SATISFACTION OF ANTE-  
8           CEDENT DEBT.—A transfer of livestock subject to a  
9           dealer trust is not for value if the transfer is in sat-  
10          isfaction of an antecedent debt or to a secured party  
11          pursuant to a security agreement.

12          “(f) ENFORCEMENT.—Whenever the Secretary has  
13          reason to believe that a dealer subject to section 318 has  
14          failed to perform the duties required by section 318 or  
15          whenever the Secretary has reason to believe that it will  
16          be in the best interest of unpaid cash sellers, the Secretary  
17          shall do one or more of the following—

18                 “(1) appoint an independent trustee to carry  
19                 out the duties required by section 318, preserve  
20                 trust assets, and enforce the trust;

21                 “(2) serve as independent trustee, preserve  
22                 trust assets, and enforce the trust; or

23                 “(3) file suit in the United States district court  
24                 for the district in which the dealer resides to enjoin  
25                 the dealer’s failure to perform the duties required by

1 section 318, preserve trust assets, and to enforce the  
2 trust. Attorneys employed by the Secretary may,  
3 with the approval of the Attorney General, represent  
4 the Secretary in any such suit. Nothing herein shall  
5 preclude unpaid sellers from filing suit to preserve  
6 or enforce the trust.”.

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