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(Original Signature of Member)

115TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

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

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IN THE HOUSE OF REPRESENTATIVES

Mr. MARSHALL (for himself, Mr. ROUZER, and Mr. COMER) introduced the following bill; which was referred to the Committee on

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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 all 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 2017” or the “SALE Act of 2017”.

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 the 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 \$500,000 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 which is dishonored.

24 “(b) ENFORCEMENT.—If a dealer fails to perform the  
25 duties required by subsection (a), the Secretary shall take  
26 such action as is necessary to enforce the trust.

1           “(c) PRESERVATION OF TRUST.—An unpaid cash  
2 seller shall lose the benefit of a trust under subsection (a)  
3 if the unpaid cash seller has not preserved the trust by  
4 giving written notice to the dealer involved and filing such  
5 notice with the Secretary—

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

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

13           “(d) NOTICE TO LIEN HOLDERS.—When a dealer re-  
14 ceives notice under subsection (c) with respect to a trust,  
15 the dealer shall, within 15 business days, give notice to  
16 all persons who have recorded a security interest in, or  
17 lien on, the livestock held in such trust.

18           “(e) CASH SALES DESCRIBED.—For the purpose of  
19 this section, a cash sale means a sale in which the seller  
20 does not expressly extend credit to the buyer.”.