

SENATE BILL 499

IN THE SENATE

February 13, 1979

Introduced and referred to
Committee on Agriculture,
Livestock and Irrigation.

April 20, 1979

Died in Committee.

1 *State* BILL NO. *499*
 2 INTRODUCED BY *Senator Douglas*

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 4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAW
 5 PERTAINING TO SECURITY INTERESTS IN LIVESTOCK; AMENDING
 6 SECTION 30-9-307, MCA; REPEALING SECTIONS 81-8-301 THROUGH
 7 81-8-305, MCA."

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 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Section 30-9-307, MCA, is amended to read:

11 "30-9-307. Protection of buyers of goods. (1) A buyer
 12 in ordinary course of business (subsection (9) of 30-1-201)
 13 ~~other than a person buying farm products from a person~~
 14 ~~engaged in farming operations, except as provided in~~
 15 ~~subsection (2),~~ takes free of a security interest created by
 16 his seller even though the security interest is perfected
 17 and even though the buyer knows of its existence.

18 (2) A buyer in ordinary course of business buying farm
 19 products from a person engaged in farming operations takes
 20 subject to a security interest created by the seller unless
 21 the goods are livestock purchased through a licensed
 22 livestock market.

23 (2)(3) In the case of consumer goods and in the case
 24 of farm equipment having an original purchase price not in
 25 excess of \$2,500 (other than fixtures, see 30-9-313), a

1 buyer takes free of a security interest even though
 2 perfected if he buys without knowledge of the security
 3 interest, for value and for his own personal, family or
 4 household purposes or his own farming operations unless
 5 prior to the purchase the secured party has filed a
 6 financing statement covering such goods."

7 NEW SECTION. Section 2. Nonliability of livestock
 8 markets to holders of livestock security interest. A
 9 licensed livestock market is not liable to a secured party
 10 for livestock or the proceeds therefrom subject to a
 11 security interest sold through the market even though the
 12 security interest is perfected and even though the market
 13 knows of its existence unless the market has actual
 14 knowledge that the livestock are sold in violation of the
 15 terms of the security interest.

16 NEW SECTION. Section 3. Effect upon existing filings.
 17 Filings made with the department pursuant to prior law
 18 continue in full force and effect as though no repeal had
 19 been made, except that no renewal or initial filing may be
 20 made after the effective date of [this act]. All filings not
 21 already expired by January 1, 1982, will terminate on that
 22 date.

23 Section 4. Repealer. Sections 81-8-301 through
 24 81-8-305, MCA, are repealed.

-End-

-2- SB 499
 INTRODUCED BILL