

HOUSE BILL NO. 597

1/31 Introduced  
1/31 Referred to Business & Labor  
2/21 Hearing  
2/22 Committee Report-No Recommendation  
2/23 2nd Reading Pass  
2/26 3rd Reading Do Not Pass  
2/26 Bill Killed

1                    HOUSE BILL NO. 597  
 2    INTRODUCED BY Gallud  
 3  
 4    A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE LAW  
 5    CONCERNING BUYERS OF GOODS SUBJECT TO SECURITY INTERESTS;  
 6    EXEMPTING ALL BUYERS IN THE ORDINARY COURSE OF BUSINESS FROM  
 7    SECURITY INTERESTS IN GOODS BOUGHT; EXEMPTING COMMISSION  
 8    MERCHANTS AND SELLING AGENTS FROM LIABILITY TO THE HOLDER OF  
 9    A SECURITY INTEREST FOR GOODS SOLD IN THE ORDINARY COURSE OF  
 10    THE COMMISSION MERCHANT'S BUSINESS; AMENDING SECTION  
 11    30-9-307, MCA."

12  
 13    BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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

15            "30-9-307. Protection of buyers of goods -- commission  
 16    merchants. (1) A buyer of goods in ordinary course of  
 17    business (subsection (9) of 30-1-201) ~~other--than--a--person~~  
 18    ~~buying--farm--products--from--a--person--engaged--in--farming~~  
 19    ~~operations~~ takes free of a security interest ~~created-by--his~~  
 20    seller in the goods even though the security interest is  
 21    perfected and even though the buyer knows of its existence.

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

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

6            (3) A commission merchant or selling agent who sells  
 7    goods for another for a fee or commission is not liable to  
 8    the holder of a security interest in the goods even though  
 9    the security interest is perfected and even though the  
 10    commission merchant or selling agent knows of its existence  
 11    if the sale is made in the ordinary course of the commission  
 12    merchant's or selling agent's business."

-End-

COMM. ON  
BUSINESS AND LABOR REPORT  
WITHOUT RECOMMENDATION

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