

SENATE BILL NO. 192

INTRODUCED BY CHRISTIAENS, KOLSTAD, MAZUREK,  
WALLIN, HARPER, NEUMAN

IN THE SENATE

January 22, 1985	Introduced and referred to Committee on Business and Industry.
January 30, 1985	Committee recommend bill do pass. Report adopted.
January 31, 1985	Bill printed and placed on members' desks.
February 2, 1985	Second reading, do pass.
February 4, 1985	Considered correctly engrossed.
February 5, 1985	Third reading, passed. Ayes, 46; Noes, 0.  Transmitted to House.

IN THE HOUSE

February 27, 1985	Introduced and referred to Committee on Business and Labor.
March 14, 1985	Committee recommend bill be concurred in. Report adopted.
March 16, 1985	Second reading, concurred in.
March 19, 1985	Third reading, concurred in.  Returned to Senate.

IN THE SENATE

March 19, 1985

Received from House.

Sent to enrolling.

Reported correctly enrolled.

1 Senate BILL NO. 192  
 2 INTRODUCED BY *Christina Koral Mazurek*  
 3 *William Henry Newman*  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING FROM 10 DAYS  
 5 TO 20 DAYS THE TIME FOR FILING PURCHASE MONEY SECURITY  
 6 INTERESTS UNDER THE UNIFORM COMMERCIAL CODE; AMENDING  
 7 SECTIONS 30-9-301 AND 30-9-312, MCA."

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 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 10 Section 1. Section 30-9-301, MCA, is amended to read:  
 11 "30-9-301. Persons who take priority over unperfected  
 12 security interests -- right of "lien creditor". (1) Except  
 13 as otherwise provided in subsection (2), an unperfected  
 14 security interest is subordinate to the rights of:  
 15 (a) persons entitled to priority under 30-9-312;  
 16 (b) a person who becomes a lien creditor before the  
 17 security interest is perfected;  
 18 (c) in the case of goods, instruments, documents, and  
 19 chattel paper, a person who is not a secured party and who  
 20 is a transferee in bulk or other buyer not in ordinary  
 21 course of business or is a buyer of farm products in  
 22 ordinary course of business, to the extent that he gives  
 23 value and receives delivery of the collateral without  
 24 knowledge of the security interest and before it is  
 25 perfected;

1 (d) in the case of accounts and general intangibles, a  
 2 person who is not a secured party and who is a transferee to  
 3 the extent that he gives value without knowledge of the  
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5 (2) If the secured party files with respect to a  
 6 purchase money security interest before or within ~~10~~ 20 days  
 7 after the debtor receives possession of the collateral, he  
 8 takes priority over the rights of a transferee in bulk or of  
 9 a lien creditor which arise between the time the security  
 10 interest attaches and the time of filing.

11 (3) A "lien creditor" means a creditor who has  
 12 acquired a lien on the property involved by attachment,  
 13 levy, or the like and includes an assignee for benefit of  
 14 creditors from the time of assignment and a trustee in  
 15 bankruptcy from the date of the filing of the petition or a  
 16 receiver in equity from the time of appointment.

17 (4) A person who becomes a lien creditor while a  
 18 security interest is perfected takes subject to the security  
 19 interest only to the extent that it secures advances made  
 20 before he becomes a lien creditor or within 45 days  
 21 thereafter or made without knowledge of the lien or pursuant  
 22 to a commitment entered into without knowledge of the lien."

23 Section 2. Section 30-9-312, MCA, is amended to read:  
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 25 interests in the same collateral. (1) The rules of priority

1 stated in other sections of this part and in the following  
 2 sections shall govern where applicable: 30-4-208 with  
 3 respect to the security interest of collecting banks in  
 4 items being collected, accompanying documents, and proceeds;  
 5 30-9-103 on security interests related to other  
 6 jurisdictions; and 30-9-114 on consignments.

7 (2) A perfected security interest in crops for new  
 8 value given to enable the debtor to produce the crops during  
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 15 person giving new value had knowledge of the earlier  
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17 (3) A perfected purchase money security interest in  
 18 inventory has priority over a conflicting security interest  
 19 in the same inventory and also has priority in identifiable  
 20 cash proceeds received on or before the delivery of the  
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22 (a) the purchase money security interest is perfected  
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25 (b) the purchase money secured party gives

1 notification in writing to the holder of the conflicting  
 2 security interest if the holder had filed a financing  
 3 statement covering the same types of inventory:

4 (i) before the date of the filing made by the purchase  
 5 money secured party; or

6 (ii) before the beginning of the 21-day period if the  
 7 purchase money security interest is temporarily perfected  
 8 without filing or possession (30-9-304(5)); and

9 (c) the holder of the conflicting security interest  
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22 (5) In all cases not governed by other rules stated in  
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 24 interests which do not qualify for the special priorities  
 25 set forth in subsections (3) and (4) of this section),

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11 (b) So long as conflicting security interests are  
12 unperfected, the first to attach has priority.

13 (6) For the purposes of subsection (5), a date of  
14 filing or perfection as to collateral is also a date of  
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16 (7) If future advances are made while a security  
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-End-

APPROVED BY COMM. ON BUSINESS & INDUSTRY

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 3 *Wallace* *John Neuman*  
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REFERENCE BILL  
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