HB 346 INTRODUCED BY WALLIN LIVESTOCK BUYER TAKES FREE OF SECURITY INTEREST IF OWNERSHIP FALSIFIED

- 1/21 INTRODUCED
- 1/21 REFERRED TO AGRICULTURE, LIVESTOCK &
 - IRRIGATION
- 2/11 TABLED IN COMMITTEE

LC 0227/01

House BILL NO. 346 1 2 .3 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT A BUYER 4 5 IN ORDINARY COURSE OF BUSINESS WHO PURCHASES LIVESTOCK TAKES 6 FREE OF ANY SECURITY INTEREST IF OWNERSHIP OF THE LIVESTOCK 7 HAS BEEN FALSIFIED; AND AMENDING SECTION 30-9-307, MCA." в BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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Section 1. Section 30-9-307, MCA, is amended to read: 10 "30-9-307. Protection of buyers of goods. (1) A buyer 11 in ordinary course of business (subsection (9) of 30-1-201) 12 other than a person buying, subject to subsection (3), farm 13 products from a person engaged in farming operations takes 14 free of a security interest created by his seller even 15 though the security interest is perfected and even though 16 the buyer knows of its existence. 17

(2) In the case of consumer goods and in the case of 18 farm equipment having an original purchase price not in 19 excess of \$2,500 (other than fixtures, see 30-9-313), a 20 buyer takes free of a security interest even though 21 perfected if he buys without knowledge of the security 22 interest, for value and for his own personal, family or 23 household purposes or his own farming operations unless 24 prior to the purchase the secured party has filed a 25

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1 financing statement covering such goods.

- 2 (3) A buyer in ordinary course of business who buys
- 3 branded or unbranded livestock takes free of a security
- 4 interest created by the seller, or by the owner if other
- 5 than the seller, if the seller falsifies or fails to
- 6 disclose the true ownership of the livestock even though the
- security interest is perfected." 7

-End-

INTRODUCED BILL

-2- HB- 346