

HB 497 INTRODUCED BY MILLER, ET AL.  
CHEMICALS, FERTILIZERS, PETROLEUM LIENS AGAINST  
CROPS AND LIVESTOCK

1/28	INTRODUCED	
1/28	REFERRED TO BUSINESS & LABOR	
2/11	HEARING	
2/11	COMMITTEE REPORT--BILL NOT PASSED AS AMENDED	
2/12	ADVERSE COMMITTEE REPORT REJECTED	62 36
2/14	2ND READING NOT PASSED	55 40

BILL NO. 497

House

INTRODUCED BY

*Miles*

*Ronald Spartz*

*Dave Brown*

*Grady Cobb*  
*P. Carter*  
*Boyd*

A BILL FOR AN ACT ENTITLED: "AN ACT REPEALING CROP LIEN PROVISIONS FOR SPRAYING OR DUSTING; CREATING A NEW LIEN AGAINST CROPS AND LIVESTOCK TO SECURE PAYMENT TO SUPPLIERS AND APPLICATORS OF AGRICULTURAL FERTILIZERS AND CHEMICALS AND SUPPLIERS OF FUEL AND PETROLEUM PRODUCTS; PROVIDING FOR PERFECTION, ENFORCEMENT, AND SATISFACTION OF THESE LIENS; AMENDING SECTIONS 71-3-711 AND 71-3-804, MCA; REPEALING SECTIONS 71-3-901 THROUGH 71-3-909, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. Section 1. Fertilizer and chemical lien -- scope and amount. A person, including a firm, corporation, or business entity of any type, who under an express or implied contract furnishes or applies a fertilizer, soil conditioner, herbicide, pesticide, or other agricultural chemical or supplies fuel or petroleum products, upon complying with the provisions of [sections 1 through 5], has a lien for the agreed charges or, in the absence of agreement, for the reasonable value thereof upon the crops and livestock produced within 1 year on the land where the product was applied and upon the proceeds from the

sale of such crops or livestock.

NEW SECTION. Section 2. Perfection of lien. (1) A lien under [sections 1 through 5] may be perfected by filing a notice of lien with the county clerk and recorder of the county in which is located the land on which the crops are growing or to be planted or on which the livestock is located. The notice of lien must be filed within 90 days of the last date on which the product was furnished.

(2) The notice of lien must include:

(a) the name and address of the person to whom the product was furnished or for whom it was applied;

(b) the name and address of the person claiming the lien;

(c) the amount claimed to be due after all proper credits and offsets;

(d) the last date on which the product was furnished or applied; and

(e) the legal description of the land on which the crops are growing or are to be planted or on which the livestock is located.

(3) The notice of lien must be verified by affidavit of the claimant or his agent or attorney to the effect that the affiant believes the information to be true.

NEW SECTION. Section 3. Priority. A lien under [sections 1 through 5] has priority as to the crops and

1 livestock covered thereby over all other security interests,  
 2 liens, or encumbrances, regardless of when arising or  
 3 perfected, except for seed liens, farm laborers' liens, and  
 4 prior filed liens under [sections 1 through 5].

5 NEW SECTION. Section 4. Foreclosure. A lien under  
 6 [sections 1 through 5] may be foreclosed in the manner and  
 7 according to the terms provided for the foreclosure of  
 8 security interests in Title 30, chapter 9, Uniform  
 9 Commercial Code.

10 NEW SECTION. Section 5. Release of lien -- penalty.  
 11 When a lien under [sections 1 through 5] has been satisfied  
 12 or the claim thereof has been found invalid by final order  
 13 or judgment of a court of competent jurisdiction, the person  
 14 claiming such lien shall within 30 days following such  
 15 satisfaction, order, or judgment file a release of the lien  
 16 in the office of the county clerk and recorder in each  
 17 county in which the notice of lien was filed. If a lien  
 18 claimant fails to release the lien as required by this  
 19 section, he is liable to any person injured thereby for any  
 20 actual damages caused that person for such failure, together  
 21 with costs of suit.

22 Section 6. Section 71-3-711, MCA, is amended to read:  
 23 "71-3-711. Lien for hail insurance. Any person,  
 24 company, association, or corporation which shall furnish to  
 25 another hail insurance for the purpose of protecting the

1 party's crop from damage by hail during the hail season of  
 2 the then-growing or seeded crop, whether the crop be on the  
 3 land owned or contracted to be purchased, used, leased,  
 4 occupied, or rented by the insured or held under government  
 5 entry, shall, upon filing the statement provided for in  
 6 71-3-712, have a lien, subject to any seed lien, fertilizer  
 7 and chemical lien, or fuel or petroleum products lien that  
 8 may then or thereafter be placed on record against the crop,  
 9 for the amount due the person, company, association, or  
 10 corporation furnishing the hail insurance from the insured  
 11 so protected, whether it be on a note given, open account,  
 12 or assessment, due or to become due, for the current year's  
 13 protection, upon the crop produced on the land so protected  
 14 or any part thereof and upon the seed or grain threshed from  
 15 such crop to secure the payment of the amount due or the  
 16 assessment levied against the insured for the insurance  
 17 provided."

18 Section 7. Section 71-3-804, MCA, is amended to read:  
 19 "71-3-804. Priority. The lien for work or labor done  
 20 or services rendered as specified in 71-3-801 shall be prior  
 21 to and have precedence over any mortgage, encumbrance, or  
 22 other lien upon said grain or other crops, except the lien  
 23 for the seed furnished for the purpose of growing this  
 24 particular crop and the lien for fertilizers, chemicals, or  
 25 fuel or petroleum products established by [section 1]."

1        NEW SECTION. Section 8. Repealer. Sections 71-3-901  
2 through 71-3-909, MCA, are repealed.

3        NEW SECTION. Section 9. Codification instruction.  
4 Sections 1 through 5 are intended to be codified as an  
5 integral part of Title 71, chapter 3.

6        NEW SECTION. Section 10. Effective date. This act is  
7 effective on passage and approval.

-End-

COMM. ON  
BUSINESS AND LABOR  
RECOMMEND DO NOT PASS  
ON MOTION, PRINTED AND  
PLACED ON SECOND READING

HOUSE BILL NO. 497

INTRODUCED BY MILLER, KOLSTAD, SPAETH, D. BROWN,

GRADY, COBB, PATTERSON, PHILLIPS, BOYLAN

A BILL FOR AN ACT ENTITLED: "AN ACT REPEALING CROP LIEN PROVISIONS FOR SPRAYING OR DUSTING; CREATING A NEW LIEN AGAINST CROPS AND-LIVESTOCK TO SECURE PAYMENT TO SUPPLIERS AND APPLICATORS OF AGRICULTURAL FERTILIZERS AND CHEMICALS AND SUPPLIERS OF FUEL AND PETROLEUM PRODUCTS; PROVIDING FOR PERFECTION, ENFORCEMENT, AND SATISFACTION OF THESE LIENS; AMENDING SECTIONS 71-3-711 AND 71-3-804, MCA; REPEALING SECTIONS 71-3-901 THROUGH 71-3-909, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

NEW SECTION. Section 1. Fertilizer and chemical lien -- scope and amount. A person, including a firm, corporation, or business entity of any type, who under an express or implied contract furnishes or applies a fertilizer, soil conditioner, herbicide, pesticide, or other agricultural chemical or supplies fuel or petroleum products, upon complying with the provisions of [sections 1 through 5], has a lien for the agreed charges or, in the absence of agreement, for the reasonable value thereof upon the crops and-livestock produced within 1 year on the land

where the product was applied and upon the proceeds from the sale of such crops ~~or-livestock~~.

NEW SECTION. Section 2. Perfection of lien. (1) A lien under [sections 1 through 5] may be perfected by filing a notice of lien with the county clerk and recorder of the county in which is located the land on which the crops are growing or to be planted ~~or--on--which--the--livestock--is located~~. The notice of lien must be filed within 90 30 days of the last date on which the product was furnished.

(2) The notice of lien must include:

(a) the name and address of the person to whom the product was furnished or for whom it was applied;

(b) the name and address of the person claiming the lien;

(c) the amount claimed to be due after all proper credits and offsets;

(d) the last date on which the product was furnished or applied; and

(e) the legal description of the land on which the crops are growing or are to be planted ~~or-on-which-the livestock-is-located~~.

(3) The notice of lien must be verified by affidavit of the claimant or his agent or attorney to the effect that the affiant believes the information to be true.

NEW SECTION. Section 3. Priority. A lien under



1 [sections 1 through 5] has priority as to the crops and  
 2 livestock covered thereby over all other security interests,  
 3 liens, or encumbrances, regardless of when arising or  
 4 perfected, except for seed liens, farm laborers' liens, and  
 5 prior filed liens under [sections 1 through 5].

6 NEW SECTION. Section 4. Foreclosure. A lien under  
 7 [sections 1 through 5] may be foreclosed in the manner and  
 8 according to the terms provided for the foreclosure of  
 9 security interests in Title 30, chapter 9, Uniform  
 10 Commercial Code.

11 NEW SECTION. Section 5. Release of lien -- penalty.  
 12 When a lien under [sections 1 through 5] has been satisfied  
 13 or the claim thereof has been found invalid by final order  
 14 or judgment of a court of competent jurisdiction, the person  
 15 claiming such lien shall within 30 days following such  
 16 satisfaction, order, or judgment file a release of the lien  
 17 in the office of the county clerk and recorder in each  
 18 county in which the notice of lien was filed. If a lien  
 19 claimant fails to release the lien as required by this  
 20 section, he is liable to any person injured thereby for any  
 21 actual damages caused that person for such failure, together  
 22 with costs of suit.

23 Section 6. Section 71-3-711, MCA, is amended to read:  
 24 "71-3-711. Lien for hail insurance. Any person,  
 25 company, association, or corporation which shall furnish to

1 another hail insurance for the purpose of protecting the  
 2 party's crop from damage by hail during the hail season of  
 3 the then-growing or seeded crop, whether the crop be on the  
 4 land owned or contracted to be purchased, used, leased,  
 5 occupied, or rented by the insured or held under government  
 6 entry, shall, upon filing the statement provided for in  
 7 71-3-712, have a lien, subject to any seed lien, fertilizer  
 8 and chemical lien, or fuel or petroleum products lien that  
 9 may then or thereafter be placed on record against the crop,  
 10 for the amount due the person, company, association, or  
 11 corporation furnishing the hail insurance from the insured  
 12 so protected, whether it be on a note given, open account,  
 13 or assessment, due or to become due, for the current year's  
 14 protection, upon the crop produced on the land so protected  
 15 or any part thereof and upon the seed or grain threshed from  
 16 such crop to secure the payment of the amount due or the  
 17 assessment levied against the insured for the insurance  
 18 provided."

19 Section 7. Section 71-3-804, MCA, is amended to read:  
 20 "71-3-804. Priority. The lien for work or labor done  
 21 or services rendered as specified in 71-3-801 shall be prior  
 22 to and have precedence over any mortgage, encumbrance, or  
 23 other lien upon said grain or other crops, except the lien  
 24 for the seed furnished for the purpose of growing this  
 25 particular crop and the lien for fertilizers, chemicals, or

1 fuel or petroleum products established by [section 1]."

2 NEW SECTION. Section 8. Repealer. Sections 71-3-901  
3 through 71-3-909, MCA, are repealed.

4 NEW SECTION. Section 9. Codification instruction.  
5 Sections 1 through 5 are intended to be codified as an  
6 integral part of Title 71, chapter 3.

7 NEW SECTION. Section 10. Effective date. This act is  
8 effective on passage and approval.

-End-