

HOUSE BILL NO. 837  
INTRODUCED BY JENKINS

IN THE HOUSE

FEBRUARY 19, 1987                   INTRODUCED AND REFERRED TO COMMITTEE  
ON AGRICULTURE, LIVESTOCK & IRRIGATION.

FEBRUARY 21, 1987                   COMMITTEE RECOMMEND BILL  
DO PASS AS AMENDED. REPORT ADOPTED.

FEBRUARY 23, 1987                   PRINTING REPORT.

FEBRUARY 24, 1987                   SECOND READING, DO PASS AS AMENDED.  
  
ON MOTION, RULES SUSPENDED AND BILL  
PLACED ON THIRD READING THIS DAY.  
  
THIRD READING, PASSED.  
AYES, 91; NOES, 9.  
  
TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 2, 1987                   INTRODUCED AND REFERRED TO COMMITTEE  
ON AGRICULTURE, LIVESTOCK & IRRIGATION.

MARCH 17, 1987                   COMMITTEE RECOMMEND BILL BE  
CONCURRED IN AS AMENDED. REPORT  
ADOPTED.

MARCH 20, 1987                   ON MOTION, CONSIDERATION PASSED  
FOR THE DAY.

MARCH 21, 1987                   SECOND READING, CONCURRED IN AS  
AMENDED.

MARCH 24, 1987                   THIRD READING, CONCURRED IN.  
AYES, 49; NOES, 0.  
  
RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

MARCH 26, 1987

RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS NOT  
CONCURRED IN.

ON MOTION, FREE CONFERENCE COMMITTEE  
REQUESTED AND APPOINTED.

IN THE SENATE

MARCH 27, 1987

ON MOTION, FREE CONFERENCE COMMITTEE  
REQUESTED AND APPOINTED.

IN THE HOUSE

APRIL 9, 1987

FREE CONFERENCE COMMITTEE REPORTED.

IN THE SENATE

APRIL 13, 1987

FREE CONFERENCE  
COMMITTEE REPORT ADOPTED.

IN THE HOUSE

APRIL 15, 1987

SECOND READING, FREE CONFERENCE  
COMMITTEE REPORT ADOPTED.

APRIL 16, 1987

THIRD READING, FREE CONFERENCE  
COMMITTEE REPORT ADOPTED.

SENT TO ENROLLING.

1 House BILL NO. 837  
2 INTRODUCED BY J. ...

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE  
5 PROVISIONS CONCERNING FILING FINANCIAL STATEMENTS IN TITLE  
6 30, CHAPTER 9, MCA, UNIFORM COMMERCIAL CODE--SECURED  
7 TRANSACTIONS; REQUIRING A MONTHLY LISTING OF FINANCIAL  
8 STATEMENTS; AMENDING SECTIONS 30-9-402, 30-9-403, 30-9-407,  
9 AND 30-9-421, MCA; REPEALING SECTION 30-9-422, MCA; AND  
10 PROVIDING EFFECTIVE DATES."

11  
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 Section 1. Section 30-9-402, MCA, is amended to read:  
14 "30-9-402. Formal requisites of financing statement --  
15 amendments -- mortgage as financing statement. (1) A  
16 financing statement is sufficient if it gives the names of  
17 the debtor and the secured party, and the debtor's social  
18 security account number or federal taxpayer identification  
19 number, is signed by the debtor, gives an address of the  
20 secured party from which information concerning the security  
21 interest may be obtained, gives a mailing address of the  
22 debtor, and contains a statement indicating the types or  
23 describing the items of collateral. A financing statement  
24 may be filed before a security agreement is made or a  
25 security interest otherwise attaches. Except for financing

1 statements filed pursuant to 30-9-409 when the financing  
2 statement covers crops growing or to be grown, the statement  
3 must also contain a description of the real estate  
4 concerned. When the financing statement covers timber to be  
5 cut or covers minerals or the like (including oil and gas)  
6 or accounts subject to 30-9-103(5), or when the financing  
7 statement is filed as a fixture filing (30-9-313) and the  
8 collateral is goods which are or are to become fixtures, the  
9 statement must also comply with subsection (5). A copy of  
10 the security agreement is sufficient as a financing  
11 statement if it contains the above information and is signed  
12 by the debtor.

13 (2) A financing statement which otherwise complies  
14 with subsection (1) is sufficient when it is signed by the  
15 secured party instead of the debtor if it is filed to  
16 perfect a security interest in:

17 (a) collateral already subject to a security interest  
18 in another jurisdiction when it is brought into this state,  
19 or when the debtor's location is changed to this state. Such  
20 a financing statement must state that the collateral was  
21 brought into this state or that the debtor's location was  
22 changed to this state under such circumstances.

23 (b) proceeds under 30-9-306 if the security interest  
24 in the original collateral was perfected. Such a financing  
25 statement must describe the original collateral.



-2- INTRODUCED BILL  
HB-837

1 (c) collateral as to which the filing has lapsed; or  
 2 (d) collateral acquired after a change of name,  
 3 identity, or corporate structure of the debtor (subsection  
 4 (7)).

5 (3) A form substantially as follows is sufficient to  
 6 comply with subsection (1):

7 Name of debtor (or assignor) ....  
 8 Social security account number or federal taxpayer  
 9 identification number ....

10 Address ....

11 Name of secured party (or assignee) ....

12 Address ....

13 1. This financing statement covers the following types  
 14 (or items) of property:

15 (Describe) ....

16 2. (If collateral is crops) The above described crops  
 17 are growing or are to be grown on:

18 (Describe Real Estate) ....

19 3. (If applicable) The above goods are to become  
 20 fixtures on:

21 (Describe Real Estate) ....

22 and this financing statement is to be filed in the real  
 23 estate record. (If the debtor does not have an interest or  
 24 record) The name of a record owner is ....

25 4. (If products of collateral are claimed) Products of

1 the collateral are also covered.

2 (Use whichever Signature of Debtor (or Assignor) ....  
 3 is applicable) Signature of Secured Party (or Assignee) ....

4 (4) A financing statement may be amended by filing a  
 5 writing signed by both the debtor and the secured party. An  
 6 amendment does not extend the period of effectiveness of a  
 7 financing statement. If any amendment adds collateral, it is  
 8 effective as to the added collateral only from the filing  
 9 date of the amendment. In this chapter, unless the context  
 10 otherwise requires, the term "financing statement" means the  
 11 original financing statement and any amendments.

12 (5) A financing statement covering timber to be cut or  
 13 covering minerals or the like (including oil and gas) or  
 14 accounts subject to 30-9-103(5), or a financing statement  
 15 filed as a fixture filing (30-9-313) when the debtor is not  
 16 a transmitting utility, must show that it covers this type  
 17 of collateral, must recite that it is to be filed in the  
 18 real estate records, and the financing statement must  
 19 contain a description of the real estate sufficient if it  
 20 were contained in a mortgage of the real estate to give  
 21 constructive notice of the mortgage under the law of this  
 22 state. If the debtor does not have an interest of record in  
 23 the real estate, the financing statement must show the name  
 24 of a record owner.

25 (6) (a) A mortgage is effective as a financing

1 statement filed as a fixture filing from the date of its  
2 recording if:

3 (i) the goods are described in the mortgage by item or  
4 type;

5 (ii) the goods are or are to become fixtures related to  
6 the real estate described in the mortgage;

7 (iii) the mortgage complies with the requirements for a  
8 financing statement in this section other than a recital  
9 that it is to be filed in the real estate records; and

10 (iv) the mortgage is duly recorded.

11 (b) No fee with reference to the financing statement  
12 is required other than the regular recording and  
13 satisfaction fees with respect to the mortgage.

14 (7) A financing statement sufficiently shows the name  
15 of the debtor if it gives the individual, partnership, or  
16 corporate name of the debtor, whether or not it adds other  
17 trade names or the names of partners. If the debtor so  
18 changes his name or in the case of an organization its name,  
19 identity, or corporate structure that a filed financing  
20 statement becomes seriously misleading, the filing is not  
21 effective to perfect a security interest in collateral  
22 acquired by the debtor more than 4 months after the change  
23 unless a new appropriate financing statement is filed before  
24 the expiration of that time. A filed financing statement  
25 remains effective with respect to collateral transferred by

1 the debtor even though the secured party knows of or  
2 consents to the transfer.

3 (8) A financing statement substantially complying with  
4 the requirements of this section is effective even though it  
5 contains minor errors which are not seriously misleading."

6 Section 2. Section 30-9-403, MCA, is amended to read:

7 "30-9-403. What constitutes filing -- duration of  
8 filing -- fees -- effect of lapsed filing -- duties of  
9 filing officer -- computerized farm statement system. (1)  
10 Presentation for filing of a financing statement and tender  
11 of the filing fee or acceptance of the statement by the  
12 filing officer constitutes filing under this chapter.

13 (2) Except as provided in subsections (6) and (10), a  
14 filed financing statement is effective for a period of 5  
15 years from the date of filing. The effectiveness of a filed  
16 financing statement lapses on the expiration of the 5-year  
17 period unless a continuation statement is filed prior to the  
18 lapse. If a security interest perfected by filing exists at  
19 the time insolvency proceedings are commenced by or against  
20 the debtor, the security interest remains perfected until  
21 termination of the insolvency proceedings and thereafter for  
22 a period of 60 days or until expiration of the 5-year  
23 period, whichever occurs later. Upon lapse the security  
24 interest becomes unperfected, unless it is perfected without  
25 filing. If the security interest becomes unperfected upon

1 lapse, it is considered to have been unperfected as against  
2 a person who became a purchaser or lien creditor before  
3 lapse.

4 (3) A continuation statement may be filed by the  
5 secured party within 6 months prior to the expiration of the  
6 5-year period specified in subsection (2). Any such  
7 continuation statement must be signed by the secured party,  
8 identify the original statement by file number, and state  
9 that the original statement is still effective. A  
10 continuation statement signed by a person other than the  
11 secured party of record must be accompanied by a separate  
12 written statement of assignment signed by the secured party  
13 of record and complying with 30-9-405(2), including payment  
14 of the required fee. Upon timely filing of the continuation  
15 statement, the effectiveness of the original statement is  
16 continued for 5 years after the last date to which the  
17 filing was effective, whereupon it lapses in the same manner  
18 as provided in subsection (2) unless another continuation  
19 statement is filed prior to such lapse. Succeeding  
20 continuation statements may be filed in the same manner to  
21 continue the effectiveness of the original statement. Unless  
22 a statute on disposition of public records provides  
23 otherwise, the filing officer may remove a lapsed statement  
24 from the files and destroy it immediately if he has retained  
25 a microfilm or other photographic record, or in other cases

1 after 1 year after the lapse. The filing officer shall so  
2 arrange matters by physical annexation of financing  
3 statements to continuation statements or other related  
4 filings, or by other means, that if he physically destroys  
5 the financing statements of a period more than 5 years past,  
6 those which have been continued by a continuation statement  
7 or which are still effective under subsection (6) shall be  
8 retained.

9 (4) Except as provided in subsection (7), a filing  
10 officer shall mark each statement with a file number and  
11 with the date and hour of filing and shall hold the  
12 statement or a microfilm or other photographic copy thereof  
13 for public inspection. In addition, the filing officer shall  
14 index the statements according to the name of the debtor and  
15 shall note in the index the file number and the address of  
16 the debtor given in the statement.

17 ~~(5) Except as provided in subsection (8), the The~~  
18 ~~uniform fees for filing, indexing, and stamping a copy~~  
19 ~~furnished by the filing party to show the date and place of~~  
20 ~~filing shall be set pursuant to subsection (12), and must~~  
21 ~~include fees for:~~

22 ~~(a) an original financing or continuation statement in~~  
23 ~~standard form;~~

24 ~~(b) a termination statement in standard form;~~

25 ~~(c) a financing statement indicating an assignment in~~

1 standard-form;

2 {d}--a--statement--of--release--of--collateral--in--standard  
3 form;

4 {e}--a--certificate--from--the--filing--officer--showing--that  
5 an--effective--financing--statement--is--on--file;--requested--in  
6 the--standard--form;

7 {f}--any--of--the--documents--in--(a)--through--(e)--other--than  
8 in--standard--form;

9 {g}--each--name--more--than--one--required--to--be--indexed;

10 {h}--a--uniform--indexing--fee--for--showing--a--trade--name  
11 for--any--person;--and

12 {i}--any--of--the--filing--and--indexing--in--subsections--(a);  
13 (b);--or--(d)--where--the--collateral--is--equipment--or--rolling  
14 stock--of--railroads--or--street--railways;

15 (6) If the debtor is a transmitting utility and a  
16 filed financing statement so states, it is effective until a  
17 termination statement is filed. A real estate mortgage that  
18 is effective as a fixture filing under 30-9-402(6) remains  
19 effective as a fixture filing until the mortgage is released  
20 or satisfied of record or its effectiveness otherwise  
21 terminates as to the real estate.

22 (7) When a financing statement covers timber to be cut  
23 or covers minerals or the like (including oil and gas) or  
24 accounts subject to 30-9-103(5) or is filed as a fixture  
25 filing, the filing officer shall index it under the names of

1 the debtor and any owner of record shown on the financing  
2 statement in the same fashion as if they were the mortgagors  
3 in a mortgage of the real estate described and, to the  
4 extent that the law of this state provides for indexing of  
5 mortgages under the name of the mortgagee, under the name of  
6 the secured party as if he were the mortgagee thereunder, or  
7 if indexing is by description, in the same fashion as if the  
8 financing statement were a mortgage of the real estate  
9 described.

10 (8) When a financing or continuation statement filed  
11 by a financial institution covers farm products or accounts,  
12 livestock, general intangibles arising from or relating to  
13 the sale of farm products by a farmer, crops growing or to  
14 be grown, or equipment used in farming operations, the fee  
15 for filing must be established by the secretary of state in  
16 an amount commensurate with the costs of establishing and  
17 operating the computerized access system described in  
18 subsection (9). ~~The secretary of state shall deposit all~~  
19 ~~fees he collects in the state treasury; and the fee money is~~  
20 ~~allocated to the secretary of state to pay the expenses of~~  
21 ~~establishing and operating the computerized access system.~~

22 (9) Within one working day of receipt of a financing  
23 or continuation statement ~~described in subsection (8)~~, the  
24 secretary of state shall record the information contained in  
25 the statement on a centralized computer system that he shall

1 establish ~~and he shall mail a certified copy of the~~  
 2 ~~financing or continuation statement, with the filing fee~~  
 3 ~~provided in subsection (5), to the clerk and recorder of the~~  
 4 ~~debtor's county.~~ The computer system must allow access to  
 5 financing statement information by any type of  
 6 communications which conform to standards used by the state  
 7 central computer. The system must have safeguards to allow  
 8 only access to UCC data and to prevent alteration, addition,  
 9 or deletion of the UCC data. The computer must be accessible  
 10 whenever the state computer system is available. A perfected  
 11 security interest ~~in the collateral described in subsection~~  
 12 ~~(8)~~ is not created until the financing statement information  
 13 is recorded on the system. A printout of information from  
 14 the system is prima facie evidence of the existence or  
 15 nonexistence of the filing of a financing statement. The  
 16 secretary of state shall maintain adequate errors and  
 17 omissions liability coverage to protect against input errors  
 18 causing loss to a secured party.

19 (10) When a financing or continuation statement covers  
 20 property described in subsection (8), its effectiveness  
 21 lapses on July 1, 1986, unless prior to that date there is  
 22 filed in the office of the secretary of state a certified  
 23 copy of the statement on file with the county clerk and all  
 24 related documents ~~as provided in 30-9-422.~~

25 (11) Financing statement information in the computer

1 system constitutes public writings within the meaning of  
 2 2-6-101, but the information may not be used to compile  
 3 mailing lists.

4 (12) The secretary of state, with advice from the  
 5 county clerk and recorders, shall by administrative rule  
 6 establish fees ~~for filing and indexing documents~~ as required  
 7 by this part. The fees must be commensurate with the costs  
 8 of processing the documents. The secretary of state shall  
 9 maintain records sufficient to support the amounts of the  
 10 fees established under this subsection. The secretary of  
 11 state shall deposit in the state treasury all fees he  
 12 collects, and the fee money is allocated to the secretary of  
 13 state to pay the expenses of filing and indexing documents  
 14 and operating the computerized access system. The secretary  
 15 of state shall disseminate the uniform fees fee schedule to  
 16 the county clerk and recorders for their use."

17 Section 3. Section 30-9-407, MCA, is amended to read:

18 "30-9-407. Information from filing officer. (1) If the  
 19 person filing any financing statement, termination  
 20 statement, statement of assignment, or statement of release  
 21 furnishes the filing officer a copy thereof, the filing  
 22 officer shall upon request note upon the copy the file  
 23 number and date and hour of the filing of the original and  
 24 deliver or send the copy to such person.

25 (2) Upon request of any person, the filing officer



1 shall issue his certificate showing whether there is on file  
 2 on the date and hour stated therein, any presently effective  
 3 financing statement naming a particular debtor and any  
 4 statement of assignment thereof and, if there is, giving the  
 5 date and hour of filing of each such statement and the name  
 6 and address of each secured party therein. For financing  
 7 statements recorded on the system described in 30-9-403(9),  
 8 the filing officer shall, upon request of any person, also  
 9 furnish written information concerning the collateral  
 10 described for any presently effective financing statement  
 11 covering collateral described in 30-9-403(8). However, such  
 12 information is not a part of the filing officer's  
 13 certificate and may not constitute a complete description of  
 14 the collateral covered by the financing statement. The  
 15 uniform fee for such a certificate and description of  
 16 collateral shall be set pursuant to 30-9-403. Upon request  
 17 the filing officer shall furnish a copy of any filed  
 18 financing statement or statement of assignment for a uniform  
 19 fee of 50 cents per page.

20 (3) A computer printout from the system described in  
 21 30-9-403(9) constitutes the certificate of the secretary of  
 22 state as to whether there is on file, on the date and hour  
 23 stated thereon, such a financing statement covering the  
 24 collateral described in 30-9-403(8). The fee for requesting  
 25 a printout from the secretary of state must cover the cost

1 of the printout. If a certificate is made on a requestor's  
 2 own computer using telephone dial-up access, a fee  
 3 commensurate with costs must be charged.

4 (4) At least once each month, the secretary of state  
 5 shall provide a listing of all financing statements recorded  
 6 on the system described in 30-9-403(9) to each county clerk  
 7 and recorder. The secretary of state shall compile the  
 8 listing alphabetically by debtor's name and may distribute  
 9 the listing on microfilm or microfiche. The secretary of  
 10 state shall provide the listing without charge to the  
 11 county.

12 (5) The secretary of state shall establish a facsimile  
 13 system in his office to receive and transmit exact copies of  
 14 documents over a telephone. A county clerk and recorder may  
 15 establish a similar facsimile system in his office. The  
 16 secretary of state shall pay all costs of transmitting to or  
 17 receiving from the clerk and recorder a financing or  
 18 continuation statement, assignment or amendment filed, or  
 19 certificate issued pursuant to this chapter. The clerk and  
 20 recorder may collect a uniform fee of \$5 for each financing  
 21 or continuation statement, assignment, amendment, or  
 22 certificate transmitted to or received from the secretary of  
 23 state. This uniform fee is in addition to the filing fee  
 24 collected by the secretary of state as provided in 30-9-403.  
 25 For purposes of this chapter, the signature of a debtor,

1 secured party, or filing officer on a document received over  
 2 the facsimile system constitutes an original signature if  
 3 the signature on the document transmitted is an original  
 4 signature.

5 (6) The secretary of state shall ensure that the  
 6 system described in 30-9-403(9) complies with the  
 7 requirements for a central filing system as defined by 7  
 8 U.S.C. 1631 as that statute read on January 1, 1987. The  
 9 secretary of state shall distribute portions of the master  
 10 list covering wheat and barley to registered buyers at least  
 11 once each week during August, September, October, November,  
 12 December, January, February, and March. The secretary of  
 13 state shall distribute all other portions of the master list  
 14 to registered buyers at least twice each month."

15 Section 4. Section 30-9-421, MCA, is amended to read:  
 16 "30-9-421. Rules for agricultural lien filing --  
 17 duties -- perfection and priority rights. (1) ~~The--secretary~~  
 18 ~~of--state--shall--adopt--rules--establishing--fees--for--filing--a~~  
 19 ~~financing--statement--pursuant--to--30-9-403(8)--and--for--the--cost~~  
 20 ~~of--a--printout--pursuant--to--30-9-407.~~ The secretary of state  
 21 may adopt rules concerning the operation of the central  
 22 agricultural security interest computer filing system,  
 23 prescribing such matters as format for data and the type of  
 24 information to be recorded from the financing statement.

25 (2) A financing statement covering the collateral

1 described in 30-9-403(8) which was filed with a county clerk  
 2 and recorder prior to July 1, 1985, and which was sufficient  
 3 on that date to perfect a security interest in the  
 4 collateral described therein retains its perfection and  
 5 priority rights upon being centrally filed ~~as provided in~~  
 6 ~~30-9-422."~~

7 NEW SECTION. Section 5. Repealer. Section 30-9-422,  
 8 MCA, is repealed.

9 NEW SECTION. Section 6. Extension of authority. Any  
 10 existing authority of the secretary of state to make rules  
 11 on the subject of the provisions of this act is extended to  
 12 the provisions of this act.

13 NEW SECTION. Section 7. Effective dates. (1) Sections  
 14 1 and 3 of this act are effective July 1, 1987.

15 (2) All other sections of this act are effective on  
 16 passage and approval.

-End-

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB837, on second reading.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to generally revise the provisions concerning filing financial statements in Title 30, Chapter 9, MCA, uniform commercial code--secured transactions; requiring a monthly listing of financial statements; amending sections 30-9-402, 30-9-403, 30-9-407, and 30-9-421, MCA; repealing section 30-9-422, MCA; and providing effective dates.

ASSUMPTIONS:

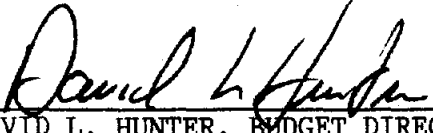
1. Number of registered buyers remains constant at about 180, with 2/3 of buyers receiving wheat and barley portions.
2. No major increase in farm products filings in FY88 and FY89.
3. Fees will remain constant.
4. Increased workload will not require additional staff.

FISCAL IMPACT:

	<u>FY88</u>	<u>FY89</u>
	<u>Proposed Law</u>	<u>Proposed Law</u>
<u>Additional Expenditures:</u>	\$ 70,580	\$ 70,580
<u>Additional Revenues:</u>	\$ 70,080	\$ 70,080
<u>Fund Transfer:</u>		
General Fund	(\$189,300)	(\$187,800)
State Special Revenue Fund	\$189,300	\$189,300

LOCAL IMPACTS:

Insufficient data prevents quantification of minimal decreases in county revenues and expenditures due to elimination of information filing.

 DATE 2/25/87  
 DAVID L. HUNTER, BUDGET DIRECTOR  
 Office of Budget and Program Planning

 DATE Mar 3, 87  
 LOREN JENKINS, PRIMARY SPONSOR

Fiscal Note for HB837, on second reading.

**HB 837**

APPROVED BY COMMITTEE  
ON AGRICULTURE LIVESTOCK  
& IRRIGATION

1 HOUSE BILL NO. 837  
 2 INTRODUCED BY JENKINS  
 3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE  
 5 PROVISIONS CONCERNING FILING FINANCIAL STATEMENTS IN TITLE  
 6 30, CHAPTER 9, MCA, UNIFORM COMMERCIAL CODE--SECURED  
 7 TRANSACTIONS; REQUIRING--A--MONTHLY--LISTING--OF--FINANCIAL  
 8 STATEMENTS; AMENDING SECTIONS 30-9-402, 30-9-403, 30-9-407,  
 9 AND 30-9-421, MCA; REPEALING SECTION 30-9-422, MCA; AND  
 10 PROVIDING EFFECTIVE DATES."

11  
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 13 Section 1. Section 30-9-402, MCA, is amended to read:  
 14 "30-9-402. Formal requisites of financing statement --  
 15 amendments -- mortgage as financing statement. (1) A  
 16 financing statement is sufficient if it gives the names of  
 17 the debtor and the secured party, and the debtor's social  
 18 security account number or federal taxpayer identification  
 19 number, is signed by the debtor, gives an address of the  
 20 secured party from which information concerning the security  
 21 interest may be obtained, gives a mailing address of the  
 22 debtor, and contains a statement indicating the types or  
 23 describing the items of collateral. A financing statement  
 24 may be filed before a security agreement is made or a  
 25 security interest otherwise attaches. Except for financing

1 statements filed pursuant to 30-9-409 when the financing  
 2 statement covers crops growing or to be grown, the statement  
 3 must also contain a description of the real estate  
 4 concerned. When the financing statement covers timber to be  
 5 cut or covers minerals or the like (including oil and gas)  
 6 or accounts subject to 30-9-103(5), or when the financing  
 7 statement is filed as a fixture filing (30-9-313) and the  
 8 collateral is goods which are or are to become fixtures, the  
 9 statement must also comply with subsection (5). A copy of  
 10 the security agreement is sufficient as a financing  
 11 statement if it contains the above information and is signed  
 12 by the debtor.

13 (2) A financing statement which otherwise complies  
 14 with subsection (1) is sufficient when it is signed by the  
 15 secured party instead of the debtor if it is filed to  
 16 perfect a security interest in:

17 (a) collateral already subject to a security interest  
 18 in another jurisdiction when it is brought into this state,  
 19 or when the debtor's location is changed to this state. Such  
 20 a financing statement must state that the collateral was  
 21 brought into this state or that the debtor's location was  
 22 changed to this state under such circumstances.

23 (b) proceeds under 30-9-306 if the security interest  
 24 in the original collateral was perfected. Such a financing  
 25 statement must describe the original collateral.



1 (c) collateral as to which the filing has lapsed; or  
 2 (d) collateral acquired after a change of name,  
 3 identity, or corporate structure of the debtor (subsection  
 4 (7)).

5 (3) A form substantially as follows is sufficient to  
 6 comply with subsection (1):

7 Name of debtor (or assignor) ....  
 8 Social security account number or federal taxpayer  
 9 identification number ....

10 Address ....  
 11 Name of secured party (or assignee) ....  
 12 Address ....

13 1. This financing statement covers the following types  
 14 (or items) of property:

15 (Describe) ....

16 2. (If collateral is crops) The above described crops  
 17 are growing or are to be grown on:

18 (Describe Real Estate) ....

19 3. (If applicable) The above goods are to become  
 20 fixtures on:

21 (Describe Real Estate) ....

22 and this financing statement is to be filed in the real  
 23 estate record. (If the debtor does not have an interest or  
 24 record) The name of a record owner is ....

25 4. (If products of collateral are claimed) Products of

1 the collateral are also covered.

2 (Use whichever Signature of Debtor (or Assignor) ....  
 3 is applicable) Signature of Secured Party (or Assignee) ....

4 (4) A financing statement may be amended by filing a  
 5 writing signed by both the debtor and the secured party. An  
 6 amendment does not extend the period of effectiveness of a  
 7 financing statement. If any amendment adds collateral, it is  
 8 effective as to the added collateral only from the filing  
 9 date of the amendment. In this chapter, unless the context  
 10 otherwise requires, the term "financing statement" means the  
 11 original financing statement and any amendments.

12 (5) A financing statement covering timber to be cut or  
 13 covering minerals or the like (including oil and gas) or  
 14 accounts subject to 30-9-103(5), or a financing statement  
 15 filed as a fixture filing (30-9-313) when the debtor is not  
 16 a transmitting utility, must show that it covers this type  
 17 of collateral, must recite that it is to be filed in the  
 18 real estate records, and the financing statement must  
 19 contain a description of the real estate sufficient if it  
 20 were contained in a mortgage of the real estate to give  
 21 constructive notice of the mortgage under the law of this  
 22 state. If the debtor does not have an interest of record in  
 23 the real estate, the financing statement must show the name  
 24 of a record owner.

25 (6) (a) A mortgage is effective as a financing

1 statement filed as a fixture filing from the date of its  
2 recording if:

3 (i) the goods are described in the mortgage by item or  
4 type;

5 (ii) the goods are or are to become fixtures related to  
6 the real estate described in the mortgage;

7 (iii) the mortgage complies with the requirements for a  
8 financing statement in this section other than a recital  
9 that it is to be filed in the real estate records; and

10 (iv) the mortgage is duly recorded.

11 (b) No fee with reference to the financing statement  
12 is required other than the regular recording and  
13 satisfaction fees with respect to the mortgage.

14 (7) A financing statement sufficiently shows the name  
15 of the debtor if it gives the individual, partnership, or  
16 corporate name of the debtor, whether or not it adds other  
17 trade names or the names of partners. If the debtor so  
18 changes his name or in the case of an organization its name,  
19 identity, or corporate structure that a filed financing  
20 statement becomes seriously misleading, the filing is not  
21 effective to perfect a security interest in collateral  
22 acquired by the debtor more than 4 months after the change  
23 unless a new appropriate financing statement is filed before  
24 the expiration of that time. A filed financing statement  
25 remains effective with respect to collateral transferred by

1 the debtor even though the secured party knows of or  
2 consents to the transfer.

3 (8) A financing statement substantially complying with  
4 the requirements of this section is effective even though it  
5 contains minor errors which are not seriously misleading."

6 Section 2. Section 30-9-403, MCA, is amended to read:

7 "30-9-403. What constitutes filing -- duration of  
8 filing -- fees -- effect of lapsed filing -- duties of  
9 filing officer -- computerized form statement system. (1)  
10 Presentation for filing of a financing statement and tender  
11 of the filing fee or acceptance of the statement by the  
12 filing officer constitutes filing under this chapter.

13 (2) Except as provided in subsections (6) and ~~(7)~~  
14 (11), a filed financing statement is effective for a period  
15 of 5 years from the date of filing. The effectiveness of a  
16 filed financing statement lapses on the expiration of the  
17 5-year period unless a continuation statement is filed prior  
18 to the lapse. If a security interest perfected by filing  
19 exists at the time insolvency proceedings are commenced by  
20 or against the debtor, the security interest remains  
21 perfected until termination of the insolvency proceedings  
22 and thereafter for a period of 60 days or until expiration  
23 of the 5-year period, whichever occurs later. Upon lapse the  
24 security interest becomes unperfected, unless it is  
25 perfected without filing. If the security interest becomes

1 unperfected upon lapse, it is considered to have been  
 2 unperfected as against a person who became a purchaser or  
 3 lien creditor before lapse.

4 (3) A continuation statement may be filed by the  
 5 secured party within 6 months prior to the expiration of the  
 6 5-year period specified in subsection (2). Any such  
 7 continuation statement must be signed by the secured party,  
 8 identify the original statement by file number, and state  
 9 that the original statement is still effective. A  
 10 continuation statement signed by a person other than the  
 11 secured party of record must be accompanied by a separate  
 12 written statement of assignment signed by the secured party  
 13 of record and complying with 30-9-405(2), including payment  
 14 of the required fee. Upon timely filing of the continuation  
 15 statement, the effectiveness of the original statement is  
 16 continued for 5 years after the last date to which the  
 17 filing was effective, whereupon it lapses in the same manner  
 18 as provided in subsection (2) unless another continuation  
 19 statement is filed prior to such lapse. Succeeding  
 20 continuation statements may be filed in the same manner to  
 21 continue the effectiveness of the original statement. Unless  
 22 a statute on disposition of public records provides  
 23 otherwise, the filing officer may remove a lapsed statement  
 24 from the files and destroy it immediately if he has retained  
 25 a microfilm or other photographic record, or in other cases

1 after 1 year after the lapse. The filing officer shall so  
 2 arrange matters by physical annexation of financing  
 3 statements to continuation statements or other related  
 4 filings, or by other means, that if he physically destroys  
 5 the financing statements of a period more than 5 years past,  
 6 those which have been continued by a continuation statement  
 7 or which are still effective under subsection (6) shall be  
 8 retained.

9 (4) Except as provided in subsection (7), a filing  
 10 officer shall mark each statement with a file number and  
 11 with the date and hour of filing and shall hold the  
 12 statement or a microfilm or other photographic copy thereof  
 13 for public inspection. In addition, the filing officer shall  
 14 index the statements according to the name of the debtor and  
 15 shall note in the index the file number and the address of  
 16 the debtor given in the statement.

17 (5) ~~Except as provided in subsection (8), the~~ The  
 18 uniform fees for filing, indexing, and stamping a copy  
 19 furnished by the filing party to show the date and place of  
 20 filing shall be set pursuant to subsection ~~(12)~~ (13), and  
 21 ~~must include fees for:~~

- 22 ~~(a) an original financing or continuation statement in~~  
 23 ~~standard form;~~  
 24 ~~(b) a termination statement in standard form;~~  
 25 ~~(c) a financing statement indicating an assignment in~~

1 standard form;

2 ~~{d}--a statement of release of collateral--in--standard~~

3 ~~form;~~

4 ~~{e}--a certificate from the filing officer showing that~~

5 ~~an--effective--financing--statement is on file, requested in~~

6 ~~the standard form;~~

7 ~~{f}--any of the documents in {a} through {e} other than~~

8 ~~in standard form;~~

9 ~~{g}--each name more than one required to be indexed;~~

10 ~~{h}--a uniform indexing fee for showing--a--trade--name~~

11 ~~for any person; and~~

12 ~~{i}--any of the filing and indexing in subsections {a};~~

13 ~~{b};--or--{d}--where--the collateral is equipment or rolling~~

14 ~~stock of railroads or street railways;~~

15 (6) If the debtor is a transmitting utility and a

16 filed financing statement so states, it is effective until a

17 termination statement is filed. A real estate mortgage that

18 is effective as a fixture filing under 30-9-402(6) remains

19 effective as a fixture filing until the mortgage is released

20 or satisfied of record or its effectiveness otherwise

21 terminates as to the real estate.

22 (7) When a financing statement covers timber to be cut

23 or covers minerals or the like (including oil and gas) or

24 accounts subject to 30-9-103(5) or is filed as a fixture

25 filing, the filing officer shall index it under the names of

1 the debtor and any owner of record shown on the financing

2 statement in the same fashion as if they were the mortgagors

3 in a mortgage of the real estate described and, to the

4 extent that the law of this state provides for indexing of

5 mortgages under the name of the mortgagee, under the name of

6 the secured party as if he were the mortgagee thereunder, or

7 if indexing is by description, in the same fashion as if the

8 financing statement were a mortgage of the real estate

9 described.

10 (8) When a financing or continuation statement filed

11 by a financial institution covers farm products or accounts,

12 livestock, general intangibles arising from or relating to

13 the sale of farm products by a farmer, crops growing or to

14 be grown, or equipment used in farming operations, the fee

15 for filing must be established by the secretary of state in

16 an amount commensurate with the costs of establishing and

17 operating the computerized access system described in

18 subsection (9). ~~The--secretary of state shall deposit all~~

19 ~~fees he collects in the state treasury, and the fee money is~~

20 ~~allocated to the secretary of state to pay the--expenses--of~~

21 ~~establishing--and--operating the computerized access system;~~

22 (9) Within one working day of receipt of a financing

23 or continuation statement ~~described in subsection {8}~~, the

24 secretary of state shall record the information contained in

25 the statement on a centralized computer system that he shall



1 establish and--he--shall--mail--a--certified--copy--of--the  
 2 financing--or--continuation--statement,--with--the--filing--fee  
 3 provided--in--subsection--(5)--to--the--clerk--and--recorder--of--the  
 4 debtor's--county. The computer system must allow access to  
 5 financing statement information by any type of  
 6 communications which conform to standards used by the state  
 7 central computer. The system must have safeguards to allow  
 8 only access to UCC data and to prevent alteration, addition,  
 9 or deletion of the UCC data. The computer must be accessible  
 10 whenever the state computer system is available. A perfected  
 11 security interest in--the--collateral--described--in--subsection  
 12 (8) is not created until the financing statement information  
 13 is recorded on the system. A printout of information from  
 14 the system is prima facie evidence of the existence or  
 15 nonexistence of the filing of a financing statement. The  
 16 secretary of state shall maintain adequate errors and  
 17 omissions liability coverage to protect against input errors  
 18 causing loss to a secured party.

19 (10) THE SECRETARY OF STATE SHALL, UPON REQUEST OF A  
 20 CLERK AND RECORDER, MAIL A COPY OF A FINANCING STATEMENT,  
 21 CONTINUATION STATEMENT, ASSIGNMENT, AMENDMENT, OR  
 22 TERMINATION COVERING COLLATERAL DESCRIBED IN SUBSECTION (8)  
 23 TO THE CLERK AND RECORDER IN THE COUNTY OF THE PRINCIPAL  
 24 DEBTOR'S RESIDENCE. THE SECRETARY OF STATE SHALL MAIL THE  
 25 REQUESTED COPIES AT LEAST ONCE EACH WEEK. THIS SUBSECTION

1 DOES NOT REQUIRE THE SECRETARY OF STATE TO MAIL A COPY OF  
 2 ANY DOCUMENT WHICH DOES NOT SPECIFICALLY INDICATE THE COUNTY  
 3 OF THE PRINCIPAL DEBTOR'S RESIDENCE ON ITS FACE.

4 ~~(10)~~(11) When a financing or continuation statement  
 5 covers property described in subsection (8), its  
 6 effectiveness lapses on July 1, 1986, unless prior to that  
 7 date there is filed in the office of the secretary of state  
 8 a certified copy of the statement on file with the county  
 9 clerk and all related documents ~~as provided in 30-9-422.~~

10 ~~(11)~~(12) Financing statement information in the  
 11 computer system constitutes public writings within the  
 12 meaning of 2-6-101, but the information may not be used to  
 13 compile mailing lists.

14 ~~(12)~~(13) The secretary of state, with advice from the  
 15 county clerk and recorders, shall by administrative rule  
 16 establish fees ~~for filing and indexing documents~~ as required  
 17 by this part. The fees must be commensurate with the costs  
 18 of processing the documents. The secretary of state shall  
 19 maintain records sufficient to support the amounts of the  
 20 fees established under this subsection. The secretary of  
 21 state shall deposit in the state treasury all fees he  
 22 collects, and the fee money is allocated to the secretary of  
 23 state to pay the expenses of filing and indexing documents  
 24 and operating the computerized access system. The secretary  
 25 of state shall disseminate the uniform ~~fees~~ fee schedule to

1 the county clerk and recorders for their use."

2 Section 3. Section 30-9-407, MCA, is amended to read:

3 "30-9-407. Information from filing officer. (1) If the  
4 person filing any financing statement, termination  
5 statement, statement of assignment, or statement of release  
6 furnishes the filing officer a copy thereof, the filing  
7 officer shall upon request note upon the copy the file  
8 number and date and hour of the filing of the original and  
9 deliver or send the copy to such person.

10 (2) Upon request of any person, the filing officer  
11 shall issue his certificate showing whether there is on file  
12 on the date and hour stated therein, any presently effective  
13 financing statement naming a particular debtor and any  
14 statement of assignment thereof and, if there is, giving the  
15 date and hour of filing of each such statement and the name  
16 and address of each secured party therein. For financing  
17 statements recorded on the system described in 30-9-403(9),  
18 the filing officer shall, upon request of any person, also  
19 furnish written information concerning the collateral  
20 described for any presently effective financing statement  
21 covering collateral described in 30-9-403(8). However, such  
22 information is not a part of the filing officer's  
23 certificate and may not constitute a complete description of  
24 the collateral covered by the financing statement. The  
25 uniform fee for such a certificate and description of

1 collateral shall be set pursuant to 30-9-403. Upon request  
2 the filing officer shall furnish a copy of any filed  
3 financing statement or statement of assignment for a uniform  
4 fee of 50 cents per page.

5 (3) A computer printout from the system described in  
6 30-9-403(9) constitutes the certificate of the secretary of  
7 state as to whether there is on file, on the date and hour  
8 stated thereon, such a financing statement covering the  
9 collateral described in 30-9-403(8). The fee for requesting  
10 a printout from the secretary of state must cover the cost  
11 of the printout. If a certificate is made on a requestor's  
12 own computer using telephone dial-up access, a fee  
13 commensurate with costs must be charged.

14 ~~(4) At least once each month, the secretary of state~~  
15 ~~shall provide a listing of all financing statements recorded~~  
16 ~~on the system described in 30-9-403(9) to each county clerk~~  
17 ~~and recorder. The secretary of state shall compile the~~  
18 ~~listing alphabetically by debtor's name and may distribute~~  
19 ~~the listing on microfilm or microfiche. The secretary of~~  
20 ~~state shall provide the listing without charge to the~~  
21 ~~county.~~

22 ~~(5) The secretary of state shall establish a facsimile~~  
23 ~~system in his office to receive and transmit exact copies of~~  
24 ~~documents over a telephone. A county clerk and recorder may~~  
25 ~~establish a similar facsimile system in his office. The~~

1 secretary of state shall pay all costs of transmitting to or  
 2 receiving from the clerk and recorder a financing or  
 3 continuation statement, assignment or amendment filed, or  
 4 certificate issued pursuant to this chapter. The clerk and  
 5 recorder may collect a uniform fee of \$5 for each financing  
 6 or continuation statement, assignment, amendment, or  
 7 certificate transmitted to or received from the secretary of  
 8 state. This uniform fee is in addition to the filing fee  
 9 collected by the secretary of state as provided in 30-9-403.  
 10 For purposes of this chapter, the signature of a debtor,  
 11 secured party, or filing officer on a document received over  
 12 the facsimile system constitutes an original signature if  
 13 the signature on the document transmitted is an original  
 14 signature.

15 {6}(4) The secretary of state shall ensure that the  
 16 system described in 30-9-403(9) complies with the  
 17 requirements for a central filing system as defined by 7  
 18 U.S.C. 1631 as that statute read on January 1, 1987. The  
 19 secretary of state shall distribute portions of the master  
 20 list covering wheat and barley to registered buyers at least  
 21 once each week during August, September, October, November,  
 22 December, January, February, and March. The secretary of  
 23 state shall distribute all other portions of the master list  
 24 to registered buyers at least twice each month."

25 Section 4. Section 30-9-421, MCA, is amended to read:

1 "30-9-421. Rules for agricultural lien filing --  
 2 duties -- perfection and priority rights. (1) ~~The secretary~~  
 3 ~~of state shall adopt rules establishing fees for filing a~~  
 4 ~~financing statement pursuant to 30-9-403(8) and for the cost~~  
 5 ~~of a printout pursuant to 30-9-407.~~ The secretary of state  
 6 may adopt rules concerning the operation of the central  
 7 agricultural security interest computer filing system,  
 8 prescribing such matters as format for data and the type of  
 9 information to be recorded from the financing statement.

10 (2) A financing statement covering the collateral  
 11 described in 30-9-403(8) which was filed with a county clerk  
 12 and recorder prior to July 1, 1985, and which was sufficient  
 13 on that date to perfect a security interest in the  
 14 collateral described therein retains its perfection and  
 15 priority rights upon being centrally filed ~~as provided in~~  
 16 ~~30-9-422."~~

17 NEW SECTION. Section 5. Repealer. Section 30-9-422,  
 18 MCA, is repealed.

19 NEW SECTION. Section 6. Extension of authority. Any  
 20 existing authority of the secretary of state to make rules  
 21 on the subject of the provisions of this act is extended to  
 22 the provisions of this act.

23 NEW SECTION. Section 7. Effective dates. (1) Sections  
 24 1 and 3 of this act are effective July 1, 1987.

25 (2) All other sections of this act are effective on

HB 0837/02

1 passage and approval.

-End-

1 HOUSE BILL NO. 837

2 INTRODUCED BY JENKINS

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE  
5 PROVISIONS CONCERNING FILING FINANCIAL STATEMENTS IN TITLE  
6 30, CHAPTER 9, MCA, UNIFORM COMMERCIAL CODE--SECURED  
7 TRANSACTIONS; REQUIRING--A--MONTHLY--LISTING--OF--FINANCIAL  
8 STATEMENTS; AMENDING SECTIONS 30-9-402, 30-9-403, 30-9-407,  
9 AND 30-9-421, MCA; REPEALING SECTION 30-9-422, MCA; AND  
10 PROVIDING EFFECTIVE DATES."

11  
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 Section 1. Section 30-9-402, MCA, is amended to read:

14 "30-9-402. Formal requisites of financing statement --  
15 amendments -- mortgage as financing statement. (1) A  
16 financing statement is sufficient if it gives the names of  
17 the debtor and the secured party, ~~and the debtor's social~~  
18 ~~security account number~~ or federal taxpayer identification  
19 number, is signed by the debtor, gives an address AND THE  
20 COUNTY OF RESIDENCE of the secured party from which  
21 information concerning the security interest may be  
22 obtained, gives a mailing address of the debtor, and  
23 contains a statement indicating the types or describing the  
24 items of collateral. A financing statement may be filed  
25 before a security agreement is made or a security interest

1 otherwise attaches. Except for financing statements filed  
2 pursuant to 30-9-409 when the financing statement covers  
3 crops growing or to be grown, the statement must also  
4 contain a description of the real estate concerned. When the  
5 financing statement covers timber to be cut or covers  
6 minerals or the like (including oil and gas) or accounts  
7 subject to 30-9-103(5), or when the financing statement is  
8 filed as a fixture filing (30-9-313) and the collateral is  
9 goods which are or are to become fixtures, the statement  
10 must also comply with subsection (5). A copy of the security  
11 agreement is sufficient as a financing statement if it  
12 contains the above information and is signed by the debtor.

13 (2) A financing statement which otherwise complies  
14 with subsection (1) is sufficient when it is signed by the  
15 secured party instead of the debtor if it is filed to  
16 perfect a security interest in:

17 (a) collateral already subject to a security interest  
18 in another jurisdiction when it is brought into this state,  
19 or when the debtor's location is changed to this state. Such  
20 a financing statement must state that the collateral was  
21 brought into this state or that the debtor's location was  
22 changed to this state under such circumstances.

23 (b) proceeds under 30-9-306 if the security interest  
24 in the original collateral was perfected. Such a financing  
25 statement must describe the original collateral.

1 (c) collateral as to which the filing has lapsed; or  
 2 (d) collateral acquired after a change of name,  
 3 identity, or corporate structure of the debtor (subsection  
 4 (7)).

5 (3) A form substantially as follows is sufficient to  
 6 comply with subsection (1):

7 Name of debtor (or assignor) ....  
 8 ~~Social-security-account-number-or-federal-taxpayer~~  
 9 ~~identification-number-----~~

10 Address ....

11 COUNTY OF RESIDENCE ....

12 Name of secured party (or assignee) ....

13 Address ....

14 1. This financing statement covers the following types  
 15 (or items) of property:

16 (Describe) ....

17 2. (If collateral is crops) The above described crops  
 18 are growing or are to be grown on:

19 (Describe Real Estate) ....

20 3. (If applicable) The above goods are to become  
 21 fixtures on:

22 (Describe Real Estate) ....

23 and this financing statement is to be filed in the real  
 24 estate record. (If the debtor does not have an interest or  
 25 record) The name of a record owner is ....

1 4. (If products of collateral are claimed) Products of  
 2 the collateral are also covered.

3 (Use whichever Signature of Debtor (or Assignor) ....  
 4 is applicable) Signature of Secured Party (or Assignee) ....

5 (4) A financing statement may be amended by filing a  
 6 writing signed by both the debtor and the secured party. An  
 7 amendment does not extend the period of effectiveness of a  
 8 financing statement. If any amendment adds collateral, it is  
 9 effective as to the added collateral only from the filing  
 10 date of the amendment. In this chapter, unless the context  
 11 otherwise requires, the term "financing statement" means the  
 12 original financing statement and any amendments.

13 (5) A financing statement covering timber to be cut or  
 14 covering minerals or the like (including oil and gas) or  
 15 accounts subject to 30-9-103(5), or a financing statement  
 16 filed as a fixture filing (30-9-313) when the debtor is not  
 17 a transmitting utility, must show that it covers this type  
 18 of collateral, must recite that it is to be filed in the  
 19 real estate records, and the financing statement must  
 20 contain a description of the real estate sufficient if it  
 21 were contained in a mortgage of the real estate to give  
 22 constructive notice of the mortgage under the law of this  
 23 state. If the debtor does not have an interest of record in  
 24 the real estate, the financing statement must show the name  
 25 of a record owner.

1 (6) (a) A mortgage is effective as a financing  
2 statement filed as a fixture filing from the date of its  
3 recording if:

4 (i) the goods are described in the mortgage by item or  
5 type;

6 (ii) the goods are or are to become fixtures related to  
7 the real estate described in the mortgage;

8 (iii) the mortgage complies with the requirements for a  
9 financing statement in this section other than a recital  
10 that it is to be filed in the real estate records; and

11 (iv) the mortgage is duly recorded.

12 (b) No fee with reference to the financing statement  
13 is required other than the regular recording and  
14 satisfaction fees with respect to the mortgage.

15 (7) A financing statement sufficiently shows the name  
16 of the debtor if it gives the individual, partnership, or  
17 corporate name of the debtor, whether or not it adds other  
18 trade names or the names of partners. If the debtor so  
19 changes his name or in the case of an organization its name,  
20 identity, or corporate structure that a filed financing  
21 statement becomes seriously misleading, the filing is not  
22 effective to perfect a security interest in collateral  
23 acquired by the debtor more than 4 months after the change  
24 unless a new appropriate financing statement is filed before  
25 the expiration of that time. A filed financing statement

1 remains effective with respect to collateral transferred by  
2 the debtor even though the secured party knows of or  
3 consents to the transfer.

4 (8) A financing statement substantially complying with  
5 the requirements of this section is effective even though it  
6 contains minor errors which are not seriously misleading."

7 Section 2. Section 30-9-403, MCA, is amended to read:

8 "30-9-403. What constitutes filing -- duration of  
9 filing -- fees -- effect of lapsed filing -- duties of  
10 filing officer -- computerized farm statement system. (1)  
11 Presentation for filing of a financing statement and tender  
12 of the filing fee or acceptance of the statement by the  
13 filing officer constitutes filing under this chapter.

14 (2) Except as provided in subsections (6) and ~~(10)~~  
15 (11), a filed financing statement is effective for a period  
16 of 5 years from the date of filing. The effectiveness of a  
17 filed financing statement lapses on the expiration of the  
18 5-year period unless a continuation statement is filed prior  
19 to the lapse. If a security interest perfected by filing  
20 exists at the time insolvency proceedings are commenced by  
21 or against the debtor, the security interest remains  
22 perfected until termination of the insolvency proceedings  
23 and thereafter for a period of 60 days or until expiration  
24 of the 5-year period, whichever occurs later. Upon lapse the  
25 security interest becomes unperfected, unless it is

1 perfected without filing. If the security interest becomes  
 2 unperfected upon lapse, it is considered to have been  
 3 unperfected as against a person who became a purchaser or  
 4 lien creditor before lapse.

5 (3) A continuation statement may be filed by the  
 6 secured party within 6 months prior to the expiration of the  
 7 5-year period specified in subsection (2). Any such  
 8 continuation statement must be signed by the secured party,  
 9 identify the original statement by file number, and state  
 10 that the original statement is still effective. A  
 11 continuation statement signed by a person other than the  
 12 secured party of record must be accompanied by a separate  
 13 written statement of assignment signed by the secured party  
 14 of record and complying with 30-9-405(2), including payment  
 15 of the required fee. Upon timely filing of the continuation  
 16 statement, the effectiveness of the original statement is  
 17 continued for 5 years after the last date to which the  
 18 filing was effective, whereupon it lapses in the same manner  
 19 as provided in subsection (2) unless another continuation  
 20 statement is filed prior to such lapse. Succeeding  
 21 continuation statements may be filed in the same manner to  
 22 continue the effectiveness of the original statement. Unless  
 23 a statute on disposition of public records provides  
 24 otherwise, the filing officer may remove a lapsed statement  
 25 from the files and destroy it immediately if he has retained

1 a microfilm or other photographic record, or in other cases  
 2 after 1 year after the lapse. The filing officer shall so  
 3 arrange matters by physical annexation of financing  
 4 statements to continuation statements or other related  
 5 filings, or by other means, that if he physically destroys  
 6 the financing statements of a period more than 5 years past,  
 7 those which have been continued by a continuation statement  
 8 or which are still effective under subsection (6) shall be  
 9 retained.

10 (4) Except as provided in subsection (7), a filing  
 11 officer shall mark each statement with a file number and  
 12 with the date and hour of filing and shall hold the  
 13 statement or a microfilm or other photographic copy thereof  
 14 for public inspection. In addition, the filing officer shall  
 15 index the statements according to the name of the debtor and  
 16 shall note in the index the file number and the address of  
 17 the debtor given in the statement.

18 (5) ~~Except as provided in subsection (8), the~~ The  
 19 uniform fees for filing, indexing, and stamping a copy  
 20 furnished by the filing party to show the date and place of  
 21 filing shall be set pursuant to subsection (13), and  
 22 must include fees for:

23 (a) ~~an original financing or continuation statement in~~  
 24 ~~standard form;~~

25 (b) ~~a termination statement in standard form;~~



1        ~~{c}--a-financing-statement-indicating-an-assignment--in~~  
2        ~~standard-form;~~

3        ~~{d}--a--statement--of-release-of-collateral-in-standard~~  
4        ~~form;~~

5        ~~{e}--a-certificate-from-the-filing-officer-showing-that~~  
6        ~~an-effective-financing-statement-is-on--file;--requested--in~~  
7        ~~the-standard-form;~~

8        ~~{f}--any-of-the-documents-in-{a}-through-{e}-other-than~~  
9        ~~in-standard-form;~~

10       ~~{g}--each-name-more-than-one-required-to-be-indexed;~~

11       ~~{h}--a--uniform--indexing--fee-for-showing-a-trade-name~~  
12       ~~for-any-person;--and~~

13       ~~{i}--any-of-the-filing-and-indexing-in-subsections-{a};~~  
14       ~~{b};--or-{d}-where-the-collateral--is--equipment--or--rolling~~  
15       ~~stock-of-railroads-or-street-railways;~~

16       (6) If the debtor is a transmitting utility and a  
17       filed financing statement so states, it is effective until a  
18       termination statement is filed. A real estate mortgage that  
19       is effective as a fixture filing under 30-9-402(6) remains  
20       effective as a fixture filing until the mortgage is released  
21       or satisfied of record or its effectiveness otherwise  
22       terminates as to the real estate.

23       (7) When a financing statement covers timber to be cut  
24       or covers minerals or the like (including oil and gas) or  
25       accounts subject to 30-9-103(5) or is filed as a fixture

1       filing, the filing officer shall index it under the names of  
2       the debtor and any owner of record shown on the financing  
3       statement in the same fashion as if they were the mortgagors  
4       in a mortgage of the real estate described and, to the  
5       extent that the law of this state provides for indexing of  
6       mortgages under the name of the mortgagee, under the name of  
7       the secured party as if he were the mortgagee thereunder, or  
8       if indexing is by description, in the same fashion as if the  
9       financing statement were a mortgage of the real estate  
10       described.

11       (8) When a financing or continuation statement filed  
12       by a financial institution covers farm products or accounts,  
13       livestock, general intangibles arising from or relating to  
14       the sale of farm products by a farmer, crops growing or to  
15       be grown, or equipment used in farming operations, the fee  
16       for filing must be established by the secretary of state in  
17       an amount commensurate with the costs of establishing and  
18       operating the computerized access system described in  
19       subsection (9). ~~The secretary of state shall deposit all~~  
20       ~~fees he collects in the state treasury, and the fee money is~~  
21       ~~allocated to the secretary of state to pay the expenses of~~  
22       ~~establishing and operating the computerized access system.~~

23       (9) Within one working day of receipt of a financing  
24       or continuation statement ~~described in subsection (8)~~, the  
25       secretary of state shall record the information contained in

1 the statement on a centralized computer system that he shall  
 2 establish and--he--shall--mail--a--certified--copy--of--the  
 3 ~~financing-or-continuation-statement,--with--the--filing--fee~~  
 4 ~~provided-in-subsection-(5),--to-the-clerk-and-recorder-of-the~~  
 5 ~~debtor's--county.~~ The computer system must allow access to  
 6 financing statement information by any type of  
 7 communications which conform to standards used by the state  
 8 central computer. The system must have safeguards to allow  
 9 only access to UCC data and to prevent alteration, addition,  
 10 or deletion of the UCC data. The computer must be accessible  
 11 whenever the state computer system is available. A perfected  
 12 security interest ~~in-the-collateral-described-in-subsection~~  
 13 ~~(8)~~ is not created until the financing statement information  
 14 is recorded on the system. A printout of information from  
 15 the system is prima facie evidence of the existence or  
 16 nonexistence of the filing of a financing statement. The  
 17 secretary of state shall maintain adequate errors and  
 18 omissions liability coverage to protect against input errors  
 19 causing loss to a secured party.

20 (10) THE SECRETARY OF STATE SHALL, UPON REQUEST OF A  
 21 CLERK AND RECORDER, MAIL A COPY OF A FINANCING STATEMENT,  
 22 CONTINUATION STATEMENT, ASSIGNMENT, AMENDMENT, OR  
 23 TERMINATION COVERING COLLATERAL DESCRIBED IN SUBSECTION (8)  
 24 TO THE CLERK AND RECORDER IN THE COUNTY OF THE PRINCIPAL  
 25 DEBTOR'S RESIDENCE. THE SECRETARY OF STATE SHALL MAIL THE

1 REQUESTED COPIES AT LEAST ONCE EACH WEEK. THIS SUBSECTION  
 2 DOES NOT REQUIRE THE SECRETARY OF STATE TO MAIL A COPY OF  
 3 ANY DOCUMENT WHICH DOES NOT SPECIFICALLY INDICATE THE COUNTY  
 4 OF THE PRINCIPAL DEBTOR'S RESIDENCE ON ITS FACE.

5 ~~(10)~~(11) When a financing or continuation statement  
 6 covers property described in subsection (8), its  
 7 effectiveness lapses on July 1, 1986, unless prior to that  
 8 date there is filed in the office of the secretary of state  
 9 a certified copy of the statement on file with the county  
 10 clerk and all related documents ~~as-provided-in-36-9-422.~~

11 ~~(11)~~(12) Financing statement information in the  
 12 computer system constitutes public writings within the  
 13 meaning of 2-6-101, but the information may not be used to  
 14 compile mailing lists.

15 ~~(12)~~(13) The secretary of state, with advice from the  
 16 county clerk and recorders, shall by administrative rule  
 17 establish fees ~~for-filing-and-indexing-documents~~ as required  
 18 by this part. The fees must be commensurate with the costs  
 19 of processing the documents. The secretary of state shall  
 20 maintain records sufficient to support the amounts of the  
 21 fees established under this subsection. The secretary of  
 22 state shall deposit in the state treasury all fees he  
 23 collects, and the fee money is allocated to the secretary of  
 24 state to pay the expenses of filing and indexing documents  
 25 and operating the computerized access system. The secretary

1 of state shall disseminate the uniform fees fee schedule to  
 2 the county clerk and recorders for their use."

3 Section 3. Section 30-9-407, MCA, is amended to read:

4 "30-9-407. Information from filing officer. (1) If the  
 5 person filing any financing statement, termination  
 6 statement, statement of assignment, or statement of release  
 7 furnishes the filing officer a copy thereof, the filing  
 8 officer shall upon request note upon the copy the file  
 9 number and date and hour of the filing of the original and  
 10 deliver or send the copy to such person.

11 (2) Upon request of any person, the filing officer  
 12 shall issue his certificate showing whether there is on file  
 13 on the date and hour stated therein, any presently effective  
 14 financing statement naming a particular debtor and any  
 15 statement of assignment thereof and, if there is, giving the  
 16 date and hour of filing of each such statement and the name  
 17 and address of each secured party therein. For financing  
 18 statements recorded on the system described in 30-9-403(9),  
 19 the filing officer shall, upon request of any person, also  
 20 furnish written information concerning the collateral  
 21 described for any presently effective financing statement  
 22 covering collateral described in 30-9-403(8). However, such  
 23 information is not a part of the filing officer's  
 24 certificate and may not constitute a complete description of  
 25 the collateral covered by the financing statement. The

1 uniform fee for such a certificate and description of  
 2 collateral shall be set pursuant to 30-9-403. Upon request  
 3 the filing officer shall furnish a copy of any filed  
 4 financing statement or statement of assignment for a uniform  
 5 fee of 50 cents per page.

6 (3) A computer printout from the system described in  
 7 30-9-403(9) constitutes the certificate of the secretary of  
 8 state as to whether there is on file, on the date and hour  
 9 stated thereon, such a financing statement covering the  
 10 collateral described in 30-9-403(8). The fee for requesting  
 11 a printout from the secretary of state must cover the cost  
 12 of the printout. If a certificate is made on a requestor's  
 13 own computer using telephone dial-up access, a fee  
 14 commensurate with costs must be charged.

15 (4) WITHIN 30 DAYS AFTER [THE EFFECTIVE DATE OF THIS  
 16 ACT], THE SECRETARY OF STATE SHALL PROVIDE A LISTING OF ALL  
 17 FINANCING STATEMENTS RECORDED ON THE SYSTEM DESCRIBED IN  
 18 30-9-403(9) COVERING COLLATERAL DESCRIBED IN 30-9-403(8) TO  
 19 EACH COUNTY CLERK AND RECORDER. THE SECRETARY OF STATE SHALL  
 20 COMPILE THE LISTING ALPHABETICALLY BY DEBTOR'S NAME AND MAY  
 21 DISTRIBUTE THE LISTING ON MICROFILM OR MICROFICHE. THE  
 22 SECRETARY OF STATE SHALL PROVIDE THE LISTING WITHOUT CHARGE  
 23 TO THE COUNTY.

24 ~~(4) --At least once each month, the secretary of state~~  
 25 ~~shall provide a listing of all financing statements recorded~~

~~on the system described in 30-9-403(9) to each county clerk and recorder. The secretary of state shall compile the listing alphabetically by debtor's name and may distribute the listing on microfilm or microfiche. The secretary of state shall provide the listing without charge to the county.~~

~~(5) The secretary of state shall establish a facsimile system in his office to receive and transmit exact copies of documents over a telephone. A county clerk and recorder may establish a similar facsimile system in his office. The secretary of state shall pay all costs of transmitting to or receiving from the clerk and recorder a financing or continuation statement, assignment or amendment filed, or certificate issued pursuant to this chapter. The clerk and recorder may collect a uniform fee of \$5 for each financing or continuation statement, assignment, amendment, or certificate transmitted to or received from the secretary of state. This uniform fee is in addition to the filing fee collected by the secretary of state as provided in 30-9-403. For purposes of this chapter, the signature of a debtor, secured party, or filing officer on a document received over the facsimile system constitutes an original signature if the signature on the document transmitted is an original signature.~~

~~(6)(4)(5) The secretary of state shall ensure that the~~

system described in 30-9-403(9) complies with the requirements for a central filing system as defined by 7 U.S.C. 1631 as that statute read on January 1, 1987. The secretary of state shall distribute portions of the master list covering wheat and barley to registered buyers at least once each week during August, September, October, November, December, January, February, and March. The secretary of state shall distribute all other portions of the master list to registered buyers at least twice each month.

Section 4. Section 30-9-421, MCA, is amended to read:

"30-9-421. Rules for agricultural lien filing -- duties -- perfection and priority rights. (1) ~~The secretary of state shall adopt rules establishing fees for filing a financing statement pursuant to 30-9-403(8) and for the cost of a printout pursuant to 30-9-407.~~ The secretary of state may adopt rules concerning the operation of the central agricultural security interest computer filing system, prescribing such matters as format for data and the type of information to be recorded from the financing statement.

(2) A financing statement covering the collateral described in 30-9-403(8) which was filed with a county clerk and recorder prior to July 1, 1985, and which was sufficient on that date to perfect a security interest in the collateral described therein retains its perfection and priority rights upon being centrally filed ~~as provided in~~

1 30-9-422."

2 NEW SECTION. Section 5. Repealer. Section 30-9-422,  
3 MCA, is repealed.

4 NEW SECTION. Section 6. Extension of authority. Any  
5 existing authority of the secretary of state to make rules  
6 on the subject of the provisions of this act is extended to  
7 the provisions of this act.

8 NEW SECTION. Section 7. Effective dates. (1) Sections  
9 1 and 3 of this act are effective July 1, 1987.

10 (2) All other sections of this act are effective on  
11 passage and approval.

-End-

1 HOUSE BILL NO. 837

2 INTRODUCED BY JENKINS

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE  
5 PROVISIONS CONCERNING FILING FINANCIAL STATEMENTS IN TITLE  
6 30, CHAPTER 9, MCA, UNIFORM COMMERCIAL CODE--SECURED  
7 TRANSACTIONS; ~~REQUIRING--A--MONTHLY--LISTING--OF--FINANCIAL~~  
8 ~~STATEMENTS;~~ AMENDING SECTIONS 30-9-402, 30-9-403, 30-9-407,  
9 AND 30-9-421, MCA; REPEALING SECTION 30-9-422, MCA; AND  
10 PROVIDING EFFECTIVE DATES."

11  
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 Section 1. Section 30-9-402, MCA, is amended to read:

14 "30-9-402. Formal requisites of financing statement --  
15 amendments -- mortgage as financing statement. (1) A  
16 financing statement is sufficient if it gives the names of  
17 the debtor and the secured party, ~~and--the--debtor's--social~~  
18 ~~security--account--number or federal-taxpayer-identification~~  
19 ~~number,~~ is signed by the debtor, gives an address AND THE  
20 COUNTY OF RESIDENCE of the secured party from which  
21 information concerning the security interest may be  
22 obtained, gives a mailing address of the debtor, and  
23 contains a statement indicating the types or describing the  
24 items of collateral. A financing statement may be filed  
25 before a security agreement is made or a security interest

1 otherwise attaches. Except for financing statements filed  
2 pursuant to 30-9-409 when the financing statement covers  
3 crops growing or to be grown, the statement must also  
4 contain a description of the real estate concerned. When the  
5 financing statement covers timber to be cut or covers  
6 minerals or the like (including oil and gas) or accounts  
7 subject to 30-9-103(5), or when the financing statement is  
8 filed as a fixture filing (30-9-313) and the collateral is  
9 goods which are or are to become fixtures, the statement  
10 must also comply with subsection (5). A copy of the security  
11 agreement is sufficient as a financing statement if it  
12 contains the above information and is signed by the debtor.

13 (2) A financing statement which otherwise complies  
14 with subsection (1) is sufficient when it is signed by the  
15 secured party instead of the debtor if it is filed to  
16 perfect a security interest in:

17 (a) collateral already subject to a security interest  
18 in another jurisdiction when it is brought into this state,  
19 or when the debtor's location is changed to this state. Such  
20 a financing statement must state that the collateral was  
21 brought into this state or that the debtor's location was  
22 changed to this state under such circumstances.

23 (b) proceeds under 30-9-306 if the security interest  
24 in the original collateral was perfected. Such a financing  
25 statement must describe the original collateral.

1 (c) collateral as to which the filing has lapsed; or  
2 (d) collateral acquired after a change of name,  
3 identity, or corporate structure of the debtor (subsection  
4 (7)).

5 (3) A form substantially as follows is sufficient to  
6 comply with subsection (1):

7 Name of debtor (or assignor) ....  
8 ~~Social-security-account-number-or-federal-taxpayer~~  
9 ~~identification-number-xxxx~~

10 Address ....  
11 COUNTY OF RESIDENCE ....

12 Name of secured party (or assignee) ....  
13 Address ....

14 1. This financing statement covers the following types  
15 (or items) of property:  
16 (Describe) ....

17 2. (If collateral is crops) The above described crops  
18 are growing or are to be grown on:  
19 (Describe Real Estate) ....

20 3. (If applicable) The above goods are to become  
21 fixtures on:  
22 (Describe Real Estate) ....

23 and this financing statement is to be filed in the real  
24 estate record. (If the debtor does not have an interest or  
25 record) The name of a record owner is ....

1 4. (If products of collateral are claimed) Products of  
2 the collateral are also covered.

3 (Use whichever Signature of Debtor (or Assignor) ....  
4 is applicable) Signature of Secured Party (or Assignee) ....

5 (4) A financing statement may be amended by filing a  
6 writing signed by both the debtor and the secured party. An  
7 amendment does not extend the period of effectiveness of a  
8 financing statement. If any amendment adds collateral, it is  
9 effective as to the added collateral only from the filing  
10 date of the amendment. In this chapter, unless the context  
11 otherwise requires, the term "financing statement" means the  
12 original financing statement and any amendments.

13 (5) A financing statement covering timber to be cut or  
14 covering minerals or the like (including oil and gas) or  
15 accounts subject to 30-9-103(5), or a financing statement  
16 filed as a fixture filing (30-9-313) when the debtor is not  
17 a transmitting utility, must show that it covers this type  
18 of collateral, must recite that it is to be filed in the  
19 real estate records, and the financing statement must  
20 contain a description of the real estate sufficient if it  
21 were contained in a mortgage of the real estate to give  
22 constructive notice of the mortgage under the law of this  
23 state. If the debtor does not have an interest of record in  
24 the real estate, the financing statement must show the name  
25 of a record owner.

1 (6) (a) A mortgage is effective as a financing  
2 statement filed as a fixture filing from the date of its  
3 recording if:

4 (i) the goods are described in the mortgage by item or  
5 type;

6 (ii) the goods are or are to become fixtures related to  
7 the real estate described in the mortgage;

8 (iii) the mortgage complies with the requirements for a  
9 financing statement in this section other than a recital  
10 that it is to be filed in the real estate records; and

11 (iv) the mortgage is duly recorded.

12 (b) No fee with reference to the financing statement  
13 is required other than the regular recording and  
14 satisfaction fees with respect to the mortgage.

15 (7) A financing statement sufficiently shows the name  
16 of the debtor if it gives the individual, partnership, or  
17 corporate name of the debtor, whether or not it adds other  
18 trade names or the names of partners. If the debtor so  
19 changes his name or in the case of an organization its name,  
20 identity, or corporate structure that a filed financing  
21 statement becomes seriously misleading, the filing is not  
22 effective to perfect a security interest in collateral  
23 acquired by the debtor more than 4 months after the change  
24 unless a new appropriate financing statement is filed before  
25 the expiration of that time. A filed financing statement

1 remains effective with respect to collateral transferred by  
2 the debtor even though the secured party knows of or  
3 consents to the transfer.

4 (8) A financing statement substantially complying with  
5 the requirements of this section is effective even though it  
6 contains minor errors which are not seriously misleading."

7 Section 2. Section 30-9-403, MCA, is amended to read:

8 "30-9-403. What constitutes filing -- duration of  
9 filing -- fees -- effect of lapsed filing -- duties of  
10 filing officer -- computerized farm statement system. (1)  
11 Presentation for filing of a financing statement and tender  
12 of the filing fee or acceptance of the statement by the  
13 filing officer constitutes filing under this chapter.

14 (2) Except as provided in subsections (6) and ~~(10)~~  
15 (11), a filed financing statement is effective for a period  
16 of 5 years from the date of filing. The effectiveness of a  
17 filed financing statement lapses on the expiration of the  
18 5-year period unless a continuation statement is filed prior  
19 to the lapse. If a security interest perfected by filing  
20 exists at the time insolvency proceedings are commenced by  
21 or against the debtor, the security interest remains  
22 perfected until termination of the insolvency proceedings  
23 and thereafter for a period of 60 days or until expiration  
24 of the 5-year period, whichever occurs later. Upon lapse the  
25 security interest becomes unperfected, unless it is



1 perfected without filing. If the security interest becomes  
 2 unperfected upon lapse, it is considered to have been  
 3 unperfected as against a person who became a purchaser or  
 4 lien creditor before lapse.

5 (3) A continuation statement may be filed by the  
 6 secured party within 6 months prior to the expiration of the  
 7 5-year period specified in subsection (2). Any such  
 8 continuation statement must be signed by the secured party,  
 9 identify the original statement by file number, and state  
 10 that the original statement is still effective. A  
 11 continuation statement signed by a person other than the  
 12 secured party of record must be accompanied by a separate  
 13 written statement of assignment signed by the secured party  
 14 of record and complying with 30-9-405(2), including payment  
 15 of the required fee. Upon timely filing of the continuation  
 16 statement, the effectiveness of the original statement is  
 17 continued for 5 years after the last date to which the  
 18 filing was effective, whereupon it lapses in the same manner  
 19 as provided in subsection (2) unless another continuation  
 20 statement is filed prior to such lapse. Succeeding  
 21 continuation statements may be filed in the same manner to  
 22 continue the effectiveness of the original statement. Unless  
 23 a statute on disposition of public records provides  
 24 otherwise, the filing officer may remove a lapsed statement  
 25 from the files and destroy it immediately if he has retained

1 a microfilm or other photographic record, or in other cases  
 2 after 1 year after the lapse. The filing officer shall so  
 3 arrange matters by physical annexation of financing  
 4 statements to continuation statements or other related  
 5 filings, or by other means, that if he physically destroys  
 6 the financing statements of a period more than 5 years past,  
 7 those which have been continued by a continuation statement  
 8 or which are still effective under subsection (6) shall be  
 9 retained.

10 (4) Except as provided in subsection (7), a filing  
 11 officer shall mark each statement with a file number and  
 12 with the date and hour of filing and shall hold the  
 13 statement or a microfilm or other photographic copy thereof  
 14 for public inspection. In addition, the filing officer shall  
 15 index the statements according to the name of the debtor and  
 16 shall note in the index the file number and the address of  
 17 the debtor given in the statement.

18 (5) ~~Except as provided in subsection (8),~~ The  
 19 uniform fees for filing, indexing, and stamping a copy  
 20 furnished by the filing party to show the date and place of  
 21 filing shall be set pursuant to subsection ~~(12)~~ (13), and  
 22 ~~must include fees for:~~

23 ~~(a) an original financing or continuation statement in~~  
 24 ~~standard form;~~

25 ~~(b) a termination statement in standard form;~~

1 ~~(c) a financing statement indicating an assignment in~~  
2 ~~standard form;~~

3 ~~(d) a statement of release of collateral in standard~~  
4 ~~form;~~

5 ~~(e) a certificate from the filing officer showing that~~  
6 ~~an effective financing statement is on file, requested in~~  
7 ~~the standard form;~~

8 ~~(f) any of the documents in (a) through (e) other than~~  
9 ~~in standard form;~~

10 ~~(g) each name more than one required to be indexed;~~

11 ~~(h) a uniform indexing fee for showing a trade name~~  
12 ~~for any person; and~~

13 ~~(i) any of the filing and indexing in subsections (a),~~  
14 ~~(b), or (d) where the collateral is equipment or rolling~~  
15 ~~stock of railroads or street railways.~~

16 (6) If the debtor is a transmitting utility and a  
17 filed financing statement so states, it is effective until a  
18 termination statement is filed. A real estate mortgage that  
19 is effective as a fixture filing under 30-9-402(6) remains  
20 effective as a fixture filing until the mortgage is released  
21 or satisfied of record or its effectiveness otherwise  
22 terminates as to the real estate.

23 (7) When a financing statement covers timber to be cut  
24 or covers minerals or the like (including oil and gas) or  
25 accounts subject to 30-9-103(5) or is filed as a fixture

1 filing, the filing officer shall index it under the names of  
2 the debtor and any owner of record shown on the financing  
3 statement in the same fashion as if they were the mortgagors  
4 in a mortgage of the real estate described and, to the  
5 extent that the law of this state provides for indexing of  
6 mortgages under the name of the mortgagee, under the name of  
7 the secured party as if he were the mortgagee thereunder, or  
8 if indexing is by description, in the same fashion as if the  
9 financing statement were a mortgage of the real estate  
10 described.

11 (8) When a financing or continuation statement filed  
12 by a financial institution covers farm products or accounts,  
13 livestock, general intangibles arising from or relating to  
14 the sale of farm products by a farmer, crops growing or to  
15 be grown, or equipment used in farming operations, the fee  
16 for filing must be established by the secretary of state in  
17 an amount commensurate with the costs of establishing and  
18 operating the computerized access system described in  
19 subsection (9). ~~The secretary of state shall deposit all~~  
20 ~~fees he collects in the state treasury, and the fee money is~~  
21 ~~allocated to the secretary of state to pay the expenses of~~  
22 ~~establishing and operating the computerized access system.~~

23 (9) Within one working day of receipt of a financing  
24 or continuation statement described in subsection (8), the  
25 secretary of state shall record the information contained in

1 the statement on a centralized computer system that he shall  
 2 establish ~~and he shall mail a certified copy of the~~  
 3 ~~financing or continuation statement, with the filing fee~~  
 4 ~~provided in subsection (5), to the clerk and recorder of the~~  
 5 ~~debtor's county.~~ The computer system must allow access to  
 6 financing statement information by any type of  
 7 communications which conform to standards used by the state  
 8 central computer. The system must have safeguards to allow  
 9 only access to UCC data and to prevent alteration, addition,  
 10 or deletion of the UCC data. The computer must be accessible  
 11 whenever the state computer system is available. A perfected  
 12 security interest ~~in the collateral described in subsection~~  
 13 ~~(8)~~ is not created until the financing statement information  
 14 is recorded on the system. A printout of information from  
 15 the system is prima facie evidence of the existence or  
 16 nonexistence of the filing of a financing statement. The  
 17 secretary of state shall maintain adequate errors and  
 18 omissions liability coverage to protect against input errors  
 19 causing loss to a secured party.

20 (10) THE SECRETARY OF STATE SHALL, UPON REQUEST OF A  
 21 CLERK AND RECORDER, MAIL A CERTIFIED COPY OF A FINANCING  
 22 STATEMENT, CONTINUATION STATEMENT, ASSIGNMENT, AMENDMENT, OR  
 23 TERMINATION COVERING COLLATERAL DESCRIBED IN SUBSECTION (8)  
 24 TO THE CLERK AND RECORDER IN THE COUNTY OF THE PRINCIPAL  
 25 DEBTOR'S RESIDENCE. THE SECRETARY OF STATE SHALL MAIL THE

1 REQUESTED COPIES AT LEAST ONCE EACH WEEK. THIS SUBSECTION  
 2 DOES NOT REQUIRE THE SECRETARY OF STATE TO MAIL A COPY OF  
 3 ANY DOCUMENT WHICH DOES NOT SPECIFICALLY INDICATE THE COUNTY  
 4 OF THE PRINCIPAL DEBTOR'S RESIDENCE ON ITS FACE.

5 ~~(10)~~(11) When a financing or continuation statement  
 6 covers property described in subsection (8), its  
 7 effectiveness lapses on July 1, 1986, unless prior to that  
 8 date there is filed in the office of the secretary of state  
 9 a certified copy of the statement on file with the county  
 10 clerk and all related documents ~~as provided in 30-9-422.~~

11 ~~(11)~~(12) Financing statement information in the  
 12 computer system constitutes public writings within the  
 13 meaning of 2-6-101, but the information may not be used to  
 14 compile mailing lists.

15 ~~(12)~~(13) The secretary of state, with advice from the  
 16 county clerk and recorders, shall by administrative rule  
 17 establish ~~fees for filing and indexing documents~~ as required  
 18 by this part. The fees must be commensurate with the costs  
 19 of processing the documents. The secretary of state shall  
 20 maintain records sufficient to support the amounts of the  
 21 fees established under this subsection. The secretary of  
 22 state shall deposit in the state treasury GENERAL FUND all  
 23 fees he collects, and the fee money is allocated to the  
 24 secretary of state to pay the expenses of filing and  
 25 indexing documents and operating the computerized access

1 system. The secretary of state shall disseminate the uniform  
2 fees fee schedule to the county clerk and recorders for  
3 their use."

4 Section 3. Section 30-9-407, MCA, is amended to read:

5 "30-9-407. Information from filing officer. (1) If the  
6 person filing any financing statement, termination  
7 statement, statement of assignment, or statement of release  
8 furnishes the filing officer a copy thereof, the filing  
9 officer shall upon request note upon the copy the file  
10 number and date and hour of the filing of the original and  
11 deliver or send the copy to such person.

12 (2) Upon request of any person, the filing officer  
13 shall issue his certificate showing whether there is on file  
14 on the date and hour stated therein, any presently effective  
15 financing statement naming a particular debtor and any  
16 statement of assignment thereof and, if there is, giving the  
17 date and hour of filing of each such statement and the name  
18 and address of each secured party therein. For financing  
19 statements recorded on the system described in 30-9-403(9),  
20 the filing officer shall, upon request of any person, also  
21 furnish written information concerning the collateral  
22 described for any presently effective financing statement  
23 covering collateral described in 30-9-403(8). However, such  
24 information is not a part of the filing officer's  
25 certificate and may not constitute a complete description of

1 the collateral covered by the financing statement. The  
2 uniform fee for such a certificate and description of  
3 collateral shall be set pursuant to 30-9-403. Upon request  
4 the filing officer shall furnish a copy of any filed  
5 financing statement or statement of assignment for a uniform  
6 fee of 50 cents per page.

7 (3) A computer printout from the system described in  
8 30-9-403(9) constitutes the certificate of the secretary of  
9 state as to whether there is on file, on the date and hour  
10 stated thereon, such a financing statement covering the  
11 collateral described in 30-9-403(8). The fee for requesting  
12 a printout from the secretary of state must cover the cost  
13 of the printout. If a certificate is made on a requestor's  
14 own computer using telephone dial-up access, a fee  
15 commensurate with costs must be charged.

16 (4) WITHIN 30 DAYS AFTER [THE EFFECTIVE DATE OF THIS  
17 ACT], THE SECRETARY OF STATE SHALL PROVIDE A LISTING OF ALL  
18 FINANCING STATEMENTS RECORDED ON THE SYSTEM DESCRIBED IN  
19 30-9-403(9) COVERING COLLATERAL DESCRIBED IN 30-9-403(8) TO  
20 EACH COUNTY CLERK AND RECORDER. THE SECRETARY OF STATE SHALL  
21 COMPILE THE LISTING ALPHABETICALLY BY DEBTOR'S NAME AND MAY  
22 DISTRIBUTE THE LISTING ON MICROFILM OR MICROFICHE. THE  
23 SECRETARY OF STATE SHALL PROVIDE THE LISTING WITHOUT CHARGE  
24 TO THE COUNTY.

25 ~~(4) --At least once each month, the secretary of state~~

~~shall provide a listing of all financing statements recorded on the system described in 30-9-403(9) to each county clerk and recorder. The secretary of state shall compile the listing alphabetically by debtor's name and may distribute the listing on microfilm or microfiche. The secretary of state shall provide the listing without charge to the county.~~

~~(5) The secretary of state shall establish a facsimile system in his office to receive and transmit exact copies of documents over a telephone. A county clerk and recorder may establish a similar facsimile system in his office. The secretary of state shall pay all costs of transmitting to or receiving from the clerk and recorder a financing or continuation statement, assignment or amendment filed, or certificate issued pursuant to this chapter. The clerk and recorder may collect a uniform fee of \$5 for each financing or continuation statement, assignment, amendment, or certificate transmitted to or received from the secretary of state. This uniform fee is in addition to the filing fee collected by the secretary of state as provided in 30-9-403. For purposes of this chapter, the signature of a debtor, secured party, or filing officer on a document received over the facsimile system constitutes an original signature if the signature on the document transmitted is an original signature.~~

~~(6)(4)(5) The secretary of state shall ensure that the system described in 30-9-403(9) complies with the requirements for a central filing system as defined by 7 U.S.C. 1631 as that statute read on January 1, 1987. The secretary of state shall distribute portions of the master list covering wheat and barley to registered buyers at least once each week during August, September, October, November, December, January, February, and March. The secretary of state shall distribute all other portions of the master list to registered buyers at least twice each month.~~

Section 4. Section 30-9-421, MCA, is amended to read:

"30-9-421. Rules for agricultural lien filing -- duties -- perfection and priority rights. (1) The secretary of state shall adopt rules establishing fees for filing a financing statement pursuant to 30-9-403(8) and for the cost of a printout pursuant to 30-9-407. The secretary of state may adopt rules concerning the operation of the central agricultural security interest computer filing system, prescribing such matters as format for data and the type of information to be recorded from the financing statement.

(2) A financing statement covering the collateral described in 30-9-403(8) which was filed with a county clerk and recorder prior to July 1, 1985, and which was sufficient on that date to perfect a security interest in the collateral described therein retains its perfection and

1 priority rights upon being centrally filed ~~as provided in~~  
2 30-9-422."

3 NEW SECTION. Section 5. Repealer. Section 30-9-422,  
4 MCA, is repealed.

5 NEW SECTION. Section 6. Extension of authority. Any  
6 existing authority of the secretary of state to make rules  
7 on the subject of the provisions of this act is extended to  
8 the provisions of this act.

9 NEW SECTION. Section 7. Effective dates. (1) Sections  
10 1 and 3 of this act are effective July 1, 1987.

11 (2) All other sections of this act are effective on  
12 passage and approval.

-End-

STANDING COMMITTEE REPORT

SENATE

MARCH 16 1987

MR. PRESIDENT

We, your committee on AGRICULTURE, LIVESTOCK & IRRIGATION

having had under consideration HOUSE BILL No. 837

third reading copy (blue) color

Jenkins (Thayer)

REVISE LIEN FILINGS

Respectfully report as follows: That HOUSE BILL No. 837

be amended as follows:

- 1. Page 1, lines 18 and 19.  
Strike: "or federal taxpayer identification number"
- 2. Page 11, line 21.  
Following: "MAIL A"  
Insert: "certified"
- 3. Page 16, lines 3 through 9.  
Following: "1987."  
Strike: remainder of subsection (5)

and as amended  
BE CONCURRED IN

~~XXXXXX~~

~~XXXXXXXXXX~~

KMC

*Boylan*  
PAUL F. BOYLAN, Chairman.

5-16-87  
H. 40  
MY

3-20-87

DATE

5:20

TIME

837

SENATE

MR. CHAIRMAN: I MOVE TO AMEND House Bill No. 837

third reading copy ( blue ) as follows:  
Color

- 1. Page 12, line 22.  
Strike: "state treasury"  
Insert: "general fund"
- 2. Page 12, lines 23 through 25.  
Following: "collects" on line 23.  
Strike: the remainder of line 23 through "system" on line 25.

KPK

ADOPT

REJECT

.....  
Senator Regan



MR. SPEAKER

We, your FREE Conference Committee on

House Bill 837

met and considered Senate amendments to HB 837, reference copy, salmon.

We recommend as follows:

That HB 837 be amended as follows:

- 1) Page 1, lines 19 and 20.  
Strike: "AND THE COUNTY OF RESIDENCE"
- 2) Page 1, line 22.  
Following: "address"  
Insert: "and the county of residence"
- 3) Page 12, line 22.  
Following: "deposit in"  
Strike: "the GENERAL FUND"  
Insert: "a state special revenue fund in the state treasury"
- 4) Page 12, line 23.  
Following: "collects"  
Insert: ", and the fee money may be paid out of the treasury only on appropriation made by the legislature as provided in 17-8-101. Any fee money collected under this part and remaining in the state treasury after all current fiscal year expenditures are met must be transferred to the general fund"

CONTINUED

And that this Conference Committee report be adopted.

FOR THE SENATE

FOR THE HOUSE

[Signature]  
Thayer

[Signature]  
Jenkins, Chairman  
[Signature]

[Signature]  
Beck  
[Signature]  
Jergeson

Hanson  
[Signature]  
Holliday  
[Signature]

ADOPT REJECT

5) Page 16, line 4.

Following: "1987."

Insert: "The secretary of state shall distribute portions of the master list to registered buyers at least once each month. He may distribute portions of the master list more frequently if he determines it is necessary to improve the flow of agricultural credit."

He

## 1 HOUSE BILL NO. 837

2 INTRODUCED BY JENKINS

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO GENERALLY REVISE THE  
5 PROVISIONS CONCERNING FILING FINANCIAL STATEMENTS IN TITLE  
6 30, CHAPTER 9, MCA, UNIFORM COMMERCIAL CODE--SECURED  
7 TRANSACTIONS; REQUIRING--A--MONTHLY--LISTING--OF--FINANCIAL  
8 STATEMENTS; AMENDING SECTIONS 30-9-402, 30-9-403, 30-9-407,  
9 AND 30-9-421, MCA; REPEALING SECTION 30-9-422, MCA; AND  
10 PROVIDING EFFECTIVE DATES."

11  
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 Section 1. Section 30-9-402, MCA, is amended to read:

14 "30-9-402. Formal requisites of financing statement --  
15 amendments -- mortgage as financing statement. (1) A  
16 financing statement is sufficient if it gives the names of  
17 the debtor and the secured party, ~~and--the--debtor's--social~~  
18 ~~security--account--number or federal-taxpayer-identification~~  
19 ~~number~~, is signed by the debtor, gives an address ~~AND--THE~~  
20 ~~COUNTY--OF--RESIDENCE~~ of the secured party from which  
21 information concerning the security interest may be  
22 obtained, gives a mailing address AND THE COUNTY OF  
23 RESIDENCE of the debtor, and contains a statement indicating  
24 the types or describing the items of collateral. A financing  
25 statement may be filed before a security agreement is made

1 or a security interest otherwise attaches. Except for  
2 financing statements filed pursuant to 30-9-409 when the  
3 financing statement covers crops growing or to be grown, the  
4 statement must also contain a description of the real estate  
5 concerned. When the financing statement covers timber to be  
6 cut or covers minerals or the like (including oil and gas)  
7 or accounts subject to 30-9-103(5), or when the financing  
8 statement is filed as a fixture filing (30-9-313) and the  
9 collateral is goods which are or are to become fixtures, the  
10 statement must also comply with subsection (5). A copy of  
11 the security agreement is sufficient as a financing  
12 statement if it contains the above information and is signed  
13 by the debtor.

14 (2) A financing statement which otherwise complies  
15 with subsection (1) is sufficient when it is signed by the  
16 secured party instead of the debtor if it is filed to  
17 perfect a security interest in:

18 (a) collateral already subject to a security interest  
19 in another jurisdiction when it is brought into this state,  
20 or when the debtor's location is changed to this state. Such  
21 a financing statement must state that the collateral was  
22 brought into this state or that the debtor's location was  
23 changed to this state under such circumstances.

24 (b) proceeds under 30-9-306 if the security interest  
25 in the original collateral was perfected. Such a financing

1 statement must describe the original collateral.  
 2 (c) collateral as to which the filing has lapsed; or  
 3 (d) collateral acquired after a change of name,  
 4 identity, or corporate structure of the debtor (subsection  
 5 (7)).  
 6 (3) A form substantially as follows is sufficient to  
 7 comply with subsection (1):  
 8 Name of debtor (or assignor) ....  
 9 Social-security-account-number-or-federal-taxpayer  
 10 identification-number----  
 11 Address ....  
 12 COUNTY OF RESIDENCE ....  
 13 Name of secured party (or assignee) ....  
 14 Address ....  
 15 1. This financing statement covers the following types  
 16 (or items) of property:  
 17 (Describe) ....  
 18 2. (If collateral is crops) The above described crops  
 19 are growing or are to be grown on:  
 20 (Describe Real Estate) ....  
 21 3. (If applicable) The above goods are to become  
 22 fixtures on:  
 23 (Describe Real Estate) ....  
 24 and this financing statement is to be filed in the real  
 25 estate record. (If the debtor does not have an interest or

1 record) The name of a record owner is ....  
 2 4. (If products of collateral are claimed) Products of  
 3 the collateral are also covered.  
 4 (Use whichever Signature of Debtor (or Assignor) ....  
 5 is applicable) Signature of Secured Party (or Assignee) ....  
 6 (4) A financing statement may be amended by filing a  
 7 writing signed by both the debtor and the secured party. An  
 8 amendment does not extend the period of effectiveness of a  
 9 financing statement. If any amendment adds collateral, it is  
 10 effective as to the added collateral only from the filing  
 11 date of the amendment. In this chapter, unless the context  
 12 otherwise requires, the term "financing statement" means the  
 13 original financing statement and any amendments.  
 14 (5) A financing statement covering timber to be cut or  
 15 covering minerals or the like (including oil and gas) or  
 16 accounts subject to 30-9-103(5), or a financing statement  
 17 filed as a fixture filing (30-9-313) when the debtor is not  
 18 a transmitting utility, must show that it covers this type  
 19 of collateral, must recite that it is to be filed in the  
 20 real estate records, and the financing statement must  
 21 contain a description of the real estate sufficient if it  
 22 were contained in a mortgage of the real estate to give  
 23 constructive notice of the mortgage under the law of this  
 24 state. If the debtor does not have an interest of record in  
 25 the real estate, the financing statement must show the name

1 of a record owner.

2 (6) (a) A mortgage is effective as a financing  
3 statement filed as a fixture filing from the date of its  
4 recording if:

5 (i) the goods are described in the mortgage by item or  
6 type;

7 (ii) the goods are or are to become fixtures related to  
8 the real estate described in the mortgage;

9 (iii) the mortgage complies with the requirements for a  
10 financing statement in this section other than a recital  
11 that it is to be filed in the real estate records; and

12 (iv) the mortgage is duly recorded.

13 (b) No fee with reference to the financing statement  
14 is required other than the regular recording and  
15 satisfaction fees with respect to the mortgage.

16 (7) A financing statement sufficiently shows the name  
17 of the debtor if it gives the individual, partnership, or  
18 corporate name of the debtor, whether or not it adds other  
19 trade names or the names of partners. If the debtor so  
20 changes his name or in the case of an organization its name,  
21 identity, or corporate structure that a filed financing  
22 statement becomes seriously misleading, the filing is not  
23 effective to perfect a security interest in collateral  
24 acquired by the debtor more than 4 months after the change  
25 unless a new appropriate financing statement is filed before

1 the expiration of that time. A filed financing statement  
2 remains effective with respect to collateral transferred by  
3 the debtor even though the secured party knows of or  
4 consents to the transfer.

5 (8) A financing statement substantially complying with  
6 the requirements of this section is effective even though it  
7 contains minor errors which are not seriously misleading."

8 Section 2. Section 30-9-403, MCA, is amended to read:

9 "30-9-403. What constitutes filing -- duration of  
10 filing -- fees -- effect of lapsed filing -- duties of  
11 filing officer -- computerized farm statement system. (1)  
12 Presentation for filing of a financing statement and tender  
13 of the filing fee or acceptance of the statement by the  
14 filing officer constitutes filing under this chapter.

15 (2) Except as provided in subsections (6) and ~~(10)~~  
16 (11), a filed financing statement is effective for a period  
17 of 5 years from the date of filing. The effectiveness of a  
18 filed financing statement lapses on the expiration of the  
19 5-year period unless a continuation statement is filed prior  
20 to the lapse. If a security interest perfected by filing  
21 exists at the time insolvency proceedings are commenced by  
22 or against the debtor, the security interest remains  
23 perfected until termination of the insolvency proceedings  
24 and thereafter for a period of 60 days or until expiration  
25 of the 5-year period, whichever occurs later. Upon lapse the

1 security interest becomes unperfected, unless it is  
 2 perfected without filing. If the security interest becomes  
 3 unperfected upon lapse, it is considered to have been  
 4 unperfected as against a person who became a purchaser or  
 5 lien creditor before lapse.

6 (3) A continuation statement may be filed by the  
 7 secured party within 6 months prior to the expiration of the  
 8 5-year period specified in subsection (2). Any such  
 9 continuation statement must be signed by the secured party,  
 10 identify the original statement by file number, and state  
 11 that the original statement is still effective. A  
 12 continuation statement signed by a person other than the  
 13 secured party of record must be accompanied by a separate  
 14 written statement of assignment signed by the secured party  
 15 of record and complying with 30-9-405(2), including payment  
 16 of the required fee. Upon timely filing of the continuation  
 17 statement, the effectiveness of the original statement is  
 18 continued for 5 years after the last date to which the  
 19 filing was effective, whereupon it lapses in the same manner  
 20 as provided in subsection (2) unless another continuation  
 21 statement is filed prior to such lapse. Succeeding  
 22 continuation statements may be filed in the same manner to  
 23 continue the effectiveness of the original statement. Unless  
 24 a statute on disposition of public records provides  
 25 otherwise, the filing officer may remove a lapsed statement

1 from the files and destroy it immediately if he has retained  
 2 a microfilm or other photographic record, or in other cases  
 3 after 1 year after the lapse. The filing officer shall so  
 4 arrange matters by physical annexation of financing  
 5 statements to continuation statements or other related  
 6 filings, or by other means, that if he physically destroys  
 7 the financing statements of a period more than 5 years past,  
 8 those which have been continued by a continuation statement  
 9 or which are still effective under subsection (6) shall be  
 10 retained.

11 (4) Except as provided in subsection (7), a filing  
 12 officer shall mark each statement with a file number and  
 13 with the date and hour of filing and shall hold the  
 14 statement or a microfilm or other photographic copy thereof  
 15 for public inspection. In addition, the filing officer shall  
 16 index the statements according to the name of the debtor and  
 17 shall note in the index the file number and the address of  
 18 the debtor given in the statement.

19 ~~(5) Except as provided in subsection (8) the~~ The  
 20 uniform fees for filing, indexing, and stamping a copy  
 21 furnished by the filing party to show the date and place of  
 22 filing shall be set pursuant to subsection (13) and  
 23 must include fees for:

24 ~~(a) an original financing or continuation statement in~~  
 25 ~~standard form;~~

~~(b) a termination statement in standard form;~~  
~~(c) a financing statement indicating an assignment in standard form;~~  
~~(d) a statement of release of collateral in standard form;~~  
~~(e) a certificate from the filing officer showing that an effective financing statement is on file, requested in the standard form;~~  
~~(f) any of the documents in (a) through (e) other than in standard form;~~  
~~(g) each name more than one required to be indexed;~~  
~~(h) a uniform indexing fee for showing a trade name for any person; and~~  
~~(i) any of the filing and indexing in subsections (a), (b), or (d) where the collateral is equipment or rolling stock of railroads or street railways.~~

(6) If the debtor is a transmitting utility and a filed financing statement so states, it is effective until a termination statement is filed. A real estate mortgage that is effective as a fixture filing under 30-9-402(6) remains effective as a fixture filing until the mortgage is released or satisfied of record or its effectiveness otherwise terminates as to the real estate.

(7) When a financing statement covers timber to be cut or covers minerals or the like (including oil and gas) or

accounts subject to 30-9-103(5) or is filed as a fixture filing, the filing officer shall index it under the names of the debtor and any owner of record shown on the financing statement in the same fashion as if they were the mortgagors in a mortgage of the real estate described and, to the extent that the law of this state provides for indexing of mortgages under the name of the mortgagee, under the name of the secured party as if he were the mortgagee thereunder, or if indexing is by description, in the same fashion as if the financing statement were a mortgage of the real estate described.

(8) When a financing or continuation statement filed by a financial institution covers farm products or accounts, livestock, general intangibles arising from or relating to the sale of farm products by a farmer, crops growing or to be grown, or equipment used in farming operations, the fee for filing must be established by the secretary of state in an amount commensurate with the costs of establishing and operating the computerized access system described in subsection (9). ~~The secretary of state shall deposit all fees he collects in the state treasury, and the fee money is allocated to the secretary of state to pay the expenses of establishing and operating the computerized access system.~~

(9) Within one working day of receipt of a financing or continuation statement ~~described in subsection (8)~~, the

1 secretary of state shall record the information contained in  
 2 the statement on a centralized computer system that he shall  
 3 establish ~~and he shall mail a certified copy of the~~  
 4 ~~financing or continuation statement, with the filing fee~~  
 5 ~~provided in subsection (5), to the clerk and recorder of the~~  
 6 ~~debtor's county.~~ The computer system must allow access to  
 7 financing statement information by any type of  
 8 communications which conform to standards used by the state  
 9 central computer. The system must have safeguards to allow  
 10 only access to UCC data and to prevent alteration, addition,  
 11 or deletion of the UCC data. The computer must be accessible  
 12 whenever the state computer system is available. A perfected  
 13 security interest ~~in the collateral described in subsection~~  
 14 ~~(8)~~ is not created until the financing statement information  
 15 is recorded on the system. A printout of information from  
 16 the system is prima facie evidence of the existence or  
 17 nonexistence of the filing of a financing statement. The  
 18 secretary of state shall maintain adequate errors and  
 19 omissions liability coverage to protect against input errors  
 20 causing loss to a secured party.

21 (10) THE SECRETARY OF STATE SHALL, UPON REQUEST OF A  
 22 CLERK AND RECORDER, MAIL A CERTIFIED COPY OF A FINANCING  
 23 STATEMENT, CONTINUATION STATEMENT, ASSIGNMENT, AMENDMENT, OR  
 24 TERMINATION COVERING COLLATERAL DESCRIBED IN SUBSECTION (8)  
 25 TO THE CLERK AND RECORDER IN THE COUNTY OF THE PRINCIPAL

1 DEBTOR'S RESIDENCE. THE SECRETARY OF STATE SHALL MAIL THE  
 2 REQUESTED COPIES AT LEAST ONCE EACH WEEK. THIS SUBSECTION  
 3 DOES NOT REQUIRE THE SECRETARY OF STATE TO MAIL A COPY OF  
 4 ANY DOCUMENT WHICH DOES NOT SPECIFICALLY INDICATE THE COUNTY  
 5 OF THE PRINCIPAL DEBTOR'S RESIDENCE ON ITS FACE.

6 ~~(10)~~(11) When a financing or continuation statement  
 7 covers property described in subsection (8), its  
 8 effectiveness lapses on July 1, 1986, unless prior to that  
 9 date there is filed in the office of the secretary of state  
 10 a certified copy of the statement on file with the county  
 11 clerk and all related documents ~~as provided in 30-9-422.~~

12 ~~(11)~~(12) Financing statement information in the  
 13 computer system constitutes public writings within the  
 14 meaning of 2-6-101, but the information may not be used to  
 15 compile mailing lists.

16 ~~(12)~~(13) The secretary of state, with advice from the  
 17 county clerk and recorders, shall by administrative rule  
 18 establish fees ~~for filing and indexing documents~~ as required  
 19 by this part. The fees must be commensurate with the costs  
 20 of processing the documents. The secretary of state shall  
 21 maintain records sufficient to support the amounts of the  
 22 fees established under this subsection. The secretary of  
 23 state shall deposit in the state treasury GENERAL FUND A  
 24 STATE SPECIAL REVENUE FUND IN THE STATE TREASURY all fees he  
 25 collects, and the fee money is allocated to the secretary of



1 ~~state-to-pay-the-expenses-of-filing-and-indexing-documents~~  
 2 ~~and-operating-the-computerized-access-system~~, AND THE FEE  
 3 MONEY MAY BE PAID OUT OF THE TREASURY ONLY ON APPROPRIATION  
 4 MADE BY THE LEGISLATURE AS PROVIDED IN 17-8-101. ANY FEE  
 5 MONEY COLLECTED UNDER THIS PART AND REMAINING IN THE STATE  
 6 TREASURY AFTER ALL CURRENT FISCAL YEAR EXPENDITURES ARE MET  
 7 MUST BE TRANSFERRED TO THE GENERAL FUND. The secretary of  
 8 state shall disseminate the uniform fees fee schedule to the  
 9 county clerk and recorders for their use."

10 Section 3. Section 30-9-407, MCA, is amended to read:

11 "30-9-407. Information from filing officer. (1) If the  
 12 person filing any financing statement, termination  
 13 statement, statement of assignment, or statement of release  
 14 furnishes the filing officer a copy thereof, the filing  
 15 officer shall upon request note upon the copy the file  
 16 number and date and hour of the filing of the original and  
 17 deliver or send the copy to such person.

18 (2) Upon request of any person, the filing officer  
 19 shall issue his certificate showing whether there is on file  
 20 on the date and hour stated therein, any presently effective  
 21 financing statement naming a particular debtor and any  
 22 statement of assignment thereof and, if there is, giving the  
 23 date and hour of filing of each such statement and the name  
 24 and address of each secured party therein. For financing  
 25 statements recorded on the system described in 30-9-403(9),

1 the filing officer shall, upon request of any person, also  
 2 furnish written information concerning the collateral  
 3 described for any presently effective financing statement  
 4 covering collateral described in 30-9-403(8). However, such  
 5 information is not a part of the filing officer's  
 6 certificate and may not constitute a complete description of  
 7 the collateral covered by the financing statement. The  
 8 uniform fee for such a certificate and description of  
 9 collateral shall be set pursuant to 30-9-403. Upon request  
 10 the filing officer shall furnish a copy of any filed  
 11 financing statement or statement of assignment for a uniform  
 12 fee of 50 cents per page.

13 (3) A computer printout from the system described in  
 14 30-9-403(9) constitutes the certificate of the secretary of  
 15 state as to whether there is on file, on the date and hour  
 16 stated thereon, such a financing statement covering the  
 17 collateral described in 30-9-403(8). The fee for requesting  
 18 a printout from the secretary of state must cover the cost  
 19 of the printout. If a certificate is made on a requestor's  
 20 own computer using telephone dial-up access, a fee  
 21 commensurate with costs must be charged.

22 (4) WITHIN 30 DAYS AFTER [THE EFFECTIVE DATE OF THIS  
 23 ACT], THE SECRETARY OF STATE SHALL PROVIDE A LISTING OF ALL  
 24 FINANCING STATEMENTS RECORDED ON THE SYSTEM DESCRIBED IN  
 25 30-9-403(9) COVERING COLLATERAL DESCRIBED IN 30-9-403(8) TO

1 EACH COUNTY CLERK AND RECORDER. THE SECRETARY OF STATE SHALL  
2 COMPILE THE LISTING ALPHABETICALLY BY DEBTOR'S NAME AND MAY  
3 DISTRIBUTE THE LISTING ON MICROFILM OR MICROFICHE. THE  
4 SECRETARY OF STATE SHALL PROVIDE THE LISTING WITHOUT CHARGE  
5 TO THE COUNTY.

6 ~~(4) At least once each month, the secretary of state  
7 shall provide a listing of all financing statements recorded  
8 on the system described in 30-9-403(9) to each county clerk  
9 and recorder. The secretary of state shall compile the  
10 listing alphabetically by debtor's name and may distribute  
11 the listing on microfilm or microfiche. The secretary of  
12 state shall provide the listing without charge to the  
13 county.~~

14 ~~(5) The secretary of state shall establish a facsimile  
15 system in his office to receive and transmit exact copies of  
16 documents over a telephone. A county clerk and recorder may  
17 establish a similar facsimile system in his office. The  
18 secretary of state shall pay all costs of transmitting to or  
19 receiving from the clerk and recorder a financing or  
20 continuation statement, assignment or amendment filed, or  
21 certificate issued pursuant to this chapter. The clerk and  
22 recorder may collect a uniform fee of \$5 for each financing  
23 or continuation statement, assignment, amendment, or  
24 certificate transmitted to or received from the secretary of  
25 state. This uniform fee is in addition to the filing fee~~

1 ~~collected by the secretary of state as provided in 30-9-403.  
2 For purposes of this chapter, the signature of a debtor,  
3 secured party, or filing officer on a document received over  
4 the facsimile system constitutes an original signature if  
5 the signature on the document transmitted is an original  
6 signature.~~

7 ~~(6)(4)(5) The secretary of state shall ensure that the  
8 system described in 30-9-403(9) complies with the  
9 requirements for a central filing system as defined by 7  
10 U.S.C. 1631 as that statute read on January 1, 1987. The  
11 secretary of state shall distribute portions of the master  
12 list covering wheat and barley to registered buyers at least  
13 once each week during August, September, October, November,  
14 December, January, February, and March. The secretary of  
15 state shall distribute all other portions of the master list  
16 to registered buyers at least twice each month. THE  
17 SECRETARY OF STATE SHALL DISTRIBUTE PORTIONS OF THE MASTER  
18 LIST TO REGISTERED BUYERS AT LEAST ONCE EACH MONTH. HE MAY  
19 DISTRIBUTE PORTIONS OF THE MASTER LIST MORE FREQUENTLY IF HE  
20 DETERMINES IT IS NECESSARY TO IMPROVE THE FLOW OF  
21 AGRICULTURAL CREDIT."~~

22 Section 4. Section 30-9-421, MCA, is amended to read:  
23 "30-9-421. Rules for agricultural lien filing --  
24 duties -- perfection and priority rights. (1) The secretary  
25 of state shall adopt rules establishing fees for filing a

1 ~~financing statement pursuant to 30-9-403(8) and for the cost~~  
2 ~~of a printout pursuant to 30-9-407.~~ The secretary of state  
3 may adopt rules concerning the operation of the central  
4 agricultural security interest computer filing system,  
5 prescribing such matters as format for data and the type of  
6 information to be recorded from the financing statement.

7 (2) A financing statement covering the collateral  
8 described in 30-9-403(8) which was filed with a county clerk  
9 and recorder prior to July 1, 1985, and which was sufficient  
10 on that date to perfect a security interest in the  
11 collateral described therein retains its perfection and  
12 priority rights upon being centrally filed ~~as provided in~~  
13 ~~30-9-422.~~"

14 NEW SECTION. Section 5. Repealer. Section 30-9-422,  
15 MCA, is repealed.

16 NEW SECTION. Section 6. Extension of authority. Any  
17 existing authority of the secretary of state to make rules  
18 on the subject of the provisions of this act is extended to  
19 the provisions of this act.

20 NEW SECTION. Section 7. Effective dates. (1) Sections  
21 1 and 3 of this act are effective July 1, 1987.

22 (2) All other sections of this act are effective on  
23 passage and approval.

-End-