

SENATE BILL NO. 114
INTRODUCED BY THAYER, COMPTON
BY REQUEST OF THE SECRETARY OF STATE

IN THE SENATE

JANUARY 15, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON JUDICIARY.

JANUARY 27, 1987 COMMITTEE RECOMMEND BILL
DO PASS. REPORT ADOPTED.

JANUARY 28, 1987 PRINTING REPORT.

JANUARY 30, 1987 SECOND READING, DO PASS.

JANUARY 31, 1987 ENGROSSING REPORT.

FEBRUARY 2, 1987 THIRD READING, PASSED.
AYES, 49; NOES, 0.

TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 4, 1987 INTRODUCED AND REFERRED TO COMMITTEE
ON BUSINESS & LABOR.

FEBRUARY 12, 1987 ON MOTION, REREFERRED TO COMMITTEE
ON JUDICIARY.

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

MARCH 20, 1987 SECOND READING, CONCURRED IN.

MARCH 21, 1987 THIRD READING, CONCURRED IN.
AYES, 92; NOES, 4.

RETURNED TO SENATE.

IN THE SENATE

MARCH 23, 1987

RECEIVED FROM HOUSE.

SENT TO ENROLLING.

1 *Senate* BILL NO. *114*
 2 INTRODUCED BY *W. G. ...*
 3 BY REQUEST OF THE SECRETARY OF STATE

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT NOTICE
 6 OF A TITLE 71 AGRICULTURAL LIEN AND A TERMINATION STATEMENT
 7 OF THE LIEN BE FILED WITH THE SECRETARY OF STATE; AMENDING
 8 SECTIONS 71-3-402, 71-3-404, 71-3-408, 71-3-703, 71-3-704,
 9 71-3-712, 71-3-713, 71-3-802, 71-3-808, 71-3-902, AND
 10 71-3-908, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

13 NEW SECTION. Section 1. Notice of agricultural lien.

14 (1) Unless a notice of an agricultural lien has been filed
 15 in the office of the secretary of state as provided in this
 16 chapter, a buyer who, in ordinary course of business
 17 (30-1-201(9)), buys a farm product takes it free of any lien
 18 created by this chapter even though the lien is otherwise
 19 perfected.

20 (2) A notice of an agricultural lien is sufficient if
 21 it:

- 22 (a) gives the names and addresses of the debtor and
- 23 lienor;
- 24 (b) describes the type of lien and its statutory
- 25 authority;

- 1 (c) describes the collateral;
- 2 (d) contains the notation by the county clerk and
- 3 recorder of the date of filing; and
- 4 (e) is signed by the lienor.
- 5 (3) Such notice must be in the form prescribed by the
- 6 secretary of state.
- 7 (4) The secretary of state shall:
- 8 (a) record such notice on the centralized computer
- 9 system as set forth in 30-9-403; and
- 10 (b) establish fees for such recordings as set forth in
- 11 30-9-403.
- 12 (5) For the purposes of this section, an agricultural
- 13 lien means a lien under parts 4, 7, 8, or 9 of this chapter.
- 14 Section 2. Section 71-3-402, MCA, is amended to read:
- 15 "71-3-402. How lien obtained. (1) In order to acquire
- 16 a lien, as specified in 71-3-401, the person performing such
- 17 services shall, within 30 days after the services are fully
- 18 performed, file in the office of the clerk and recorder in
- 19 the county in which any of the real estate is situated on
- 20 which any crop is grown, upon which a lien is claimed, a
- 21 statement verified by affidavit of the person claiming such
- 22 lien, his duly authorized agent, or attorney having
- 23 knowledge of the facts, setting forth the terms of
- 24 employment, the name of the employer, the time when the
- 25 services were commenced and when ended, the wages agreed



-2- INTRODUCED BILL
 SB 114

1 upon, if any, and if not agreed upon then the reasonable
 2 value of the same, the terms of payment, if any, and a
 3 description of the real estate on which any crop is grown or
 4 has been grown or harvested on which a lien is claimed, the
 5 amount paid him, if any, and the amount remaining unpaid and
 6 that said laborer claims a lien for the same and the address
 7 to which notice shall be directed as required by 71-3-404.

8 (2) Notice of the lien also must be filed in the
 9 office of the secretary of state as required by [section
 10 1]."

11 Section 3. Section 71-3-404, MCA, is amended to read:

12 "71-3-404. Notice to other lienholders. (1) Every
 13 person intending to foreclose a lien secured under the
 14 provisions of this part must give a written notice to the
 15 owner or the person against whom the lien is claimed and all
 16 chattel mortgagees, encumbrancers, and all other lienholders
 17 who appear on record in the office of the county clerk and
 18 recorder or secretary of state that in not less than 10 days
 19 from the date of said lien notice he will institute
 20 proceedings for the foreclosure of his lien, and all other
 21 labor lienholders to whom notice is given shall have the
 22 right to join in said foreclosure proceedings and be
 23 entitled to a pro rata share of the proceeds of the
 24 foreclosure sale, as hereinafter provided. However, if the
 25 notified labor lienholders do not join in said proceedings,

1 they shall not be entitled to share pro rata in the proceeds
 2 of the sale.

3 (2) The lien notice required herein must be given by
 4 registered or certified mail and directed to the last-known
 5 address of the owner or the person against whom the lien is
 6 claimed and to the addresses of the chattel mortgagees,
 7 encumbrancers, and all other lienholders as their addresses
 8 appear of record. The return of the foreclosure sale must be
 9 accompanied by due proof of the giving of such notice as
 10 required to be given herein."

11 Section 4. Section 71-3-408, MCA, is amended to read:

12 "71-3-408. Acknowledgment of satisfaction of lien --
 13 penalty. (1) Whenever the indebtedness which is a lien upon
 14 any of such crops is paid and satisfied, it is the duty of
 15 the lienor to acknowledge satisfaction thereof and to
 16 discharge the lien of record. If any lienor fails to
 17 acknowledge satisfaction and discharge said lien within 30
 18 days after being requested to do so by a person having a
 19 property interest in such crops, he is liable to any person
 20 injured thereby in the amount of such injury and costs of
 21 action.

22 (2) A termination statement as described in 30-9-404
 23 must be filed with the secretary of state with the same
 24 obligations and penalties described in subsection (1)."

25 Section 5. Section 71-3-703, MCA, is amended to read:

1 "71-3-703. How to obtain lien. (1) Any person who is
 2 entitled to a lien under 71-3-701 shall, within 90 days
 3 after the seed or grain is furnished or the funds, means, or
 4 moneys advanced therefor, file in the office of the county
 5 clerk and recorder of the county in which such seed or grain
 6 is to be planted or used a statement in writing verified
 7 under oath showing the kind and quantity of the seed or
 8 grain furnished, its value, or the amount of the funds or
 9 money advanced to pay therefor, the name of the person or
 10 persons to whom furnished, and a description of the land and
 11 of each tract of land upon which the same is to be or has
 12 been planted or sown or used in the production of a crop.
 13 Unless the person entitled to such lien shall file such
 14 statement within the time aforesaid, he shall be deemed to
 15 have waived the right thereto.

16 (2) Notice of the lien also must be filed in the
 17 office of the secretary of state as required by [section
 18 1]."

19 Section 6. Section 71-3-704, MCA, is amended to read:

20 "71-3-704. Acknowledgment of satisfaction of lien --
 21 penalty. (1) Whenever the indebtedness which is a lien upon
 22 such grain or other crops is paid and satisfied, it is the
 23 duty of the lienor to acknowledge satisfaction thereof and
 24 to discharge the lien of record. If any lienor fails to
 25 acknowledge satisfaction and discharge of said lien as

1 aforesaid within 30 days after being requested to do so by
 2 a person having a property interest in such grain or other
 3 crops, he is liable to any person injured thereby in the
 4 amount of such injury and the costs of the action.

5 (2) A termination statement as described in 30-9-404
 6 must be filed with the secretary of state with the same
 7 obligations and penalties described in subsection (1)."

8 Section 7. Section 71-3-712, MCA, is amended to read:

9 "71-3-712. How lien obtained. (1) Any person who is
 10 entitled to a lien under 71-3-711 shall, within 30 days
 11 after the insurance is issued, file in the office of the
 12 county clerk and recorder of the county in which the crop so
 13 insured is located a statement in writing verified under
 14 oath giving the description of the land upon which the crop
 15 is planted, together with the kind of crop insured; provided
 16 that with a mutual company it may file a lien for the
 17 largest amount that may become due under its assessment
 18 power, and in the event that the amount assessed shall not
 19 be as large as the amount of the lien claimed, then the
 20 amount assessed and due shall be the amount the mutual
 21 insurance company shall be entitled to under this lien.
 22 Unless the person, company, association, or corporation
 23 entitled to such a lien shall file such statement within the
 24 time aforesaid, he or it shall be deemed to have waived the
 25 right thereto.

1 (2) Notice of the lien also must be filed in the
 2 office of the secretary of state as required by [section
 3 1]."

4 Section 8. Section 71-3-713, MCA, is amended to read:

5 "71-3-713. Acknowledgment of satisfaction of lien --
 6 penalty. (1) Whenever the indebtedness, which is a lien
 7 upon such grain or other crops, is paid or satisfied on or
 8 before November 1 of the current year, it is the duty of the
 9 lienor to acknowledge satisfaction thereof within 20 days
 10 after receiving payment and to discharge the lien of record.
 11 If any lienor fails to acknowledge satisfaction and
 12 discharge of said lien as aforesaid, he is liable to any
 13 person injured thereby in the amount of such injury and the
 14 costs of action. If any hail lien is not satisfied on or
 15 before March 1 of the next succeeding year after the
 16 insurance was carried on the crop, the same shall be deemed
 17 satisfied and released of record.

18 (2) A termination statement as described in 30-9-404
 19 must be filed with the secretary of state with the same
 20 obligations and penalties described in subsection (1)."

21 Section 9. Section 71-3-802, MCA, is amended to read:

22 "71-3-802. How lien obtained. (1) Every person
 23 intending to avail himself of the benefits of this part must
 24 file with the county clerk of the county in which said grain
 25 or other crops were grown, within 10 days after the last

1 service was rendered or labor performed in the threshing of
 2 said grain or other crops or the cutting and harvesting and
 3 threshing by said combined harvester and thresher, a notice
 4 that within 20 days a lien, as specified in 71-3-801, will
 5 be claimed and within 20 days thereafter shall file with the
 6 county clerk and recorder of the county in which said grain
 7 or other crops were grown a just and true account of the
 8 amount due him or them for such services or labor after
 9 allowing all just credits and offsets and containing a
 10 correct description of the grain or other crops to be
 11 charged with such lien, the price agreed upon for such
 12 threshing or cutting and harvesting, the name of the person,
 13 firm, or corporation for whom such labor and services were
 14 performed, and a description of the lands as nearly as
 15 possible upon which said grain or other crops were raised,
 16 and a description of the legal subdivision of land upon
 17 which said grain is stored and, if said grain is stored in
 18 an elevator, the locality of the elevator, which statements
 19 of facts shall be verified by affidavit of the person
 20 claiming such lien or his duly authorized agent or attorney
 21 having knowledge of the facts. Any error or mistake in the
 22 account or description of the grain or other crops or of the
 23 property upon which it was raised shall not invalidate such
 24 lien.

25 (2) If the grain or other crops so cut, harvested, and

1 threshed are being hauled from the machine or combine direct
 2 to the elevator or to any other purchaser, then the
 3 threshermen or owner of the combine desiring to claim such
 4 lien shall also serve written notices upon the elevatorman
 5 or other private purchaser that he will claim and file a
 6 lien upon said grain or other crops for his services or
 7 labor performed in threshing or combining and threshing the
 8 same.

9 (3) Notice of the lien also must be filed in the
 10 office of the secretary of state as required by [section
 11 11]."

12 Section 10. Section 71-3-808, MCA, is amended to read:
 13 "71-3-808. Acknowledgment of satisfaction of lien --
 14 penalty. (1) Whenever the indebtedness which is a lien upon
 15 any such grain or other crops is paid and satisfied, it is
 16 the duty of the lienor to acknowledge satisfaction thereof
 17 and to discharge the lien of record; and if any lienor fails
 18 to acknowledge satisfaction and discharge said lien as
 19 aforesaid within 30 days after being requested to do so by a
 20 person having a property interest in such grain or other
 21 crops, he is liable to any person injured thereby in the
 22 amount of such injury and the costs of action.

23 (2) A termination statement as described in 30-9-404
 24 must be filed with the secretary of state with the same
 25 obligations and penalties described in subsection (1)."

1 Section 11. Section 71-3-902, MCA, is amended to read:
 2 "71-3-902. How lien obtained. (1) Any person, firm,
 3 corporation, or partnership who is entitled to a lien under
 4 this part shall, within 60 days after the last labor or
 5 service was performed or material furnished in crop dusting
 6 or spraying grains or crops, file in the office of the
 7 county clerk and recorder of the county in which said grains
 8 or crops were grown a just and true account of the amount
 9 due for such services, labor, or material after allowing all
 10 proper credits and offsets and containing a description of
 11 the grain or crops to be charged with such lien, the price
 12 agreed upon for such labor or service or material or, if no
 13 price was agreed upon, the reasonable value of the same,
 14 together with the name of the person, firm, or corporation
 15 for whom such labor or services were performed or material
 16 furnished and a description of the lands as nearly as
 17 possible upon which said grains or crops were raised, which
 18 statements of fact shall be verified by affidavit of the
 19 person, firm, corporation, or partnership claiming such lien
 20 or his, their, or its duly authorized agent or attorney
 21 having knowledge of the facts.

22 (2) Notice of the lien also must be filed in the
 23 office of the secretary of state as required by [section
 24 11]."

25 Section 12. Section 71-3-908, MCA, is amended to read:

1 "71-3-908. Acknowledgment of satisfaction and
2 discharge of lien -- penalty. (1) Whenever the indebtedness
3 which is a lien upon any grain or crops is paid and
4 satisfied, it is the duty of the lienor to acknowledge
5 satisfaction thereof and to discharge the lien of record. If
6 any lienor fails to acknowledge satisfaction and discharge
7 said lien within 30 days after being requested to do so by a
8 person having a property interest in such grain or crops, he
9 is liable to any person injured thereby in the amount of
10 such injury and the costs of action.

11 (2) A termination statement as described in 30-9-404
12 must be filed with the secretary of state with the same
13 obligations and penalties described in subsection (1)."

14 NEW SECTION. Section 13. Extension of authority. Any
15 existing authority of the secretary of state to make rules
16 on the subject of the provisions of this act is extended to
17 the provisions of this act.

18 NEW SECTION. Section 14. Codification instruction.
19 Section 1 is intended to be codified as an integral part of
20 Title 71, chapter 3, part 1, and the provisions of Title 71,
21 chapter 3, part 1, apply to section 1.

22 NEW SECTION. Section 15. Applicability. This act
23 applies to liens filed after the effective date of this act.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB114, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to require that notice of a Title 71 Agricultural Lien and a Termination Statement of the lien be filed with the Secretary of State; amending Sections 71-3-402, 71-3-404, 71-3-408, 71-3-303, 71-3-704, 71-3-712, 71-3-713, 71-3-802, 71-3-808, 71-3-902, and 71-3-908, MCA; and providing for an applicability date.

ASSUMPTIONS:


1. Approximately 100 notices of lien filings will be processed by the Secretary of State annually.
2. Approximately 80 terminations will be processed annually.
3. Fees for service will remain constant.
4. Additional workload can be accomodated by existing personnel.

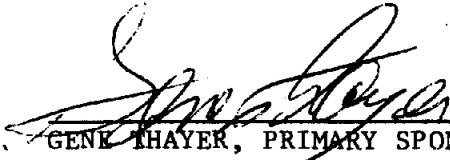
FISCAL IMPACT:

Revenues:

FY88
\$ 700

FY89
\$ 700


DATE 1/21/87
DAVID L. HUNTER, BUDGET DIRECTOR
Office of Budget and Program Planning


DATE Jan 27, 1987
GENE THAYER, PRIMARY SPONSOR

Fiscal Note for SB114, as introduced.

SB-114

APPROVED BY COMMITTEE
ON JUDICIARY

1 *Senate* BILL NO. *114*
2 INTRODUCED BY *Al B. G. W. W. W. W. W.*
3 BY REQUEST OF THE SECRETARY OF STATE
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT NOTICE
6 OF A TITLE 71 AGRICULTURAL LIEN AND A TERMINATION STATEMENT
7 OF THE LIEN BE FILED WITH THE SECRETARY OF STATE; AMENDING
8 SECTIONS 71-3-402, 71-3-404, 71-3-408, 71-3-703, 71-3-704,
9 71-3-712, 71-3-713, 71-3-802, 71-3-808, 71-3-902, AND
10 71-3-908, MCA; AND PROVIDING AN APPLICABILITY DATE."
11

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

13 NEW SECTION. Section 1. Notice of agricultural lien.

14 (1) Unless a notice of an agricultural lien has been filed
15 in the office of the secretary of state as provided in this
16 chapter, a buyer who, in ordinary course of business
17 (30-1-201(9)), buys a farm product takes it free of any lien
18 created by this chapter even though the lien is otherwise
19 perfected.

20 (2) A notice of an agricultural lien is sufficient if
21 it:

22 (a) gives the names and addresses of the debtor and
23 lienor;

24 (b) describes the type of lien and its statutory
25 authority;

1 (c) describes the collateral;

2 (d) contains the notation by the county clerk and
3 recorder of the date of filing; and

4 (e) is signed by the lienor.

5 (3) Such notice must be in the form prescribed by the
6 secretary of state.

7 (4) The secretary of state shall:

8 (a) record such notice on the centralized computer
9 system as set forth in 30-9-403; and

10 (b) establish fees for such recordings as set forth in
11 30-9-403.

12 (5) For the purposes of this section, an agricultural
13 lien means a lien under parts 4, 7, 8, or 9 of this chapter.

14 Section 2. Section 71-3-402, MCA, is amended to read:

15 "71-3-402. How lien obtained. (1) In order to acquire
16 a lien, as specified in 71-3-401, the person performing such
17 services shall, within 30 days after the services are fully
18 performed, file in the office of the clerk and recorder in
19 the county in which any of the real estate is situated on
20 which any crop is grown, upon which a lien is claimed, a
21 statement verified by affidavit of the person claiming such
22 lien, his duly authorized agent, or attorney having
23 knowledge of the facts, setting forth the terms of
24 employment, the name of the employer, the time when the
25 services were commenced and when ended, the wages agreed

1 upon, if any, and if not agreed upon then the reasonable
 2 value of the same, the terms of payment, if any, and a
 3 description of the real estate on which any crop is grown or
 4 has been grown or harvested on which a lien is claimed, the
 5 amount paid him, if any, and the amount remaining unpaid and
 6 that said laborer claims a lien for the same and the address
 7 to which notice shall be directed as required by 71-3-404.

8 (2) Notice of the lien also must be filed in the
 9 office of the secretary of state as required by [section
 10 1]."

11 Section 3. Section 71-3-404, MCA, is amended to read:

12 "71-3-404. Notice to other lienholders. (1) Every
 13 person intending to foreclose a lien secured under the
 14 provisions of this part must give a written notice to the
 15 owner or the person against whom the lien is claimed and all
 16 chattel mortgagees, encumbrancers, and all other lienholders
 17 who appear on record in the office of the county clerk and
 18 recorder or secretary of state that in not less than 10 days
 19 from the date of said lien notice he will institute
 20 proceedings for the foreclosure of his lien, and all other
 21 labor lienholders to whom notice is given shall have the
 22 right to join in said foreclosure proceedings and be
 23 entitled to a pro rata share of the proceeds of the
 24 foreclosure sale, as hereinafter provided. However, if the
 25 notified labor lienholders do not join in said proceedings,

1 they shall not be entitled to share pro rata in the proceeds
 2 of the sale.

3 (2) The lien notice required herein must be given by
 4 registered or certified mail and directed to the last-known
 5 address of the owner or the person against whom the lien is
 6 claimed and to the addresses of the chattel mortgagees,
 7 encumbrancers, and all other lienholders as their addresses
 8 appear of record. The return of the foreclosure sale must be
 9 accompanied by due proof of the giving of such notice as
 10 required to be given herein."

11 Section 4. Section 71-3-408, MCA, is amended to read:

12 "71-3-408. Acknowledgment of satisfaction of lien --
 13 penalty. (1) Whenever the indebtedness which is a lien upon
 14 any of such crops is paid and satisfied, it is the duty of
 15 the lienor to acknowledge satisfaction thereof and to
 16 discharge the lien of record. If any lienor fails to
 17 acknowledge satisfaction and discharge said lien within 30
 18 days after being requested to do so by a person having a
 19 property interest in such crops, he is liable to any person
 20 injured thereby in the amount of such injury and costs of
 21 action.

22 (2) A termination statement as described in 30-9-404
 23 must be filed with the secretary of state with the same
 24 obligations and penalties described in subsection (1)."

25 Section 5. Section 71-3-703, MCA, is amended to read:

1 "71-3-703. How to obtain lien. (1) Any person who is
 2 entitled to a lien under 71-3-701 shall, within 90 days
 3 after the seed or grain is furnished or the funds, means, or
 4 moneys advanced therefor, file in the office of the county
 5 clerk and recorder of the county in which such seed or grain
 6 is to be planted or used a statement in writing verified
 7 under oath showing the kind and quantity of the seed or
 8 grain furnished, its value, or the amount of the funds or
 9 money advanced to pay therefor, the name of the person or
 10 persons to whom furnished, and a description of the land and
 11 of each tract of land upon which the same is to be or has
 12 been planted or sown or used in the production of a crop.
 13 Unless the person entitled to such lien shall file such
 14 statement within the time aforesaid, he shall be deemed to
 15 have waived the right thereto.

16 (2) Notice of the lien also must be filed in the
 17 office of the secretary of state as required by [section
 18 1]."

19 Section 6. Section 71-3-704, MCA, is amended to read:

20 "71-3-704. Acknowledgment of satisfaction of lien --
 21 penalty. (1) Whenever the indebtedness which is a lien upon
 22 such grain or other crops is paid and satisfied, it is the
 23 duty of the lienor to acknowledge satisfaction thereof and
 24 to discharge the lien of record. If any lienor fails to
 25 acknowledge satisfaction and discharge of said lien as

1 aforesaid within 30 days after being requested to do so by
 2 a person having a property interest in such grain or other
 3 crops, he is liable to any person injured thereby in the
 4 amount of such injury and the costs of the action.

5 (2) A termination statement as described in 30-9-404
 6 must be filed with the secretary of state with the same
 7 obligations and penalties described in subsection (1)."

8 Section 7. Section 71-3-712, MCA, is amended to read:

9 "71-3-712. How lien obtained. (1) Any person who is
 10 entitled to a lien under 71-3-711 shall, within 30 days
 11 after the insurance is issued, file in the office of the
 12 county clerk and recorder of the county in which the crop so
 13 insured is located a statement in writing verified under
 14 oath giving the description of the land upon which the crop
 15 is planted, together with the kind of crop insured; provided
 16 that with a mutual company it may file a lien for the
 17 largest amount that may become due under its assessment
 18 power, and in the event that the amount assessed shall not
 19 be as large as the amount of the lien claimed, then the
 20 amount assessed and due shall be the amount the mutual
 21 insurance company shall be entitled to under this lien.
 22 Unless the person, company, association, or corporation
 23 entitled to such a lien shall file such statement within the
 24 time aforesaid, he or it shall be deemed to have waived the
 25 right thereto.

1 (2) Notice of the lien also must be filed in the
 2 office of the secretary of state as required by [section
 3 1]."

4 Section 8. Section 71-3-713, MCA, is amended to read:

5 "71-3-713. Acknowledgment of satisfaction of lien --
 6 penalty. (1) Whenever the indebtedness, which is a lien
 7 upon such grain or other crops, is paid or satisfied on or
 8 before November 1 of the current year, it is the duty of the
 9 lienor to acknowledge satisfaction thereof within 20 days
 10 after receiving payment and to discharge the lien of record.
 11 If any lienor fails to acknowledge satisfaction and
 12 discharge of said lien as aforesaid, he is liable to any
 13 person injured thereby in the amount of such injury and the
 14 costs of action. If any hail lien is not satisfied on or
 15 before March 1 of the next succeeding year after the
 16 insurance was carried on the crop, the same shall be deemed
 17 satisfied and released of record.

18 (2) A termination statement as described in 30-9-404
 19 must be filed with the secretary of state with the same
 20 obligations and penalties described in subsection (1)."

21 Section 9. Section 71-3-802, MCA, is amended to read:

22 "71-3-802. How lien obtained. (1) Every person
 23 intending to avail himself of the benefits of this part must
 24 file with the county clerk of the county in which said grain
 25 or other crops were grown, within 10 days after the last

1 service was rendered or labor performed in the threshing of
 2 said grain or other crops or the cutting and harvesting and
 3 threshing by said combined harvester and thresher, a notice
 4 that within 20 days a lien, as specified in 71-3-801, will
 5 be claimed and within 20 days thereafter shall file with the
 6 county clerk and recorder of the county in which said grain
 7 or other crops were grown a just and true account of the
 8 amount due him or them for such services or labor after
 9 allowing all just credits and offsets and containing a
 10 correct description of the grain or other crops to be
 11 charged with such lien, the price agreed upon for such
 12 threshing or cutting and harvesting, the name of the person,
 13 firm, or corporation for whom such labor and services were
 14 performed, and a description of the lands as nearly as
 15 possible upon which said grain or other crops were raised,
 16 and a description of the legal subdivision of land upon
 17 which said grain is stored and, if said grain is stored in
 18 an elevator, the locality of the elevator, which statements
 19 of facts shall be verified by affidavit of the person
 20 claiming such lien or his duly authorized agent or attorney
 21 having knowledge of the facts. Any error or mistake in the
 22 account or description of the grain or other crops or of the
 23 property upon which it was raised shall not invalidate such
 24 lien.

25 (2) If the grain or other crops so cut, harvested, and

1 threshed are being hauled from the machine or combine direct
 2 to the elevator or to any other purchaser, then the
 3 threshermen or owner of the combine desiring to claim such
 4 lien shall also serve written notices upon the elevatorman
 5 or other private purchaser that he will claim and file a
 6 lien upon said grain or other crops for his services or
 7 labor performed in threshing or combining and threshing the
 8 same.

9 (3) Notice of the lien also must be filed in the
 10 office of the secretary of state as required by [section
 11 1]."

12 Section 10. Section 71-3-808, MCA, is amended to read:

13 "71-3-808. Acknowledgment of satisfaction of lien --
 14 penalty. (1) Whenever the indebtedness which is a lien upon
 15 any such grain or other crops is paid and satisfied, it is
 16 the duty of the lienor to acknowledge satisfaction thereof
 17 and to discharge the lien of record; and if any lienor fails
 18 to acknowledge satisfaction and discharge said lien as
 19 aforesaid within 30 days after being requested to do so by a
 20 person having a property interest in such grain or other
 21 crops, he is liable to any person injured thereby in the
 22 amount of such injury and the costs of action.

23 (2) A termination statement as described in 30-9-404
 24 must be filed with the secretary of state with the same
 25 obligations and penalties described in subsection (1)."

1 Section 11. Section 71-3-902, MCA, is amended to read:

2 "71-3-902. How lien obtained. (1) Any person, firm,
 3 corporation, or partnership who is entitled to a lien under
 4 this part shall, within 60 days after the last labor or
 5 service was performed or material furnished in crop dusting
 6 or spraying grains or crops, file in the office of the
 7 county clerk and recorder of the county in which said grains
 8 or crops were grown a just and true account of the amount
 9 due for such services, labor, or material after allowing all
 10 proper credits and offsets and containing a description of
 11 the grain or crops to be charged with such lien, the price
 12 agreed upon for such labor or service or material or, if no
 13 price was agreed upon, the reasonable value of the same,
 14 together with the name of the person, firm, or corporation
 15 for whom such labor or services were performed or material
 16 furnished and a description of the lands as nearly as
 17 possible upon which said grains or crops were raised, which
 18 statements of fact shall be verified by affidavit of the
 19 person, firm, corporation, or partnership claiming such lien
 20 or his, their, or its duly authorized agent or attorney
 21 having knowledge of the facts.

22 (2) Notice of the lien also must be filed in the
 23 office of the secretary of state as required by [section
 24 1]."

25 Section 12. Section 71-3-908, MCA, is amended to read:

1 "71-3-908. Acknowledgment of satisfaction and
2 discharge of lien -- penalty. (1) Whenever the indebtedness
3 which is a lien upon any grain or crops is paid and
4 satisfied, it is the duty of the lienor to acknowledge
5 satisfaction thereof and to discharge the lien of record. If
6 any lienor fails to acknowledge satisfaction and discharge
7 said lien within 30 days after being requested to do so by a
8 person having a property interest in such grain or crops, he
9 is liable to any person injured thereby in the amount of
10 such injury and the costs of action.

11 (2) A termination statement as described in 30-9-404
12 must be filed with the secretary of state with the same
13 obligations and penalties described in subsection (1)."

14 NEW SECTION. Section 13. Extension of authority. Any
15 existing authority of the secretary of state to make rules
16 on the subject of the provisions of this act is extended to
17 the provisions of this act.

18 NEW SECTION. Section 14. Codification instruction.
19 Section 1 is intended to be codified as an integral part of
20 Title 71, chapter 3, part 1, and the provisions of Title 71,
21 chapter 3, part 1, apply to section 1.

22 NEW SECTION. Section 15. Applicability. This act
23 applies to liens filed after the effective date of this act.

-End-

1 *Senate* BILL NO. 114
 2 INTRODUCED BY *A. R. Ryle* *Cooper*
 3 BY REQUEST OF THE SECRETARY OF STATE
 4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT NOTICE
 6 OF A TITLE 71 AGRICULTURAL LIEN AND A TERMINATION STATEMENT
 7 OF THE LIEN BE FILED WITH THE SECRETARY OF STATE; AMENDING
 8 SECTIONS 71-3-402, 71-3-404, 71-3-408, 71-3-703, 71-3-704,
 9 71-3-712, 71-3-713, 71-3-802, 71-3-808, 71-3-902, AND
 10 71-3-908, MCA; AND PROVIDING AN APPLICABILITY DATE."
 11

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

13 NEW SECTION. Section 1. Notice of agricultural lien.

14 (1) Unless a notice of an agricultural lien has been filed
 15 in the office of the secretary of state as provided in this
 16 chapter, a buyer who, in ordinary course of business
 17 (30-1-201(9)), buys a farm product takes it free of any lien
 18 created by this chapter even though the lien is otherwise
 19 perfected.

20 (2) A notice of an agricultural lien is sufficient if
 21 it:

22 (a) gives the names and addresses of the debtor and
 23 lienor;

24 (b) describes the type of lien and its statutory
 25 authority;

1 (c) describes the collateral;
 2 (d) contains the notation by the county clerk and
 3 recorder of the date of filing; and
 4 (e) is signed by the lienor.

5 (3) Such notice must be in the form prescribed by the
 6 secretary of state.

7 (4) The secretary of state shall:

8 (a) record such notice on the centralized computer
 9 system as set forth in 30-9-403; and

10 (b) establish fees for such recordings as set forth in
 11 30-9-403.

12 (5) For the purposes of this section, an agricultural
 13 lien means a lien under parts 4, 7, 8, or 9 of this chapter.

14 Section 2. Section 71-3-402, MCA, is amended to read:

15 "71-3-402. How lien obtained. (1) In order to acquire
 16 a lien, as specified in 71-3-401, the person performing such
 17 services shall, within 30 days after the services are fully
 18 performed, file in the office of the clerk and recorder in
 19 the county in which any of the real estate is situated on
 20 which any crop is grown, upon which a lien is claimed, a
 21 statement verified by affidavit of the person claiming such
 22 lien, his duly authorized agent, or attorney having
 23 knowledge of the facts, setting forth the terms of
 24 employment, the name of the employer, the time when the
 25 services were commenced and when ended, the wages agreed



1 upon, if any, and if not agreed upon then the reasonable
 2 value of the same, the terms of payment, if any, and a
 3 description of the real estate on which any crop is grown or
 4 has been grown or harvested on which a lien is claimed, the
 5 amount paid him, if any, and the amount remaining unpaid and
 6 that said laborer claims a lien for the same and the address
 7 to which notice shall be directed as required by 71-3-404.

8 (2) Notice of the lien also must be filed in the
 9 office of the secretary of state as required by [section
 10 1]."

11 Section 3. Section 71-3-404, MCA, is amended to read:

12 "71-3-404. Notice to other lienholders. (1) Every
 13 person intending to foreclose a lien secured under the
 14 provisions of this part must give a written notice to the
 15 owner or the person against whom the lien is claimed and all
 16 chattel mortgagees, encumbrancers, and all other lienholders
 17 who appear on record in the office of the county clerk and
 18 recorder or secretary of state that in not less than 10 days
 19 from the date of said lien notice he will institute
 20 proceedings for the foreclosure of his lien, and all other
 21 labor lienholders to whom notice is given shall have the
 22 right to join in said foreclosure proceedings and be
 23 entitled to a pro rata share of the proceeds of the
 24 foreclosure sale, as hereinafter provided. However, if the
 25 notified labor lienholders do not join in said proceedings,

1 they shall not be entitled to share pro rata in the proceeds
 2 of the sale.

3 (2) The lien notice required herein must be given by
 4 registered or certified mail and directed to the last-known
 5 address of the owner or the person against whom the lien is
 6 claimed and to the addresses of the chattel mortgagees,
 7 encumbrancers, and all other lienholders as their addresses
 8 appear of record. The return of the foreclosure sale must be
 9 accompanied by due proof of the giving of such notice as
 10 required to be given herein."

11 Section 4. Section 71-3-408, MCA, is amended to read:

12 "71-3-408. Acknowledgment of satisfaction of lien --
 13 penalty. (1) Whenever the indebtedness which is a lien upon
 14 any of such crops is paid and satisfied, it is the duty of
 15 the lienor to acknowledge satisfaction thereof and to
 16 discharge the lien of record. If any lienor fails to
 17 acknowledge satisfaction and discharge said lien within 30
 18 days after being requested to do so by a person having a
 19 property interest in such crops, he is liable to any person
 20 injured thereby in the amount of such injury and costs of
 21 action.

22 (2) A termination statement as described in 30-9-404
 23 must be filed with the secretary of state with the same
 24 obligations and penalties described in subsection (1)."

25 Section 5. Section 71-3-703, MCA, is amended to read:

1 "71-3-703. How to obtain lien. (1) Any person who is
 2 entitled to a lien under 71-3-701 shall, within 90 days
 3 after the seed or grain is furnished or the funds, means, or
 4 moneys advanced therefor, file in the office of the county
 5 clerk and recorder of the county in which such seed or grain
 6 is to be planted or used a statement in writing verified
 7 under oath showing the kind and quantity of the seed or
 8 grain furnished, its value, or the amount of the funds or
 9 money advanced to pay therefor, the name of the person or
 10 persons to whom furnished, and a description of the land and
 11 of each tract of land upon which the same is to be or has
 12 been planted or sown or used in the production of a crop.
 13 Unless the person entitled to such lien shall file such
 14 statement within the time aforesaid, he shall be deemed to
 15 have waived the right thereto.

16 (2) Notice of the lien also must be filed in the
 17 office of the secretary of state as required by [section
 18 1]."

19 Section 6. Section 71-3-704, MCA, is amended to read:

20 "71-3-704. Acknowledgment of satisfaction of lien --
 21 penalty. (1) Whenever the indebtedness which is a lien upon
 22 such grain or other crops is paid and satisfied, it is the
 23 duty of the lienor to acknowledge satisfaction thereof and
 24 to discharge the lien of record. If any lienor fails to
 25 acknowledge satisfaction and discharge of said lien as

1 aforesaid within 30 days after being requested to do so by
 2 a person having a property interest in such grain or other
 3 crops, he is liable to any person injured thereby in the
 4 amount of such injury and the costs of the action.

5 (2) A termination statement as described in 30-9-404
 6 must be filed with the secretary of state with the same
 7 obligations and penalties described in subsection (1)."

8 Section 7. Section 71-3-712, MCA, is amended to read:

9 "71-3-712. How lien obtained. (1) Any person who is
 10 entitled to a lien under 71-3-711 shall, within 30 days
 11 after the insurance is issued, file in the office of the
 12 county clerk and recorder of the county in which the crop so
 13 insured is located a statement in writing verified under
 14 oath giving the description of the land upon which the crop
 15 is planted, together with the kind of crop insured; provided
 16 that with a mutual company it may file a lien for the
 17 largest amount that may become due under its assessment
 18 power, and in the event that the amount assessed shall not
 19 be as large as the amount of the lien claimed, then the
 20 amount assessed and due shall be the amount the mutual
 21 insurance company shall be entitled to under this lien.
 22 Unless the person, company, association, or corporation
 23 entitled to such a lien shall file such statement within the
 24 time aforesaid, he or it shall be deemed to have waived the
 25 right thereto.

1 (2) Notice of the lien also must be filed in the
 2 office of the secretary of state as required by (section
 3 1)."

4 Section 8. Section 71-3-713, MCA, is amended to read:

5 "71-3-713. Acknowledgment of satisfaction of lien --
 6 penalty. (1) Whenever the indebtedness, which is a lien
 7 upon such grain or other crops, is paid or satisfied on or
 8 before November 1 of the current year, it is the duty of the
 9 lienor to acknowledge satisfaction thereof within 20 days
 10 after receiving payment and to discharge the lien of record.
 11 If any lienor fails to acknowledge satisfaction and
 12 discharge of said lien as aforesaid, he is liable to any
 13 person injured thereby in the amount of such injury and the
 14 costs of action. If any hail lien is not satisfied on or
 15 before March 1 of the next succeeding year after the
 16 insurance was carried on the crop, the same shall be deemed
 17 satisfied and released of record.

18 (2) A termination statement as described in 30-9-404
 19 must be filed with the secretary of state with the same
 20 obligations and penalties described in subsection (1)."

21 Section 9. Section 71-3-802, MCA, is amended to read:

22 "71-3-802. How lien obtained. (1) Every person
 23 intending to avail himself of the benefits of this part must
 24 file with the county clerk of the county in which said grain
 25 or other crops were grown, within 10 days after the last

1 service was rendered or labor performed in the threshing of
 2 said grain or other crops or the cutting and harvesting and
 3 threshing by said combined harvester and thresher, a notice
 4 that within 20 days a lien, as specified in 71-3-801, will
 5 be claimed and within 20 days thereafter shall file with the
 6 county clerk and recorder of the county in which said grain
 7 or other crops were grown a just and true account of the
 8 amount due him or them for such services or labor after
 9 allowing all just credits and offsets and containing a
 10 correct description of the grain or other crops to be
 11 charged with such lien, the price agreed upon for such
 12 threshing or cutting and harvesting, the name of the person,
 13 firm, or corporation for whom such labor and services were
 14 performed, and a description of the lands as nearly as
 15 possible upon which said grain or other crops were raised,
 16 and a description of the legal subdivision of land upon
 17 which said grain is stored and, if said grain is stored in
 18 an elevator, the locality of the elevator, which statements
 19 of facts shall be verified by affidavit of the person
 20 claiming such lien or his duly authorized agent or attorney
 21 having knowledge of the facts. Any error or mistake in the
 22 account or description of the grain or other crops or of the
 23 property upon which it was raised shall not invalidate such
 24 lien.

25 (2) If the grain or other crops so cut, harvested, and

1 threshed are being hauled from the machine or combine direct
 2 to the elevator or to any other purchaser, then the
 3 threshermen or owner of the combine desiring to claim such
 4 lien shall also serve written notices upon the elevatorman
 5 or other private purchaser that he will claim and file a
 6 lien upon said grain or other crops for his services or
 7 labor performed in threshing or combining and threshing the
 8 same.

9 (3) Notice of the lien also must be filed in the
 10 office of the secretary of state as required by [section
 11 1]."

12 Section 10. Section 71-3-808, MCA, is amended to read:

13 "71-3-808. Acknowledgment of satisfaction of lien --
 14 penalty. (1) Whenever the indebtedness which is a lien upon
 15 any such grain or other crops is paid and satisfied, it is
 16 the duty of the lienor to acknowledge satisfaction thereof
 17 and to discharge the lien of record; and if any lienor fails
 18 to acknowledge satisfaction and discharge said lien as
 19 aforesaid within 30 days after being requested to do so by a
 20 person having a property interest in such grain or other
 21 crops, he is liable to any person injured thereby in the
 22 amount of such injury and the costs of action.

23 (2) A termination statement as described in 30-9-404
 24 must be filed with the secretary of state with the same
 25 obligations and penalties described in subsection (1)."

1 Section 11. Section 71-3-902, MCA, is amended to read:

2 "71-3-902. How lien obtained. (1) Any person, firm,
 3 corporation, or partnership who is entitled to a lien under
 4 this part shall, within 60 days after the last labor or
 5 service was performed or material furnished in crop dusting
 6 or spraying grains or crops, file in the office of the
 7 county clerk and recorder of the county in which said grains
 8 or crops were grown a just and true account of the amount
 9 due for such services, labor, or material after allowing all
 10 proper credits and offsets and containing a description of
 11 the grain or crops to be charged with such lien, the price
 12 agreed upon for such labor or service or material or, if no
 13 price was agreed upon, the reasonable value of the same,
 14 together with the name of the person, firm, or corporation
 15 for whom such labor or services were performed or material
 16 furnished and a description of the lands as nearly as
 17 possible upon which said grains or crops were raised, which
 18 statements of fact shall be verified by affidavit of the
 19 person, firm, corporation, or partnership claiming such lien
 20 or his, their, or its duly authorized agent or attorney
 21 having knowledge of the facts.

22 (2) Notice of the lien also must be filed in the
 23 office of the secretary of state as required by [section
 24 1]."

25 Section 12. Section 71-3-908, MCA, is amended to read:

1 "71-3-908. Acknowledgment of satisfaction and
2 discharge of lien -- penalty. (1) Whenever the indebtedness
3 which is a lien upon any grain or crops is paid and
4 satisfied, it is the duty of the lienor to acknowledge
5 satisfaction thereof and to discharge the lien of record. If
6 any lienor fails to acknowledge satisfaction and discharge
7 said lien within 30 days after being requested to do so by a
8 person having a property interest in such grain or crops, he
9 is liable to any person injured thereby in the amount of
10 such injury and the costs of action.

11 (2) A termination statement as described in 30-9-404
12 must be filed with the secretary of state with the same
13 obligations and penalties described in subsection (1)."

14 NEW SECTION. Section 13. Extension of authority. Any
15 existing authority of the secretary of state to make rules
16 on the subject of the provisions of this act is extended to
17 the provisions of this act.

18 NEW SECTION. Section 14. Codification instruction.
19 Section 1 is intended to be codified as an integral part of
20 Title 71, chapter 3, part 1, and the provisions of Title 71,
21 chapter 3, part 1, apply to section 1.

22 NEW SECTION. Section 15. Applicability. This act
23 applies to liens filed after the effective date of this act.

-End-

1 SENATE BILL NO. 114
 2 INTRODUCED BY THAYER, COMPTON
 3 BY REQUEST OF THE SECRETARY OF STATE
 4

5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THAT NOTICE
 6 OF A TITLE 71 AGRICULTURAL LIEN AND A TERMINATION STATEMENT
 7 OF THE LIEN BE FILED WITH THE SECRETARY OF STATE; AMENDING
 8 SECTIONS 71-3-402, 71-3-404, 71-3-408, 71-3-703, 71-3-704,
 9 71-3-712, 71-3-713, 71-3-802, 71-3-808, 71-3-902, AND
 10 71-3-908, MCA; AND PROVIDING AN APPLICABILITY DATE."
 11

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

13 NEW SECTION. Section 1. Notice of agricultural lien.

14 (1) Unless a notice of an agricultural lien has been filed
 15 in the office of the secretary of state as provided in this
 16 chapter, a buyer who, in ordinary course of business
 17 (30-1-201(9)), buys a farm product takes it free of any lien
 18 created by this chapter even though the lien is otherwise
 19 perfected.

20 (2) A notice of an agricultural lien is sufficient if
 21 it:

22 (a) gives the names and addresses of the debtor and
 23 lienor;

24 (b) describes the type of lien and its statutory
 25 authority;

1 (c) describes the collateral;

2 (d) contains the notation by the county clerk and
 3 recorder of the date of filing; and

4 (e) is signed by the lienor.

5 (3) Such notice must be in the form prescribed by the
 6 secretary of state.

7 (4) The secretary of state shall:

8 (a) record such notice on the centralized computer
 9 system as set forth in 30-9-403; and

10 (b) establish fees for such recordings as set forth in
 11 30-9-403.

12 (5) For the purposes of this section, an agricultural
 13 lien means a lien under parts 4, 7, 8, or 9 of this chapter.

14 Section 2. Section 71-3-402, MCA, is amended to read:

15 "71-3-402. How lien obtained. (1) In order to acquire
 16 a lien, as specified in 71-3-401, the person performing such
 17 services shall, within 30 days after the services are fully
 18 performed, file in the office of the clerk and recorder in
 19 the county in which any of the real estate is situated on
 20 which any crop is grown, upon which a lien is claimed, a
 21 statement verified by affidavit of the person claiming such
 22 lien, his duly authorized agent, or attorney having
 23 knowledge of the facts, setting forth the terms of
 24 employment, the name of the employer, the time when the
 25 services were commenced and when ended, the wages agreed

1 upon, if any, and if not agreed upon then the reasonable
 2 value of the same, the terms of payment, if any, and a
 3 description of the real estate on which any crop is grown or
 4 has been grown or harvested on which a lien is claimed, the
 5 amount paid him, if any, and the amount remaining unpaid and
 6 that said laborer claims a lien for the same and the address
 7 to which notice shall be directed as required by 71-3-404.

8 (2) Notice of the lien also must be filed in the
 9 office of the secretary of state as required by [section
 10 1]."

11 Section 3. Section 71-3-404, MCA, is amended to read:

12 "71-3-404. Notice to other lienholders. (1) Every
 13 person intending to foreclose a lien secured under the
 14 provisions of this part must give a written notice to the
 15 owner or the person against whom the lien is claimed and all
 16 chattel mortgagees, encumbrancers, and all other lienholders
 17 who appear on record in the office of the county clerk and
 18 recorder or secretary of state that in not less than 10 days
 19 from the date of said lien notice he will institute
 20 proceedings for the foreclosure of his lien, and all other
 21 labor lienholders to whom notice is given shall have the
 22 right to join in said foreclosure proceedings and be
 23 entitled to a pro rata share of the proceeds of the
 24 foreclosure sale, as hereinafter provided. However, if the
 25 notified labor lienholders do not join in said proceedings,

1 they shall not be entitled to share pro rata in the proceeds
 2 of the sale.

3 (2) The lien notice required herein must be given by
 4 registered or certified mail and directed to the last-known
 5 address of the owner or the person against whom the lien is
 6 claimed and to the addresses of the chattel mortgagees,
 7 encumbrancers, and all other lienholders as their addresses
 8 appear of record. The return of the foreclosure sale must be
 9 accompanied by due proof of the giving of such notice as
 10 required to be given herein."

11 Section 4. Section 71-3-408, MCA, is amended to read:

12 "71-3-408. Acknowledgment of satisfaction of lien --
 13 penalty. (1) Whenever the indebtedness which is a lien upon
 14 any of such crops is paid and satisfied, it is the duty of
 15 the lienor to acknowledge satisfaction thereof and to
 16 discharge the lien of record. If any lienor fails to
 17 acknowledge satisfaction and discharge said lien within 30
 18 days after being requested to do so by a person having a
 19 property interest in such crops, he is liable to any person
 20 injured thereby in the amount of such injury and costs of
 21 action.

22 (2) A termination statement as described in 30-9-404
 23 must be filed with the secretary of state with the same
 24 obligations and penalties described in subsection (1)."

25 Section 5. Section 71-3-703, MCA, is amended to read:

1 "71-3-703. How to obtain lien. (1) Any person who is
 2 entitled to a lien under 71-3-701 shall, within 90 days
 3 after the seed or grain is furnished or the funds, means, or
 4 moneys advanced therefor, file in the office of the county
 5 clerk and recorder of the county in which such seed or grain
 6 is to be planted or used a statement in writing verified
 7 under oath showing the kind and quantity of the seed or
 8 grain furnished, its value, or the amount of the funds or
 9 money advanced to pay therefor, the name of the person or
 10 persons to whom furnished, and a description of the land and
 11 of each tract of land upon which the same is to be or has
 12 been planted or sown or used in the production of a crop.
 13 Unless the person entitled to such lien shall file such
 14 statement within the time aforesaid, he shall be deemed to
 15 have waived the right thereto.

16 (2) Notice of the lien also must be filed in the
 17 office of the secretary of state as required by (section
 18 1)."

19 Section 6. Section 71-3-704, MCA, is amended to read:

20 "71-3-704. Acknowledgment of satisfaction of lien --
 21 penalty. (1) Whenever the indebtedness which is a lien upon
 22 such grain or other crops is paid and satisfied, it is the
 23 duty of the lienor to acknowledge satisfaction thereof and
 24 to discharge the lien of record. If any lienor fails to
 25 acknowledge satisfaction and discharge of said lien as

1 aforesaid within 30 days after being requested to do so by
 2 a person having a property interest in such grain or other
 3 crops, he is liable to any person injured thereby in the
 4 amount of such injury and the costs of the action.

5 (2) A termination statement as described in 30-9-404
 6 must be filed with the secretary of state with the same
 7 obligations and penalties described in subsection (1)."

8 Section 7. Section 71-3-712, MCA, is amended to read:

9 "71-3-712. How lien obtained. (1) Any person who is
 10 entitled to a lien under 71-3-711 shall, within 30 days
 11 after the insurance is issued, file in the office of the
 12 county clerk and recorder of the county in which the crop so
 13 insured is located a statement in writing verified under
 14 oath giving the description of the land upon which the crop
 15 is planted, together with the kind of crop insured; provided
 16 that with a mutual company it may file a lien for the
 17 largest amount that may become due under its assessment
 18 power, and in the event that the amount assessed shall not
 19 be as large as the amount of the lien claimed, then the
 20 amount assessed and due shall be the amount the mutual
 21 insurance company shall be entitled to under this lien.
 22 Unless the person, company, association, or corporation
 23 entitled to such a lien shall file such statement within the
 24 time aforesaid, he or it shall be deemed to have waived the
 25 right thereto.

1 (2) Notice of the lien also must be filed in the
2 office of the secretary of state as required by [section
3 1]."

4 Section 8. Section 71-3-713, MCA, is amended to read:

5 "71-3-713. Acknowledgment of satisfaction of lien --
6 penalty. (1) Whenever the indebtedness, which is a lien
7 upon such grain or other crops, is paid or satisfied on or
8 before November 1 of the current year, it is the duty of the
9 lienor to acknowledge satisfaction thereof within 20 days
10 after receiving payment and to discharge the lien of record.
11 If any lienor fails to acknowledge satisfaction and
12 discharge of said lien as aforesaid, he is liable to any
13 person injured thereby in the amount of such injury and the
14 costs of action. If any hail lien is not satisfied on or
15 before March 1 of the next succeeding year after the
16 insurance was carried on the crop, the same shall be deemed
17 satisfied and released of record.

18 (2) A termination statement as described in 30-9-404
19 must be filed with the secretary of state with the same
20 obligations and penalties described in subsection (1)."

21 Section 9. Section 71-3-802, MCA, is amended to read:

22 "71-3-802. How lien obtained. (1) Every person
23 intending to avail himself of the benefits of this part must
24 file with the county clerk of the county in which said grain
25 or other crops were grown, within 10 days after the last

1 service was rendered or labor performed in the threshing of
2 said grain or other crops or the cutting and harvesting and
3 threshing by said combined harvester and thresher, a notice
4 that within 20 days a lien, as specified in 71-3-801, will
5 be claimed and within 20 days thereafter shall file with the
6 county clerk and recorder of the county in which said grain
7 or other crops were grown a just and true account of the
8 amount due him or them for such services or labor after
9 allowing all just credits and offsets and containing a
10 correct description of the grain or other crops to be
11 charged with such lien, the price agreed upon for such
12 threshing or cutting and harvesting, the name of the person,
13 firm, or corporation for whom such labor and services were
14 performed, and a description of the lands as nearly as
15 possible upon which said grain or other crops were raised,
16 and a description of the legal subdivision of land upon
17 which said grain is stored and, if said grain is stored in
18 an elevator, the locality of the elevator, which statements
19 of facts shall be verified by affidavit of the person
20 claiming such lien or his duly authorized agent or attorney
21 having knowledge of the facts. Any error or mistake in the
22 account or description of the grain or other crops or of the
23 property upon which it was raised shall not invalidate such
24 lien.

25 (2) If the grain or other crops so cut, harvested, and

1 threshed are being hauled from the machine or combine direct
 2 to the elevator or to any other purchaser, then the
 3 threshermen or owner of the combine desiring to claim such
 4 lien shall also serve written notices upon the elevatorman
 5 or other private purchaser that he will claim and file a
 6 lien upon said grain or other crops for his services or
 7 labor performed in threshing or combining and threshing the
 8 same.

9 (3) Notice of the lien also must be filed in the
 10 office of the secretary of state as required by [section
 11 1]."

12 Section 10. Section 71-3-808, MCA, is amended to read:
 13 "71-3-808. Acknowledgment of satisfaction of lien --
 14 penalty. (1) Whenever the indebtedness which is a lien upon
 15 any such grain or other crops is paid and satisfied, it is
 16 the duty of the lienor to acknowledge satisfaction thereof
 17 and to discharge the lien of record; and if any lienor fails
 18 to acknowledge satisfaction and discharge said lien as
 19 aforesaid within 30 days after being requested to do so by a
 20 person having a property interest in such grain or other
 21 crops, he is liable to any person injured thereby in the
 22 amount of such injury and the costs of action.

23 (2) A termination statement as described in 30-9-404
 24 must be filed with the secretary of state with the same
 25 obligations and penalties described in subsection (1)."

1 Section 11. Section 71-3-902, MCA, is amended to read:
 2 "71-3-902. How lien obtained. (1) Any person, firm,
 3 corporation, or partnership who is entitled to a lien under
 4 this part shall, within 60 days after the last labor or
 5 service was performed or material furnished in crop dusting
 6 or spraying grains or crops, file in the office of the
 7 county clerk and recorder of the county in which said grains
 8 or crops were grown a just and true account of the amount
 9 due for such services, labor, or material after allowing all
 10 proper credits and offsets and containing a description of
 11 the grain or crops to be charged with such lien, the price
 12 agreed upon for such labor or service or material or, if no
 13 price was agreed upon, the reasonable value of the same,
 14 together with the name of the person, firm, or corporation
 15 for whom such labor or services were performed or material
 16 furnished and a description of the lands as nearly as
 17 possible upon which said grains or crops were raised, which
 18 statements of fact shall be verified by affidavit of the
 19 person, firm, corporation, or partnership claiming such lien
 20 or his, their, or its duly authorized agent or attorney
 21 having knowledge of the facts.

22 (2) Notice of the lien also must be filed in the
 23 office of the secretary of state as required by [section
 24 1]."

25 Section 12. Section 71-3-908, MCA, is amended to read:

1 "71-3-908. Acknowledgment of satisfaction and
2 discharge of lien -- penalty. (1) Whenever the indebtedness
3 which is a lien upon any grain or crops is paid and
4 satisfied, it is the duty of the lienor to acknowledge
5 satisfaction thereof and to discharge the lien of record. If
6 any lienor fails to acknowledge satisfaction and discharge
7 said lien within 30 days after being requested to do so by a
8 person having a property interest in such grain or crops, he
9 is liable to any person injured thereby in the amount of
10 such injury and the costs of action.

11 (2) A termination statement as described in 30-9-404
12 must be filed with the secretary of state with the same
13 obligations and penalties described in subsection (1)."

14 NEW SECTION. Section 13. Extension of authority. Any
15 existing authority of the secretary of state to make rules
16 on the subject of the provisions of this act is extended to
17 the provisions of this act.

18 NEW SECTION. Section 14. Codification instruction.
19 Section 1 is intended to be codified as an integral part of
20 Title 71, chapter 3, part 1, and the provisions of Title 71,
21 chapter 3, part 1, apply to section 1.

22 NEW SECTION. Section 15. Applicability. This act
23 applies to liens filed after the effective date of this act.

-End-