

SENATE BILL NO. 23

INTRODUCED BY E. BUTCHER, B. THOMAS, D. KASTEN, D. LEWIS, D. RICE, J. PATTISON, J. TESTER,
J. WITT, L. LEHMAN, L. NELSON, R. DEVLIN
BY REQUEST OF THE DEPARTMENT OF AGRICULTURE

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT COMMODITY PRODUCERS HOLDING BAILMENT CONTRACTS HAVE A FIRST PRIORITY LIEN; AMENDING SECTION 80-4-420, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 80-4-420, MCA, is amended to read:

"80-4-420. Producer's lien. (1) Agricultural commodities contained on the premises of a public warehouse operator or commodity dealer, including agricultural commodities owned by the warehouse operator or commodity dealer, are subject to a first priority lien in favor of holders of outstanding warehouse receipts, purchase contracts, scale weight tickets, bailment contracts, or any other evidence of storage or sale.

(2) The lien must be preferred to a lien or security interest in favor of a creditor of the warehouse operator or commodity dealer regardless of the time when the creditor's lien or security interest attached to the agricultural commodities. Notice of the lien need not be filed in order to perfect the lien.

(3) The lien is discharged as to agricultural commodities sold by the warehouse operator or commodity dealer to a buyer in the ordinary course of business. The sale does not discharge the lien in favor of an individual holder of outstanding warehouse receipts, purchase contracts, scale weight tickets, bailment contracts, or other evidence of storage or sale; on the remaining agricultural commodities on the premises."

NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

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