

MAINE STATE LEGISLATURE

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1 (EMERGENCY)
2 THIRD SPECIAL SESSION
3

4 ONE HUNDRED AND TWELFTH LEGISLATURE
5

6 Legislative Document

No. 2452

8 H.P. 1775

House of Representatives, October 17, 1986

9 Approved for introduction by a majority of the Legislative Council
10 pursuant to Joint Rule 26.

11 Reference to the Committee on Agriculture suggested and ordered
printed.

EDWIN H. PERT, Clerk

Presented by Representative Lisnik of Presque Isle.

12 Cosponsored by Representative Gwadosky of Fairfield.

13 STATE OF MAINE
14

15 IN THE YEAR OF OUR LORD
16 NINETEEN HUNDRED AND EIGHTY-SIX
17

18 AN ACT to Protect Security Interests in Farm
19 Products so as to Provide for
20 Continued Financing of Farm
21 Operations.
22

23 Emergency preamble. Whereas, Acts of the Legis-
24 lature do not become effective until 90 days after
25 adjournment unless enacted as emergencies; and

26 Whereas, provisions of the United States Food Se-
27 curity Act of 1985, Public Law 99-198, Section 1324,
28 provide for the Secretary of State of every state to
29 establish and operate a central filing system for the
30 recording of notices of security interests in farm
31 products; and

32 Whereas, in the absence of such a central state
33 filing system which meets the criteria of the United
34 States Food Security Act of 1985, Public Law 99-198,
35 Section 1324, federal law provides that security in-

1 terests in farm products cannot be protected or ef-
2 fective as to dealers or others in the business of
3 purchasing those products unless lenders give direct
4 notice of their security interests to all such buy-
5 ers; and

6 Whereas, agricultural lenders in Maine have indi-
7 cated their strong preference for a central filing
8 system over direct notice; and

9 Whereas, if Maine fails to provide the central
10 filing system contemplated by this federal law, the
11 availability of farm financing in this State will be
12 jeopardized; and

13 Whereas, since the federal law becomes effective
14 in December 1986, immediate action is required by the
15 Secretary of State in order to develop, operate and
16 implement the central filing system; and

17 Whereas, the appropriation provided in this Act
18 will allow the Secretary of State to develop, operate
19 and implement the required system for security inter-
20 ests in farm products in conjunction with needed ef-
21 forts to computerize and modernize the Secretary of
22 State's system for recording other UCC financing
23 statements; and

24 Whereas, in the judgment of the Legislature,
25 these facts create an emergency within the meaning of
26 the Constitution of Maine and require the following
27 legislation as immediately necessary for the preser-
28 vation of the public peace, health and safety; now,
29 therefore,

30 Be it enacted by the People of the State of Maine as
31 follows:

32 Sec. 1. 5 MRSA §90 is enacted to read:

33 §90. Central filing system for security interests in
34 farm products

35 The Secretary of State may establish and operate
36 a central filing system to record and provide notice
37 of financing statements evidencing security interests

1 in farm products. For this purpose, the Secretary of
2 State may adopt rules, in accordance with the Maine
3 Administrative Procedure Act, Title 5, chapter 375,
4 subchapter II, establish procedures and adopt a
5 schedule of fees in conjunction with filing, regis-
6 tering, providing notices and other services per-
7 formed by the Secretary of State in carrying out this
8 section.

9 This section is repealed on February 1, 1987.

10 Sec. 2. 11 MRSA §9-401, sub-§1, ¶(a-1) is en-
11 acted to read:

12 (a-1.) When the collateral is farm products, a
13 filing may be made with the Secretary of State in
14 accordance with procedures adopted under Title 5,
15 section 90. This paragraph is repealed on Febru-
16 ary 1, 1987.

17 Sec. 3. Appropriation. The following funds are
18 appropriated from the General Fund to carry out the
19 purpose of this Act.

20 1986-87

21 SECRETARY OF STATE

22	All Other	\$3,000
23	Operation of a central	
24	filing system for financ-	
25	ing statements and other	
26	notices required to pro-	
27	tect security interests.	

28 **Emergency clause.** In view of the emergency cited
29 in the preamble, this Act shall take effect when ap-
30 proved.

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STATEMENT OF FACT

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The purpose of this bill is set out in the emergency preamble. This bill also provides a sunset provision.

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