

MAINE STATE LEGISLATURE

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NEW DRAFT

EIGHTY - SEVENTH LEGISLATURE

Legislative Document

No. 729

H. P. 1639

House of Representatives, March 8, 1935.

Reported by Mr. Gray from Committee on Judiciary and laid on table to be printed under joint rules.

HARVEY R. PEASE, Clerk.

NEW DRAFT OF H. P. 1184, L. D. 390

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
THIRTY-FIVE

AN ACT Concerning Security for Loans to Farmers and Others.

Emergency preamble. Whereas, the well-being of the people of the state of Maine is greatly dependent upon agriculture in all its branches and particularly upon the production of crops within the state; and

Whereas, the development of agriculture and the continuance of adequate crop production within the state during the current year requires that ample capital be made available immediately for loans to farmers to finance crop production of all kinds; and

Whereas, it appears that some changes in the law of this state relating to personal property mortgages will tend to make such mortgages more acceptable security for such loans and will greatly reduce the cost to the farmer of securing such loans, and will greatly expedite the closing of such loans, and by so doing will make it possible for more persons engaged in agricultural pursuits to obtain needed capital at once; and

Whereas, in the judgment of the legislature these facts create an emergency within the meaning of section 16 of Article XXXI of the constitution of the state of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety, now therefore,

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

R. S., c. 105, amended. Chapter 105 of the revised statutes is hereby amended by inserting after section 6 thereof the following new sections :

'Sec. 6-A. Crops may be mortgaged. Any person may mortgage as personal property annual and perennial crops including fruits, berries and nursery stock, whether such crops are grown or growing or are to be planted within the calendar year in which the mortgage is given, subject only to the rights of prior lienors and the rights of the state, county and municipality.'

'Sec. 6-B. Validity of mortgage. No mortgage of personal property shall be invalid, nor shall the extent of the lien thereof be affected because of any provision that the mortgagee may permit the mortgagor to sell, use and consume any of the mortgaged property to feed, cultivate, harvest, preserve and prepare for market other property covered by the mortgage. Such permission may be given without the consent of any subsequent lienor.'

'Sec. 6-C. Chattel mortgage. A chattel mortgage shall constitute a valid lien on property described in the mortgage to be purchased with the proceeds of the loan secured thereby, and on substitutions for or replacements of property described in the mortgage, when acquired by the mortgagor.'

'Sec. 6-D. Agreements to be recorded. Non-disturbance agreements, subordination agreements and waivers executed by parties having rights or interests in mortgaged property as above described shall be recorded in the registry of deeds for the district wherein the land affected lies, if said right or interest pertains to real estate, otherwise it shall be recorded as are chattel mortgages and, when so recorded, shall constitute constructive notice.'

Emergency clause. In view of the emergency set forth in the preamble, this act shall take effect when approved.