

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND THIRTEENTH LEGISLATURE

FIRST SPECIAL SESSION

October 9, 1987 to October 10, 1987

SECOND SPECIAL SESSION

October 21, 1987 to November 20, 1987

and the

SECOND REGULAR SESSION

January 6, 1988 to May 5, 1988

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

Twin City Printery
Lewiston, Maine
1988

PUBLIC LAWS

OF THE

STATE OF MAINE

AS PASSED AT THE
FIRST AND SECOND SPECIAL SESSIONS
and
SECOND REGULAR SESSION
of the
ONE HUNDRED AND THIRTEENTH LEGISLATURE
1987

(2) Except where this Article or Article 8 otherwise provides, a security interest continues in collateral notwithstanding sale, exchange or other disposition thereof, unless the disposition was authorized by the secured party in the security agreement or otherwise, and also continues in any identifiable proceeds including collections received by the debtor.

Sec. 15. 11 MRSA §9-306, sub-§(3), as repealed and replaced by PL 1977, c. 696, §134, is amended to read:

(3) The security interest in proceeds is a continuously perfected security interest if the interest in the original collateral was perfected but it ceases to be a perfected security interest and becomes unperfected 10 days after receipt of the proceeds by the debtor, unless

(a) A filed financing statement covers the original collateral and the proceeds are collateral in which a security interest may be perfected by filing in the office or offices where the financing statement has been filed and, if the proceeds are acquired with cash proceeds, the description of collateral in the financing statement indicates the types of property constituting the proceeds; or

(b) A filed financing statement covers the original collateral and the proceeds are identifiable cash proceeds; or

(c) The security interest in the proceeds is perfected before the expiration of the 10-day period.

Except as provided in this section and in Article 8, a security interest in proceeds can be perfected only by the methods or under the circumstances permitted in this Article for original collateral of the same type.

Sec. 16. 11 MRSA §9-309, as amended by PL 1965, c. 306, §28, is further amended to read:

§9-309. Protection of purchasers of instruments, documents and securities

Nothing in this Article limits the rights of a holder in due course of a negotiable instrument (section 3-302) or a holder to whom a negotiable document of title has been duly negotiated (section 7-501) or a bona fide purchaser of a security (section ~~8-301~~ 8-302) and such holders or purchasers take priority over an earlier security interest even though perfected. Filing under this Article does not constitute notice of the security interest to such holders or purchasers.

Sec. 17. 11 MRSA §9-312, sub-§(7), as repealed and replaced by PL 1977, c. 696, §140, is amended to read:

(7) If future advances are made while a security interest is perfected by filing or, by the taking of possession, or under section 8-321 on securities, the security interest has the same priority for the purposes of subsection (5) with respect to the future advances as it does

with respect to the first advance. If a commitment is made before or while the security interest is so perfected, the security interest has the same priority with respect to advances made pursuant thereto. In other cases, a perfected security interest has priority from the date the advance is made.

Effective August 4, 1988.

CHAPTER 626

S.P. 868 — L.D. 2263

AN ACT Providing Conformity with the United States Revenue Code Under the Maine Income Tax Law for 1987.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the 90-day period would delay the processing of the 1987 income tax returns; and

Whereas, legislative action is necessary immediately in order to ensure continued and efficient administration of the Maine income tax law and certain other state taxes; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution 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:

Sec. 1. 36 MRSA §111, sub-§1-A, as enacted by PL 1987, c. 504, §2, is amended to read:

1-A. Code. "Code" means the United States Internal Revenue Code of 1986 and amendments to that Code as of December 31, ~~1986~~ 1987.

Sec. 2. Application. This Act applies to tax years beginning on or after January 1, 1987.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

Effective March 23, 1988.

CHAPTER 627

H.P. 1820 — L.D. 2495

AN ACT Pertaining to the Establishment of Market Assistance Plans.