

HOUSE BILL NO. 476

INTRODUCED BY R. HOLLANDSWORTH

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A LANDLORD'S LIEN AGAINST THE CROPS PRODUCED ON REAL PROPERTY RENTED OR LEASED TO ANOTHER PERSON BY THE LANDLORD; CLARIFYING THE ORDER OF PRIORITY OF CERTAIN LIENS AGAINST CROPS PRODUCED ON REAL PROPERTY; AND AMENDING SECTIONS 71-3-113, 71-3-114, 71-3-401, 71-3-702, 71-3-804, AND 71-3-904, MCA."

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

NEW SECTION. **Section 1. Landlord's lien.** A person that rents or leases to another person real property for agricultural production has a lien for unpaid rent on the crop and on the products or proceeds of the crop produced on the real property in the crop year that is the subject of the lease. A landlord's lien becomes effective when the crop becomes a growing crop.

NEW SECTION. **Section 2. Landlord's lien -- scope.** A landlord's lien attaches to the crop and the products or proceeds of the crop to the extent of the price or value of the lease agreement.

NEW SECTION. **Section 3. Landlord's lien -- perfection.** A landlord's lien is perfected if a financing statement is filed pursuant to Title 30, chapter 9A, part 5, and must be perfected on or before 30 days after the crop becomes a growing crop.

NEW SECTION. **Section 4. Landlord's lien -- governing law.** Except as otherwise provided in [sections 1 through 7], a landlord's lien is subject to the provisions of Title 30, chapter 9A.

NEW SECTION. **Section 5. Landlord's lien -- priority.** A perfected landlord's lien under [sections 1 through 7] has the priority provided for in 71-3-113.

NEW SECTION. **Section 6. Landlord's lien -- default.** Default occurs when an obligor fails to perform

1 any obligation, whether written or oral, owed to the holder of the landlord's lien.

2

3 **NEW SECTION. Section 7. Landlord's lien -- enforcement.** The holder of a landlord's lien under
4 [sections 1 through 7] may enforce the lien in the manner provided in Title 30, chapter 9A.

5

6 **Section 8.** Section 71-3-113, MCA, is amended to read:

7 **"71-3-113. Priority of liens.** ~~(1) Other~~ Except as provided in subsection (2), all other things being equal,
8 different liens upon the same property have priority according to the time of their creation.

9 (2) Except as otherwise provided in this chapter and subject to the operation of the recording laws, liens
10 against crops, as defined in 80-20-102, have priority over all competing security interests and over all agricultural
11 liens in the following order:

12 (a) a landlord's lien, provided for in [section 1], which has priority over all agricultural liens in the crop
13 produced on the land that is the subject of the lease agreement and on all of the products or proceeds of the crop;

14 (b) a thresher's lien, provided for in 71-3-804;

15 (c) a lien for seed or grain, provided for in 71-3-702;

16 (d) a lien for spraying or dusting, provided for in 71-3-904;

17 (e) a lien for farm labor, provided for in 71-3-401; and

18 (f) a lien for a purchase money mortgage, provided for in 71-3-114."

19

20 **Section 9.** Section 71-3-114, MCA, is amended to read:

21 **"71-3-114. Priority of purchase money mortgage.** Except as provided in 71-3-113 and except as
22 otherwise provided by law, a mortgage given for the price of real property at the time of its conveyance has
23 priority over all other liens created against the purchaser, subject to the operation of the recording laws."

24

25 **Section 10.** Section 71-3-401, MCA, is amended to read:

26 **"71-3-401. Who may have lien -- priority.** (1) A person who performs services for another in the
27 capacity of a farm or ranch laborer has a lien on all crops of every kind grown, raised, or harvested by the person
28 for whom the services were performed during that time as security for the payment of any wages due or owing
29 to the person for services performed.

30 (2) ~~(a) The~~ Except as provided in subsection (2)(b), the lien is on the products or proceeds produced by

1 the farm or ranch and has the priority over all other liens, chattel mortgages, or encumbrances except provided
 2 for in 71-3-113.

3 (b) The person from whom the unpaid wages are due and owing may keep feed sufficient for 3 months
 4 for 1 horse, 2 cows and their calves, 4 hogs, and 50 domestic fowls and seed grain and threshers' liens.

5 (3) The wages for which a lien may be claimed may not be in excess of \$1,000 or for a period of time
 6 exceeding 60 days preceding the date of filing the lien. If a person without cause quits the employment before
 7 the expiration of the time for which the person is employed, the person is not entitled to a lien as provided in this
 8 part.

9 (3)(4) If several persons have or obtain liens under the provisions of this part against property of the
 10 same employer, they have no priority among themselves but all must be paid pro rata from the proceeds of any
 11 foreclosure sale according to the provisions of this part."

12

13 **Section 11.** Section 71-3-702, MCA, is amended to read:

14 **"71-3-702. Priority.** The lien provided by 71-3-701 ~~shall, as to the crop covered thereby, have~~ is on the
 15 crop and the products or proceeds of the crop produced by the seed or grain and has the priority over all other
 16 liens and encumbrances thereon provided for in 71-3-113."

17

18 **Section 12.** Section 71-3-804, MCA, is amended to read:

19 **"71-3-804. Priority.** The lien for work or labor done or services rendered as specified in 71-3-801 ~~shall~~
 20 ~~be prior to and have precedence over any mortgage, encumbrance, or other lien upon said grain or other crops,~~
 21 ~~except the lien for the seed furnished for the purpose of growing this particular crop~~ is on the crop and the
 22 products or proceeds of the crop produced through the work or labor done and has the priority provided for in
 23 71-3-113."

24

25 **Section 13.** Section 71-3-904, MCA, is amended to read:

26 **"71-3-904. Priority.** The lien for labor or services performed or material furnished as specified in ~~this~~
 27 ~~part shall be prior to and have precedence over any mortgage, encumbrance, or other lien upon said grain or~~
 28 ~~crops, except the lien for seed, hail insurance, threshing, labor, and warehouse services furnished for the purpose~~
 29 ~~of growing or handling the particular grain or crops~~ 71-3-901 is on the crop and the products or proceeds of the
 30 crop produced through the labor or services performed or material furnished and has the priority provided for in

1 71-3-113."

2

3 NEW SECTION. Section 14. Codification instruction. [Sections 1 through 7] are intended to be
4 codified as an integral part of Title 71, chapter 3, and the provisions of Title 71, chapter 3, apply to [sections 1
5 through 7].

6

7 NEW SECTION. Section 15. Saving clause. [This act] does not affect rights and duties that matured,
8 penalties that were incurred, or proceedings that were begun before [the effective date of this act].

9

10 NEW SECTION. Section 16. Severability. If a part of [this act] is invalid, all valid parts that are
11 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,
12 the part remains in effect in all valid applications that are severable from the invalid applications.

13

- END -