

CHAPTER 223A

FARM PRODUCTS STATUTORY LIEN

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223A.01 [Repealed, 1986 c 322 s 4]

223A.02 DEFINITIONS.

Subdivision 1. **Buyer.** "Buyer" means a person purchasing farm products.

Subd. 2. **Commission merchant.** "Commission merchant" has the meaning given in United States Code, title 7, section 1631(c)(3).

Subd. 3. **Farm products.** "Farm products" has the meaning given in United States Code, title 7, section 1631(c)(5).

Subd. 4. **Farm products statutory lien.** "Farm products statutory lien" means a consensual or nonconsensual lien on farm products but does not include a landlord's lien under section 514.960 or security interest created in a security agreement that is subject to article 9 of the Uniform Commercial Code, sections 336.9-101 to 336.9-508.

Subd. 5. **Lienholder.** "Lienholder" means a person entitled to a farm products statutory lien.

Subd. 6. **Perfected.** "Perfected" means that the conditions have been satisfied to enforce the farm products statutory lien against third parties as provided by the law creating or authorizing the farm products statutory lien.

Subd. 7. **Person.** "Person" has the meaning given in United States Code, title 7, section 1631(c)(10), and also includes the federal government and its agencies, the state, political subdivisions, and other governmental entities.

Subd. 8. **Receive.** "Receive" means actual delivery with signed receipt or mailing with signed receipt of the addressee.

Subd. 9. **Selling agent.** "Selling agent" has the meaning given in United States Code, title 7, section 1631(c)(8).

History: 1988 c 700 s 5

223A.03 BUYERS TAKING FREE OF AND SUBJECT TO FARM PRODUCTS STATUTORY LIEN.

Subdivision 1. **Taking free of lien.** Except as provided in subdivision 2, and notwithstanding any other law, a buyer who buys farm products from a seller engaged in farming operations shall take free of a farm products statutory lien even though the farm products statutory lien is perfected and the buyer knows the lien exists.

Subd. 2. **Taking subject to lien.** A buyer of farm products takes subject to a farm products statutory lien if:

- (1) the lienholder has perfected the farm products statutory lien;
- (2) within one year before the sale of the farm products, the buyer has received a lien notice as provided in section 223A.05 from the lienholder or from the seller; and
- (3) the buyer has failed to perform the payment obligations as provided in the notice under section 223A.05.

History: 1988 c 700 s 6

223A.04 COMMISSION MERCHANTS AND SELLING AGENTS SUBJECT TO FARM PRODUCTS STATUTORY LIEN.

Subdivision 1. **Selling not subject to lien.** Except as provided in subdivision 2, and notwithstanding any other law, a commission merchant or selling agent who sells a farm product for others is not subject to a farm products statutory lien even though the farm product statutory lien is perfected and the commission merchant or selling agent knows the lien exists.

Subd. 2. **Selling subject to lien.** A commission merchant or selling agent selling farm products for another person is subject to a farm products statutory lien in the farm products if:

- (1) the lienholder has perfected the farm products statutory lien;
- (2) the commission merchant or selling agent has received a lien notice as provided in section 223A.05 from the lienholder or seller; and
- (3) the commission merchant or selling agent has failed to perform the payment obligations.

History: 1988 c 700 s 7

223A.05 LIEN NOTICE.

Subdivision 1. **Contents.** A lien notice must be an original or reproduced copy of a written notice of the farm products statutory lien organized according to farm products containing:

- (1) the name, signature, and address of the lienholder;
- (2) the name and address of the debtor;
- (3) the social security number of the debtor, if available; or in the case of a debtor doing business other than as an individual, the Internal Revenue Service taxpayer identification number of the debtor, if available;
- (4) a description of the farm products subject to the farm products statutory lien, including the amount of the products and, if applicable, the crop year, county where the products are located or growing, and a reasonable description of the real property where the farm products are located or are growing; and
- (5) any payment obligations imposed on the buyer, commission merchant, or selling agent as a condition for waiver or release of the security interest.

Subd. 2. **Amendments.** A lien notice must be amended in writing to reflect material changes and signed and transmitted in the same manner as the lien notice within three months after the material changes occur.

Subd. 3. **Effective period.** (a) A lien notice is effective for a five-year period after the date the lien notice is received by the buyer, commission merchant, or selling agent and may be extended for five years if the buyer, commission merchant, or selling agent is notified within six months of the expiration of the initial five-year period.

(b) A lien notice lapses on the expiration period of the lien notice or the transmission of a notice signed by the lienholder that the lien notice has lapsed, whichever occurs first.

History: 1988 c 700 s 8

223A.06 PROCEEDS FROM FARM PRODUCTS SUBJECT TO LIEN.

A lienholder has a claim to the proceeds received from the sale, exchange, or other disposition of farm products subject to a farm products statutory lien, unless otherwise specifically provided by law.

History: 1988 c 700 s 9

223A.07 FORMS.

The secretary of state may adopt forms by rule to facilitate the procedures under sections 223A.02 to 223A.05. The forms must be provided to county recorders and made available to the public.

History: 1988 c 700 s 10