

**336A.15 BUYERS TAKING FREE OF AND SUBJECT TO FARM PRODUCTS STATUTORY LIENS.**

Subdivision 1. **Taking free of lien.** Except as provided in subdivision 2, and notwithstanding other law or rule to the contrary, a buyer in the ordinary course of business who buys farm products from a seller engaged in farming operations takes free of a farm products statutory lien applicable to the purchased farm products even though the farm products statutory lien is perfected and the buyer knows the lien exists.

Subd. 2. **Taking subject to lien.** A buyer in the ordinary course of business of farm products takes subject to a farm products statutory lien applicable to the purchased farm products if the lienholder has perfected the farm products statutory lien and:

(1) the buyer has failed to register with the secretary of state as provided in section 336A.11; or

(2) the buyer has registered with the secretary of state as provided in section 336A.11, the buyer receives a notice from the secretary of state specifying that the seller and the farm products being sold are subject to a lien notice, and the buyer fails to secure a waiver or release of the farm products statutory lien specified in the lien notice by making a payment, satisfying an obligation, or otherwise.

**History:** 1992 c 525 s 16