

Act 654 of the 1989 Regular Session.

Act 654

HB1528

By: Representative McGinnis

"AN ACT TO REPEAL ARKANSAS CODE 4-9-312 (2) (e) AND THEREBY ELIMINATE THE SUNSET PROVISION PERTAINING TO PRODUCTION MONEY SECURITY INTERESTS; TO AMEND ARKANSAS CODE 4-9-312 (2) (f) TO EXEMPT CERTAIN INSTITUTIONS FROM THE PROVISIONS OF SUBDIVISION (2) PERTAINING TO PRODUCTION MONEY SECURITY INTEREST; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Paragraph (e) of subsection (2) of Arkansas Code 4-9-312 is hereby repealed.

SECTION 2. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 3. Paragraph (f) of subsection (2) of Arkansas Code 4-9-312 is hereby amended to read as follows:

"(f) The provisions of paragraphs (a) through (d) of this subsection shall not be applicable to institutions chartered under the 'Farm Credit Act of 1971,' Public Law 92-181, national banks or state banks holding a conflicting security interest securing an obligation which originated at that bank. The following is applicable to institutions chartered under the 'Farm Credit Act of 1971', Public Law 92-181, national banks and state banks holding a conflicting security interest securing an obligation which originated in that bank; a perfected security interest in crops for new value given to enable the debtor to produce the crops during the production season and given not more than three (3) months before the crops become growing crops by planting or otherwise takes priority over an earlier perfected security interest to the extent that such earlier interest secures obligations due more than six (6) months before the crops become growing crops by planting or otherwise, even though the person giving new value had knowledge of the earlier security interest."

SECTION 4. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 5. EMERGENCY. It is hereby found and determined by the General Assembly that Arkansas Code 4-9-312(2) under which circumstances a production money security interest takes priority over conflicting security interest in the collateral, will expire on July 1, 1989 under the provisions of paragraph (e) of that subsection (2); that this act repeals paragraph (e) and thereby will continue the application of 4-9-312(2); that unless this act goes into effect prior to July 1, 1989, 4-9-312(2) will expire; and unless this emergency clause is adopted this act may not go into effect by July 1, 1989. Therefore, an emergency is hereby declared to exist and this act being necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

APPROVED: March 17, 1989

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