

Chapter 80

2003 EDITION

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COMMERCIAL TRANSACTIONS

ASSIGNMENT

80.010 Assignment of chose in action; payment by debtor without notice. Any bona fide assignment of a chose in action by way of sale or pledge made in writing for a good, valuable and adequate consideration is deemed completed at the time the writing is executed by the assignor and takes effect at the time of execution according to the terms of the writing without the giving of notice to the debtor therein mentioned unless such notice is required by statute; but if notice is not given to a debtor, and such debtor, without knowledge of the assignment pays or discharges in whole or in part the obligation of the debtor to the assignor or to any subsequent assignee of the chose in action who has given notice, such payment constitutes a discharge of the debtor to the extent thereof without prejudice to any right or remedy between the several assignees.

80.020 Effect of an assignment on a defense. In the case of an assignment of a thing in action, an action or suit by the assignee is without prejudice to any setoff or other defense existing at the time of, or before notice of the assignment; but this section does not apply to a negotiable instrument transferred in good faith and upon good consideration before due.

CENTRAL FILING SYSTEM FOR FARM PRODUCTS

80.100 Definitions for ORS 80.100 to 80.130. As used in ORS 80.100 to 80.130:

(1) "Buyer" means a person who, in the ordinary course of business, buys farm products from a person engaged in farming operations who is in the business of selling farm products.

(2) "Central filing system" means a system for filing effective financing statements on a statewide basis that is operated by the Secretary of State and has been certified by the Secretary of the United States Department of Agriculture.

(3) "Commission merchant" means any person engaged in the business of receiving any farm product for sale, on commission, or for or on behalf of another person.

(4) "Effective financing statement" means a document filed with the Secretary of State to register and describe farm products subject to a security interest created by a debtor or seller of farm products that is an effective financing statement under the provisions of section 1324 of the Food Security Act of 1985, 7 U.S.C. 1631 now existing or hereafter amended. An effective financing statement does not create or perfect a security interest.

(5) "Farm product" means an agricultural commodity including but not limited to

wheat, corn, soybeans, or a species of fish or livestock such as cattle, hogs, sheep, horses or poultry used or produced in farming operations, or a product of such crop, fish or livestock in its unmanufactured state, including but not limited to wool clip, milk and eggs, that is in the possession of a person engaged in farming operations.

(6) "Knows" or "knowledge" means actual knowledge.

(7) "Security interest" means an interest in farm products that secures payment or performance of an obligation.

(8) "Selling agent" means any person, other than a commission merchant, who is engaged in the business of negotiating the sale and purchase of any farm product on behalf of a person engaged in farming operations. [Formerly 79.6020]

Note: 80.100 to 80.130 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapters 71 to 83 or any chapter or series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

80.103 Filing of statements in electronic format. (1) An effective financing statement, amendment to an effective financing statement, continuation statement, statement that an effective financing statement has lapsed or other statement filed with the Secretary of State under ORS 80.100 to 80.130 may be filed in an electronic format.

(2) Statements filed electronically under this section shall conform to the technical specifications for electronic filing as prescribed by the Secretary of State by rule.

(3) Signatures required on any statement filed in an electronic format shall be supplied as electronic signatures as defined in ORS 84.004. [Formerly 79.6025]

Note: See note under 80.100.

80.106 Establishment of central filing system for farm products; fees; rules. (1) The Secretary of State shall establish, implement and operate the central filing system for farm products.

(2) The Secretary of State shall ensure that the central filing system for farm products described in ORS 80.100 to 80.130 complies with the requirements for a central filing system as defined by 7 U.S.C. 1631 as that statute read on December 24, 1986.

(3) The Secretary of State shall prescribe the rules, fees and forms to implement and operate the central filing system.

(4) The fees prescribed by the Secretary of State under this section shall be nonrefundable and shall not exceed the cost of administering the central filing system. [Formerly 79.6030]

Note: See note under 80.100.

80.109 Protection of buyers of farm products, commission merchants and selling agents; exception. Except as provided in ORS 80.112, a buyer who in the ordinary course of business buys farm products from a seller engaged in farming operations shall take free of a security interest created by the seller, and a commission merchant or selling agent who sells in the ordinary course of business farm products for others shall not be subject to a security interest created by the seller in such products, even though the security interest is perfected and the buyer or commission merchant or selling agent knows of the existence of such interest. [Formerly 79.6040]

Note: See note under 80.100.

80.112 When buyer of farm product, commission merchant and selling agent subject to security interest in farm product created by seller. Under the central filing system for farm products, a buyer of farm products or commission merchant or selling agent who sells farm products for others shall be subject to a security interest in such farm products created by the seller if:

(1) The buyer or commission merchant or selling agent has failed to register with the Secretary of State prior to the purchase of farm products and the secured party has filed an effective financing statement that covers the farm products being sold;

(2) The buyer or commission merchant or selling agent has received from the Secretary of State a copy of the master list of farm products or written notice, pursuant to ORS 80.118 or 80.121, that names the seller and specifies the farm products being sold by such seller as being subject to an effective financing statement and the buyer or commission merchant or selling agent does not secure a waiver or release of the security interest specified in such effective financing statement from the secured party by performing any payment obligation or otherwise; or

(3) The buyer or commission merchant or selling agent participates in the Secretary of State's computer access program that names the seller and specifies the farm products being sold by such seller as being subject to an effective financing statement and the buyer or commission merchant or selling agent does not secure a waiver or release of the security interest specified in such effective financing statement from the secured party by performing any payment obligation or otherwise. [Formerly 79.6050]

Note: See note under 80.100.

80.115 Formal requisites of effective financing statement; amendment; duration of filing; lapse of filing; fee; rules. (1) An effective financing statement for farm products as defined in ORS 80.100 is sufficient to register a security interest in a farm product if it:

(a) Contains the name and address of the secured party;

(b) Contains the name and address of the person indebted to the secured party;

(c) Contains the Social Security number of the debtor or, in the case of a debtor doing business other than as an individual, the Internal Revenue Service taxpayer identification number of such debtor;

(d) Describes the farm products subject to the security interest created by the debtor, including the amount of such products where applicable, and describes the real property concerned, including the name of the county in this state in which the property is located;

(e) Is signed by the secured party;

(f) Is signed by the debtor;

(g) Is an original or reproduced copy thereof; and

(h) Is accompanied by the required filing fee.

(2) An effective financing statement must be amended in writing within three months, similarly signed and filed, to reflect material changes.

(3) An effective financing statement for farm products remains effective for a period of five years from the date of filing, subject to extensions for additional periods of five years each by refileing or filing a continuation statement within six months before the expiration of the five-year period.

(4) An effective financing statement for farm products lapses on either the expiration of the effective period of the statement or the filing of a notice signed by secured party that the statement has lapsed, whichever occurs first. Unless otherwise provided in writing between the secured party and the debtor, a statement that the effective financing statement has lapsed shall be filed within 15 days after there is no outstanding secured obligation and no commitment to make advances, incur obligations or otherwise give value under the security interest.

(5) The Secretary of State shall, by rule, prescribe the filing fee for each effective financing statement for farm products or change thereto and continuation thereof, and the filing fee for the notice that the effective financing statement has lapsed. Each effective financing statement may reflect more

than one type of farm product. The filing fee shall be per debtor name.

(6) An effective financing statement is sufficient if it complies with this section even though it contains minor errors that are not seriously misleading. [Formerly 79.6060]

Note: See note under 80.100.

80.118 Operation of central filing system; master list of farm products; list of buyers, commission merchants and selling agents; distribution of master list; fee; rules. (1) Under the central filing system for farm products, the Secretary of State shall record the date and time of filing of effective financing statements or changes thereto, and compile this information into a master list organized according to farm products. The Secretary of State shall by rule determine the categories of farm products.

(2) Within each category of farm products, the Secretary of State shall arrange the master list:

(a) In alphabetical order by last name of the debtor or in the case of a debtor doing business other than as an individual, by the first word in the name of such debtor;

(b) In numerical order according to Social Security number of the individual debtor or Internal Revenue Service taxpayer identification number of debtors doing business other than as individuals;

(c) Geographically by county; and

(d) By crop year.

(3) The master list shall contain all the information on all the effective financing statements filed in the system that have not lapsed. The master list shall be arranged to provide delivery to any registrant of any information relating to any product, produced in any county for any crop year covered by the system and shall be in a form that is readable by humans without special equipment.

(4) The Secretary of State shall maintain a list of all buyers of farm products, commission merchants and selling agents who register with the Secretary of State on a form indicating:

(a) The name and address of each buyer, commission merchant and selling agent;

(b) The interest of each buyer, commission merchant or selling agent in receiving the master list on farm products; and

(c) The farm products in which each buyer, commission merchant and selling agent has an interest.

(5) The Secretary of State shall distribute monthly to each buyer, commission merchant and selling agent registered under this section a printed or micrographic copy of those

portions of the master list that the buyer, commission merchant or selling agent has registered an interest in receiving. The Secretary of State shall by rule prescribe the yearly subscription fee for each type of the monthly master list. [Formerly 79.6070]

Note: See note under 80.100.

80.121 Confirmation of existence of any effective financing statement; fee; rules. (1) On request, the Secretary of State shall furnish to persons not registered under ORS 80.118 oral confirmation within 24 hours of the existence of any effective financing statement followed by written confirmation to any buyer of farm products buying from a debtor or commission merchant or selling agent selling for a seller covered by such statement.

(2) The request for oral confirmation shall be in writing and shall be presented to the office of the Secretary of State during normal business hours.

(3) Information on an effective financing statement may be furnished by telephone to the requestor of an oral confirmation.

(4) Oral confirmation shall be followed by written confirmation from the Secretary of State within 48 hours after the oral confirmation.

(5) The Secretary of State shall by rule prescribe the service fees for processing oral and written confirmation requests on effective financing statements. [Formerly 79.6080]

Note: See note under 80.100.

80.124 Courtesy notice. Nothing in ORS 80.100 to 80.130 shall prevent a secured party from providing a courtesy notice to any person regarding the secured party's security interests in farm products. The rights or obligations of the secured party or any other person shall not be affected by the failure of a secured party to give a courtesy notice or by the accuracy or completeness of the information given in such a notice. [Formerly 79.6090]

Note: See note under 80.100.

80.127 Place to file effective financing statement. The proper place to file an effective financing statement on farm products as defined in ORS 80.100 is in the office of the Secretary of State. [Formerly 79.7000]

Note: See note under 80.100.

80.130 Place to register as buyer of farm product, commission merchant or selling agent; duration of registration; fee; rules. The proper place to register under ORS 80.118 as a buyer of farm products or a commission merchant or selling agent of farm products as defined in ORS 80.100 is in the office of the Secretary of State. The registration is effective for one year follow-

ing the date of registration. Registration may be amended by filing a new registration. The Secretary of State shall, by rule, prescribe the registration fee. [Formerly 79.7010]

Note: See note under 80.100.
