Chapter 80

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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) "Approved unique identifier" means a number, combination of numbers and letters, or another identifier that the Secretary of State prescribes by rule.

(2) "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.

(3) "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.

(4) "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.

(5) "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. An effective financing statement does not create or perfect a security interest.

(6) "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.

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

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

(9) "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; 2007 c.186 §13]

80.101 Approved unique identifiers. (1) The Secretary of State shall devise a method or system to provide approved unique identifiers for persons filing documents under ORS 80.100 to 80.130.

(2) If necessary under federal law, the Secretary of State shall seek approval of the method or system devised under subsection (1) of this section from the Secretary of the United States Department of Agriculture. [2007 c.186 §20]

80.103 Filing of statements in electronic format; rules. (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]

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:

(a) Rules, fees and forms to implement and operate the central filing system; and

(b) Rules for providing and using approved unique identifiers for persons filing documents under ORS 80.100 to 80.130.

(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; 2007 c.186 §14]

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]

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]

80.115 Requirements for effective financing statement; amendment; duration; lapse; 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 the statement:

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

(b) Contains the name and address of each person, whether or not a debtor, subjecting the farm products to the security interest;

(c) Contains the approved unique identifier of each person described in paragraph (b) of this subsection;

(d) Describes the farm products subject to the security interest created by the debtor, including the amount of the farm products when applicable, and identifies the county in this state in which the farm products are produced or located;

(e) Is signed, authorized or otherwise authenticated by the debtor;

(f) Is an original or reproduced copy of the original; and

(g) Is accompanied by the required filing fee.

(2) An effective financing statement must be amended in writing within three months, similarly signed, authorized or otherwise authenticated, 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 refiling 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, authorized or otherwise authenticated by the 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 ad-

vances, 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 to and continuation of the effective financing statement, 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.

(7) The requirement under this section that a document be signed, authorized or otherwise authenticated by the debtor or the secured party is satisfied if the debtor has executed a security agreement granting a security interest in the farm products to the secured party. [Formerly 79.6060; 2005 c.191 §1; 2007 c.186 §15]

80.118 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 ascending alphabetical or numerical order, as appropriate, according to the approved unique identifier of the individual debtor;

(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 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 such copies of the monthly master list. [Formerly 79.6070; 2007 c.186 §16]

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]

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]

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]

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 following 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]