

§9-1103-A. Production-money crops; production-money obligation; production-money security interest; burden of establishing

(1). A security interest in crops is a production-money security interest to the extent that the crops are production-money crops.

[PL 1999, c. 699, Pt. A, §2 (NEW); PL 1999, c. 699, Pt. A, §4 (AFF).]

(2). If the extent to which a security interest is a production-money security interest depends on the application of a payment to a particular obligation, the payment must be applied:

(a). In accordance with any reasonable method of application to which the parties agree; [PL 1999, c. 699, Pt. A, §2 (NEW); PL 1999, c. 699, Pt. A, §4 (AFF).]

(b). In the absence of the parties' agreement to a reasonable method, in accordance with any intention of the obligor manifested at or before the time of payment; or [PL 1999, c. 699, Pt. A, §2 (NEW); PL 1999, c. 699, Pt. A, §4 (AFF).]

(c). In the absence of an agreement to a reasonable method and a timely manifestation of the obligor's intention, in the following order:

(i) To obligations that are not secured; and

(ii) If more than one obligation is secured, to obligations secured by production-money security interests in the order in which those obligations were incurred. [PL 1999, c. 699, Pt. A, §2 (NEW); PL 1999, c. 699, Pt. A, §4 (AFF).]

[PL 1999, c. 699, Pt. A, §2 (NEW); PL 1999, c. 699, Pt. A, §4 (AFF).]

(3). A production-money security interest does not lose its status as such, even if:

(a). The production-money crops also secure an obligation that is not a production-money obligation; [PL 1999, c. 699, Pt. A, §2 (NEW); PL 1999, c. 699, Pt. A, §4 (AFF).]

(b). Collateral that is not production-money crops also secures the production-money obligation; or [PL 1999, c. 699, Pt. A, §2 (NEW); PL 1999, c. 699, Pt. A, §4 (AFF).]

(c). The production-money obligation has been renewed, refinanced or restructured. [PL 1999, c. 699, Pt. A, §2 (NEW); PL 1999, c. 699, Pt. A, §4 (AFF).]

[PL 1999, c. 699, Pt. A, §2 (NEW); PL 1999, c. 699, Pt. A, §4 (AFF).]

(4). A secured party claiming a production-money security interest has the burden of establishing the extent to which the security interest is a production-money security interest.

[PL 1999, c. 699, Pt. A, §2 (NEW); PL 1999, c. 699, Pt. A, §4 (AFF).]

SECTION HISTORY

PL 1999, c. 699, §A2 (NEW). PL 1999, c. 699, §A4 (AFF).

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