

§3325. Preference of liens

The producer's lien is a preferred lien attached to the finished product in inventory and to the proceeds thereof to the full extent of the price of the raw product delivered to the processor and shall be preferred to all other liens, claims or encumbrances except for the liens or security interests of financial institutions chartered by the Federal Government or by any state of the United States, including, without limitation, trust companies, commercial banks, savings banks and savings and loan associations, and commercial finance companies and other institutional lenders, granted upon the inventory of a processor and all proceeds and products thereof to secure existing and future loans, advances and all other indebtedness of the processor to financial institutions, as described when such liens are granted to such financial institutions prior to notification by the producer to the commissioner of insufficient or no payment for the product delivered to the processor. [PL 1977, c. 1, §2 (RPR).]

If a financial institution described in this section forecloses upon its lien, the proceeds realized after foreclosure must be applied first to satisfy all producers' liens having priority over the lien of the financial institution and then to satisfy the lien of the financial institution. The balance of the proceeds, if any, must be remitted to the commissioner or the commissioner's designee for distribution to producers having liens approved by the commissioner under section 3324 in the order of their priority. Any surplus remaining after the distribution to producers must be remitted to the processor. [RR 2023, c. 2, Pt. C, §76 (COR).]

SECTION HISTORY

PL 1975, c. 725 (NEW). PL 1977, c. 1, §2 (RPR). PL 2011, c. 657, Pt. W, §6 (REV). RR 2023, c. 2, Pt. C, §76 (COR).

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