

No. 504, A.]

[Published September 12, 1959.

CHAPTER 422

AN ACT to amend 241.14 (2) ; and to create 241.14 (3) of the statutes, relating to effect of failure to make timely filing of inventory statements in connection with mortgages on stock of goods or stock in trade; and the use of proceeds, under certain conditions, from the sales of property securing such mortgage.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 241.14 (2) of the statutes is amended to read:

241.14 (2) Such mortgage shall cover and be a valid lien upon the property added to such stock after its execution for the amount of the indebtedness remaining unpaid thereon, but only if the mortgage shall recite that it is intended to apply to and cover such additions. Such statement shall be verified by the affidavit of the mortgagor, his agent or attorney as being a true and correct statement of all sales made from the stock of mortgaged goods, the value of the additions made to the original stock since the date of the mortgage or the date of the last verified statement so filed and the amount paid on the mortgage debt since the execution of the mortgage or the filing of such statement. If any mortgagor * * * fails to file the statements and copies thereof herein required within the time prescribed, the mortgage, as between the parties thereto, shall be immediately due and payable, and at the expiration of * * * 30 days from the time fixed for the filing of such statements and copies shall cease to be a lien upon such stock of goods or stock in trade except as between the mortgagor and mortgagee.

SECTION 2. 241.14 (3) of the statutes is created to read:

241.14 (3) A mortgage otherwise valid shall not be rendered invalid as to the mortgagor or his creditors if:

(a) The mortgage permits the use of the proceeds of sale from the mortgaged property to replace stock of goods or stock in trade from which sales have been made.

(b) The mortgagor is not required to apply the full proceeds from sales of such stock on the indebtedness secured by said mortgage so long as said mortgage sets forth the total amount of indebtedness secured, and requires periodic payment on said indebtedness at intervals of not exceeding 4 months. The balance of the proceeds of sale of such stock over and above that required for the periodic payments may be retained by the mortgagor or used by the mortgagor for other purposes.

Approved September 8, 1959.