

No. 287
AN ACT

Amending the act of July eight, one thousand nine hundred nineteen (Pamphlet Laws 784, No. 321), entitled "An act authorizing counties, cities, and boroughs to furnish rooms in public buildings for meeting places for certain organizations," including certain ladies' auxiliaries and the American Gold Star Mothers, Inc., within provisions of act.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Section one, act of July eight, one thousand nine hundred nineteen (Pamphlet Laws 784, No. 321), entitled "An act authorizing counties, cities and boroughs to furnish rooms in public buildings for meeting places for certain organizations," section one repealed, in part, May four, one thousand nine hundred twenty-seven (Pamphlet Laws 519), May two, one thousand nine hundred twenty-nine (Pamphlet Laws 1278) and June twenty-three, one thousand nine hundred thirty-one (Pamphlet Laws 932), is amended to read:

Section 1. Be it enacted, &c., That each county, city, and borough may, in their discretion, upon application therefor, furnish to each organization composed of veterans of the Civil War, veterans of the Spanish-American War, veterans of the War with Germany and Austria, veterans of any foreign war, [and] sons of veterans, *to ladies' auxiliaries of each such organization and the American Gold Star Mothers, Inc.*, a room or rooms in any public building of such county, city, or borough, sufficient for the meeting of each of such organizations at least once each month.

APPROVED—The 24th day of January, A. D. 1956.

GEORGE M. LEADER

No. 288
AN ACT

Relating to chattel mortgages executed and filed prior to July one, one thousand nine hundred fifty-four, regulating the assignment, release, satisfaction and extension of the lien of mortgages, and the filing, indexing and docketing thereof in prothonotaries' offices; prescribing methods of foreclosure; defining defaults and violations; prescribing prothonotaries' fees; and fixing penalties.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Definition.—As used in this act—

(1) "Chattel Mortgage Act of 1945" shall mean the act of June one, one thousand nine hundred forty-five

Counties, cities,
boroughs.

Section 1, act of
July 8, 1919, P.
L. 784, No. 321,
repealed in part
May 4, 1927, P.
L. 519, May 2,
1929, P. L. 1278
and June 23,
1931, P. L. 932,
further amended.

Rooms for meet-
ings of veterans
and other patri-
otic organiza-
tions.

Definitions.

(Pamphlet Laws 1358), entitled "An act relating to chattel mortgages on any chattel or chattels of any kind or description, including, but not limited to, livestock, poultry, farm machinery, farm equipment and crops, grown, growing or to be grown; designating the operation and effect of the lien of such mortgages; providing for the filing, indexing and docketing of such mortgages and related instruments in prothonotaries' offices; and prescribing prothonotaries' fees; providing for the filing in Pennsylvania of similar lien instruments originally filed or recorded in other states; regulating the assignment, release, satisfaction and extension of the lien of such mortgages; prescribing methods of foreclosure; defining defaults and violations; and fixing penalties," as amended from time to time while the act was in effect.

(2) "Chattel Mortgage" shall mean a mortgage upon any chattel or chattels of any kind or description, which was executed and filed on or after June one, one thousand nine hundred forty-five, and prior to July one, one thousand nine hundred fifty-four, in accordance with the Chattel Mortgage Act of 1945.

Duty of prothonotary to docket and index instruments presented under "Chattel Mortgage Act of 1945."

Section 2. Indices.—The prothonotary shall continue to maintain the books, known as the "Chattel Mortgage Book" and the "Chattel Mortgage Index," which he maintained pursuant to the Chattel Mortgage Act of 1945, in which he shall docket and index each instrument presented to him for filing pursuant to this act.

Instruments affecting lien of chattel mortgage upon filing preserve validity against subsequent lienors.

Section 3. Filing Related Instruments.—Any instrument affecting the lien of a chattel mortgage or its ownership may be filed in each office in which the chattel mortgage is filed, and, from the date of filing thereof, each such instrument shall be good and valid as against subsequent purchasers, subsequent mortgages or other subsequent lienors, subsequent encumbrances, and holders of subsequent security interests with or without notice thereof, and the fact and date of filing of each instrument shall be noted by the prothonotary on the margin of the page on which the chattel mortgage is docketed.

Upon removal of chattel to another county true copy of mortgage may be filed with the prothonotary of the other county.

Section 4. Property Moved to Another County.—If any of the property covered by a chattel mortgage is removed, with or without the written consent of the mortgagee, from the county in which it was located at the time of execution of the mortgage, or from the county in which the mortgage was filed, a true copy of the mortgage may be filed in the office of the prothonotary in the county to which the property is removed.

Section 5. Assignments.—Any chattel mortgage may be assigned by an instrument in writing, signed by the mortgagee or assignee, and setting forth the amount of the debt as of the assignment, and upon presentation of the assignment to the prothonotary, the prothonotary shall file it and note on the margin of the page in which the chattel mortgage is docketed the fact of the assignment, the date of the notation, the name of the assignor, the name of the assignee, the address of each, the date of the assignment, and the amount of the debt as of the date of the assignment and the assignment shall, except as to the parties thereto, take effect and be valid only from the time of the marginal notation as herein provided. Any chattel mortgage may be assigned by an assignment stating the amount of the debt on the date of the assignment and executed by the mortgagee or assignee on the margin of the page where the chattel mortgage is docketed, which assignment shall be attested by the prothonotary.

Requirements of assignments.

Section 6. Satisfaction.—Any chattel mortgage may be satisfied by an instrument, in writing, signed by the mortgagee or assignee, and, upon presentation of the instrument to the prothonotary, the prothonotary shall file it and note the fact of the satisfaction and the date thereof on the margin of the page of the book where the chattel mortgage is docketed, and, when so noted, the satisfaction shall fully and effectually release the lien of such mortgage. Any chattel mortgage may be satisfied by the mortgagee or assignee on the margin of the page where such chattel mortgage is docketed, which satisfaction shall be attested by the prothonotary. Each satisfaction of a chattel mortgage lien shall be noted by the prothonotary on the line of the page on which the chattel mortgage is indexed.

Procedure to satisfy chattel mortgage lien.

Section 7. Extension.—A chattel mortgage shall remain a lien on the property mortgaged as between the parties thereto until paid, but as to third parties shall not remain a lien for a longer period than five years from the date it was last filed or extended pursuant to the Chattel Mortgage Act of 1945 or this act, unless the lien thereof is extended by filing, prior to the expiration of the lien, with the prothonotary, an affidavit of the mortgagee or his assignee stating the amount then secured by the lien, in which case the said mortgage shall remain a lien for an additional period of five years from the date of the filing of the affidavit. The lien of any mortgage may be further extended with like effect by the filing of successive affidavits. The prothonotary shall note each extension of a chattel mort-

Procedure of extending lien of chattel mortgage.

gage lien and date of filing thereof on the margin of the page of the book where the chattel mortgage is docketed. The prothonotary shall also index each extension in the index of financing statements, maintained by him pursuant to the Uniform Commercial Code of April six, one thousand nine hundred fifty-three (Pamphlet Laws 3), showing the mortgagor as the debtor and the mortgagee or his assignee as the secured party and noting in the index, in place of the file number and addresses of such parties, the book and page number of the book where the chattel mortgage is docketed.

Remedies upon default of chattel mortgage.

Section 8. Remedies.—(a) Upon default in any of the terms and covenants of any chattel mortgage, the mortgagee, assignee or duly authorized attorney or agent of such mortgagee or assignee shall have the right, either by process of law, by writ of replevin, or otherwise, or without process of law, immediately to take possession of the mortgaged property and to do all things necessary to preserve the same, and any expense incurred in conjunction therewith shall be included in and secured by the lien of said chattel mortgage, and this right shall be in addition to any and all other rights inuring to the benefit of the mortgagee or assignee.

Repossession by mortgagee.

(b) In the event of the repossession of the mortgaged chattel, in accordance with the provisions of this section, the mortgagee may sell the chattel, at public or private sale, after giving a written notice of at least ten days thereof to the mortgagor by mailing same to him at his last known address. Any surplus realized in excess of debt and costs shall be paid over to the mortgagor and any deficit may be collected from the mortgagor under the provisions of section nine hereof.

Right of redemption by mortgagor.

(c) The mortgagor or his assignee at any time prior to the sale of the mortgaged property shall have the right to redeem and to repossess the mortgaged property, either by process of law, by writ of replevin, or otherwise, or without process of law, upon making payment to the mortgagee or his assignee of the indebtedness secured by the chattel mortgage, together with interest thereon, and other charges and amounts payable under the terms of the chattel mortgage or the bond or note secured by the same.

Right of mortgagee against third parties.

(d) A mortgagee may, after default, replevin any goods subject to a chattel mortgage and in excess of one hundred dollars (\$100) in value in the hands of a third person who took title to the goods with actual or constructive notice of the mortgage; or, if the goods have been consumed or are not in the possession of the third person, the mortgagee may recover the value of the goods in an action in trespass for conversion.

Section 9. Foreclosure.—Upon default by the mortgagor in the payment of the mortgage debt, either as to principal or interest, or upon default in the performance of any covenant contained in the chattel mortgage or bond or note, the chattel mortgage may be foreclosed by any of the methods authorized by law for the foreclosure of a mortgage, including the entry of judgment on the bond, or note secured by the chattel mortgage. The lien of any levy which may be made upon the mortgaged property by virtue of any execution based upon a judgment entered upon the bond or note shall relate back * to the date of the filing of the chattel mortgage. In foreclosure proceedings, the mortgaged chattels may be sold in the same manner as authorized by the laws of this Commonwealth in the case of personal property sold under execution. Foreclosure.

Section 10. Penalties.—Any person who, without the written consent of the mortgagee or his assignee, shall wilfully sell any property mortgaged by him or his predecessor in title in conformity with the provisions of the Chattel Mortgage Act of 1945, either before or after the debt is due and before the debt is paid, or shall wilfully injure, destroy, conceal or, without notice to the mortgagee, abandon or shall wilfully deface any marks identifying any mortgaged property, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be sentenced to undergo imprisonment not exceeding one year, or to pay a fine of double the value of the personal property so sold, injured, destroyed, defaced, concealed or abandoned, or either, or both. Penalties.

Section 11. Prothonotarys' Fees.—The prothonotary shall be entitled to charge and receive the following fees: Fees.

(1) For filing, indexing and noting each assignment or extension of a chattel mortgage, two dollars (\$2.00).

(2) For filing and noting each partial release, satisfaction, or subordination by written instrument, seventy-five cents (75¢).

(3) For attesting the entry of a marginal satisfaction and noting the satisfaction on the index, seventy-five cents (75¢).

(4) For indexing and attesting the entry of a marginal assignment, one dollar (\$1.00).

(5) For a certified copy of a chattel mortgage, the sum of fifty cents (50¢), if a copy of the instrument is furnished at the time it is filed.

* "to" in original.

Section 12. Extension Affidavits.—In the case of a chattel mortgage filed or last extended during the period beginning July one, one thousand nine hundred forty-nine, and ending five years prior to the effective date of this act, if an affidavit of the mortgagee or his assignee has been filed with the prothonotary on or after July one, one thousand nine hundred fifty-four, and prior to the effective date of this act in the manner provided by the Chattel Mortgage Act, or if an affidavit is filed within sixty days after the effective date of this act in the manner provided by section seven hereof stating the amount secured by a chattel mortgage at the time of the affidavit, the mortgage shall be a lien on the mortgaged property which shall be good and valid against and superior to all rights of all persons who, after the effective date of this act, become purchasers, mortgagees, lienors, or encumbrancers of and all persons who, after the effective date of this act, deal with the mortgaged property or acquire a security interest therein, and shall remain a lien on the mortgaged property as to them for a period of five years from the date of filing.

Section 13. Construction.—(a) This act shall not be construed to adversely affect or impair the lien of or rights under any existing chattel mortgage, nor shall this act be construed to repeal or affect any act relating to chattel mortgages not herein expressly repealed.

(b) The provisions of this act shall be liberally construed to hold valid chattel mortgages made in good faith to secure bona fide loans and which substantially comply with the provisions of this act.

Act effective
immediately.

Section 14. Effective Date.—This act shall take effect immediately.

APPROVED—The 24th day of January, A. D. 1956.

GEORGE M. LEADER

No. 289

AN ACT

Amending the act of May seventeen, one thousand nine hundred twenty-one (Pamphlet Laws 682), entitled "An act relating to insurance; amending, revising, and consolidating the law providing for the incorporation of insurance companies, and the regulation, supervision, and protection of home and foreign insurance companies, Lloyds associations, reciprocal and inter-insurance exchanges, and fire insurance rating bureaus, and the regulation and supervision of insurance carried by such com-