

§2-1304. Subsequent lease of goods by lessor

(1). Subject to section 2-1303, a subsequent lessee from a lessor of goods under an existing lease contract obtains, to the extent of the leasehold interest transferred, the leasehold interest in the goods that the lessor had or had power to transfer, and, except as provided in subsection (2) and section 2-1527, subsection (4), takes subject to the existing lease contract. A lessor with voidable title has power to transfer a good leasehold interest to a good faith subsequent lessee for value, but only to the extent set forth in the preceding sentence. If goods have been delivered under a transaction of purchase, the lessor has that power even though:

(a). The lessor's transferor was deceived as to the identity of the lessor; [PL 1991, c. 805, §4 (NEW).]

(b). The delivery was in exchange for a check that is later dishonored; [PL 1991, c. 805, §4 (NEW).]

(c). It was agreed that the transaction was to be a "cash sale"; or [PL 1991, c. 805, §4 (NEW).]

(d). The delivery was procured through fraud punishable as larcenous under the criminal law. [PL 1991, c. 805, §4 (NEW).]

[PL 1991, c. 805, §4 (NEW).]

(2). A subsequent lessee in the ordinary course of business from a lessor who is a merchant dealing in goods of that kind to whom the goods were entrusted by the existing lessee of that lessor before the interest of the subsequent lessee became enforceable against that lessor obtains, to the extent of the leasehold interest transferred, all of that lessor's and the existing lessee's rights to the goods, and takes free of the existing lease contract.
[PL 1991, c. 805, §4 (NEW).]

(3). A subsequent lessee from the lessor of goods that are subject to an existing lease contract and are covered by a certificate of title issued under a statute of this State or of another jurisdiction takes no greater rights than those provided both by this section and by the certificate of title statute.

[PL 1991, c. 805, §4 (NEW).]

SECTION HISTORY

PL 1991, c. 805, §4 (NEW).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 131st Legislature and is current through October 15, 2024. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.