16-1417-01

1

3

4

5

6 7

8

10

11

12

13

14

15

16

17

18 19

20

2122

23

24

25

2627

28

2930

31

A bill to be entitled An act relating to judgments and liens; amending s. 55.201, F.S.; conforming terminology; amending s. 55.202, F.S.; clarifying enforceable judgments subject to law; amending s. 55.203, F.S.; providing for electronic filing of liens, assessments, warrants, and judgments directly into database; amending s. 55.204, F.S.; clarifying content of judgment lien certificates; conforming terminology and clarifying filekeeping of judgment lien files by the Department of State; amending s. 55.205, F.S.; clarifying the effect of judgment liens upon buyers who buy without knowledge of such liens; amending s. 55.206, F.S.; conforming terminology regarding amendments of judgment lien files; amending s. 55.207, F.S.; conforming terminology regarding correction of judgment lien files; amending s. 55.208, F.S.; conforming terminology regarding effect of filed judgment liens on writs of execution previously delivered to sheriffs; amending s. 55.209, F.S.; clarifying provisions regarding processing fees of judgment lien filing; amending s. 55.604, F.S.; eliminating requirement to file foreign judgments with the Department of State; amending s. 55.605, F.S.; eliminating requirements that the Secretary of State maintain a list of foreign jurisdictions recognizing judgments; amending s. 56.21, F.S.; clarifying provisions regarding execution

1 sales; amending s. 56.27, F.S.; clarifying 2 provisions regarding execution and payments 3 thereunder; providing an effective date. 4 5 Be It Enacted by the Legislature of the State of Florida: 6 7 Section 1. Section 55.201, Florida Statutes, is 8 amended to read: 55.201 Central database of judgment liens on personal 9 10 property. -- The Department of State shall maintain a database 11 of judgment lien files records established in accordance with ss. 55.201-55.209. 12 Section 2. Section 55.202, Florida Statutes, is 13 amended to read: 14 55.202 Judgments, orders, and decrees; lien on 15 16 personal property .--17 (1) A judgment lien securing the unpaid amount of any 18 money judgment may be acquired by the holder of a judgment 19 entered by: 20 (a) Enforceable in this state under its laws or the 21 laws of the United States A court of this state; 22 (b) A court of the United States having jurisdiction 23 in this state; 24 (c) A court of the United States or any other state to 25 the extent enforceable under the Florida Enforcement of Foreign Judgments Act, ss. 55.501-55.509; 26 27 (d) A foreign state as defined in the Uniform 28 Out-of-country Foreign Money-Judgment Recognition Act, ss. 29 55.601-55.607, from the time and to the extent enforceable 30 thereunder;

 $\underline{\text{(b)}}_{\text{(e)}}$ Entered by an issuing tribunal with respect to a support order being enforced in this state pursuant to chapter 88; or

 $\underline{\text{(c)}(f)}$ Enforceable by operation of law pursuant to s. 61.14(6).

- (2) A judgment lien may be acquired on <u>a</u> the judgment debtor's interest in all personal property <u>in this state</u> subject to execution <u>under s. 56.061 in this state</u>, other than fixtures, money, negotiable instruments, and mortgages.
- (a) A judgment lien is acquired by <u>filing recording</u> a judgment lien certificate in accordance with s. 55.203 with the Department of State after the judgment has become final and if no stay of the judgment or its enforcement is <u>then</u> in effect at the time the certificate is filed.
- (b) For any tax lien, warrant, or assessment, or judgment collected by the Department of Revenue granted by law to the state or any of the political subdivisions for any tax enumerated in s. 72.011, a judgment lien is may be acquired by filing a judgment lien certificate in accordance with s.

 55.203 or by filing the lien, assessment, warrant, or judgment directly into the central database by the Department of Revenue through an electronic or information data exchange program approved by recording the lien or warrant with the Department of State.
- (c) A judgment lien is effective as of the date of recording, but no lien attaches to property until the debtor acquires an interest in the property.
- (d) Except as provided in s. 55.204(3), a judgment creditor may record only one effective judgment lien certificate based upon a particular judgment.

1

- 6 7 8
- 9 10 11
- 12 13
- 14 15
- 16
- 17 18
- 19 20
- 21 22
- 23 24
- 25 26 27
- 28
- 29 30
- 31
- CODING: Words stricken are deletions; words underlined are additions.

- (3) Except as otherwise provided in s. 55.208, the priority of a judgment lien acquired in accordance with this section or s. 55.204(3) is established at the time of filing the judgment lien is recorded. Such judgment lien is deemed recorded as of its effective date as provided in this section or s. 55.204(3).
- (4) As used in ss. 55.201-55.209, the terms "holder of a judgment" and "judgment creditor" include the Department of Revenue with respect to a judgment being enforced by the Department of Revenue as the state IV-D agency.
- (5) Liens, assessments, or judgments administered by or secured on behalf of any state agency or political subdivision of the state may be filed directly into the central database by such agency or subdivision through electronic or information data exchange programs approved by the Department of State.
- Section 3. Section 55.203, Florida Statutes, is amended to read:
- 55.203 Judgment lien certificate; content, recording, and indexing. --
- (1) An original judgment lien certificate, as provided in s. 55.202, must include:
- (a) The legal name of each judgment debtor and, if a recorded legal entity, the registered name and document filing number as shown in the records of the Department of State.
- (b) The last known address and social security number, federal identification number, or, in the instance in which the judgment creditor is a state agency or a political subdivision of the state, a taxpayer or other distinct identification number of each judgment debtor, except that in cases of default judgment, the social security number must be

3

4 5

6

7

8

9 10

11

12 13

14

15

16 17

18

19

20

21

22

23 24

25

26

27 28

29

30

included only if known, or federal employer identification number of each judgment debtor if shown on the judgment itself.

- (c) The legal name of the judgment creditor and, if a recorded legal entity, the registered name and document filing number as shown in the records of the Department of State, and the name of the judgment creditor's attorney or duly authorized representative, if any.
- (d) The address and social security number or federal employer identification number of the judgment creditor.
- (e) The identity of the court which entered the judgment and the case number and the date the written judgment was entered.
- (f) The amount due on the money judgment and the applicable interest rate.
- (g) The signature of the judgment creditor or the judgment creditor's attorney or duly authorized representative.
- (h) With respect to a lien acquired created by a delivery of a writ of execution to a sheriff prior to October 1, 2001, an affidavit by the judgment creditor which attests that the person or entity possesses any documentary evidence of the date of delivery of the writ, and a statement of that date or a certification by the sheriff of the date as provided in s. 30.17(4).
- (2) A second judgment lien certificate, as provided in s. 55.204(3), must include the information required in subsection (1) and must state the file number assigned to the file record of the original judgment lien certificate, the money amount remaining unpaid, and the interest accrued 31 thereon.

- 1 (3) An amendment, as provided in s. 55.206, or a
 2 correction statement, as provided in s. 55.207, must state the
 3 file number of the judgment lien <u>file</u> record to which the
 4 amendment or correction statement relates and must state the
 5 action, change, or statement to be added.
 6 (4) The Department of State shall examine, for
 - (4) The Department of State shall examine, for compliance with ss. 55.201-55.209, each document submitted for <u>filing recording</u> and shall accept or reject the document accordingly. For each judgment lien certificate <u>filed</u> recorded, the department shall:
 - (a) Create a file record.
 - (b) Assign a unique file number to the record.
 - (c) Include the date <u>and time</u> of filing of the judgment lien certificate.
 - (d) Maintain the $\underline{\text{file}}$ $\underline{\text{record}}$ in a database accessible to the public via the Internet.
 - (e) Index the judgment lien certificate according to the name of each judgment debtor.
 - (f) Index all subsequently filed documents relating to an original judgment lien certificate in a manner that associates them to the original judgment lien certificate.
 - (5) The validity of A judgment lien certificate substantially satisfying the requirements of this section is effective even if it has minor errors or omissions that make the financing statement recorded under this section may not be defeated by technical or clerical errors made in good faith which are not seriously misleading, nor may any claim of estoppel be based on such errors.
 - (6) The Department of State shall prescribe mandatory forms of all documents to be filed under this section.

4 5

Section 4. Section 55.204, Florida Statutes, is amended to read:

55.204 Duration and continuation of judgment lien; destruction of records.--

- (1) Except as provided in this section, a judgment lien acquired under s. 55.202 lapses and becomes invalid 5 years after the date of <u>filing</u> recording the judgment lien certificate.
- (2) Liens securing the payment of child support or tax obligations as set forth in s. 95.091(1)(b) shall not lapse until 20 years after the date of the original filing of the warrant or other document required by law to establish a lien. No second lien based on the original filing may be obtained.
- after the scheduled lapse of a judgment lien under subsection (1), the judgment creditor may acquire a second judgment lien by filing recording a new judgment lien certificate. The effective date of the second judgment lien is becomes effective on the date of lapse of the original judgment lien or on the date of filing on which the judgment lien certificate is recorded, whichever is later. The second judgment lien is deemed recorded on its effective date. The second judgment lien is deemed a new judgment lien and not a continuation of the original judgment lien. The second judgment lien permanently lapses and becomes invalid 5 years after its filing effective date, and no additional liens based on the original judgment may be acquired obtained.
- (4) A judgment lien continues only as to itemized property for an additional 90 days after lapse of the lien. Such judgment lien will continue only if:

for levy;

1

4 5 6

and

- 7 8 9
- 101112
- 13 14
- 15 16
- 171819
- 2021
- 2223
- 24
- 2526
- 27 28
- 28 29
- 30 31

the sheriff has jurisdiction at the time of delivery of the instruction for levy. Subsequent removal of the property does not defeat the lien. A court may order continuation of the

described with sufficient particularity in the instructions

to the date of lapse of the lien to permit the sheriff to act;

lien beyond the 90-day period on a showing that extraordinary circumstances have prevented levy.

The property had been itemized and its location

The levy had been delivered to the sheriff prior

The property was located in the county in which

- (5) The date of lapse of a judgment lien whose enforceability has been temporarily stayed or enjoined as a result of any legal or equitable proceeding is tolled until 30
- (6) The Department of State shall maintain each judgment lien <u>file</u> record and all information contained therein for a minimum of <u>6 years after the effective date of a judgment lien or a second judgment lien acquired in accordance with ss. 55.201-55.209, whichever occurs later <u>1 year after the judgment lien lapses in accordance with this section</u>.</u>
- Section 5. Section 55.205, Florida Statutes, is amended to read:
 - 55.205 Effect of judgment lien.--

days after the stay or injunction is terminated.

(1) A valid judgment lien gives the judgment creditor the right to proceed against take possession of the property of the debtor subject to levy through writ of execution, garnishment, or other judicial process. A judgment creditor who has not acquired recorded a judgment lien as provided in s. 55.202 certificate in accordance with s. 55.203 or whose

lien has lapsed may nevertheless <u>proceed against</u> take possession of the judgment debtor's property through such other judicial process. <u>Such</u> * judgment creditor proceeding by writ of execution <u>acquires</u> obtains a lien as of the time of levy and only on the property levied upon. Except as provided in s. 55.208, such judgment creditor takes subject to the claims and interest of priority judgment creditors.

- (2) A buyer in the ordinary course of business as defined in s. 671.201(9) takes free of a judgment lien acquired as provided in s. 55.202 or s. 55.204 created under this section even though the buyer knows of its existence. A valid security interest as defined in chapter 679 in after-acquired property of the judgment debtor which is perfected before the debtor acquires an interest in the property prior to the effective date of a judgment lien takes priority over the judgment lien on the after-acquired property.
- (3) An individual buyer of goods for personal, family, or household use who buys the goods from a seller who held the goods for personal, family, or household use, and who pays value without knowledge that the goods are subject to a judgment lien, is entitled, to the extent of the value paid, to a lien on the goods superior to the judgment lien. If the buyer has made improvements to the goods, or other reasons justify doing so, a court may adjust the amount secured by the lien as the equities may require.
- (4) A buyer of stock in a corporation takes free of a judgment lien hereunder if the buyer pays value in good faith without knowledge of the judgment lien.
- Section 6. Section 55.206, Florida Statutes, is amended to read:

2 3

4 5

6

7

8

9 10

11

12 13

14

15

16 17

18 19

20

21

22

23 24

25

26 27

28

29

30

55.206 Amendment of judgment lien file record; termination, partial release, assignment, continuation, tolling, correction. --

- (1) An amendment to a judgment lien acquired as provided under s. 55.202 may be filed recorded by or on behalf of the judgment creditor of record, which may provide for:
- (a) The termination, partial release, or assignment of the judgment creditor's interest in a judgment lien;
- (b) The continuation and termination of the continuation of a judgment lien, as provided in s. 55.204(4);
- The tolling and termination of the tolling of a lapse of a judgment lien, as provided in s. 55.204(5); or
- The correction or change of any other information provided in the record of a judgment lien file.
- Within 30 days following receipt of a written demand by a judgment debtor after the obligation underlying a judgment lien has been fully or partially released, the judgment lienholder must deliver to the judgment debtor a written statement indicating that there is no longer a claim for a lien on the personal property of the judgment debtor or that the judgment lien has been partially released and setting forth the value of the lien remaining unpaid as of the date of the statement. A statement signed by an assignee must include or be accompanied by a separate written acknowledgement of assignment signed by or for the benefit of the judgment creditor of record. If the judgment lienholder fails to deliver such a statement within 30 days after proper written demand therefor, the judgment lienholder is liable to the judgment debtor for \$100, and for any actual or consequential damages, including reasonable attorney's fees, caused by such 31 | failure to the judgment debtor.

4 5

 (3) The judgment debtor, the judgment creditor, or assignee may file such statement with the Department of State.

Section 7. Section 55.207, Florida Statutes, is

amended to read:

55.207 Correction of judgment lien file record. --

- (1) A person may file with the Department of State a correction statement with respect to a judgment lien <u>file</u> record, as provided in s. 55.203, indexed under <u>any</u> the person's name, if the person believes that the <u>file</u> record is inaccurate or that the judgment lien certificate was wrongfully filed.
 - (2) A correction statement must:
- (a) State the judgment debtor named and the file number assigned to the judgment lien $\underline{\text{file}}$ record to which the correction statement relates;
 - (b) Indicate that it is a correction statement;
- (c) Provide the basis for the person's belief that the judgment lien certificate was wrongfully filed or the $\underline{\text{file}}$ record is inaccurate; and
- (d) Indicate the manner in which the person believes the file record should be corrected to cure any inaccuracy.
- (3) The department shall ensure that a correction statement is indexed and available in the same manner as any <u>filed</u> recorded lien certificate in the central database of judgment lien files records.
- (4) The filing of a correction statement does not affect the effectiveness of the judgment lien or other <u>filing</u> filed record.

Section 8. Section 55.208, Florida Statutes, is amended to read:

4 5

55.208 Effect of <u>filed</u> recorded judgment lien on writs of execution previously delivered to a sheriff.--

- (1) Any lien created by a writ of execution which has been delivered to the sheriff of any county before October 1, 2001, remains in effect for 2 years thereafter as to any property of the judgment debtor located in that county before October 1, 2001, and remaining within that county after that date. As to any property of the judgment debtor brought into the county on or after October 1, 2001, such writs create no lien, inchoate or otherwise.
- (2) If a judgment creditor who has delivered a writ of execution to a sheriff in any county prior to October 1, 2001, properly files a judgment lien certificate with the Department of State by October 1, 2003, the resulting judgment lien is deemed filed recorded on the date the writ was delivered to the sheriff as to all leviable property of the judgment debtor subject to execution in this state under s. 56.061 which is located in that county on October 1, 2001, and that remains continuously in that county thereafter. Priority of such judgment liens is determined as of the effective date they are considered to have been filed. As to all other property of the judgment debtor, the effective date of the judgment liens is as provided in s. 55.202. The duration of all judgment liens is as provided in s. 55.204, regardless of the date on which a lien is determined to have been recorded.
- (3) If a judgment creditor who has delivered a writ of execution to a sheriff in any county before October 1, 2001, does not properly <u>file record</u> a judgment lien certificate with the Department of State by October 1, 2003, such writ is considered to have been abandoned and to be of no effect after October 1, 2003.

2

3

4 5

6

7

8

9

10 11

12 13

14

15

16 17

18 19

20

21

22 23

24

25

26 27

28

29

30

Section 9. Section 55.209, Florida Statutes, is amended to read:

55.209 Department of State; processing fees, responsibilities.--

- (1) Except for liens, assessments, warrants, or judgments filed electronically by a state agency or a political subdivision of the state, as provided in s. 55.202(2)s. 55.202(6), the Department of State shall collect the following nonrefundable processing fees for all documents filed or recorded in accordance with ss. 55.201-55.209:
- (a) For any judgment lien certificate or other documents permitted to be filed, \$20.
- (b) For the certification of any filed recorded document, \$10.
- (c) For copies of judgment lien documents which are produced by the Department of State, \$1 per page or part thereof. However, no charge may be collected for copies provided in an on-line electronic format via the Internet.
- (d) For indexing a judgment lien by multiple judgment debtor names, \$5 per additional name.
- (e) For each additional facing page attached to a judgment lien certificate or document permitted to be filed or recorded, \$5.
- (2) Unless otherwise provided by law, the Department of State may not conduct any search of the database established under s. 55.201 to determine the existence of any judgment lien record or to perform any service other than in connection with those services for which payment of services are required under this section. The information maintained in the database is for public notice purposes only and the department may make no certification or determination of the 31

3

4

5

6

7

8

9

10

11

12 13

14

15

16 17

18

19

20

21

22 23

24

25

26 27

28

29

30

validity of any judgment lien acquired under ss. 55.202 and 55.204(3).

Section 10. Subsections (6) and (8) of section 55.604, Florida Statutes, are amended to read:

55.604 Recognition and enforcement.--Except as provided in s. 55.605, a foreign judgment meeting the requirements of s. 55.603 is conclusive between the parties to the extent that it grants or denies recovery of a sum of money. Procedures for recognition and enforceability of a foreign judgment shall be as follows:

- (6) Once an order recognizing the foreign judgment has been entered by a court of this state, the order and a copy of the judgment shall be filed with the Department of State and may be recorded in any other county of this state without further notice or proceedings, and shall be enforceable in the same manner as the judgment of a court of this state.
- (8) A judgment lien on personal property is acquired only when a judgment lien certificate is filed in accordance with s. 55.203 satisfying the requirements of s. 55.203 has been recorded with the Department of State.

Section 11. Section 55.605, Florida Statutes, is amended to read:

55.605 Grounds for nonrecognition. --

- (1) A foreign judgment is not conclusive if:
- The judgment was rendered under a system which does not provide impartial tribunals or procedures compatible with the requirements of due process of law.
- (b) The foreign court did not have personal jurisdiction over the defendant.
- (c) The foreign court did not have jurisdiction over 31 | the subject matter.

3

4 5

6

7

8

9

10

11

12 13

14

15

16 17

18 19

20

21 22

23

24

25

26

27 28

29

30

- 1 A foreign judgment need not be recognized if:
 - The defendant in the proceedings in the foreign court did not receive notice of the proceedings in sufficient time to enable him or her to defend.
 - The judgment was obtained by fraud.
 - The cause of action or claim for relief on which the judgment is based is repugnant to the public policy of this state.
 - (d) The judgment conflicts with another final and conclusive order.
 - The proceeding in the foreign court was contrary to an agreement between the parties under which the dispute in question was to be settled otherwise than by proceedings in that court.
 - (f) In the case of jurisdiction based only on personal service, the foreign court was a seriously inconvenient forum for the trial of the action.
 - (g) The foreign jurisdiction where judgment was rendered would not give recognition to a similar judgment rendered in this state. For purposes of this paragraph, the Secretary of State shall establish and maintain a list of foreign jurisdictions where the condition specified in this paragraph has been found to apply.

Section 12. Section 56.21, Florida Statutes, is amended to read:

56.21 Execution sales; notice. -- Notice of all sales under execution shall be given by advertisement once each week for 4 successive weeks in a newspaper published in the county in which the sale is to take place. The time of such notice may be shortened in the discretion of the court from which the 31 execution issued, upon affidavit that the property to be sold

4

5

6

7

9

10

11

12 13

14

15

16 17

18 19

20

21

22

23 24

25

26

27 28

29

30

is subject to decay and will not sell for its full value if held until date of sale. On or before the date of the first publication or posting of the notice of sale, a copy of the notice of sale shall be furnished by certified mail to the attorney of record of the judgment debtor, or to the judgment debtor at the judgment debtor's last known address if the judgment debtor does not have an attorney of record. Such copy of the notice of sale shall be mailed even though a default judgment was entered. When levying upon personal property, a notice of such levy and execution sale and a copy of the affidavit required by s. 56.27(4) shall be made by the levying creditor to the attorney of record of the judgment creditor or the judgment creditor who has acquired a judgment lien recorded a judgment lien certificate as provided in s. 55.202 or s. 55.204(3) at the address listed in the judgment lien certificate, or, if amended, in any amendment to the judgment lien certificate, and to all secured creditors who have filed financing statements as provided in s. 679.401 in the name of the judgment debtor reflecting a security interest in property of the kind to be sold at the execution sale at the address listed in the financing statement, or, if amended, in any amendment to the financing statement. Such notice shall be made in the same manner as notice is made to any judgment debtor under this section. When levying upon real property, notice of such levy and execution sale shall be made to the property owner of record in the same manner as notice is made to any judgment debtor pursuant to this section. When selling real or personal property, the sale date shall not be earlier than 30 days after the date of the first advertisement. Section 13. Subsections (1) and (2) of section 56.27, 31 Florida Statutes, are amended to read:

1 56.27 Executions; payment of money collected.--2 (1) All money received under executions shall be paid, 3 in the order prescribed, to the following: the sheriff, for costs; the levying creditor in the amount of \$500 as 4 5 liquidated expenses; and the priority lienholder under s. 6 55.202, s. 55.204(3), or s. 55.208(2)judgment lienholder 7 having the earliest recorded judgment lien acquired under ss. 55.202 and 55.204(3), as set forth in an affidavit required by 8 9 subsection (4), or his or her attorney, in satisfaction of the 10 judgment lien, provided that the judgment lien has not lapsed 11 at the time of the levy. The receipt of the attorney shall be a release of the officer paying the money to him or her. When 12 13 the name of more than one attorney appears in the court file, 14 the money shall be paid to the attorney who originally commenced the action or who made the original defense unless 15 the file shows that another attorney has been substituted. 16 17 (2) When property sold under execution brings more 18 than the amount needed to satisfy the provisions of subsection 19 (1), the surplus shall be paid in the order of priority to any 20 judgment lienholders whose judgment liens have not lapsed. Priority shall be based on the effective date of the judgment 21 lien acquired under s. 55.202, or s. 55.204(3), or s. 22 55.208(2), as set forth in an affidavit required under 23 24 subsection (4). If there is a surplus after all valid judgment 25 liens and execution liens have been satisfied, the surplus must be paid to the defendant. 26 27 Section 14. This act shall take effect October 1, 2001. 28

1	***************
2	SENATE SUMMARY
3	Revises provisions of law concerning judgment liens on
4	personal property to include reference to filed, rather than recorded, liens. Provides for other technical revisions to the law governing judgment liens on personal
5	revisions to the law governing judgment liens on personal property to provide for consistency. (See bill for details.)
6	details.)
7	
8	
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23 24	
2 4 25	
26	
27	
28	
29	
30	
31	
3 L	l l