

Bill No. CS for SB 386

Amendment No.      Barcode 171632

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| <u>Senate</u> | CHAMBER ACTION | <u>House</u> |
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Senator Campbell moved the following amendment:

**Senate Amendment (with title amendment)**  
Delete everything after the enacting clause

and insert:

Section 1. Part I of chapter 679, Florida Statutes, consisting of sections 679.101, 679.102, 679.103, 679.104, 679.105, 679.106, 679.107, 679.108, 679.109, 679.110, 679.112, 679.113, 679.114, 679.115, and 679.116, Florida Statutes, is repealed and a new part I of that chapter, consisting of sections 679.1011, 679.1021, 679.1031, 679.1041, 679.1051, 679.1061, 679.1071, 679.1081, 679.1091, and 679.1101, Florida Statutes, is created to read:

PART I

GENERAL PROVISIONS

679.1011 Short title.--This chapter may be cited as Uniform Commercial Code-Secured Transactions.

679.1021 Definitions and index of definitions.--

(1) In this chapter, the term:

(a) "Accession" means goods that are physically united

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1 with other goods in such a manner that the identity of the  
2 original goods is not lost.

3 (b) "Account," except as used in "account for," means  
4 a right to payment of a monetary obligation, whether or not  
5 earned by performance, for property that has been or is to be  
6 sold, leased, licensed, assigned, or otherwise disposed of;  
7 for services rendered or to be rendered; for a policy of  
8 insurance issued or to be issued; for a secondary obligation  
9 incurred or to be incurred; for energy provided or to be  
10 provided; for the use or hire of a vessel under a charter or  
11 other contract; arising out of the use of a credit or charge  
12 card or information contained on or for use with the card; or  
13 as winnings in a lottery or other game of chance operated or  
14 sponsored by a state, governmental unit of a state, or person  
15 licensed or authorized to operate the game by a state or  
16 governmental unit of a state. The term includes  
17 health-care-insurance receivables. The term does not include  
18 rights to payment evidenced by chattel paper or an instrument;  
19 commercial tort claims; deposit accounts; investment property;  
20 letter-of-credit rights or letters of credit; or rights to  
21 payment for money or funds advanced or sold, other than rights  
22 arising out of the use of a credit or charge card or  
23 information contained on or for use with the card.

24 (c) "Account debtor" means a person obligated on an  
25 account, chattel paper, or general intangible. The term does  
26 not include persons obligated to pay a negotiable instrument,  
27 even if the instrument constitutes part of chattel paper.

28 (d) "Accounting," except as used in the term  
29 "accounting for," means a record:

- 30 1. Authenticated by a secured party;  
31 2. Indicating the aggregate unpaid secured obligations

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1 as of a date not more than 35 days earlier or 35 days later  
2 than the date of the record; and

3 3. Identifying the components of the obligations in  
4 reasonable detail.

5 (e) "Agricultural lien" means an interest, other than  
6 a security interest, in farm products:

7 1. Which secures payment or performance of an  
8 obligation for:

9 a. Goods or services furnished in connection with a  
10 debtor's farming operation; or

11 b. Rent on real property leased by a debtor in  
12 connection with the debtor's farming operation;

13 2. Which is created by statute in favor of a person  
14 who:

15 a. In the ordinary course of the person's business  
16 furnished goods or services to a debtor in connection with a  
17 debtor's farming operation; or

18 b. Leased real property to a debtor in connection with  
19 the debtor's farming operation; and

20 3. Whose effectiveness does not depend on the person's  
21 possession of the personal property.

22 (f) "As-extracted collateral" means:

23 1. Oil, gas, or other minerals that are subject to a  
24 security interest that:

25 a. Is created by a debtor having an interest in the  
26 minerals before extraction; and

27 b. Attaches to the minerals as extracted; or

28 2. Accounts arising out of the sale at the wellhead or  
29 minehead of oil, gas, or other minerals in which the debtor  
30 had an interest before extraction.

31 (g) "Authenticate" means:

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- 1           1. To sign; or  
2           2. To execute or otherwise adopt a symbol, or encrypt  
3 or similarly process a record in whole or in part, with the  
4 present intent of the authenticating person to identify the  
5 person and adopt or accept a record.

6           (h) "Bank" means an organization that is engaged in  
7 the business of banking. The term includes savings banks,  
8 savings and loan associations, credit unions, and trust  
9 companies.

10          (i) "Cash proceeds" means proceeds that are money,  
11 checks, deposit accounts, or the like.

12          (j) "Certificate of title" means a certificate of  
13 title with respect to which a statute provides for the  
14 security interest in question to be indicated on the  
15 certificate as a condition or result of the security  
16 interest's obtaining priority over the rights of a lien  
17 creditor with respect to the collateral.

18          (k) "Chattel paper" means a record or records that  
19 evidence both a monetary obligation and a security interest in  
20 specific goods, a security interest in specific goods and  
21 software used in the goods, a security interest in specific  
22 goods and license of software used in the goods, a lease of  
23 specific goods, or a lease of specific goods and license of  
24 software used in the goods. In this paragraph, "monetary  
25 obligation" means a monetary obligation secured by the goods  
26 or owed under a lease of the goods and includes a monetary  
27 obligation with respect to software used in the goods. The  
28 term does not include charters or other contracts involving  
29 the use or hire of a vessel or records that evidence a right  
30 to payment arising out of the use of a credit or charge card  
31 or information contained on or for use with the card. If a

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1 transaction is evidenced by records that include an instrument  
2 or series of instruments, the group of records taken together  
3 constitutes chattel paper.

4 (l) "Collateral" means the property subject to a  
5 security interest or agricultural lien. The term includes:

- 6 1. Proceeds to which a security interest attaches;  
7 2. Accounts, chattel paper, payment intangibles, and  
8 promissory notes that have been sold; and  
9 3. Goods that are the subject of a consignment.

10 (m) "Commercial tort claim" means a claim arising in  
11 tort with respect to which:

- 12 1. The claimant is an organization; or  
13 2. The claimant is an individual and the claim:  
14 a. Arose in the course of the claimant's business or  
15 profession; and  
16 b. Does not include damages arising out of personal  
17 injury to or the death of an individual.

18 (n) "Commodity account" means an account maintained by  
19 a commodity intermediary in which a commodity contract is  
20 carried for a commodity customer.

21 (o) "Commodity contract" means a commodity futures  
22 contract, an option on a commodity futures contract, a  
23 commodity option, or another contract if the contract or  
24 option is:

- 25 1. Traded on or subject to the rules of a board of  
26 trade that has been designated as a contract market for such a  
27 contract pursuant to federal commodities laws; or  
28 2. Traded on a foreign commodity board of trade,  
29 exchange, or market, and is carried on the books of a  
30 commodity intermediary for a commodity customer.

31 (p) "Commodity customer" means a person for which a

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1 commodity intermediary carries a commodity contract on its  
2 books.

3 (q) "Commodity intermediary" means a person who:

4 1. Is registered as a futures commission merchant  
5 under federal commodities law; or

6 2. In the ordinary course of the person's business  
7 provides clearance or settlement services for a board of trade  
8 that has been designated as a contract market pursuant to  
9 federal commodities law.

10 (r) "Communicate" means:

11 1. To send a written or other tangible record;

12 2. To transmit a record by any means agreed upon by  
13 the persons sending and receiving the record; or

14 3. In the case of transmission of a record to or by a  
15 filing office, to transmit a record by any means prescribed by  
16 filing-office rule.

17 (s) "Consignee" means a merchant to which goods are  
18 delivered in a consignment.

19 (t) "Consignment" means a transaction, regardless of  
20 its form, in which a person delivers goods to a merchant for  
21 the purpose of sale and:

22 1. The merchant:

23 a. Deals in goods of that kind under a name other than  
24 the name of the person making delivery;

25 b. Is not an auctioneer; and

26 c. Is not generally known by its creditors to be  
27 substantially engaged in selling the goods of others;

28 2. With respect to each delivery, the aggregate value  
29 of the goods is \$1,000 or more at the time of delivery;

30 3. The goods are not consumer goods immediately before  
31 delivery; and

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1           4. The transaction does not create a security interest  
2 that secures an obligation.

3           (u) "Consignor" means a person who delivers goods to a  
4 consignee in a consignment.

5           (v) "Consumer debtor" means a debtor in a consumer  
6 transaction.

7           (w) "Consumer goods" means goods that are used or  
8 bought for use primarily for personal, family, or household  
9 purposes.

10          (x) "Consumer-goods transaction" means a consumer  
11 transaction in which:

12           1. An individual incurs an obligation primarily for  
13 personal, family, or household purposes; and

14           2. A security interest in consumer goods secures the  
15 obligation.

16          (y) "Consumer obligor" means an obligor who is an  
17 individual and who incurred the obligation as part of a  
18 transaction entered into primarily for personal, family, or  
19 household purposes.

20          (z) "Consumer transaction" means a transaction in  
21 which an individual incurs an obligation primarily for  
22 personal, family, or household purposes; a security interest  
23 secures the obligation; and the collateral is held or acquired  
24 primarily for personal, family, or household purposes. The  
25 term includes consumer-goods transactions.

26          (aa) "Continuation statement" means an amendment of a  
27 financing statement which:

28           1. Identifies, by its file number, the initial  
29 financing statement to which it relates; and

30           2. Indicates that it is a continuation statement for,  
31 or that it is filed to continue the effectiveness of, the

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1 identified financing statement.

2 (bb) "Debtor" means:

3 1. A person having an interest, other than a security  
4 interest or other lien, in the collateral, whether or not the  
5 person is an obligor;

6 2. A seller of accounts, chattel paper, payment  
7 intangibles, or promissory notes; or

8 3. A consignee.

9 (cc) "Deposit account" means a demand, time, savings,  
10 passbook, or similar account maintained with a bank. The term  
11 does not include investment property or accounts evidenced by  
12 an instrument.

13 (dd) "Document" means a document of title or a receipt  
14 of the type described in s. 677.201(2).

15 (ee) "Electronic chattel paper" means chattel paper  
16 evidenced by a record or records consisting of information  
17 stored in an electronic medium.

18 (ff) "Encumbrance" means a right, other than an  
19 ownership interest, in real property. The term includes  
20 mortgages and other liens on real property.

21 (gg) "Equipment" means goods other than inventory,  
22 farm products, or consumer goods.

23 (hh) "Farm products" means goods, other than standing  
24 timber, with respect to which the debtor is engaged in a  
25 farming operation and which are:

26 1. Crops grown, growing, or to be grown, including:

27 a. Crops produced on trees, vines, and bushes; and

28 b. Aquatic goods produced in aquacultural operations;

29 2. Livestock, born or unborn, including aquatic goods  
30 produced in aquacultural operations;

31 3. Supplies used or produced in a farming operation;



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1 or

2 4. Products of crops or livestock in their  
3 unmanufactured states.

4 (ii) "Farming operation" means raising, cultivating,  
5 propagating, fattening, grazing, or any other farming,  
6 livestock, or aquacultural operation.

7 (jj) "File number" means the number assigned to an  
8 initial financing statement pursuant to s. 679.519(1).

9 (kk) "Filing office" means an office designated in s.  
10 679.5011 as the place to file a financing statement.

11 (ll) "Filing-office rule" means a rule adopted  
12 pursuant to s. 679.526.

13 (mm) "Financing statement" means a record or records  
14 composed of an initial financing statement and any filed  
15 record relating to the initial financing statement.

16 (nn) "Fixture filing" means the filing of a financing  
17 statement covering goods that are or are to become fixtures  
18 and satisfying s. 679.502(1) and (2). The term includes the  
19 filing of a financing statement covering goods of a  
20 transmitting utility which are or are to become fixtures.

21 (oo) "Fixtures" means goods that have become so  
22 related to particular real property that an interest in them  
23 arises under real property law.

24 (pp) "General intangible" means any personal property,  
25 including things in action, other than accounts, chattel  
26 paper, commercial tort claims, deposit accounts, documents,  
27 goods, instruments, investment property, letter-of-credit  
28 rights, letters of credit, money, and oil, gas, or other  
29 minerals before extraction. The term includes payment  
30 intangibles and software.

31 (qq) "Good faith" means honesty in fact and the

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1 observance of reasonable commercial standards of fair dealing.  
2 (rr) "Goods" means all things that are movable when a  
3 security interest attaches. The term includes fixtures;  
4 standing timber that is to be cut and removed under a  
5 conveyance or contract for sale; the unborn young of animals;  
6 crops grown, growing, or to be grown, even if the crops are  
7 produced on trees, vines, or bushes; and manufactured homes.  
8 The term also includes a computer program embedded in goods  
9 and any supporting information provided in connection with a  
10 transaction relating to the program if the program is  
11 associated with the goods in such a manner that it customarily  
12 is considered part of the goods, or by becoming the owner of  
13 the goods, a person acquires a right to use the program in  
14 connection with the goods. The term does not include a  
15 computer program embedded in goods that consist solely of the  
16 medium in which the program is embedded. The term also does  
17 not include accounts, chattel paper, commercial tort claims,  
18 deposit accounts, documents, general intangibles, instruments,  
19 investment property, letter-of-credit rights, letters of  
20 credit, money, or oil, gas, or other minerals before  
21 extraction.

22 (ss) "Governmental unit" means a subdivision, agency,  
23 department, county, parish, municipality, or other unit of the  
24 government of the United States, a state, or a foreign  
25 country. The term includes an organization having a separate  
26 corporate existence if the organization is eligible to issue  
27 debt on which interest is exempt from income taxation under  
28 the laws of the United States.

29 (tt) "Health-care-insurance receivable" means an  
30 interest in or claim under a policy of insurance which is a  
31 right to payment of a monetary obligation for health-care

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1 goods or services provided.  
2 (uu) "Instrument" means a negotiable instrument or any  
3 other writing that evidences a right to the payment of a  
4 monetary obligation, is not itself a security agreement or  
5 lease, and is of a type that in the ordinary course of  
6 business is transferred by delivery with any necessary  
7 indorsement or assignment. The term does not include  
8 investment property, letters of credit, or writings that  
9 evidence a right to payment arising out of the use of a credit  
10 or charge card or information contained on or for use with the  
11 card.

12 (vv) "Inventory" means goods, other than farm  
13 products, which:  
14 1. Are leased by a person as lessor;  
15 2. Are held by a person for sale or lease or to be  
16 furnished under a contract of service;  
17 3. Are furnished by a person under a contract of  
18 service; or  
19 4. Consist of raw materials, work in process, or  
20 materials used or consumed in a business.

21 (ww) "Investment property" means a security, whether  
22 certificated or uncertificated, security entitlement,  
23 securities account, commodity contract, or commodity account.

24 (xx) "Jurisdiction of organization," with respect to a  
25 registered organization, means the jurisdiction under whose  
26 law the organization is organized.

27 (yy) "Letter-of-credit right" means a right to payment  
28 or performance under a letter of credit, whether or not the  
29 beneficiary has demanded or is at the time entitled to demand  
30 payment or performance. The term does not include the right  
31 of a beneficiary to demand payment or performance under a

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1 letter of credit.

2 (zz) "Lien creditor" means:

3 1. A creditor that has acquired a lien on the property  
4 involved by attachment, levy, or the like;

5 2. An assignee for benefit of creditors from the time  
6 of assignment;

7 3. A trustee in bankruptcy from the date of the filing  
8 of the petition; or

9 4. A receiver in equity from the time of appointment.

10 (aaa) "Manufactured home" means a structure,  
11 transportable in one or more sections, which, in the traveling  
12 mode, is eight body feet or more in width or 40 body feet or  
13 more in length, or, when erected on site, is 320 or more  
14 square feet, and which is built on a permanent chassis and  
15 designed to be used as a dwelling with or without a permanent  
16 foundation when connected to the required utilities, and  
17 includes the plumbing, heating, air-conditioning, and  
18 electrical systems contained therein. The term includes any  
19 structure that meets all of the requirements of this paragraph  
20 except the size requirements and with respect to which the  
21 manufacturer voluntarily files a certification required by the  
22 United States Secretary of Housing and Urban Development and  
23 complies with the standards established under Title 42 of the  
24 United States Code.

25 (bbb) "Manufactured-home transaction" means a secured  
26 transaction:

27 1. That creates a purchase-money security interest in  
28 a manufactured home, other than a manufactured home held as  
29 inventory; or

30 2. In which a manufactured home, other than a  
31 manufactured home held as inventory, is the primary

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1 collateral.

2 (ccc) "Mortgage" means a consensual interest in real  
3 property, including fixtures, which secures payment or  
4 performance of an obligation, which interest was created or  
5 derived from an instrument described in s. 697.01.

6 (ddd) "New debtor" means a person who becomes bound as  
7 debtor under s. 679.2031(4) by a security agreement previously  
8 entered into by another person.

9 (eee) "New value" means money; money's worth in  
10 property, services, or new credit; or release by a transferee  
11 of an interest in property previously transferred to the  
12 transferee. The term does not include an obligation  
13 substituted for another obligation.

14 (fff) "Noncash proceeds" means proceeds other than  
15 cash proceeds.

16 (ggg) "Obligor" means a person who, with respect to an  
17 obligation secured by a security interest in or an  
18 agricultural lien on the collateral, owes payment or other  
19 performance of the obligation, has provided property other  
20 than the collateral to secure payment or other performance of  
21 the obligation, or is otherwise accountable in whole or in  
22 part for payment or other performance of the obligation. The  
23 term does not include issuers or nominated persons under a  
24 letter of credit.

25 (hhh) "Original debtor," except as used in s.  
26 679.3101(3), means a person who, as debtor, entered into a  
27 security agreement to which a new debtor has become bound  
28 under s. 679.2031(4).

29 (iii) "Payment intangible" means a general intangible  
30 under which the account debtor's principal obligation is a  
31 monetary obligation.

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1           (jjj) "Person related to," with respect to an  
2 individual, means:

3           1. The spouse of the individual;

4           2. A brother, brother-in-law, sister, or sister-in-law  
5 of the individual;

6           3. An ancestor or lineal descendant of the individual  
7 or the individual's spouse; or

8           4. Any other relative, by blood or marriage, of the  
9 individual or the individual's spouse who shares the same home  
10 with the individual.

11           (kkk) "Person related to," with respect to an  
12 organization, means:

13           1. A person directly or indirectly controlling,  
14 controlled by, or under common control with the organization;

15           2. An officer or director of, or a person performing  
16 similar functions with respect to, the organization;

17           3. An officer or director of, or a person performing  
18 similar functions with respect to, a person described in  
19 subparagraph 1.;

20           4. The spouse of an individual described in  
21 subparagraph 1., subparagraph 2., or subparagraph 3.; or

22           5. An individual who is related by blood or marriage  
23 to an individual described in subparagraph 1., subparagraph  
24 2., subparagraph 3., or subparagraph 4. and shares the same  
25 home with the individual.

26           (lll) "Proceeds," except as used in s. 679.609(2),  
27 means the following property:

28           1. Whatever is acquired upon the sale, lease, license,  
29 exchange, or other disposition of collateral;

30           2. Whatever is collected on, or distributed on account  
31 of, collateral;

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1           3. Rights arising out of collateral;

2           4. To the extent of the value of collateral, claims  
3 arising out of the loss, nonconformity, or interference with  
4 the use of, defects or infringement of rights in, or damage  
5 to, the collateral; or

6           5. To the extent of the value of collateral and to the  
7 extent payable to the debtor or the secured party, insurance  
8 payable by reason of the loss or nonconformity of, defects or  
9 infringement of rights in, or damage to, the collateral.

10           (mmm) "Promissory note" means an instrument that  
11 evidences a promise to pay a monetary obligation, does not  
12 evidence an order to pay, and does not contain an  
13 acknowledgment by a bank that the bank has received for  
14 deposit a sum of money or funds.

15           (nnn) "Proposal" means a record authenticated by a  
16 secured party which includes the terms on which the secured  
17 party is willing to accept collateral in full or partial  
18 satisfaction of the obligation it secures pursuant to ss.  
19 679.620, 679.621, and 679.622.

20           (ooo) "Pursuant to commitment," with respect to an  
21 advance made or other value given by a secured party, means  
22 pursuant to the secured party's obligation, whether or not a  
23 subsequent event of default or other event not within the  
24 secured party's control has relieved or may relieve the  
25 secured party from its obligation.

26           (ppp) "Record," except as used in the terms "for  
27 record," "of record," "record or legal title," and "record  
28 owner," means information that is inscribed on a tangible  
29 medium or that is stored in an electronic or other medium and  
30 is retrievable in perceivable form.

31           (qqq) "Registered organization" means an organization

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1 organized solely under the law of a single state or the United  
2 States and as to which the state or the United States must  
3 maintain a public record showing the organization to have been  
4 organized.

5 (rrr) "Secondary obligor" means an obligor to the  
6 extent that:

- 7 1. The obligor's obligation is secondary; or
- 8 2. The obligor has a right of recourse with respect to  
9 an obligation secured by collateral against the debtor,  
10 another obligor, or property of either.

11 (sss) "Secured party" means:

- 12 1. A person in whose favor a security interest is  
13 created or provided for under a security agreement, whether or  
14 not any obligation to be secured is outstanding;
- 15 2. A person who holds an agricultural lien;
- 16 3. A consignor;
- 17 4. A person to whom accounts, chattel paper, payment  
18 intangibles, or promissory notes have been sold;
- 19 5. A trustee, indenture trustee, agent, collateral  
20 agent, or other representative in whose favor a security  
21 interest or agricultural lien is created or provided for; or
- 22 6. A person who holds a security interest arising  
23 under s. 672.401, s. 672.505, s. 672.711(3), s. 680.508(5), s.  
24 674.2101, or s. 675.118.

25 (ttt) "Security agreement" means an agreement that  
26 creates or provides for a security interest.

27 (uuu) "Send," in connection with a record or  
28 notification, means:

- 29 1. To deposit in the mail, deliver for transmission,  
30 or transmit by any other usual means of communication, with  
31 postage or cost of transmission provided for, addressed to any



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1 address reasonable under the circumstances; or

2 2. To cause the record or notification to be received  
3 within the time that it would have been received if properly  
4 sent under subparagraph 1.

5 (vvv) "Software" means a computer program and any  
6 supporting information provided in connection with a  
7 transaction relating to the program. The term does not include  
8 a computer program that is included in the definition of  
9 goods.

10 (www) "State" means a state of the United States, the  
11 District of Columbia, Puerto Rico, the United States Virgin  
12 Islands, or any territory or insular possession subject to the  
13 jurisdiction of the United States.

14 (xxx) "Supporting obligation" means a letter-of-credit  
15 right or secondary obligation that supports the payment or  
16 performance of an account, chattel paper, a document, a  
17 general intangible, an instrument, or investment property.

18 (yyy) "Tangible chattel paper" means chattel paper  
19 evidenced by a record or records consisting of information  
20 that is inscribed on a tangible medium.

21 (zzz) "Termination statement" means an amendment of a  
22 financing statement which:

23 1. Identifies, by its file number, or if a fixture  
24 filing, by the official records book and page number, the  
25 initial financing statement to which it relates; and

26 2. Indicates either that it is a termination statement  
27 or that the identified financing statement is no longer  
28 effective.

29 (aaaa) "Transmitting utility" means a person primarily  
30 engaged in the business of:

31 1. Operating a railroad, subway, street railway, or

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1 trolley bus;  
 2       2. Transmitting communications electrically,  
 3 electromagnetically, or by light;  
 4       3. Transmitting goods by pipeline or sewer; or  
 5       4. Transmitting or producing and transmitting  
 6 electricity, steam, gas, or water.  
 7       (2) The following definitions in other chapters apply  
 8 to this chapter:  
 9       "Applicant" s. 675.103.  
 10       "Beneficiary" s. 675.103.  
 11       "Broker" s. 678.1021.  
 12       "Certificated security" s. 678.1021.  
 13       "Check" s. 673.1041.  
 14       "Clearing corporation" s. 678.1021.  
 15       "Contract for sale" s. 672.106.  
 16       "Customer" s. 674.104.  
 17       "Entitlement holder" s. 678.1021.  
 18       "Financial asset" s. 678.1021.  
 19       "Holder in due course" s. 673.3021.  
 20       "Issuer" (with respect to a letter of credit or  
 21 letter-of-credit right) s. 675.103.  
 22       "Issuer" (with respect to a security) s. 678.2011.  
 23       "Lease" s. 680.1031.  
 24       "Lease agreement" s. 680.1031.  
 25       "Lease contract" s. 680.1031.  
 26       "Leasehold interest" s. 680.1031.  
 27       "Lessee" s. 680.1031.  
 28       "Lessee in ordinary course of business" s. 680.1031.  
 29       "Lessor" s. 680.1031.  
 30       "Lessor's residual interest" s. 680.1031.  
 31       "Letter of credit" s. 675.103.

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|    |   |                     |
|----|---|---------------------|
| 1  | <u>"Merchant"</u>                       | <u>s. 672.104.</u>  |
| 2  | <u>"Negotiable instrument"</u>          | <u>s. 673.1041.</u> |
| 3  | <u>"Nominated person"</u>               | <u>s. 675.103.</u>  |
| 4  | <u>"Note"</u>                           | <u>s. 673.1041.</u> |
| 5  | <u>"Proceeds of a letter of credit"</u> | <u>s. 675.114.</u>  |
| 6  | <u>"Prove"</u>                          | <u>s. 673.1031.</u> |
| 7  | <u>"Sale"</u>                           | <u>s. 672.106.</u>  |
| 8  | <u>"Securities account"</u>             | <u>s. 678.5011.</u> |
| 9  | <u>"Securities intermediary"</u>        | <u>s. 678.1021.</u> |
| 10 | <u>"Security"</u>                       | <u>s. 678.1021.</u> |
| 11 | <u>"Security certificate"</u>           | <u>s. 678.1021.</u> |
| 12 | <u>"Security entitlement"</u>           | <u>s. 678.1021.</u> |
| 13 | <u>"Uncertificated security"</u>        | <u>s. 678.1021.</u> |

14 (3) Chapter 671 contains general definitions and  
15 principles of construction and interpretation applicable  
16 throughout this chapter.

17 679.1031 Purchase-money security interest; application  
18 of payments; burden of establishing.--

19 (1) In this section, the term:

20 (a) "Purchase-money collateral" means goods or  
21 software that secures a purchase-money obligation incurred  
22 with respect to that collateral.

23 (b) "Purchase-money obligation" means an obligation of  
24 an obligor incurred as all or part of the price of the  
25 collateral or for value given to enable the debtor to acquire  
26 rights in or the use of the collateral if the value is in fact  
27 so used.

28 (2) A security interest in goods is a purchase-money  
29 security interest:

30 (a) To the extent that the goods are purchase-money  
31 collateral with respect to that security interest;

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1           (b) If the security interest is in inventory that is  
2 or was purchase-money collateral, also to the extent that the  
3 security interest secures a purchase-money obligation incurred  
4 with respect to other inventory in which the secured party  
5 holds or held a purchase-money security interest; and

6           (c) Also to the extent that the security interest  
7 secures a purchase-money obligation incurred with respect to  
8 software in which the secured party holds or held a  
9 purchase-money security interest.

10           (3) A security interest in software is a  
11 purchase-money security interest to the extent that the  
12 security interest also secures a purchase-money obligation  
13 incurred with respect to goods in which the secured party  
14 holds or held a purchase-money security interest if:

15           (a) The debtor acquired interest in the software in an  
16 integrated transaction in which the debtor acquired an  
17 interest in the goods; and

18           (b) The debtor acquired interest in the software for  
19 the principal purpose of using the software in the goods.

20           (4) The security interest of a consignor in goods that  
21 are the subject of a consignment is a purchase-money security  
22 interest in inventory.

23           (5) If the extent to which a security interest is a  
24 purchase-money security interest depends on the application of  
25 a payment to a particular obligation, the payment must be  
26 applied:

27           (a) In accordance with any reasonable method of  
28 application to which the parties agree;

29           (b) In the absence of the parties' agreement to a  
30 reasonable method, in accordance with any intention of the  
31 obligor manifested at or before the time of payment; or

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1           (c) In the absence of an agreement to a reasonable  
2 method and a timely manifestation of the obligor's intention,  
3 in the following order:

- 4           1. To obligations that are not secured; and  
5           2. If more than one obligation is secured, to  
6 obligations secured by purchase-money security interests in  
7 the order in which those obligations were incurred.

8           (6) A purchase-money security interest does not lose  
9 its status as such, even if:

10           (a) The purchase-money collateral also secures an  
11 obligation that is not a purchase-money obligation;

12           (b) Collateral that is not purchase-money collateral  
13 also secures the purchase-money obligation; or

14           (c) The purchase-money obligation has been renewed,  
15 refinanced, consolidated, or restructured.

16           (7) A secured party claiming a purchase-money security  
17 interest has the burden of establishing the extent to which  
18 the security interest is a purchase-money security interest.

19           679.1041 Control of deposit account.--

20           (1) A secured party has control of a deposit account  
21 if:

22           (a) The secured party is the bank with which the  
23 deposit account is maintained;

24           (b) The debtor, secured party, and bank have agreed in  
25 an authenticated record that the bank will comply with  
26 instructions originated by the secured party directing  
27 disposition of the funds in the deposit account without  
28 further consent by the debtor; or

29           (c) The secured party becomes the bank's customer with  
30 respect to the deposit account.

31           (2) A secured party that has satisfied subsection (1)

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1 has control, even if the debtor retains the right to direct  
2 the disposition of funds from the deposit account.

3 679.1051 Control of electronic chattel paper.--A  
4 secured party has control of electronic chattel paper if the  
5 record or records comprising the chattel paper are created,  
6 stored, and assigned in such a manner that:

7 (1) A single authoritative copy of the record or  
8 records exists which is unique, identifiable and, except as  
9 otherwise provided in subsections (4), (5), and (6),  
10 unalterable;

11 (2) The authoritative copy identifies the secured  
12 party as the assignee of the record or records;

13 (3) The authoritative copy is communicated to and  
14 maintained by the secured party or its designated custodian;

15 (4) Copies or revisions that add or change an  
16 identified assignee of the authoritative copy can be made only  
17 with the participation of the secured party;

18 (5) Each copy of the authoritative copy and any copy  
19 of a copy is readily identifiable as a copy that is not the  
20 authoritative copy; and

21 (6) Any revision of the authoritative copy is readily  
22 identifiable as an authorized or unauthorized revision.

23 679.1061 Control of investment property.--

24 (1) A person has control of a certificated security,  
25 uncertificated security, or security entitlement as provided  
26 in s. 678.1061.

27 (2) A secured party has control of a commodity  
28 contract if:

29 (a) The secured party is the commodity intermediary  
30 with which the commodity contract is carried; or

31 (b) The commodity customer, secured party, and

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1 commodity intermediary have agreed that the commodity  
2 intermediary will apply any value distributed on account of  
3 the commodity contract as directed by the secured party  
4 without further consent by the commodity customer.

5 (3) A secured party having control of all security  
6 entitlements or commodity contracts carried in a securities  
7 account or commodity account has control over the securities  
8 account or commodity account.

9 679.1071 Control of letter-of-credit right.--A secured  
10 party has control of a letter-of-credit right to the extent of  
11 any right to payment or performance by the issuer or any  
12 nominated person if the issuer or nominated person has  
13 consented to an assignment of proceeds of the letter of credit  
14 under s. 675.114(3) or otherwise applicable law or practice.

15 679.1081 Sufficiency of description.--

16 (1) Except as otherwise provided herein and in  
17 subsections (3), (4), and (5), a description of personal or  
18 real property is sufficient, whether or not it is specific, if  
19 it reasonably identifies what is described. A description of  
20 real estate in a record filed to perfect a security interest  
21 in crops growing or to be grown or goods which are or are to  
22 become fixtures shall be sufficient only if the filing or  
23 recording of the same constitutes constructive notice under  
24 the laws of this state, other than this chapter, which are  
25 applicable to the filing or recording of a record of a  
26 mortgage, and a mailing or street address alone shall not be  
27 sufficient.

28 (2) Except as otherwise provided in subsection (4), a  
29 description of collateral reasonably identifies the collateral  
30 if it identifies the collateral by:

31 (a) Specific listing;

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- 1           (b) Category;
- 2           (c) Except as otherwise provided in subsection (5), a
- 3 type of collateral defined in the Uniform Commercial Code;
- 4           (d) Quantity;
- 5           (e) Computational or allocational formula or
- 6 procedure; or
- 7           (f) Except as otherwise provided in subsection (3),
- 8 any other method, if the identity of the collateral is
- 9 objectively determinable.
- 10          (3) A description of collateral as "all the debtor's
- 11 assets" or "all the debtor's personal property" or using words
- 12 of similar import does not reasonably identify the collateral
- 13 for purposes of the security agreement.
- 14          (4) Except as otherwise provided in subsection (5), a
- 15 description of a security entitlement, securities account, or
- 16 commodity account is sufficient if it describes:
- 17           (a) The collateral by those terms or as investment
- 18 property; or
- 19           (b) The underlying financial asset or commodity
- 20 contract.
- 21          (5) A description only by type of collateral defined
- 22 in the Uniform Commercial Code is an insufficient description
- 23 of:
- 24           (a) A commercial tort claim; or
- 25           (b) In a consumer transaction, consumer goods, a
- 26 security entitlement, a securities account, or a commodity
- 27 account.
- 28          679.1091 Scope.--
- 29          (1) Except as otherwise provided in subsections (3)
- 30 and (4), this chapter applies to:
- 31           (a) A transaction, regardless of its form, that



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1 creates a security interest in personal property or fixtures  
2 by contract;  
3 (b) An agricultural lien;  
4 (c) A sale of accounts, chattel paper, payment  
5 intangibles, or promissory notes;  
6 (d) A consignment;  
7 (e) A security interest arising under s. 672.401, s.  
8 672.502, s. 672.711, or s. 680.508(5), as provided in s.  
9 679.1101; and  
10 (f) A security interest arising under s. 674.2101 or  
11 s. 675.118.  
12 (2) The application of this chapter to a security  
13 interest in a secured obligation is not affected by the fact  
14 that the obligation is itself secured by a transaction or  
15 interest to which this chapter does not apply.  
16 (3) This chapter does not apply to the extent that:  
17 (a) A statute, regulation, or treaty of the United  
18 States preempts this chapter; or  
19 (b) The rights of a transferee beneficiary or  
20 nominated person under a letter of credit are independent and  
21 superior under s. 675.114.  
22 (4) This chapter does not apply to:  
23 (a) A landlord's lien, other than an agricultural  
24 lien;  
25 (b) A lien, other than an agricultural lien, given by  
26 statute or other rule of law for services or materials, but s.  
27 679.333 applies with respect to priority of the lien;  
28 (c) An assignment of a claim for wages, salary, or  
29 other compensation of an employee;  
30 (d) A sale of accounts, chattel paper, payment  
31 intangibles, or promissory notes as part of a sale of the

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1 business out of which they arose;

2 (e) An assignment of accounts, chattel paper, payment  
3 intangibles, or promissory notes which is for the purpose of  
4 collection only;

5 (f) An assignment of a right to payment under a  
6 contract to an assignee that is also obligated to perform  
7 under the contract;

8 (g) An assignment of a single account, payment  
9 intangible, or promissory note to an assignee in full or  
10 partial satisfaction of a preexisting indebtedness;

11 (h) A transfer of an interest in or an assignment of a  
12 claim under a policy of insurance, other than an assignment by  
13 or to a health-care provider of a health-care-insurance  
14 receivable and any subsequent assignment of the right to  
15 payment, but ss. 679.3151 and 679.322 apply with respect to  
16 proceeds and priorities in proceeds;

17 (i) An assignment of a right represented by a  
18 judgment, other than a judgment taken on a right to payment  
19 that was collateral;

20 (j) A right of recoupment or set-off, but:

21 1. Section 679.340 applies with respect to the  
22 effectiveness of rights of recoupment or set-off against  
23 deposit accounts; and

24 2. Section 679.4041 applies with respect to defenses  
25 or claims of an account debtor;

26 (k) The creation or transfer of an interest in or lien  
27 on real property, including a lease or rents thereunder,  
28 except to the extent that provision is made for:

29 1. Liens on real property in ss. 679.2031 and  
30 679.3081;

31 2. Fixtures in s. 679.334;

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1           3. Fixture filings in ss. 679.5011, 679.5021, 679.512,  
2 679.516, and 679.519; and

3           4. Security agreements covering personal and real  
4 property in s. 679.604;

5           (1) An assignment of a claim arising in tort, other  
6 than a commercial tort claim, but ss. 679.3151 and 679.322  
7 apply with respect to proceeds and priorities in proceeds;

8           (m) An assignment of a deposit account, other than a  
9 non-negotiable certificate of deposit, in a consumer  
10 transaction, but ss. 679.3151 and 679.322 apply with respect  
11 to proceeds and priorities in proceeds; or

12           (n) Any transfer by a government or governmental unit.

13           679.1101 Security interests arising under chapter 672  
14 or chapter 680.--A security interest arising under s. 672.401,  
15 s. 672.505, s. 672.711(3), or s. 680.508(5) is subject to this  
16 chapter. However, until the debtor obtains possession of the  
17 goods:

18           (1) The security interest is enforceable, even if s.  
19 679.2031(2)(c) has not been satisfied;

20           (2) Filing is not required to perfect the security  
21 interest;

22           (3) The rights of the secured party after default by  
23 the debtor are governed by chapter 672 or chapter 680; and

24           (4) The security interest has priority over a  
25 conflicting security interest created by the debtor.

26           Section 2. Part II of chapter 679, Florida Statutes,  
27 consisting of sections 679.201, 679.202, 679.203, 679.204,  
28 679.205, 679.206, 679.207, and 679.208, Florida Statutes, is  
29 repealed and a new part II of that chapter, consisting of  
30 sections 679.2011, 679.2021, 679.2031, 679.2041, 679.2051,  
31 679.2061, 679.2071, 679.2081, 679.209, and 679.210, Florida

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1 Statutes, is created to read:

2 PART II

3 EFFECTIVENESS OF SECURITY AGREEMENT;

4 ATTACHMENT OF SECURITY INTEREST;

5 RIGHTS OF PARTIES TO SECURITY AGREEMENT

6 679.2011 General effectiveness of security  
7 agreement.--

8 (1) Except as otherwise provided in the Uniform  
9 Commercial Code, a security agreement is effective according  
10 to its terms between the parties, against purchasers of the  
11 collateral, and against creditors.

12 (2) Nothing in this chapter validates any charge or  
13 practice illegal under any statute or regulation thereunder  
14 governing usury, small loans, retail installment sales, or the  
15 like, or extends the application of any such statute or  
16 regulation to any transaction not otherwise subject thereto.  
17 A transaction, although subject to this chapter, is also  
18 subject to chapters 516 and 520, and in the case of conflict  
19 between the provisions of this chapter and any such statute,  
20 the provisions of such statute shall control. Failure to  
21 comply with any applicable statute has only the effect which  
22 is specified therein.

23 679.2021 Title to collateral immaterial.--Except as  
24 otherwise provided with respect to consignments or sales of  
25 accounts, chattel paper, payment intangibles, or promissory  
26 notes, the provisions of this chapter with regard to rights  
27 and obligations apply whether title to collateral is in the  
28 secured party or the debtor.

29 679.2031 Attachment and enforceability of security  
30 interest; proceeds; supporting obligations; formal  
31 requisites.--

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- 1           (1) A security interest attaches to collateral when it  
2 becomes enforceable against the debtor with respect to the  
3 collateral, unless an agreement expressly postpones the time  
4 of attachment.
- 5           (2) Except as otherwise provided in subsections (3)  
6 through (9), a security interest is enforceable against the  
7 debtor and third parties with respect to the collateral only  
8 if:
- 9           (a) Value has been given;
- 10           (b) The debtor has rights in the collateral or the  
11 power to transfer rights in the collateral to a secured party;  
12 and
- 13           (c) One of the following conditions is met:
- 14           1. The debtor has authenticated a security agreement  
15 that provides a description of the collateral and, if the  
16 security interest covers timber to be cut, a description of  
17 the land concerned;
- 18           2. The collateral is not a certificated security and  
19 is in the possession of the secured party under s. 679.3131  
20 pursuant to the debtor's security agreement;
- 21           3. The collateral is a certificated security in  
22 registered form and the security certificate has been  
23 delivered to the secured party under S. 678.3011 pursuant to  
24 the debtor's security agreement; or
- 25           4. The collateral is deposit accounts, electronic  
26 chattel paper, investment property, or letter-of-credit  
27 rights, and the secured party has control under s. 679.1041,  
28 s. 679.1051, s. 679.1061, or s. 679.1071 pursuant to the  
29 debtor's security agreement.
- 30           (3) Subsection (2) is subject to s. 674.2101 on the  
31 security interest of a collecting bank, s. 675.118 on the

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1 security interest of a letter-of-credit issuer or nominated  
2 person, s. 679.1101 on a security interest arising under  
3 chapter 672 or chapter 680, and s. 679.2061 on security  
4 interests in investment property.

5 (4) A person becomes bound as debtor by a security  
6 agreement entered into by another person if, by operation of  
7 law other than this chapter or by contract:

8 (a) The security agreement becomes effective to create  
9 a security interest in the person's property; or

10 (b) The person becomes generally obligated for the  
11 obligations of the other person, including the obligation  
12 secured under the security agreement, and acquires or succeeds  
13 to all or substantially all of the assets of the other person.

14 (5) If a new debtor becomes bound as debtor by a  
15 security agreement entered into by another person:

16 (a) The agreement satisfies subsection (2)(c) with  
17 respect to existing or after-acquired property of the new  
18 debtor to the extent the property is described in the  
19 agreement; and

20 (b) Another agreement is not necessary to make a  
21 security interest in the property enforceable.

22 (6) The attachment of a security interest in  
23 collateral gives the secured party the rights to proceeds  
24 provided by s. 679.3151 and is also attachment of a security  
25 interest in a supporting obligation for the collateral.

26 (7) The attachment of a security interest in a right  
27 to payment or performance secured by a security interest or  
28 other lien on personal or real property is also attachment of  
29 a security interest in the security interest, mortgage, or  
30 other lien.

31 (8) The attachment of a security interest in a

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1 securities account is also attachment of a security interest  
2 in the security entitlements carried in the securities  
3 account.

4 (9) The attachment of a security interest in a  
5 commodity account is also attachment of a security interest in  
6 the commodity contracts carried in the commodity account.

7 679.2041 After-acquired property; future advances.--

8 (1) Except as otherwise provided in subsection (2), a  
9 security agreement may create or provide for a security  
10 interest in after-acquired collateral.

11 (2) A security interest does not attach under a term  
12 constituting an after-acquired property clause to:

13 (a) Consumer goods, other than an accession when given  
14 as additional security, unless the debtor acquires rights in  
15 them within 10 days after the secured party gives value; or

16 (b) A commercial tort claim.

17 (3) A security agreement may provide that collateral  
18 secures, or that accounts, chattel paper, payment intangibles,  
19 or promissory notes are sold in connection with, future  
20 advances or other value, whether or not the advances or value  
21 are given pursuant to commitment.

22 679.2051 Use or disposition of collateral  
23 permissible.--

24 (1) A security interest is not invalid or fraudulent  
25 against creditors solely because:

26 (a) The debtor has the right or ability to:

27 1. Use, commingle, or dispose of all or part of the  
28 collateral, including returned or repossessed goods;

29 2. Collect, compromise, enforce, or otherwise deal  
30 with collateral;

31 3. Accept the return of collateral or make

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1 repossessions; or

2 4. Use, commingle, or dispose of proceeds; or

3 (b) The secured party fails to require the debtor to  
4 account for proceeds or replace collateral.

5 (2) This section does not relax the requirements of  
6 possession if attachment, perfection, or enforcement of a  
7 security interest depends upon possession of the collateral by  
8 the secured party.

9 679.2061 Security interest arising in purchase or  
10 delivery of financial asset.--

11 (1) A security interest in favor of a securities  
12 intermediary attaches to a person's security entitlement if:

13 (a) The person buys a financial asset through the  
14 securities intermediary in a transaction in which the person  
15 is obligated to pay the purchase price to the securities  
16 intermediary at the time of the purchase; and

17 (b) The securities intermediary credits the financial  
18 asset to the buyer's securities account before the buyer pays  
19 the securities intermediary.

20 (2) The security interest described in subsection (1)  
21 secures the person's obligation to pay for the financial  
22 asset.

23 (3) A security interest in favor of a person who  
24 delivers a certificated security or other financial asset  
25 represented by a writing attaches to the security or other  
26 financial asset if:

27 (a) The security or other financial asset:

28 1. In the ordinary course of business is transferred  
29 by delivery with any necessary indorsement or assignment; and

30 2. Is delivered under an agreement between persons in  
31 the business of dealing with such securities or financial



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1 assets; and  
2 (b) The agreement calls for delivery against payment.  
3 (4) The security interest described in subsection (3)  
4 secures the obligation to make payment for the delivery.  
5 679.2071 Rights and duties of secured party having  
6 possession or control of collateral.--  
7 (1) Except as otherwise provided in subsection (4), a  
8 secured party shall use reasonable care in the custody and  
9 preservation of collateral in the secured party's possession.  
10 In the case of chattel paper or an instrument, reasonable care  
11 includes taking necessary steps to preserve rights against  
12 prior parties unless otherwise agreed.  
13 (2) Except as otherwise provided in subsection (4), if  
14 a secured party has possession of collateral:  
15 (a) Reasonable expenses, including the cost of  
16 insurance and payment of taxes or other charges, incurred in  
17 the custody, preservation, use, or operation of the collateral  
18 are chargeable to the debtor and are secured by the  
19 collateral;  
20 (b) The risk of accidental loss or damage is on the  
21 debtor to the extent of a deficiency in any effective  
22 insurance coverage;  
23 (c) The secured party shall keep the collateral  
24 identifiable, but fungible collateral may be commingled; and  
25 (d) The secured party may use or operate the  
26 collateral:  
27 1. For the purpose of preserving the collateral or its  
28 value;  
29 2. As permitted by an order of a court having  
30 competent jurisdiction; or  
31 3. Except in the case of consumer goods, in the manner

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1 and to the extent agreed by the debtor.

2 (3) Except as otherwise provided in subsection (4), a  
3 secured party having possession of collateral or control of  
4 collateral under s. 679.1041, s. 679.1051, s. 679.1061, or s.  
5 679.1071:

6 (a) May hold as additional security any proceeds,  
7 except money or funds, received from the collateral;

8 (b) Shall apply money or funds received from the  
9 collateral to reduce the secured obligation, unless remitted  
10 to the debtor; and

11 (c) May create a security interest in the collateral.

12 (4) If the secured party is a buyer of accounts,  
13 chattel paper, payment intangibles, or promissory notes or a  
14 consignor:

15 (a) Subsection (1) does not apply unless the secured  
16 party is entitled under an agreement:

- 17 1. To charge back uncollected collateral; or
- 18 2. Otherwise to full or limited recourse against the
- 19 debtor or a secondary obligor based on the nonpayment or other
- 20 default of an account debtor or other obligor on the
- 21 collateral; and

22 (b) Subsections (2) and (3) do not apply.

23 679.2081 Additional duties of secured party having  
24 control of collateral.--

25 (1) This section applies to cases in which there is no  
26 outstanding secured obligation and the secured party is not  
27 committed to make advances, incur obligations, or otherwise  
28 give value.

29 (2) Within 10 days after receiving an authenticated  
30 demand by the debtor:

31 (a) A secured party having control of a deposit

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1 account under s. 679.1041(1)(b) shall send to the bank with  
2 which the deposit account is maintained an authenticated  
3 statement that releases the bank from any further obligation  
4 to comply with instructions originated by the secured party;

5 (b) A secured party having control of a deposit  
6 account under s. 679.1041(1)(c) shall:

7 1. Pay the debtor the balance on deposit in the  
8 deposit account; or

9 2. Transfer the balance on deposit into a deposit  
10 account in the debtor's name;

11 (c) A secured party, other than a buyer, having  
12 control of electronic chattel paper under s. 679.1051 shall:

13 1. Communicate the authoritative copy of the  
14 electronic chattel paper to the debtor or its designated  
15 custodian;

16 2. If the debtor designates a custodian that is the  
17 designated custodian with which the authoritative copy of the  
18 electronic chattel paper is maintained for the secured party,  
19 communicate to the custodian an authenticated record releasing  
20 the designated custodian from any further obligation to comply  
21 with instructions originated by the secured party and  
22 instructing the custodian to comply with instructions  
23 originated by the debtor; and

24 3. Take appropriate action to enable the debtor or the  
25 debtor's designated custodian to make copies of or revisions  
26 to the authoritative copy which add or change an identified  
27 assignee of the authoritative copy without the consent of the  
28 secured party;

29 (d) A secured party having control of investment  
30 property under s. 678.1061(4)(b) or s. 679.1061(2) shall send  
31 to the securities intermediary or commodity intermediary with

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1 which the security entitlement or commodity contract is  
2 maintained an authenticated record that releases the  
3 securities intermediary or commodity intermediary from any  
4 further obligation to comply with entitlement orders or  
5 directions originated by the secured party; and

6 (e) A secured party having control of a  
7 letter-of-credit right under s. 679.1071 shall send to each  
8 person having an unfulfilled obligation to pay or deliver  
9 proceeds of the letter of credit to the secured party an  
10 authenticated release from any further obligation to pay or  
11 deliver proceeds of the letter of credit to the secured party.

12 679.209 Duties of secured party if account debtor has  
13 been notified of assignment.--

14 (1) Except as otherwise provided in subsection (3),  
15 this section applies if:

16 (a) There is no outstanding secured obligation; and

17 (b) The secured party is not committed to make  
18 advances, incur obligations, or otherwise give value.

19 (2) Within 10 days after receiving an authenticated  
20 demand by the debtor, a secured party shall send to an account  
21 debtor that has received notification of an assignment to the  
22 secured party as assignee under s. 679.4061(1) an  
23 authenticated record that releases the account debtor from any  
24 further obligation to the secured party.

25 (3) This section does not apply to an assignment  
26 constituting the sale of an account, chattel paper, or payment  
27 intangible.

28 679.210 Request for accounting; request regarding list  
29 of collateral or statement of account.--

30 (1) In this section, the term:

31 (a) "Request" means a record of a type described in

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1 paragraph (b), paragraph (c), or paragraph (d).

2 (b) "Request for an accounting" means a record  
3 authenticated by a debtor requesting that the recipient  
4 provide an accounting of the unpaid obligations secured by  
5 collateral and reasonably identifying the transaction or  
6 relationship that is the subject of the request.

7 (c) "Request regarding a list of collateral" means a  
8 record authenticated by a debtor requesting that the recipient  
9 approve or correct a list of what the debtor believes to be  
10 the collateral securing an obligation and reasonably  
11 identifying the transaction or relationship that is the  
12 subject of the request.

13 (d) "Request regarding a statement of account" means a  
14 record authenticated by a debtor requesting that the recipient  
15 approve or correct a statement indicating what the debtor  
16 believes to be the aggregate amount of unpaid obligations  
17 secured by collateral as of a specified date and reasonably  
18 identifying the transaction or relationship that is the  
19 subject of the request.

20 (e) "Reasonably identifying the transaction or  
21 relationship" means that the request provides information  
22 sufficient for the person to identify the transaction or  
23 relationship and respond to the request. Pursuant to s.  
24 679.603(1), a secured party and debtor may determine by  
25 agreement the standards for measuring fulfillment of this  
26 duty.

27 (f) "Person" means a person or entity that is or was a  
28 secured party or otherwise claims or has claimed an interest  
29 in the collateral.

30 (2) Subject to subsections (3), (4), (5), and (6), a  
31 secured party, other than a buyer of accounts, chattel paper,

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1 payment intangibles, or promissory notes or a consignor, shall  
2 comply with a request within 14 days after receipt:

3 (a) In the case of a request for an accounting, by  
4 authenticating and sending to the debtor an accounting; and

5 (b) In the case of a request regarding a list of  
6 collateral or a request regarding a statement of account, by  
7 authenticating and sending to the debtor an approval or  
8 correction.

9 (3) A secured party that claims a security interest in  
10 all of a particular type of collateral owned by the debtor may  
11 comply with a request regarding a list of collateral by  
12 sending to the debtor an authenticated record including a  
13 statement to that effect within 14 days after receipt.

14 (4) A person who receives a request regarding a list  
15 of collateral, claims no interest in the collateral when the  
16 request is received, and claimed an interest in the collateral  
17 at an earlier time shall comply with the request within 14  
18 days after receipt by sending to the debtor an authenticated  
19 record:

20 (a) Disclaiming any interest in the collateral; and

21 (b) If known to the recipient, providing the name and  
22 mailing address of any assignee of or successor to the  
23 recipient's interest in the collateral.

24 (5) A person who receives a request for an accounting  
25 or a request regarding a statement of account, claims no  
26 interest in the obligations when the request is received, and  
27 claimed an interest in the obligations at an earlier time  
28 shall comply with the request within 14 days after receipt by  
29 sending to the debtor an authenticated record:

30 (a) Disclaiming any interest in the obligations; and

31 (b) If known to the recipient, providing the name and

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1 mailing address of any assignee of or successor to the  
2 recipient's interest in the obligations.

3 (6) A debtor is entitled under this section without  
4 charge to one response to a request for an accounting or a  
5 request regarding a statement of account for each secured  
6 obligation during any 6-month period. A debtor in a consumer  
7 transaction is entitled to a single response to a request  
8 regarding a list of collateral, for a transaction other than a  
9 consumer transaction, without charge during any 6-month  
10 period. The secured party may require payment of a charge not  
11 exceeding \$25 for each additional response to a request for an  
12 accounting, a request regarding a statement of account, or a  
13 request regarding a list of collateral for a consumer  
14 transaction. To the extent provided in an authenticated  
15 record, the secured party may require the payment of  
16 reasonable expenses, including attorney's fees, reasonably  
17 incurred in providing a response to a request regarding a list  
18 of collateral for a transaction other than a consumer  
19 transaction under this section; otherwise, the secured party  
20 may not charge more than \$25 for each request regarding a list  
21 of collateral. Excluding a request related to a proposed  
22 satisfaction of the secured obligation, a secured party is not  
23 required to respond to more than 12 of each of the permitted  
24 requests in any 12-month period.

25 Section 3. Part III of chapter 679, Florida Statutes,  
26 consisting of sections 679.301, 679.302, 679.303, 679.304,  
27 690.305, 679.306, 679.307, 679.308, 679.309, 679.310, 679.311,  
28 679.312, 679.313, 679.314, 679.315, 679.316, 679.317, and  
29 679.318, Florida Statutes, is repealed and a new part III of  
30 that chapter, consisting of sections 679.3011, 679.3021,  
31 679.3031, 679.3041, 690.3051, 679.3061, 679.3071, 679.3081,

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1 679.3091, 679.3101, 679.3111, 679.3121, 679.3131, 679.3141,  
2 679.3151, 679.3161, 679.3171, 679.3181, 679.319, 679.320,  
3 679.321, 679.322, 679.323, 679.324, 679.325, 679.326, 679.327,  
4 679.328, 679.329, 679.330, 679.331, 679.332, 679.333, 679.334,  
5 679.335, 679.336, 679.337, 679.3381, 679.339, 679.340,  
6 679.341, and 679.342, Florida Statutes, is created to read:

7 PART III

8 PERFECTION AND PRIORITY

9 679.3011 Law governing perfection and priority of  
10 security interests.--Except as otherwise provided in ss.  
11 679.1091, 679.3031, 679.3041, 679.3051, and 679.3061, the  
12 following rules determine the law governing perfection, the  
13 effect of perfection or nonperfection, and the priority of a  
14 security interest in collateral:

15 (1) Except as otherwise provided in this section,  
16 while a debtor is located in a jurisdiction, the local law of  
17 that jurisdiction governs perfection, the effect of perfection  
18 or nonperfection, and the priority of a security interest in  
19 collateral.

20 (2) While collateral is located in a jurisdiction, the  
21 local law of that jurisdiction governs perfection, the effect  
22 of perfection or nonperfection, and the priority of a  
23 possessory security interest in that collateral.

24 (3) Except as otherwise provided in subsection (4),  
25 while negotiable documents, goods, instruments, money, or  
26 tangible chattel paper is located in a jurisdiction, the local  
27 law of that jurisdiction governs:

28 (a) Perfection of a security interest in the goods by  
29 filing a fixture filing;

30 (b) Perfection of a security interest in timber to be  
31 cut; and



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1           (c) The effect of perfection or nonperfection and the  
2 priority of a nonpossessory security interest in the  
3 collateral.

4           (4) The local law of the jurisdiction in which the  
5 wellhead or minehead is located governs perfection, the effect  
6 of perfection or nonperfection, and the priority of a security  
7 interest in as-extracted collateral.

8           679.3021 Law governing perfection and priority of  
9 agricultural liens.--While farm products are located in a  
10 jurisdiction, the local law of that jurisdiction governs  
11 perfection, the effect of perfection or nonperfection, and the  
12 priority of an agricultural lien on the farm products.

13           679.3031 Law governing perfection and priority of  
14 security interests in goods covered by a certificate of  
15 title.--

16           (1) This section applies to goods covered by a  
17 certificate of title, even if there is no other relationship  
18 between the jurisdiction under whose certificate of title the  
19 goods are covered and the goods or the debtor.

20           (2) Goods become covered by a certificate of title  
21 when a valid application for the certificate of title and the  
22 applicable fee are delivered to the appropriate authority.  
23 Goods cease to be covered by a certificate of title at the  
24 earlier of the time the certificate of title ceases to be  
25 effective under the law of the issuing jurisdiction or the  
26 time the goods become covered subsequently by a certificate of  
27 title issued by another jurisdiction.

28           (3) The local law of the jurisdiction under whose  
29 certificate of title the goods are covered governs perfection,  
30 the effect of perfection or nonperfection, and the priority of  
31 a security interest in goods covered by a certificate of title

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1 from the time the goods become covered by the certificate of  
2 title until the goods cease to be covered by the certificate  
3 of title.

4 679.3041 Law governing perfection and priority of  
5 security interests in deposit accounts.--

6 (1) The local law of a bank's jurisdiction governs  
7 perfection, the effect of perfection or nonperfection, and the  
8 priority of a security interest in a deposit account  
9 maintained with that bank.

10 (2) The following rules determine a bank's  
11 jurisdiction for purposes of this part:

12 (a) If an agreement between the bank and the debtor  
13 governing the deposit account expressly provides that a  
14 particular jurisdiction is the bank's jurisdiction for  
15 purposes of this part, this chapter, or the Uniform Commercial  
16 Code, that jurisdiction is the bank's jurisdiction.

17 (b) If paragraph (a) does not apply and an agreement  
18 between the bank and its customer governing the deposit  
19 account expressly provides that the agreement is governed by  
20 the law of a particular jurisdiction, that jurisdiction is the  
21 bank's jurisdiction.

22 (c) If neither paragraph (a) nor paragraph (b) applies  
23 and an agreement between the bank and its customer governing  
24 the deposit account expressly provides that the deposit  
25 account is maintained at an office in a particular  
26 jurisdiction, that jurisdiction is the bank's jurisdiction.

27 (d) If none of the preceding paragraphs applies, the  
28 bank's jurisdiction is the jurisdiction in which the office  
29 identified in an account statement as the office serving the  
30 customer's account is located.

31 (e) If none of the preceding paragraphs applies, the

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1 bank's jurisdiction is the jurisdiction in which the chief  
2 executive office of the bank is located.

3 679.3051 Law governing perfection and priority of  
4 security interests in investment property.--

5 (1) Except as otherwise provided in subsection (3),  
6 the following rules apply:

7 (a) While a security certificate is located in a  
8 jurisdiction, the local law of that jurisdiction governs  
9 perfection, the effect of perfection or nonperfection, and the  
10 priority of a security interest in the certificated security  
11 represented thereby.

12 (b) The local law of the issuer's jurisdiction as  
13 specified in s. 678.1101(4) governs perfection, the effect of  
14 perfection or nonperfection, and the priority of a security  
15 interest in an uncertificated security.

16 (c) The local law of the securities intermediary's  
17 jurisdiction as specified in s. 678.1101(5) governs  
18 perfection, the effect of perfection or nonperfection, and the  
19 priority of a security interest in a security entitlement or  
20 securities account.

21 (d) The local law of the commodity intermediary's  
22 jurisdiction governs perfection, the effect of perfection or  
23 nonperfection, and the priority of a security interest in a  
24 commodity contract or commodity account.

25 (2) The following rules determine a commodity  
26 intermediary's jurisdiction for purposes of this part:

27 (a) If an agreement between the commodity intermediary  
28 and commodity customer governing the commodity account  
29 expressly provides that a particular jurisdiction is the  
30 commodity intermediary's jurisdiction for purposes of this  
31 part, this chapter, or the Uniform Commercial Code, that

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1 jurisdiction is the commodity intermediary's jurisdiction.

2 (b) If paragraph (a) does not apply and an agreement  
3 between the commodity intermediary and commodity customer  
4 governing the commodity account expressly provides that the  
5 agreement is governed by the law of a particular jurisdiction,  
6 that jurisdiction is the commodity intermediary's  
7 jurisdiction.

8 (c) If neither paragraph (a) nor paragraph (b) applies  
9 and an agreement between the commodity intermediary and  
10 commodity customer governing the commodity account expressly  
11 provides that the commodity account is maintained at an office  
12 in a particular jurisdiction, that jurisdiction is the  
13 commodity intermediary's jurisdiction.

14 (d) If none of the preceding paragraphs applies, the  
15 commodity intermediary's jurisdiction is the jurisdiction in  
16 which the office identified in an account statement as the  
17 office serving the commodity customer's account is located.

18 (e) If none of the preceding paragraphs applies, the  
19 commodity intermediary's jurisdiction is the jurisdiction in  
20 which the chief executive office of the commodity intermediary  
21 is located.

22 (3) The local law of the jurisdiction in which the  
23 debtor is located governs:

24 (a) Perfection of a security interest in investment  
25 property by filing;

26 (b) Automatic perfection of a security interest in  
27 investment property created by a broker or securities  
28 intermediary; and

29 (c) Automatic perfection of a security interest in a  
30 commodity contract or commodity account created by a commodity  
31 intermediary.

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1           679.3061 Law governing perfection and priority of  
2 security interests in letter-of-credit rights.--

3           (1) Subject to subsection (3), the local law of the  
4 issuer's jurisdiction or a nominated person's jurisdiction  
5 governs perfection, the effect of perfection or nonperfection,  
6 and the priority of a security interest in a letter-of-credit  
7 right if the issuer's jurisdiction or nominated person's  
8 jurisdiction is a state.

9           (2) For purposes of this part, an issuer's  
10 jurisdiction or nominated person's jurisdiction is the  
11 jurisdiction whose law governs the liability of the issuer or  
12 nominated person with respect to the letter-of-credit right as  
13 provided in s. 675.116.

14           (3) This section does not apply to a security interest  
15 that is perfected only under s. 679.3081(4).

16           679.3071 Location of debtor.--

17           (1) In this section, the term "place of business"  
18 means a place where a debtor conducts its affairs.

19           (2) Except as otherwise provided in this section, the  
20 following rules determine a debtor's location:

21           (a) A debtor who is an individual is located at the  
22 individual's principal residence.

23           (b) A debtor that is an organization and has only one  
24 place of business is located at its place of business.

25           (c) A debtor that is an organization and has more than  
26 one place of business is located at its chief executive  
27 office.

28           (3) Subsection (2) applies only if a debtor's  
29 residence, place of business, or chief executive office, as  
30 applicable, is located in a jurisdiction whose law generally  
31 requires information concerning the existence of a

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1 nonpossessory security interest to be made generally available  
2 in a filing, recording, or registration system as a condition  
3 or result of the security interest's obtaining priority over  
4 the rights of a lien creditor with respect to the collateral.  
5 If subsection (2) does not apply, the debtor is located in the  
6 District of Columbia.

7 (4) A person who ceases to exist, have a residence, or  
8 have a place of business continues to be located in the  
9 jurisdiction specified by subsections (2) and (3).

10 (5) A registered organization that is organized under  
11 the law of a state is located in that state.

12 (6) Except as otherwise provided in subsection (9), a  
13 registered organization that is organized under the law of the  
14 United States and a branch or agency of a bank that is not  
15 organized under the law of the United States or a state are  
16 located:

17 (a) In the state that the law of the United States  
18 designates, if the law designates a state of location;

19 (b) In the state that the registered organization,  
20 branch, or agency designates, if the law of the United States  
21 authorizes the registered organization, branch, or agency to  
22 designate its state of location; or

23 (c) In the District of Columbia, if neither paragraph  
24 (a) nor paragraph (b) applies.

25 (7) A registered organization continues to be located  
26 in the jurisdiction specified by subsection (5) or subsection  
27 (6) notwithstanding:

28 (a) The suspension, revocation, forfeiture, or lapse  
29 of the registered organization's status as such in its  
30 jurisdiction of organization; or

31 (b) The dissolution, winding up, or cancellation of

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1 the existence of the registered organization.

2 (8) The United States is located in the District of  
3 Columbia.

4 (9) A branch or agency of a bank that is not organized  
5 under the law of the United States or a state is located in  
6 the state in which the branch or agency is licensed, if all  
7 branches and agencies of the bank are licensed in only one  
8 state.

9 (10) A foreign air carrier under the Federal Aviation  
10 Act of 1958, as amended, is located at the designated office  
11 of the agent upon which service of process may be made on  
12 behalf of the carrier.

13 (11) This section applies only for purposes of this  
14 part.

15 679.3081 When security interest or agricultural lien  
16 is perfected; continuity of perfection.--

17 (1) Except as otherwise provided in this section and  
18 s. 679.3091, a security interest is perfected if it has  
19 attached and all of the applicable requirements for perfection  
20 in ss. 679.3101-679.3161 have been satisfied. A security  
21 interest is perfected when it attaches if the applicable  
22 requirements are satisfied before the security interest  
23 attaches.

24 (2) An agricultural lien is perfected if it has become  
25 effective and all of the applicable requirements for  
26 perfection in s. 679.3101 have been satisfied. An  
27 agricultural lien is perfected when it becomes effective if  
28 the applicable requirements are satisfied before the  
29 agricultural lien becomes effective.

30 (3) A security interest or agricultural lien is  
31 perfected continuously if it is originally perfected by one

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1 method under this chapter and is later perfected by another  
2 method under this chapter, without an intermediate period  
3 during which it was unperfected.

4 (4) Perfection of a security interest in collateral  
5 also perfects a security interest in a supporting obligation  
6 for the collateral.

7 (5) Perfection of a security interest in a right to  
8 payment or performance also perfects a security interest in a  
9 security interest, mortgage, or other lien on personal or real  
10 property securing the right.

11 (6) Perfection of a security interest in a securities  
12 account also perfects a security interest in the security  
13 entitlements carried in the securities account.

14 (7) Perfection of a security interest in a commodity  
15 account also perfects a security interest in the commodity  
16 contracts carried in the commodity account.

17 679.3091 Security interest perfected upon  
18 attachment.--The following security interests are perfected  
19 when they attach:

20 (1) A purchase-money security interest in consumer  
21 goods, except as otherwise provided in s. 679.3111(2) with  
22 respect to consumer goods that are subject to a statute or  
23 treaty described in s. 679.3111(1);

24 (2) An assignment of accounts or payment intangibles  
25 which does not by itself or in conjunction with other  
26 assignments to the same assignee transfer a significant part  
27 of the assignor's outstanding accounts or payment intangibles;

28 (3) A sale of a payment intangible;

29 (4) A sale of a promissory note;

30 (5) A security interest created by the assignment of a  
31 health-care-insurance receivable to the provider of the



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1 health-care goods or services;

2 (6) A security interest arising under s. 672.401, s.  
3 672.505, s. 672.711(3), or s. 680.508(5), until the debtor  
4 obtains possession of the collateral;

5 (7) A security interest of a collecting bank arising  
6 under s. 674.2101;

7 (8) A security interest of an issuer or nominated  
8 person arising under s. 675.118;

9 (9) A security interest arising in the delivery of a  
10 financial asset under s. 679.2061(3);

11 (10) A security interest in investment property  
12 created by a broker or securities intermediary;

13 (11) A security interest in a commodity contract or a  
14 commodity account created by a commodity intermediary;

15 (12) An assignment for the benefit of all creditors of  
16 the transferor and subsequent transfers by the assignee  
17 thereunder; and

18 (13) A security interest created by an assignment of a  
19 beneficial interest in a decedent's estate.

20 679.3101 When filing required to perfect security  
21 interest or agricultural lien; security interests and  
22 agricultural liens to which filing provisions do not apply.--

23 (1) Except as otherwise provided in subsection (2) and  
24 s. 679.3121(2), a financing statement must be filed to perfect  
25 all security interests and agricultural liens.

26 (2) The filing of a financing statement is not  
27 necessary to perfect a security interest:

28 (a) That is perfected under s. 679.3081(4), (5), (6),  
29 or (7);

30 (b) That is perfected under s. 679.3091 when it  
31 attaches;

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1           (c) In property subject to a statute, regulation, or  
2 treaty described in s. 679.3111(1);

3           (d) In goods in possession of a bailee which is  
4 perfected under s. 679.3121(4)(a) or (b);

5           (e) In certificated securities, documents, goods, or  
6 instruments which is perfected without filing or possession  
7 under s. 679.3121(5), (6), or (7);

8           (f) In collateral in the secured party's possession  
9 under s. 679.3131;

10          (g) In a certificated security which is perfected by  
11 delivery of the security certificate to the secured party  
12 under s. 679.3131;

13          (h) In deposit accounts, electronic chattel paper,  
14 investment property, or letter-of-credit rights which is  
15 perfected by control under s. 679.3141;

16          (i) In proceeds which is perfected under s. 679.3151;  
17 or

18          (j) That is perfected under s. 679.3161.

19          (3) If a secured party assigns a perfected security  
20 interest or agricultural lien, a filing under this chapter is  
21 not required to continue the perfected status of the security  
22 interest against creditors of and transferees from the  
23 original debtor.

24          679.3111 Perfection of security interests in property  
25 subject to certain statutes, regulations, and treaties.--

26          (1) Except as otherwise provided in subsection (4),  
27 the filing of a financing statement is not necessary or  
28 effective to perfect a security interest in property subject  
29 to:

30          (a) A statute, regulation, or treaty of the United  
31 States whose requirements for a security interest's obtaining

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1 priority over the rights of a lien creditor with respect to  
2 the property preempt s. 679.3101(1);

3 (b) A statute covering automobiles, trailers, mobile  
4 homes, boats, farm tractors, or the like, which provides for a  
5 security interest to be indicated on a certificate of title of  
6 such property as a condition or result of perfection, and any  
7 non-Uniform Commercial Code central filing statute; or

8 (c) A certificate-of-title statute of another  
9 jurisdiction which provides for a security interest to be  
10 indicated on the certificate as a condition or result of the  
11 security interest's obtaining priority over the rights of a  
12 lien creditor with respect to the property.

13 (2) Compliance with the requirements of a statute,  
14 regulation, or treaty described in paragraph (1) for obtaining  
15 priority over the rights of a lien creditor is equivalent to  
16 the filing of a financing statement under this chapter.  
17 Except as otherwise provided in subsection (4) and ss.  
18 679.3131 and 679.3161(4) and (5) for goods covered by a  
19 certificate of title, a security interest in property subject  
20 to a statute, regulation, or treaty described in subsection  
21 (1) may be perfected only by compliance with those  
22 requirements, and a security interest so perfected remains  
23 perfected notwithstanding a change in the use or transfer of  
24 possession of the collateral.

25 (3) Except as otherwise provided in subsection (4) and  
26 s. 679.3161(4) and (5), duration and renewal of perfection of  
27 a security interest perfected by compliance with the  
28 requirements prescribed by a statute, regulation, or treaty  
29 described in subsection (1) are governed by the statute,  
30 regulation, or treaty. In other respects, the security  
31 interest is subject to this chapter.

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1           (4) During any period in which collateral subject to a  
2 statute specified in paragraph (1)(b) is inventory held for  
3 sale or lease by a person or leased by that person as lessor  
4 and that person is in the business of selling goods of that  
5 kind, this section does not apply to a security interest in  
6 that collateral created by that person.

7           679.3121 Perfection of security interests in chattel  
8 paper, deposit accounts, documents, goods covered by  
9 documents, instruments, investment property, letter-of-credit  
10 rights, and money; perfection by permissive filing; temporary  
11 perfection without filing or transfer of possession.--

12           (1) A security interest in chattel paper, negotiable  
13 documents, instruments, or investment property may be  
14 perfected by filing.

15           (2) Except as otherwise provided in s. 679.3151(3) and  
16 (4) for proceeds:

17           (a) A security interest in a deposit account may be  
18 perfected only by control under s. 679.3141.

19           (b) And except as otherwise provided in s.  
20 679.3081(4), a security interest in a letter-of-credit right  
21 may be perfected only by control under s. 679.3141.

22           (c) A security interest in money may be perfected only  
23 by the secured party's taking possession under s. 679.3131.

24           (3) While goods are in the possession of a bailee that  
25 has issued a negotiable document covering the goods:

26           (a) A security interest in the goods may be perfected  
27 by perfecting a security interest in the document; and

28           (b) A security interest perfected in the document has  
29 priority over any security interest that becomes perfected in  
30 the goods by another method during that time.

31           (4) While goods are in the possession of a bailee that

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1 has issued a nonnegotiable document covering the goods, a  
 2 security interest in the goods may be perfected by:  
 3 (a) Issuance of a document in the name of the secured  
 4 party;  
 5 (b) The bailee's receipt of notification of the  
 6 secured party's interest; or  
 7 (c) Filing as to the goods.  
 8 (5) A security interest in certificated securities,  
 9 negotiable documents, or instruments is perfected without  
 10 filing or the taking of possession for a period of 20 days  
 11 from the time it attaches to the extent that it arises for new  
 12 value given under an authenticated security agreement.  
 13 (6) A perfected security interest in a negotiable  
 14 document or goods in possession of a bailee, other than one  
 15 that has issued a negotiable document for the goods, remains  
 16 perfected for 20 days without filing if the secured party  
 17 makes available to the debtor the goods or documents  
 18 representing the goods for the purpose of:  
 19 (a) Ultimate sale or exchange; or  
 20 (b) Loading, unloading, storing, shipping,  
 21 transshipping, manufacturing, processing, or otherwise dealing  
 22 with them in a manner preliminary to their sale or exchange.  
 23 (7) A perfected security interest in a certificated  
 24 security or instrument remains perfected for 20 days without  
 25 filing if the secured party delivers the security certificate  
 26 or instrument to the debtor for the purpose of:  
 27 (a) Ultimate sale or exchange; or  
 28 (b) Presentation, collection, enforcement, renewal, or  
 29 registration of transfer.  
 30 (8) After the 20-day period specified in subsection  
 31 (5), subsection (6), or subsection (7) expires, perfection

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1 depends upon compliance with this chapter.

2 679.3131 When possession by or delivery to secured  
3 party perfects security interest without filing.--

4 (1) Except as otherwise provided in subsection (2), a  
5 secured party may perfect a security interest in negotiable  
6 documents, goods, instruments, money, or tangible chattel  
7 paper by taking possession of the collateral. A secured party  
8 may perfect a security interest in certificated securities by  
9 taking delivery of the certificated securities under s.  
10 678.3011.

11 (2) With respect to goods covered by a certificate of  
12 title issued by this state, a secured party may perfect a  
13 security interest in the goods by taking possession of the  
14 goods only in the circumstances described in s. 679.3161(4).

15 (3) With respect to collateral other than certificated  
16 securities and goods covered by a document, a secured party  
17 takes possession of collateral in the possession of a person  
18 other than the debtor, the secured party, or a lessee of the  
19 collateral from the debtor in the ordinary course of the  
20 debtor's business, when:

21 (a) The person in possession authenticates a record  
22 acknowledging that it holds possession of the collateral for  
23 the secured party's benefit; or

24 (b) The person takes possession of the collateral  
25 after having authenticated a record acknowledging that the  
26 person will hold possession of collateral for the secured  
27 party's benefit.

28 (4) If perfection of a security interest depends upon  
29 possession of the collateral by a secured party, perfection  
30 occurs no earlier than the time the secured party takes  
31 possession and continues only while the secured party retains

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1 possession.

2 (5) A security interest in a certificated security in  
3 registered form is perfected by delivery when delivery of the  
4 certificated security occurs under s. 678.3011 and remains  
5 perfected by delivery until the debtor obtains possession of  
6 the security certificate.

7 (6) A person in possession of collateral is not  
8 required to acknowledge that the person holds possession for a  
9 secured party's benefit.

10 (7) If a person acknowledges that the person holds  
11 possession for the secured party's benefit:

12 (a) The acknowledgment is effective under subsection  
13 (3) or s. 678.3011(1), even if the acknowledgment violates the  
14 rights of a debtor; and

15 (b) Unless the person otherwise agrees or law other  
16 than this chapter otherwise provides, the person does not owe  
17 any duty to the secured party and is not required to confirm  
18 the acknowledgment to another person.

19 (8) A secured party having possession of collateral  
20 does not relinquish possession by delivering the collateral to  
21 a person other than the debtor or a lessee of the collateral  
22 from the debtor in the ordinary course of the debtor's  
23 business if the person was instructed before the delivery or  
24 is instructed contemporaneously with the delivery:

25 (a) To hold possession of the collateral for the  
26 secured party's benefit; or

27 (b) To redeliver the collateral to the secured party.

28 (9) A secured party does not relinquish possession,  
29 even if a delivery under subsection (8) violates the rights of  
30 a debtor. A person to whom collateral is delivered under  
31 subsection (8) does not owe any duty to the secured party and

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1 is not required to confirm the delivery to another person  
2 unless the person otherwise agrees or law other than this  
3 chapter otherwise provides.

4 679.3141 Perfection by control.--

5 (1) A security interest in investment property,  
6 deposit accounts, letter-of-credit rights, or electronic  
7 chattel paper may be perfected by control of the collateral  
8 under s. 679.1041, s. 679.1051, s. 679.1061, or s. 679.1071.

9 (2) A security interest in deposit accounts,  
10 electronic chattel paper, or letter-of-credit rights is  
11 perfected by control under s. 679.1041, s. 679.1051, or s.  
12 679.1071 when the secured party obtains control and remains  
13 perfected by control only while the secured party retains  
14 control.

15 (3) A security interest in investment property is  
16 perfected by control under s. 679.1061 from the time the  
17 secured party obtains control and remains perfected by control  
18 until:

19 (a) The secured party does not have control; and

20 (b) One of the following occurs:

21 1. If the collateral is a certificated security, the  
22 debtor has or acquires possession of the security certificate;

23 2. If the collateral is an uncertificated security,  
24 the issuer has registered or registers the debtor as the  
25 registered owner; or

26 3. If the collateral is a security entitlement, the  
27 debtor is or becomes the entitlement holder.

28 679.3151 Secured party's rights on disposition of  
29 collateral and in proceeds.--

30 (1) Except as otherwise provided in this chapter and  
31 in s. 672.403(2):



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1           (a) A security interest or agricultural lien continues  
2 in collateral notwithstanding sale, lease, license, exchange,  
3 or other disposition thereof unless the secured party  
4 authorized the disposition free of the security interest or  
5 agricultural lien; and

6           (b) A security interest attaches to any identifiable  
7 proceeds of collateral.

8           (2) Proceeds that are commingled with other property  
9 are identifiable proceeds:

10           (a) If the proceeds are goods, to the extent provided  
11 by s. 679.336; and

12           (b) If the proceeds are not goods, to the extent that  
13 the secured party identifies the proceeds by a method of  
14 tracing, including application of equitable principles, that  
15 is permitted under law other than this chapter with respect to  
16 commingled property of the type involved.

17           (3) A security interest in proceeds is a perfected  
18 security interest if the security interest in the original  
19 collateral was perfected.

20           (4) A perfected security interest in proceeds becomes  
21 unperfected on the 21st day after the security interest  
22 attaches to the proceeds unless:

23           (a) The following conditions are satisfied:

24           1. A filed financing statement covers the original  
25 collateral;

26           2. The proceeds are collateral in which a security  
27 interest may be perfected by filing in the office in which the  
28 financing statement has been filed; and

29           3. The proceeds are not acquired with cash proceeds;

30           (b) The proceeds are identifiable cash proceeds; or

31           (c) The security interest in the proceeds is perfected

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1 other than under subsection (3) when the security interest  
2 attaches to the proceeds or within 20 days thereafter.

3 (5) If a filed financing statement covers the original  
4 collateral, a security interest in proceeds which remains  
5 perfected under paragraph (4)(a) becomes unperfected at the  
6 later of:

7 (a) When the effectiveness of the filed financing  
8 statement lapses under s. 679.515 or is terminated under s.  
9 679.513; or

10 (b) The 21st day after the security interest attaches  
11 to the proceeds.

12 679.3161 Continued perfection of security interest  
13 following change in governing law.--

14 (1) A security interest perfected pursuant to the law  
15 of the jurisdiction designated in s. 679.3011(1) or s.  
16 679.3051(3) remains perfected until the earliest of:

17 (a) The time perfection would have ceased under the  
18 law of that jurisdiction;

19 (b) The expiration of 4 months after a change of the  
20 debtor's location to another jurisdiction; or

21 (c) The expiration of 1 year after a transfer of  
22 collateral to a person who thereby becomes a debtor and is  
23 located in another jurisdiction.

24 (2) If a security interest described in subsection (1)  
25 becomes perfected under the law of the other jurisdiction  
26 before the earliest time or event described in that  
27 subsection, it remains perfected thereafter. If the security  
28 interest does not become perfected under the law of the other  
29 jurisdiction before the earliest time or event, it becomes  
30 unperfected and is deemed never to have been perfected as  
31 against a purchaser of the collateral for value.

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1           (3) A possessory security interest in collateral,  
2 other than goods covered by a certificate of title and  
3 as-extracted collateral consisting of goods, remains  
4 continuously perfected if:

5           (a) The collateral is located in one jurisdiction and  
6 subject to a security interest perfected under the law of that  
7 jurisdiction;

8           (b) Thereafter the collateral is brought into another  
9 jurisdiction; and

10           (c) Upon entry into the other jurisdiction, the  
11 security interest is perfected under the law of the other  
12 jurisdiction.

13           (4) Except as otherwise provided in subsection (5), a  
14 security interest in goods covered by a certificate of title  
15 which is perfected by any method under the law of another  
16 jurisdiction when the goods become covered by a certificate of  
17 title from this state remains perfected until the security  
18 interest would have become unperfected under the law of the  
19 other jurisdiction had the goods not become so covered.

20           (5) A security interest described in subsection (4)  
21 becomes unperfected as against a purchaser of the goods for  
22 value and is deemed never to have been perfected as against a  
23 purchaser of the goods for value if the applicable  
24 requirements for perfection under s. 679.3111(2) or s.  
25 679.3131 are not satisfied before the earlier of:

26           (a) The time the security interest would have become  
27 unperfected under the law of the other jurisdiction had the  
28 goods not become covered by a certificate of title from this  
29 state; or

30           (b) The expiration of 4 months after the goods had  
31 become so covered.

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1           (6) A security interest in deposit accounts,  
2 letter-of-credit rights, or investment property which is  
3 perfected under the law of the bank's jurisdiction, the  
4 issuer's jurisdiction, a nominated person's jurisdiction, the  
5 securities intermediary's jurisdiction, or the commodity  
6 intermediary's jurisdiction, as applicable, remains perfected  
7 until the earlier of:

8           (a) The time the security interest would have become  
9 unperfected under the law of that jurisdiction; or

10           (b) The expiration of 4 months after a change of the  
11 applicable jurisdiction to another jurisdiction.

12           (7) If a security interest described in subsection (6)  
13 becomes perfected under the law of the other jurisdiction  
14 before the earlier of the time or the end of the period  
15 described in that subsection, it remains perfected thereafter.  
16 If the security interest does not become perfected under the  
17 law of the other jurisdiction before the earlier of that time  
18 or the end of that period, it becomes unperfected and is  
19 deemed never to have been perfected as against a purchaser of  
20 the collateral for value.

21           679.3171 Interests that take priority over or take  
22 free of security interest or agricultural lien.--

23           (1) A security interest or agricultural lien is  
24 subordinate to the rights of:

25           (a) A person entitled to priority under s. 679.322;  
26 and

27           (b) Except as otherwise provided in subsection (5), a  
28 person who becomes a lien creditor before the earlier of the  
29 time:

30           1. The security interest or agricultural lien is  
31 perfected; or

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1           2. One of the conditions specified in s.  
2 679.2031(2)(c) is met and a financing statement covering the  
3 collateral is filed.

4           (2) Except as otherwise provided in subsection (5), a  
5 buyer, other than a secured party, of tangible chattel paper,  
6 documents, goods, instruments, or a security certificate takes  
7 free of a security interest or agricultural lien if the buyer  
8 gives value and receives delivery of the collateral without  
9 knowledge of the security interest or agricultural lien and  
10 before it is perfected.

11           (3) Except as otherwise provided in subsection (5), a  
12 lessee of goods takes free of a security interest or  
13 agricultural lien if the lessee gives value and receives  
14 delivery of the collateral without knowledge of the security  
15 interest or agricultural lien and before it is perfected.

16           (4) A licensee of a general intangible or a buyer,  
17 other than a secured party, of accounts, electronic chattel  
18 paper, general intangibles, or investment property other than  
19 a certificated security takes free of a security interest if  
20 the licensee or buyer gives value without knowledge of the  
21 security interest and before it is perfected.

22           (5) Except as otherwise provided in ss. 679.320 and  
23 679.321, if a person files a financing statement with respect  
24 to a purchase-money security interest before or within 20 days  
25 after the debtor receives delivery of the collateral, the  
26 security interest takes priority over the rights of a buyer,  
27 lessee, or lien creditor which arise between the time the  
28 security interest attaches and the time of filing.

29           679.3181 No interest retained in right to payment that  
30 is sold; rights and title of seller of account or chattel  
31 paper with respect to creditors and purchasers.--

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1           (1) A debtor who has sold an account, chattel paper,  
2 payment intangible, or promissory note does not retain a legal  
3 or equitable interest in the collateral sold.

4           (2) For purposes of determining the rights of  
5 creditors of, and purchasers for value of an account or  
6 chattel paper from, a debtor who has sold an account or  
7 chattel paper, while the buyer's security interest is  
8 unperfected, the debtor is deemed to have rights and title to  
9 the account or chattel paper identical to those the debtor  
10 sold.

11           679.319 Rights and title of consignee with respect to  
12 creditors and purchasers.--

13           (1) Except as otherwise provided in subsection (2),  
14 for purposes of determining the rights of creditors of, and  
15 purchasers for value of goods from, a consignee, while the  
16 goods are in the possession of the consignee, the consignee is  
17 deemed to have rights and title to the goods identical to  
18 those the consignor had or had power to transfer.

19           (2) For purposes of determining the rights of a  
20 creditor of a consignee, law other than this chapter  
21 determines the rights and title of a consignee while goods are  
22 in the consignee's possession if, under this part, a perfected  
23 security interest held by the consignor would have priority  
24 over the rights of the creditor.

25           679.320 Buyer of goods.--

26           (1) Except as otherwise provided in subsection (5), a  
27 buyer in ordinary course of business, other than a person  
28 buying farm products from a person engaged in farming  
29 operations, takes free of a security interest created by the  
30 buyer's seller, even if the security interest is perfected and  
31 the buyer knows of its existence.

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1           (2) Except as otherwise provided in subsection (5), a  
2 buyer of goods from a person who used or bought the goods for  
3 use primarily for personal, family, or household purposes  
4 takes free of a security interest, even if perfected, if the  
5 buyer buys:

6           (a) Without knowledge of the security interest;

7           (b) For value;

8           (c) Primarily for the buyer's personal, family, or  
9 household purposes; and

10           (d) Before the filing of a financing statement  
11 covering the goods.

12           (3) To the extent that it affects the priority of a  
13 security interest over a buyer of goods under subsection (2),  
14 the period of effectiveness of a filing made in the  
15 jurisdiction in which the seller is located is governed by s.  
16 679.3161(1) and (2).

17           (4) A buyer in ordinary course of business buying oil,  
18 gas, or other minerals at the wellhead or minehead or after  
19 extraction takes free of an interest arising out of an  
20 encumbrance.

21           (5) Subsections (1) and (2) do not affect a security  
22 interest in goods in the possession of the secured party under  
23 s. 679.3131.

24           679.321 Licensee of general intangible and lessee of  
25 goods in ordinary course of business.--

26           (1) In this section, the term "licensee in ordinary  
27 course of business" means a person who becomes a licensee of a  
28 general intangible in good faith, without knowledge that the  
29 license violates the rights of another person in the general  
30 intangible, and in the ordinary course from a person in the  
31 business of licensing general intangibles of that kind. A

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1 person becomes a licensee in the ordinary course if the  
2 license to the person comports with the usual or customary  
3 practices in the kind of business in which the licensor is  
4 engaged or with the licensor's own usual or customary  
5 practices.

6 (2) A licensee in ordinary course of business takes  
7 its rights under a nonexclusive license free of a security  
8 interest in the general intangible created by the licensor,  
9 even if the security interest is perfected and the licensee  
10 knows of its existence.

11 (3) A lessee in ordinary course of business takes its  
12 leasehold interest free of a security interest in the goods  
13 created by the lessor, even if the security interest is  
14 perfected and the lessee knows of its existence.

15 679.322 Priorities among conflicting security  
16 interests in and agricultural liens on same collateral.--

17 (1) Except as otherwise provided in this section,  
18 priority among conflicting security interests and agricultural  
19 liens in the same collateral is determined according to the  
20 following rules:

21 (a) Conflicting perfected security interests and  
22 agricultural liens rank according to priority in time of  
23 filing or perfection. Priority dates from the earlier of the  
24 time a filing covering the collateral is first made or the  
25 security interest or agricultural lien is first perfected, if  
26 there is no period thereafter during which is neither filing  
27 nor perfection.

28 (b) A perfected security interest or agricultural lien  
29 has priority over a conflicting unperfected security interest  
30 or agricultural lien.

31 (c) The first security interest or agricultural lien



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1 to attach or become effective has priority if conflicting  
2 security interests and agricultural liens are unperfected.  
3 (2) For the purposes of paragraph (1)(a):  
4 (a) The time of filing or perfection as to a security  
5 interest in collateral is also the time of filing or  
6 perfection as to a security interest in proceeds; and  
7 (b) The time of filing or perfection as to a security  
8 interest in collateral supported by a supporting obligation is  
9 also the time of filing or perfection as to a security  
10 interest in the supporting obligation.  
11 (3) Except as otherwise provided in subsection (6), a  
12 security interest in collateral which qualifies for priority  
13 over a conflicting security interest under s. 679.327, s.  
14 679.328, s. 679.329, s. 679.330, or s. 679.331 also has  
15 priority over a conflicting security interest in:  
16 (a) Any supporting obligation for the collateral; and  
17 (b) Proceeds of the collateral if:  
18 1. The security interest in proceeds is perfected;  
19 2. The proceeds are cash proceeds or of the same type  
20 as the collateral; and  
21 3. In the case of proceeds that are proceeds of  
22 proceeds, all intervening proceeds are cash proceeds, proceeds  
23 of the same type as the collateral, or an account relating to  
24 the collateral.  
25 (4) Subject to subsection (5) and except as otherwise  
26 provided in subsection (6), if a security interest in chattel  
27 paper, deposit accounts, negotiable documents, instruments,  
28 investment property, or letter-of-credit rights is perfected  
29 by a method other than filing, conflicting perfected security  
30 interests in proceeds of the collateral rank according to  
31 priority in time of filing.

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1           (5) Subsection (4) applies only if the proceeds of the  
2 collateral are not cash proceeds, chattel paper, negotiable  
3 documents, instruments, investment property, or  
4 letter-of-credit rights.

5           (6) Subsections (1) through (5) are subject to:

6           (a) Subsection (7) and the other provisions of this  
7 part;

8           (b) Section 674.2101 with respect to a security  
9 interest of a collecting bank;

10           (c) Section 675.118 with respect to a security  
11 interest of an issuer or nominated person; and

12           (d) Section 679.1101 with respect to a security  
13 interest arising under chapter 672 or chapter 680.

14           (7) A perfected agricultural lien on collateral has  
15 priority over a conflicting security interest in or  
16 agricultural lien on the same collateral if the statute  
17 creating the agricultural lien so provides.

18           679.323 Future advances.--

19           (1) Except as otherwise provided in subsection (3),  
20 for purposes of determining the priority of a perfected  
21 security interest under s. 679.322(1)(a), perfection of the  
22 security interest dates from the time an advance is made to  
23 the extent that the security interest secures an advance that:

24           (a) Is made while the security interest is perfected  
25 only:

26           1. Under s. 679.3091 when it attaches; or

27           2. Temporarily under s. 679.3121(5), (6), or (7); and

28           (b) Is not made pursuant to a commitment entered into  
29 before or while the security interest is perfected by a method  
30 other than under s. 679.3091 or s. 679.3121(5), (6), or (7).

31           (2) Except as otherwise provided in subsection (3), a

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1 security interest is subordinate to the rights of a person who  
2 becomes a lien creditor to the extent that the security  
3 interest secures an advance made more than 45 days after the  
4 person becomes a lien creditor unless the advance is made:  
5 (a) Without knowledge of the lien; or  
6 (b) Pursuant to a commitment entered into without  
7 knowledge of the lien.  
8 (3) Subsections (1) and (2) do not apply to a security  
9 interest held by a secured party that is a buyer of accounts,  
10 chattel paper, payment intangibles, or promissory notes or a  
11 consignor.  
12 (4) Except as otherwise provided in subsection (5), a  
13 buyer of goods other than a buyer in ordinary course of  
14 business takes free of a security interest to the extent that  
15 it secures advances made after the earlier of:  
16 (a) The time the secured party acquires knowledge of  
17 the buyer's purchase; or  
18 (b) Forty-five days after the purchase.  
19 (5) Subsection (4) does not apply if the advance is  
20 made pursuant to a commitment entered into without knowledge  
21 of the buyer's purchase and before the expiration of the  
22 45-day period.  
23 (6) Except as otherwise provided in subsection (7), a  
24 lessee of goods, other than a lessee in ordinary course of  
25 business, takes the leasehold interest free of a security  
26 interest to the extent that it secures advances made after the  
27 earlier of:  
28 (a) The time the secured party acquires knowledge of  
29 the lease; or  
30 (b) Forty-five days after the lease contract becomes  
31 enforceable.

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1           (7) Subsection (6) does not apply if the advance is  
2 made pursuant to a commitment entered into without knowledge  
3 of the lease and before the expiration of the 45-day period.

4           679.324 Priority of purchase-money security  
5 interests.--

6           (1) Except as otherwise provided in subsection (7), a  
7 perfected purchase-money security interest in goods other than  
8 inventory or livestock has priority over a conflicting  
9 security interest in the same goods, and, except as otherwise  
10 provided in s. 679.327, a perfected security interest in its  
11 identifiable proceeds also has priority, if the purchase-money  
12 security interest is perfected when the debtor receives  
13 possession of the collateral or within 20 days thereafter.

14           (2) Subject to subsection (3) and except as otherwise  
15 provided in subsection (7), a perfected purchase-money  
16 security interest in inventory has priority over a conflicting  
17 security interest in the same inventory, has priority over a  
18 conflicting security interest in chattel paper or an  
19 instrument constituting proceeds of the inventory and in  
20 proceeds of the chattel paper, if so provided in s. 679.330,  
21 and, except as otherwise provided in s. 679.327, also has  
22 priority in identifiable cash proceeds of the inventory to the  
23 extent the identifiable cash proceeds are received on or  
24 before the delivery of the inventory to a buyer, if:

25           (a) The purchase-money security interest is perfected  
26 when the debtor receives possession of the inventory;

27           (b) The purchase-money secured party sends an  
28 authenticated notification to the holder of the conflicting  
29 security interest;

30           (c) The holder of the conflicting security interest  
31 receives the notification within 5 years before the debtor

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1 receives possession of the inventory; and

2 (d) The notification states that the person sending  
3 the notification has or expects to acquire a purchase-money  
4 security interest in inventory of the debtor and describes the  
5 inventory.

6 (3) Paragraphs (2)(b), (c), and (d) apply only if the  
7 holder of the conflicting security interest had filed a  
8 financing statement covering the same types of inventory:

9 (a) If the purchase-money security interest is  
10 perfected by filing, before the date of the filing; or

11 (b) If the purchase-money security interest is  
12 temporarily perfected without filing or possession under s.  
13 679.3121(6), before the beginning of the 20-day period  
14 thereunder.

15 (4) Subject to subsection (5) and except as otherwise  
16 provided in subsection (7), a perfected purchase-money  
17 security interest in livestock that are farm products has  
18 priority over a conflicting security interest in the same  
19 livestock, and, except as otherwise provided in s. 679.327, a  
20 perfected security interest in their identifiable proceeds and  
21 identifiable products in their unmanufactured states also has  
22 priority, if:

23 (a) The purchase-money security interest is perfected  
24 when the debtor receives possession of the livestock;

25 (b) The purchase-money secured party sends an  
26 authenticated notification to the holder of the conflicting  
27 security interest;

28 (c) The holder of the conflicting security interest  
29 receives the notification within 6 months before the debtor  
30 receives possession of the livestock; and

31 (d) The notification states that the person sending

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1 the notification has or expects to acquire a purchase-money  
2 security interest in livestock of the debtor and describes the  
3 livestock.

4 (5) Paragraphs (4)(b), (c), and (d) apply only if the  
5 holder of the conflicting security interest had filed a  
6 financing statement covering the same types of livestock:

7 (a) If the purchase-money security interest is  
8 perfected by filing, before the date of the filing; or

9 (b) If the purchase-money security interest is  
10 temporarily perfected without filing or possession under s.  
11 679.3121(6), before the beginning of the 20-day period  
12 thereunder.

13 (6) Except as otherwise provided in subsection (7), a  
14 perfected purchase-money security interest in software has  
15 priority over a conflicting security interest in the same  
16 collateral, and, except as otherwise provided in s. 679.327, a  
17 perfected security interest in its identifiable proceeds also  
18 has priority, to the extent that the purchase-money security  
19 interest in the goods in which the software was acquired for  
20 use has priority in the goods and proceeds of the goods under  
21 this section.

22 (7) If more than one security interest qualifies for  
23 priority in the same collateral under subsection (1),  
24 subsection (2), subsection (4), or subsection (6):

25 (a) A security interest securing an obligation  
26 incurred as all or part of the price of the collateral has  
27 priority over a security interest securing an obligation  
28 incurred for value given to enable the debtor to acquire  
29 rights in or the use of collateral; and

30 (b) In all other cases, s. 679.322(1) applies to the  
31 qualifying security interests.

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1           679.325 Priority of security interests in transferred  
2 collateral.--

3           (1) Except as otherwise provided in subsection (2), a  
4 security interest created by a debtor is subordinate to a  
5 security interest in the same collateral created by another  
6 person if:

7           (a) The debtor acquired the collateral subject to the  
8 security interest created by the other person;

9           (b) The security interest created by the other person  
10 was perfected when the debtor acquired the collateral; and

11           (c) There is no period thereafter during which the  
12 security interest is unperfected.

13           (2) Subsection (1) subordinates a security interest  
14 only if the security interest:

15           (a) Otherwise would have priority solely under s.  
16 679.322(1) or s. 679.324; or

17           (b) Arose solely under s. 672.711(3) or s. 680.508(5).

18           679.326 Priority of security interests created by new  
19 debtor.--

20           (1) Subject to subsection (2), a security interest  
21 created by a new debtor which is perfected by a filed  
22 financing statement that is effective solely under s. 679.508  
23 in collateral in which a new debtor has or acquires rights is  
24 subordinate to a security interest in the same collateral  
25 which is perfected other than by a filed financing statement  
26 that is effective solely under s. 679.508.

27           (2) The other provisions of this part determine the  
28 priority among conflicting security interests in the same  
29 collateral perfected by filed financing statements that are  
30 effective solely under s. 679.508. However, if the security  
31 agreements to which a new debtor became bound as debtor were

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1 not entered into by the same original debtor, the conflicting  
2 security interests rank according to priority in time of the  
3 new debtor's having become bound.

4 679.327 Priority of security interests in deposit  
5 account.--The following rules govern priority among  
6 conflicting security interests in the same deposit account:

7 (1) A security interest held by a secured party having  
8 control of the deposit account under s. 679.1041 has priority  
9 over a conflicting security interest held by a secured party  
10 that does not have control.

11 (2) Except as otherwise provided in subsections (3)  
12 and (4), security interests perfected by control under s.  
13 679.3141 rank according to priority in time of obtaining  
14 control.

15 (3) Except as otherwise provided in subsection (4), a  
16 security interest held by the bank with which the deposit  
17 account is maintained has priority over a conflicting security  
18 interest held by another secured party.

19 (4) A security interest perfected by control under s.  
20 679.1041(1)(c) has priority over a security interest held by  
21 the bank with which the deposit account is maintained.

22 679.328 Priority of security interests in investment  
23 property.--The following rules govern priority among  
24 conflicting security interests in the same investment  
25 property:

26 (1) A security interest held by a secured party having  
27 control of investment property under s. 679.1061 has priority  
28 over a security interest held by a secured party that does not  
29 have control of the investment property.

30 (2) Except as otherwise provided in subsections (3)  
31 and (4), conflicting security interests held by secured



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1 parties each of which has control under s. 679.1061 rank  
2 according to priority in time of:  
3 (a) If the collateral is a security, obtaining  
4 control;  
5 (b) If the collateral is a security entitlement  
6 carried in a securities account and:  
7 1. If the secured party obtained control under s.  
8 678.1061(4)(a), the secured party's becoming the person for  
9 which the securities account is maintained;  
10 2. If the secured party obtained control under s.  
11 678.1061(4)(b), the securities intermediary's agreement to  
12 comply with the secured party's entitlement orders with  
13 respect to security entitlements carried or to be carried in  
14 the securities account; or  
15 3. If the secured party obtained control through  
16 another person under s. 678.1061(4)(c), the time on which  
17 priority would be based under this paragraph if the other  
18 person were the secured party; or  
19 (c) If the collateral is a commodity contract carried  
20 with a commodity intermediary, the satisfaction of the  
21 requirement for control specified in s. 679.1061(2)(b) with  
22 respect to commodity contracts carried or to be carried with  
23 the commodity intermediary.  
24 (3) A security interest held by a securities  
25 intermediary in a security entitlement or a securities account  
26 maintained with the securities intermediary has priority over  
27 a conflicting security interest held by another secured party.  
28 (4) A security interest held by a commodity  
29 intermediary in a commodity contract or a commodity account  
30 maintained with the commodity intermediary has priority over a  
31 conflicting security interest held by another secured party.

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1           (5) A security interest in a certificated security in  
2 registered form which is perfected by taking delivery under s.  
3 679.3131(1) and not by control under s. 679.3141 has priority  
4 over a conflicting security interest perfected by a method  
5 other than control.

6           (6) Conflicting security interests created by a  
7 broker, securities intermediary, or commodity intermediary  
8 which are perfected without control under s. 679.1061 rank  
9 equally.

10          (7) In all other cases, priority among conflicting  
11 security interests in investment property is governed by ss.  
12 679.322 and 679.323.

13           679.329 Priority of security interests in  
14 letter-of-credit right.--The following rules govern priority  
15 among conflicting security interests in the same  
16 letter-of-credit right:

17           (1) A security interest held by a secured party having  
18 control of the letter-of-credit right under s. 679.1071 has  
19 priority to the extent of its control over a conflicting  
20 security interest held by a secured party that does not have  
21 control.

22           (2) Security interests perfected by control under s.  
23 679.3141 rank according to priority in time of obtaining  
24 control.

25           679.330 Priority of purchaser of chattel paper or  
26 instrument.--

27           (1) A purchaser of chattel paper has priority over a  
28 security interest in the chattel paper which is claimed merely  
29 as proceeds of inventory subject to a security interest if:

30           (a) In good faith and in the ordinary course of the  
31 purchaser's business, the purchaser gives new value and takes

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1 possession of the chattel paper or obtains control of the  
2 chattel paper under s. 679.1051; and

3 (b) The chattel paper does not indicate that it has  
4 been assigned to an identified assignee other than the  
5 purchaser.

6 (2) A purchaser of chattel paper has priority over a  
7 security interest in the chattel paper which is claimed other  
8 than merely as proceeds of inventory subject to a security  
9 interest if the purchaser gives new value and takes possession  
10 of the chattel paper or obtains control of the chattel paper  
11 under s. 679.1051 in good faith, in the ordinary course of the  
12 purchaser's business, and without knowledge that the purchase  
13 violates the rights of the secured party.

14 (3) Except as otherwise provided in s. 679.327, a  
15 purchaser having priority in chattel paper under subsection  
16 (1) or subsection (2) also has priority in proceeds of the  
17 chattel paper to the extent that:

18 (a) Section 679.322 provides for priority in the  
19 proceeds; or

20 (b) The proceeds consist of the specific goods covered  
21 by the chattel paper or cash proceeds of the specific goods,  
22 even if the purchaser's security interest in the proceeds is  
23 unperfected.

24 (4) Except as otherwise provided in s. 679.331(1), a  
25 purchaser of an instrument has priority over a security  
26 interest in the instrument perfected by a method other than  
27 possession if the purchaser gives value and takes possession  
28 of the instrument in good faith and without knowledge that the  
29 purchase violates the rights of the secured party.

30 (5) For purposes of subsections (1) and (2), the  
31 holder of a purchase-money security interest in inventory

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1 gives new value for chattel paper constituting proceeds of the  
2 inventory.

3 (6) For purposes of subsections (2) and (4), if  
4 chattel paper or an instrument indicates that it has been  
5 assigned to an identified secured party other than the  
6 purchaser, a purchaser of the chattel paper or instrument has  
7 knowledge that the purchase violates the rights of the secured  
8 party.

9 679.331 Priority of rights of purchasers of  
10 instruments, documents, and securities under other articles;  
11 priority of interests in financial assets and security  
12 entitlements under chapter 678.--

13 (1) This chapter does not limit the rights of a holder  
14 in due course of a negotiable instrument, a holder to which a  
15 negotiable document of title has been duly negotiated, or a  
16 protected purchaser of a security. These holders or  
17 purchasers take priority over an earlier security interest,  
18 even if perfected, to the extent provided in chapters 673,  
19 677, and 678.

20 (2) This chapter does not limit the rights of or  
21 impose liability on a person to the extent that the person is  
22 protected against the assertion of an adverse claim under  
23 chapter 678.

24 (3) Filing under this chapter does not constitute  
25 notice of a claim or defense to the holders, purchasers, or  
26 persons described in subsections (1) and (2).

27 679.332 Transfer of money; transfer of funds from  
28 deposit account.--

29 (1) A transferee of money takes the money free of a  
30 security interest unless the transferee acts in collusion with  
31 the debtor in violating the rights of the secured party.

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1           (2) A transferee of funds from a deposit account takes  
2 the funds free of a security interest in the deposit account  
3 unless the transferee acts in collusion with the debtor in  
4 violating the rights of the secured party.

5           679.333 Priority of certain liens arising by operation  
6 of law.--

7           (1) In this section, the term "possessory lien" means  
8 an interest, other than a security interest or an agricultural  
9 lien:

10           (a) Which secures payment or performance of an  
11 obligation for services or materials furnished with respect to  
12 goods by a person in the ordinary course of the person's  
13 business;

14           (b) Which is created by statute or rule of law in  
15 favor of the person; and

16           (c) The effectiveness of which depends on the person's  
17 possession of the goods.

18           (2) A possessory lien on goods has priority over a  
19 security interest in the goods unless the lien is created by a  
20 statute that expressly provides otherwise.

21           679.334 Priority of security interests in fixtures and  
22 crops.--

23           (1) A security interest under this chapter may be  
24 created in goods that are fixtures or may continue in goods  
25 that become fixtures. A security interest does not exist  
26 under this chapter in ordinary building materials incorporated  
27 into an improvement on land.

28           (2) This chapter does not prevent creation of an  
29 encumbrance upon fixtures under real property law.

30           (3) A security interest in goods which are or become  
31 fixtures is invalid against any person with an interest in the

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1 real property at the time the security interest in the goods  
2 is perfected or at the time the goods are affixed to the real  
3 property, whichever occurs later, unless such person has  
4 consented to the security interest or disclaimed an interest  
5 in the goods as fixtures.

6 (4) A security interest in goods which are or become  
7 fixtures takes priority as to the goods over the claims of all  
8 persons acquiring an interest in the real property subsequent  
9 to the perfection of such security interest or the affixing of  
10 the goods to the real property, whichever occurs later.

11 (5) A perfected security interest in fixtures has  
12 priority over a conflicting interest of an encumbrancer or  
13 owner of the real property if the security interest is:

14 (a) Created in a manufactured home in a  
15 manufactured-home transaction; and

16 (b) Perfected pursuant to a statute described in s.  
17 679.3111(1)(b).

18 (6) A perfected security interest in crops growing on  
19 real property has priority over a conflicting interest of an  
20 encumbrancer or owner of the real property if the debtor has  
21 an interest of record in or is in possession of the real  
22 property.

23 (7) Subsection (6) prevails over any inconsistent  
24 provisions of the statutes.

25 679.335 Accessions.--

26 (1) A security interest may be created in an accession  
27 and continues in collateral that becomes an accession.

28 (2) If a security interest is perfected when the  
29 collateral becomes an accession, the security interest remains  
30 perfected in the collateral.

31 (3) Except as otherwise provided in subsection (4),

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1 the other provisions of this part determine the priority of a  
2 security interest in an accession.

3 (4) A security interest in an accession is subordinate  
4 to a security interest in the whole which is perfected by  
5 compliance with the requirements of a certificate-of-title  
6 statute under s. 679.3111(2).

7 (5) After default, subject to part VI, a secured party  
8 may remove an accession from other goods if the security  
9 interest in the accession has priority over the claims of  
10 every person having an interest in the whole.

11 (6) A secured party that removes an accession from  
12 other goods under subsection (5) shall promptly reimburse any  
13 holder of a security interest or other lien on, or owner of,  
14 the whole or of the other goods, other than the debtor, for  
15 the cost of repair of any physical injury to the whole or the  
16 other goods. The secured party need not reimburse the holder  
17 or owner for any diminution in value of the whole or the other  
18 goods caused by the absence of the accession removed or by any  
19 necessity for replacing it. A person entitled to  
20 reimbursement may refuse permission to remove until the  
21 secured party gives adequate assurance for the performance of  
22 the obligation to reimburse.

23 679.336 Commingled goods.--

24 (1) In this section, the term "commingled goods" means  
25 goods that are physically united with other goods in such a  
26 manner that their identity is lost in a product or mass.

27 (2) A security interest does not exist in commingled  
28 goods as such. However, a security interest may attach to a  
29 product or mass that results when goods become commingled  
30 goods.

31 (3) If collateral becomes commingled goods, a security

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1 interest attaches to the product or mass.

2 (4) If a security interest in collateral is perfected  
3 before the collateral becomes commingled goods, the security  
4 interest that attaches to the product or mass under subsection  
5 (3) is perfected.

6 (5) Except as otherwise provided in subsection (6),  
7 the other provisions of this part determine the priority of a  
8 security interest that attaches to the product or mass under  
9 subsection (3).

10 (6) If more than one security interest attaches to the  
11 product or mass under subsection (3), the following rules  
12 determine priority:

13 (a) A security interest that is perfected under  
14 subsection (4) has priority over a security interest that is  
15 unperfected at the time the collateral becomes commingled  
16 goods.

17 (b) If more than one security interest is perfected  
18 under subsection (4), the security interests rank equally in  
19 proportion to value of the collateral at the time it became  
20 commingled goods.

21 679.337 Priority of security interests in goods  
22 covered by certificate of title.--If, while a security  
23 interest in goods is perfected by any method under the law of  
24 another jurisdiction, this state issues a certificate of title  
25 that does not show that the goods are subject to the security  
26 interest or contain a statement that they may be subject to  
27 security interests not shown on the certificate:

28 (1) A buyer of the goods, other than a person in the  
29 business of selling goods of that kind, takes free of the  
30 security interest if the buyer gives value and receives  
31 delivery of the goods after issuance of the certificate and



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1 without knowledge of the security interest; and

2 (2) The security interest is subordinate to a  
3 conflicting security interest in the goods that attaches, and  
4 is perfected under s. 679.3111(2), after issuance of the  
5 certificate and without the conflicting secured party's  
6 knowledge of the security interest.

7 679.338 Priority of security interest or agricultural  
8 lien perfected by filed financing statement providing certain  
9 incorrect information.--If a security interest or agricultural  
10 lien is perfected by a filed financing statement providing  
11 information described in s. 679.516(2)(e) which is incorrect  
12 at the time the financing statement is filed:

13 (1) The security interest or agricultural lien is  
14 subordinate to a conflicting perfected security interest in  
15 the collateral to the extent that the holder of the  
16 conflicting security interest gives value in reasonable  
17 reliance upon the incorrect information; and

18 (2) A purchaser, other than a secured party, of the  
19 collateral takes free of the security interest or agricultural  
20 lien to the extent that, in reasonable reliance upon the  
21 incorrect information, the purchaser gives value and, in the  
22 case of chattel paper, documents, goods, instruments, or a  
23 security certificate, receives delivery of the collateral.

24 679.339 Priority subject to subordination.--This  
25 chapter does not preclude subordination by agreement by a  
26 person entitled to priority.

27 679.340 Effectiveness of right of recoupment or  
28 set-off against deposit account.--

29 (1) Except as otherwise provided in subsection (3), a  
30 bank with which a deposit account is maintained may exercise  
31 any right of recoupment or set-off against a secured party

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1 that holds a security interest in the deposit account.

2 (2) Except as otherwise provided in subsection (3),  
3 the application of this chapter to a security interest in a  
4 deposit account does not affect a right of recoupment or  
5 set-off of the secured party as to a deposit account  
6 maintained with the secured party.

7 (3) The exercise by a bank of a set-off against a  
8 deposit account is ineffective against a secured party that  
9 holds a security interest in the deposit account which is  
10 perfected by control under s. 679.1041(1)(c), if the set-off  
11 is based on a claim against the debtor.

12 679.341 Bank's rights and duties with respect to  
13 deposit account.--Except as otherwise provided in s.  
14 679.340(3), and unless the bank otherwise agrees in an  
15 authenticated record, a bank's rights and duties with respect  
16 to a deposit account maintained with the bank are not  
17 terminated, suspended, or modified by:

18 (1) The creation, attachment, or perfection of a  
19 security interest in the deposit account;

20 (2) The bank's knowledge of the security interest; or

21 (3) The bank's receipt of instructions from the  
22 secured party.

23 679.342 Bank's right to refuse to enter into or  
24 disclose existence of control agreement.--This chapter does  
25 not require a bank to enter into an agreement of the kind  
26 described in s. 679.1041(1)(b), even if its customer so  
27 requests or directs. A bank that has entered into such an  
28 agreement is not required to confirm the existence of the  
29 agreement to another person unless requested to do so by its  
30 customer.

31 Section 4. Part IV of chapter 679, Florida Statutes,

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1 consisting of sections 679.401, 679.4011, 679.402, 679.403,  
2 679.404, 679.405, 679.406, 679.407, and 679.408, Florida  
3 Statutes, is repealed and a new part IV, consisting of  
4 sections 679.40111, 679.4021, 679.4031, 679.4041, 679.4051,  
5 679.4061, 679.4071, 679.4081, and 679.409, Florida Statutes,  
6 is created to read:

7 PART IV

8 RIGHTS OF THIRD PARTIES

9 679.40111 Alienability of debtor's rights.--

10 (1) Except as otherwise provided in subsection (2) and  
11 ss. 679.4061, 679.4071, 679.4081, and 679.409, whether a  
12 debtor's rights in collateral may be voluntarily or  
13 involuntarily transferred is governed by law other than this  
14 chapter.

15 (2) An agreement between the debtor and secured party  
16 which prohibits a transfer of the debtor's rights in  
17 collateral or makes the transfer a default does not prevent  
18 the transfer from taking effect.

19 679.4021 Secured party not obligated on contract of  
20 debtor or in tort.--The existence of a security interest,  
21 agricultural lien, or authority given to a debtor to dispose  
22 of or use collateral, without more, does not subject a secured  
23 party to liability in contract or tort for the debtor's acts  
24 or omissions.

25 679.4031 Agreement not to assert defenses against  
26 assignee.--

27 (1) In this section, the term "value" has the meaning  
28 provided in s. 673.3031(1).

29 (2) Except as otherwise provided in this section, an  
30 agreement between an account debtor and an assignor not to  
31 assert against an assignee any claim or defense that the

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- 1 account debtor may have against the assignor is enforceable by  
2 an assignee that takes an assignment:
- 3       (a) For value;  
4       (b) In good faith;  
5       (c) Without notice of a claim of a property or  
6 possessory right to the property assigned; and  
7       (d) Without notice of a defense or claim in recoupment  
8 of the type that may be asserted against a person entitled to  
9 enforce a negotiable instrument under s. 673.3031(1).
- 10       (3) Subsection (2) does not apply to defenses of a  
11 type that may be asserted against a holder in due course of a  
12 negotiable instrument under s. 673.3031(2).
- 13       (4) In a consumer transaction, if a record evidences  
14 the account debtor's obligation, law other than this chapter  
15 requires that the record include a statement to the effect  
16 that the rights of an assignee are subject to claims or  
17 defenses that the account debtor could assert against the  
18 original obligee, and the record does not include such a  
19 statement:
- 20       (a) The record has the same effect as if the record  
21 included such a statement; and  
22       (b) The account debtor may assert against an assignee  
23 those claims and defenses that would have been available if  
24 the record included such a statement.
- 25       (5) This section is subject to law other than this  
26 chapter which establishes a different rule for an account  
27 debtor who is an individual and who incurred the obligation  
28 primarily for personal, family, or household purposes.
- 29       (6) Except as otherwise provided in subsection (4),  
30 this section does not displace law other than this chapter  
31 which gives effect to an agreement by an account debtor not to

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1 assert a claim or defense against an assignee.

2 679.4041 Rights acquired by assignee; claims and  
3 defenses against assignee.--

4 (1) Unless an account debtor has made an enforceable  
5 agreement not to assert defenses or claims, and subject to  
6 subsections (2) through (5), the rights of an assignee are  
7 subject to:

8 (a) All terms of the agreement between the account  
9 debtor and assignor and any defense or claim in recoupment  
10 arising from the transaction that gave rise to the contract;  
11 and

12 (b) Any other defense or claim of the account debtor  
13 against the assignor which accrues before the account debtor  
14 receives a notification of the assignment authenticated by the  
15 assignor or the assignee.

16 (2) Subject to subsection (3) and except as otherwise  
17 provided in subsection (4), the claim of an account debtor  
18 against an assignor may be asserted against an assignee under  
19 subsection (1) only to reduce the amount the account debtor  
20 owes.

21 (3) This section is subject to law other than this  
22 chapter which establishes a different rule for an account  
23 debtor who is an individual and who incurred the obligation  
24 primarily for personal, family, or household purposes.

25 (4) In a consumer transaction, if a record evidences  
26 the account debtor's obligation, law other than this chapter  
27 requires that the record include a statement to the effect  
28 that the account debtor's recovery against an assignee with  
29 respect to claims and defenses against the assignor may not  
30 exceed amounts paid by the account debtor under the record,  
31 and the record does not include such a statement, the extent

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1 to which a claim of an account debtor against the assignor may  
2 be asserted against an assignee is determined as if the record  
3 included such a statement.

4 (5) This section does not apply to an assignment of a  
5 health-care-insurance receivable.

6 679.4051 Modification of assigned contract.--

7 (1) A modification of or substitution for an assigned  
8 contract is effective against an assignee if made in good  
9 faith. The assignee acquires corresponding rights under the  
10 modified or substituted contract. The assignment may provide  
11 that the modification or substitution is a breach of contract  
12 by the assignor. This subsection is subject to subsections  
13 (2) through (4).

14 (2) Subsection (1) applies to the extent that:

15 (a) The right to payment or a part thereof under an  
16 assigned contract has not been fully earned by performance; or

17 (b) The right to payment or a part thereof has been  
18 fully earned by performance and the account debtor has not  
19 received notification of the assignment under s. 679.4061(1).

20 (3) This section is subject to law other than this  
21 chapter which establishes a different rule for an account  
22 debtor who is an individual and who incurred the obligation  
23 primarily for personal, family, or household purposes.

24 (4) This section does not apply to an assignment of a  
25 health-care-insurance receivable.

26 679.4061 Discharge of account debtor; notification of  
27 assignment; identification and proof of assignment;  
28 restrictions on assignment of accounts, chattel paper, payment  
29 intangibles, and promissory notes ineffective.--

30 (1) Subject to subsections (2) through (9), an account  
31 debtor on an account, chattel paper, or a payment intangible

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1 may discharge its obligation by paying the assignor until, but  
2 not after, the account debtor receives a notification,  
3 authenticated by the assignor or the assignee, that the amount  
4 due or to become due has been assigned and that payment is to  
5 be made to the assignee. After receipt of the notification,  
6 the account debtor may discharge its obligation by paying the  
7 assignee and may not discharge the obligation by paying the  
8 assignor.

9 (2) Subject to subsection (8), notification is  
10 ineffective under subsection (1):

11 (a) If it does not reasonably identify the rights  
12 assigned;

13 (b) To the extent that an agreement between an account  
14 debtor and a seller of a payment intangible limits the account  
15 debtor's duty to pay a person other than the seller and the  
16 limitation is effective under law other than this chapter; or

17 (c) At the option of an account debtor, if the  
18 notification notifies the account debtor to make less than the  
19 full amount of any installment or other periodic payment to  
20 the assignee, even if:

21 1. Only a portion of the account, chattel paper, or  
22 payment intangible has been assigned to that assignee;

23 2. A portion has been assigned to another assignee; or

24 3. The account debtor knows that the assignment to  
25 that assignee is limited.

26 (3) Subject to subsection (8), if requested by the  
27 account debtor, an assignee shall seasonably furnish  
28 reasonable proof that the assignment has been made. Unless  
29 the assignee complies, the account debtor may discharge its  
30 obligation by paying the assignor, even if the account debtor  
31 has received a notification under subsection (1).

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1           (4) Except as otherwise provided in subsection (5) and  
2 ss. 680.303 and 679.4071, and subject to subsection (8), a  
3 term in an agreement between an account debtor and an assignor  
4 or in a promissory note is ineffective to the extent that it:

5           (a) Prohibits, restricts, or requires the consent of  
6 the account debtor or person obligated on the promissory note  
7 to the assignment or transfer of, or the creation, attachment,  
8 perfection, or enforcement of a security interest in, the  
9 account, chattel paper, payment intangible, or promissory  
10 note; or

11           (b) Provides that the assignment or transfer or the  
12 creation, attachment, perfection, or enforcement of the  
13 security interest may give rise to a default, breach, right of  
14 recoupment, claim, defense, termination, right of termination,  
15 or remedy under the account, chattel paper, payment  
16 intangible, or promissory note.

17           (5) Subsection (4) does not apply to the sale of a  
18 payment intangible or promissory note.

19           (6) Except as otherwise provided in ss. 680.303 and  
20 679.4071 and subject to subsections (8) and (9), a rule of  
21 law, statute, or regulation that prohibits, restricts, or  
22 requires the consent of a government, governmental body or  
23 official, or account debtor to the assignment or transfer of,  
24 or creation of a security interest in, an account or chattel  
25 paper is ineffective to the extent that the rule of law,  
26 statute, or regulation:

27           (a) Prohibits, restricts, or requires the consent of  
28 the government, governmental body or official, or account  
29 debtor to the assignment or transfer of, or the creation,  
30 attachment, perfection, or enforcement of a security interest  
31 in the account or chattel paper; or



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1           (b) Provides that the assignment or transfer or the  
2 creation, attachment, perfection, or enforcement of the  
3 security interest may give rise to a default, breach, right of  
4 recoupment, claim, defense, termination, right of termination,  
5 or remedy under the account or chattel paper.

6           (7) Subject to subsection (8), an account debtor may  
7 not waive or vary its option under paragraph (2)(c).

8           (8) This section is subject to law other than this  
9 chapter which establishes a different rule for an account  
10 debtor who is an individual and who incurred the obligation  
11 primarily for personal, family, or household purposes.  
12 Subsections (4) and (6) do not apply to the creation,  
13 attachment, perfection, or enforcement of a security interest  
14 in:

15           (a) A claim or right to receive compensation for  
16 injuries or sickness as described in 26 U.S.C. subsection  
17 104(a)(1) or (2).

18           (b) A claim or right to receive benefits under a  
19 special needs trust as described in 42 U.S.C. subsection  
20 1396p(d)(4).

21           (c) The interest of a debtor who is a natural person  
22 in unemployment, alimony, disability, pension, or retirement  
23 benefits or victim compensation funds.

24           (d) The interest of a debtor who is a natural person  
25 in other benefits which are designated solely for his or her  
26 maintenance, support, or education, the assignability of which  
27 is expressly prohibited or restricted by statute.

28           (9) Subsections (4), (6), and (8) apply only to a  
29 security interest created after January 1, 2002.

30           (10) This section does not apply to an assignment of a  
31 health-care-insurance receivable.

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1           (11) This section prevails over any inconsistent  
2 statute, rule, or regulation.

3           679.4071 Restrictions on creation or enforcement of  
4 security interest in leasehold interest or in lessor's  
5 residual interest.--

6           (1) Except as otherwise provided in subsection (2), a  
7 term in a lease agreement is ineffective to the extent that  
8 it:

9           (a) Prohibits, restricts, or requires the consent of a  
10 party to the lease to the assignment or transfer of, or the  
11 creation, attachment, perfection, or enforcement of a security  
12 interest in, an interest of a party under the lease contract  
13 or in the lessor's residual interest in the goods; or

14           (b) Provides that the assignment or transfer or the  
15 creation, attachment, perfection, or enforcement of the  
16 security interest may give rise to a default, breach, right of  
17 recoupment, claim, defense, termination, right of termination,  
18 or remedy under the lease.

19           (2) Except as otherwise provided in s. 680.303(7), a  
20 term described in paragraph (1)(b) is effective to the extent  
21 that there is:

22           (a) A transfer by the lessee of the lessee's right of  
23 possession or use of the goods in violation of the term; or

24           (b) A delegation of a material performance of either  
25 party to the lease contract in violation of the term.

26           (3) The creation, attachment, perfection, or  
27 enforcement of a security interest in the lessor's interest  
28 under the lease contract or the lessor's residual interest in  
29 the goods is not a transfer that materially impairs the  
30 lessee's prospect of obtaining return performance or  
31 materially changes the duty of or materially increases the

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1 burden or risk imposed on the lessee within the purview of s.  
2 680.303(4) unless, and then only to the extent that,  
3 enforcement actually results in a delegation of material  
4 performance of the lessor.

5 679.4081 Restrictions on assignment of promissory  
6 notes, health-care-insurance receivables, and certain general  
7 intangibles ineffective.--

8 (1) Except as otherwise provided in subsection (2), a  
9 term in a promissory note or in an agreement between an  
10 account debtor and a debtor which relates to a  
11 health-care-insurance receivable or a general intangible,  
12 including a contract, permit, license, or franchise, and which  
13 term prohibits, restricts, or requires the consent of the  
14 person obligated on the promissory note or the account debtor  
15 to, the assignment or transfer of, or creation, attachment, or  
16 perfection of a security interest in, the promissory note,  
17 health-care-insurance receivable, or general intangible, is  
18 ineffective to the extent that the term:

19 (a) Would impair the creation, attachment, or  
20 perfection of a security interest; or

21 (b) Provides that the assignment or transfer or the  
22 creation, attachment, or perfection of the security interest  
23 may give rise to a default, breach, right of recoupment,  
24 claim, defense, termination, right of termination, or remedy  
25 under the promissory note, health-care-insurance receivable,  
26 or general intangible.

27 (2) Subsection (1) applies to a security interest in a  
28 payment intangible or promissory note only if the security  
29 interest arises out of a sale of the payment intangible or  
30 promissory note.

31 (3) A rule of law, statute, or regulation that

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1 prohibits, restricts, or requires the consent of a government,  
2 governmental body or official, person obligated on a  
3 promissory note, or account debtor to the assignment or  
4 transfer of, or creation of a security interest in, a  
5 promissory note, health-care-insurance receivable, or general  
6 intangible, including a contract, permit, license, or  
7 franchise between an account debtor and a debtor, is  
8 ineffective to the extent that the rule of law, statute, or  
9 regulation:

10       (a) Would impair the creation, attachment, or  
11 perfection of a security interest; or

12       (b) Provides that the assignment or transfer or the  
13 creation, attachment, or perfection of the security interest  
14 may give rise to a default, breach, right of recoupment,  
15 claim, defense, termination, right of termination, or remedy  
16 under the promissory note, health-care-insurance receivable,  
17 or general intangible.

18       (4) To the extent that a term in a promissory note or  
19 in an agreement between an account debtor and a debtor which  
20 relates to a health-care-insurance receivable or general  
21 intangible or a rule of law, statute, or regulation described  
22 in subsection (3) would be effective under law other than this  
23 chapter but is ineffective under subsection (1) or subsection  
24 (3), the creation, attachment, or perfection of a security  
25 interest in the promissory note, health-care-insurance  
26 receivable, or general intangible:

27       (a) Is not enforceable against the person obligated on  
28 the promissory note or the account debtor;

29       (b) Does not impose a duty or obligation on the person  
30 obligated on the promissory note or the account debtor;

31       (c) Does not require the person obligated on the

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- 1 promissory note or the account debtor to recognize the  
2 security interest, pay or render performance to the secured  
3 party, or accept payment or performance from the secured  
4 party;
- 5 (d) Does not entitle the secured party to use or  
6 assign the debtor's rights under the promissory note,  
7 health-care-insurance receivable, or general intangible,  
8 including any related information or materials furnished to  
9 the debtor in the transaction giving rise to the promissory  
10 note, health-care-insurance receivable, or general intangible;
- 11 (e) Does not entitle the secured party to use, assign,  
12 possess, or have access to any trade secrets or confidential  
13 information of the person obligated on the promissory note or  
14 the account debtor; and
- 15 (f) Does not entitle the secured party to enforce the  
16 security interest in the promissory note,  
17 health-care-insurance receivable, or general intangible.
- 18 (5) This section prevails over any inconsistent  
19 statute, rule, or regulation.
- 20 (6) Subsections (1) and (3) do not apply to the  
21 creation, attachment, perfection, or enforcement of a security  
22 interest in:
- 23 (a) A claim or right to receive compensation for  
24 injuries or sickness as described in 26 U.S.C. subsection  
25 104(a)(1) or (2).
- 26 (b) A claim or right to receive benefits under a  
27 special needs trust as described in 42 U.S.C. subsection  
28 1396p(d)(4).
- 29 (c) The interest of a debtor who is a natural person  
30 in unemployment, alimony, disability, pension, or retirement  
31 benefits or victim compensation funds.

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1           (d) The interest of a debtor who is a natural person  
2 in other benefits which are designated solely for his or her  
3 maintenance, support, or education, the assignability of which  
4 is expressly prohibited or restricted by statute.

5           (7) Subsections (1), (3), and (6) apply only to a  
6 security interest created after January 1, 2002.

7           679.409 Restrictions on assignment of letter-of-credit  
8 rights ineffective.--

9           (1) A term in a letter of credit or a rule of law,  
10 statute, regulation, custom, or practice applicable to the  
11 letter of credit which prohibits, restricts, or requires the  
12 consent of an applicant, issuer, or nominated person to a  
13 beneficiary's assignment of or creation of a security interest  
14 in a letter-of-credit right is ineffective to the extent that  
15 the term or rule of law, statute, regulation, custom, or  
16 practice:

17           (a) Would impair the creation, attachment, or  
18 perfection of a security interest in the letter-of-credit  
19 right; or

20           (b) Provides that the assignment or the creation,  
21 attachment, or perfection of the security interest may give  
22 rise to a default, breach, right of recoupment, claim,  
23 defense, termination, right of termination, or remedy under  
24 the letter-of-credit right.

25           (2) To the extent that a term in a letter of credit is  
26 ineffective under subsection (1) but would be effective under  
27 law other than this chapter or a custom or practice applicable  
28 to the letter of credit, to the transfer of a right to draw or  
29 otherwise demand performance under the letter of credit, or to  
30 the assignment of a right to proceeds of the letter of credit,  
31 the creation, attachment, or perfection of a security interest

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1 in the letter-of-credit right:

2 (a) Is not enforceable against the applicant, issuer,  
3 nominated person, or transferee beneficiary;

4 (b) Imposes no duties or obligations on the applicant,  
5 issuer, nominated person, or transferee beneficiary; and

6 (c) Does not require the applicant, issuer, nominated  
7 person, or transferee beneficiary to recognize the security  
8 interest, pay or render performance to the secured party, or  
9 accept payment or other performance from the secured party.

10 Section 5. (1) The Legislature finds that it is in  
11 the best interest of the citizens and businesses of this state  
12 to adopt Part V of Revised Article 9 of the Uniform Commercial  
13 Code as proposed by the National Conference of Commissioners  
14 on Uniform State Law, "revised Article 9," subject to specific  
15 modifications, as revised chapter 679, Florida Statutes. Such  
16 revised Article 9 almost exclusively affects secured  
17 transactions and the relationships between and among secured  
18 creditors, debtors, other creditors, and purchasers of  
19 personal property subject to a security interest. Both  
20 individuals and business entities are intended to benefit from  
21 the enactment of revised Article 9.

22 (2) The Legislature also finds that, among other  
23 things, revised Article 9 contemplates a more straightforward  
24 and efficient system for documenting the perfection,  
25 amendment, continuance, termination, assignment, and transfer  
26 of security interests and requires less governmental  
27 involvement than necessary under existing law. Revised  
28 Article 9 suggests the possibility that states may delegate  
29 their historical administrative and operational  
30 responsibilities over financing statement filings to a  
31 nongovernmental entity. This principle complements the

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1 legislative policy of reducing government's detailed  
2 regulation and involvement with private commerce and business  
3 transactions. Consistent with other revisions to current  
4 chapter 679, Florida Statutes, being adopted by this act, the  
5 requirement for exclusive administration and operation by this  
6 state of the system of filing and maintaining documents  
7 evidencing secured transactions no longer exists. However, the  
8 carrying out of the duties of the filing office and filing  
9 officer are very important to the uninterrupted flow of  
10 secured transactions and the Secretary of State shall retain  
11 oversight over the private filing agency to which the filing  
12 office and filing officer duties under revised Article 9, as  
13 revised chapter 679, Florida Statutes, may be delegated.

14 Section 6. Part V of chapter 679, Florida Statutes,  
15 consisting of sections 679.501, 679.502, 679.503, 679.504,  
16 679.505, 679.506, and 679.507, Florida Statutes, is repealed  
17 and a new part V, consisting of sections 679.5011, 679.5021,  
18 679.5031, 679.5041, 679.5051, 679.5061, 679.5071, 679.508,  
19 679.509, 679.510, 679.511, 679.512, 679.513, 671.514, 679.515,  
20 679.516, 679.517, 679.518, 679.519, 679.520, 679.521, 679.522,  
21 679.523, 679.524, 679.525, 679.526, and 679.527, Florida  
22 Statutes, is created to read:

23 PART V

24 FILING

25 679.5011 Filing office.--

26 (1) Except as otherwise provided in subsection (2),  
27 the office in which to file a financing statement to perfect a  
28 security interest or agricultural lien is:

29 (a) The office of the clerk of the circuit court, if:

30 1. The collateral is as-extracted collateral or timber  
31 to be cut; or



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1           2. The collateral is goods that are or are to become  
2 fixtures in this state, in which event the financing statement  
3 shall be filed as a fixture filing.

4           (b) The Florida Secured Transaction Registry, in  
5 accordance with ss. 679.3011-679.3071, and in all other cases.

6           (2) The office in which to file a financing statement  
7 to perfect a security interest in collateral, including  
8 fixtures, of a transmitting utility is the Office of the  
9 Secretary of State, or the filing office authorized by s.  
10 697.527 to accept filings for the Florida Secured Transaction  
11 Registry. The financing statement also constitutes a fixture  
12 filing as to the collateral indicated in the financing  
13 statement which is or is to become fixtures.

14           679.5021 Contents of financing statement; record of  
15 mortgage as financing statement; time of filing financing  
16 statement.--

17           (1) Subject to subsection (2), a financing statement  
18 is sufficient only if it:

19           (a) Provides the name of the debtor;

20           (b) Provides the name of the secured party or a  
21 representative of the secured party; and

22           (c) Indicates the collateral covered by the financing  
23 statement.

24           (2) Except as otherwise provided in s. 679.5011(2), to  
25 be sufficient, a financing statement that covers as-extracted  
26 collateral or timber to be cut, or that is filed as a fixture  
27 filing and covers goods that are or are to become fixtures,  
28 must comply with the requirements of subsection (1) and also:

29           (a) Indicate that it covers this type of collateral;

30           (b) Indicate that it is to be filed in the real  
31 property records;

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1           (c) Provide a description of the real property to  
2 which the collateral is related; and

3           (d) If the debtor does not have an interest of record  
4 in the real property, provide the name of a record owner.

5           (3) A record of a mortgage satisfying the requirements  
6 of chapter 697 is effective, from the date of recording, as a  
7 financing statement filed as a fixture filing or as a  
8 financing statement covering as-extracted collateral or timber  
9 to be cut only if:

10           (a) The record of a mortgage indicates the goods or  
11 accounts that it covers;

12           (b) The goods are or are to become fixtures related to  
13 the real property described in the record of a mortgage or the  
14 collateral is related to the real property described in the  
15 mortgage and is as-extracted collateral or timber to be cut;

16           (c) The record of a mortgage complies with the  
17 requirements for a financing statement in this section other  
18 than an indication that it is to be filed in the real property  
19 records; and

20           (d) The record of a mortgage is recorded as required  
21 by chapter 697.

22           (4) A financing statement may be filed before a  
23 security agreement is made or a security interest otherwise  
24 attaches.

25           679.5031 Name of debtor and secured party.--

26           (1) A financing statement sufficiently provides the  
27 name of the debtor:

28           (a) If the debtor is a registered organization, only  
29 if the financing statement provides the name of the debtor  
30 indicated on the public record of the debtor's jurisdiction of  
31 organization which shows the debtor to have been organized;

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1           (b) If the debtor is a decedent's estate, only if the  
2 financing statement provides the name of the decedent and  
3 indicates that the debtor is an estate;

4           (c) If the debtor is a trust or a trustee acting with  
5 respect to property held in trust, only if the financing  
6 statement:

7           1. Provides the name, if any, specified for the trust  
8 in its organic documents or, if no name is specified, provides  
9 the name of the settlor and additional information sufficient  
10 to distinguish a debtor from other trusts having one or more  
11 of the same settlors; and

12           2. Indicates, in the debtor's name or otherwise, that  
13 the debtor is a trust or is a trustee acting with respect to  
14 property held in trust; and

15           (d) In other cases:

16           1. If the debtor has a name, only if it provides the  
17 individual or organizational name of the debtor; and

18           2. If the debtor does not have a name, only if it  
19 provides the names of the partners, members, associates, or  
20 other persons comprising the debtor.

21           (2) A financing statement that provides the name of  
22 the debtor in accordance with subsection (1) is not rendered  
23 ineffective by the absence of:

24           (a) A trade name or other name of the debtor; or

25           (b) Unless required under subparagraph (1)(d)2., names  
26 of partners, members, associates, or other persons comprising  
27 the debtor.

28           (3) A financing statement that provides only the  
29 debtor's trade name does not sufficiently provide the name of  
30 the debtor.

31           (4) Failure to indicate the representative capacity of

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1 a secured party or representative of a secured party does not  
2 affect the sufficiency of a financing statement.

3 (5) A financing statement may provide the name of more  
4 than one debtor and the name of more than one secured party.

5 679.5041 Indication of collateral.--A financing  
6 statement sufficiently indicates the collateral that it covers  
7 if the financing statement provides:

8 (1) A description of the collateral pursuant to s.  
9 679.1081; or

10 (2) If the security agreement grants a security  
11 interest in all of the debtor's personal property and such  
12 property is reasonably identified in the security agreement,  
13 as permitted by s. 679.1081, an indication that the financing  
14 statement covers all assets or all personal property.

15 679.5051 Filing and compliance with other statutes and  
16 treaties for consignments, leases, bailments, and other  
17 transactions.--

18 (1) A consignor, lessor, or bailor of goods, a  
19 licensor, or a buyer of a payment intangible or promissory  
20 note may file a financing statement, or may comply with a  
21 statute or treaty described in s. 679.3111(1), using the terms  
22 "consignor," "consignee," "lessor," "lessee," "bailor,"  
23 "bailee," "licensor," "licensee," "owner," "registered owner,"  
24 "buyer," "seller," or words of similar import, instead of the  
25 terms "secured party" and "debtor."

26 (2) This part applies to the filing of a financing  
27 statement under subsection (1) and, as appropriate, to  
28 compliance that is equivalent to filing a financing statement  
29 under s. 679.3111(2), but the filing or compliance is not of  
30 itself a factor in determining whether the collateral secures  
31 an obligation. If it is determined for another reason that the

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1 collateral secures an obligation, a security interest held by  
2 the consignor, lessor, bailor, licensor, owner, or buyer which  
3 attaches to the collateral is perfected by the filing or  
4 compliance.

5 679.5061 Effect of errors or omissions.--

6 (1) A financing statement substantially complying with  
7 the requirements of this part is effective, even if it has  
8 minor errors or omissions, unless the errors or omissions make  
9 the financing statement seriously misleading.

10 (2) Except as otherwise provided in subsection (3), a  
11 financing statement that fails sufficiently to provide the  
12 name of the debtor in accordance with s. 679.5031(1) is  
13 seriously misleading.

14 (3) If a search of the records of the filing office  
15 under the debtor's correct name, using the filing office's  
16 standard search logic, if any, would disclose a financing  
17 statement that fails sufficiently to provide the name of the  
18 debtor in accordance with s. 679.5031(1), the name provided  
19 does not make the financing statement seriously misleading.

20 (4) For purposes of s. 679.508(2), the term "debtor's  
21 correct name" as used in subsection (3) means the correct name  
22 of the new debtor.

23 679.5071 Effect of certain events on effectiveness of  
24 financing statement.--

25 (1) A filed financing statement remains effective with  
26 respect to collateral that is sold, exchanged, leased,  
27 licensed, or otherwise disposed of and in which a security  
28 interest or agricultural lien continues, even if the secured  
29 party knows of or consents to the disposition.

30 (2) Except as otherwise provided in subsection (3) and  
31 s. 679.508, a financing statement is not rendered ineffective

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1 if, after the financing statement is filed, the information  
2 provided in the financing statement becomes seriously  
3 misleading under the standard set forth in s. 679.5061.

4 (3) If a debtor so changes its name that a filed  
5 financing statement becomes seriously misleading under the  
6 standard set forth in s. 679.5061:

7 (a) The financing statement is effective to perfect a  
8 security interest in collateral acquired by the debtor before,  
9 or within 4 months after, the change; and

10 (b) The financing statement is not effective to  
11 perfect a security interest in collateral acquired by the  
12 debtor more than 4 months after the change, unless an  
13 amendment to the financing statement which renders the  
14 financing statement not seriously misleading is filed within 4  
15 months after the change.

16 679.508 Effectiveness of financing statement if new  
17 debtor becomes bound by security agreement.--

18 (1) Except as otherwise provided in this section, a  
19 filed financing statement naming an original debtor is  
20 effective to perfect a security interest in collateral in  
21 which a new debtor has or acquires rights to the extent that  
22 the financing statement would have been effective had the  
23 original debtor acquired rights in the collateral.

24 (2) If the difference between the name of the original  
25 debtor and that of the new debtor causes a filed financing  
26 statement that is effective under subsection (1) to be  
27 seriously misleading under the standard set forth in s.  
28 679.5061:

29 (a) The financing statement is effective to perfect a  
30 security interest in collateral acquired by the new debtor  
31 before, and within 4 months after, the new debtor becomes

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1 bound under s. 679.2031(4); and

2 (b) The financing statement is not effective to  
3 perfect a security interest in collateral acquired by the new  
4 debtor more than 4 months after the new debtor becomes bound  
5 under s. 679.2031(4) unless an initial financing statement  
6 providing the name of the new debtor is filed before the  
7 expiration of that time.

8 (3) This section does not apply to collateral as to  
9 which a filed financing statement remains effective against  
10 the new debtor under s. 679.5071(1).

11 679.509 Persons entitled to file a record.--

12 (1) A person may file an initial financing statement,  
13 amendment that adds collateral covered by a financing  
14 statement, or amendment that adds a debtor to a financing  
15 statement only if:

16 (a) The debtor authorizes the filing in an  
17 authenticated record or pursuant to subsection (2) or  
18 subsection (3); or

19 (b) The person holds an agricultural lien that has  
20 become effective at the time of filing and the financing  
21 statement covers only collateral in which the person holds an  
22 agricultural lien.

23 (2) By authenticating or becoming bound as a debtor by  
24 a security agreement, a debtor or new debtor authorizes the  
25 filing of an initial financing statement, and an amendment,  
26 covering:

27 (a) The collateral described in the security  
28 agreement; and

29 (b) Property that becomes collateral under s.  
30 679.3151(1)(b), whether or not the security agreement  
31 expressly covers proceeds.

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1           (3) A person may file an amendment other than an  
2 amendment that adds collateral covered by a financing  
3 statement or an amendment that adds a debtor to a financing  
4 statement only if:

5           (a) The secured party of record authorizes the filing;  
6 or

7           (b) The amendment is a termination statement for a  
8 financing statement as to which the secured party of record  
9 has failed to file or send a termination statement as required  
10 by s. 679.5131(1) or (3).

11           (4) If there is more than one secured party of record  
12 for a financing statement, each secured party of record may  
13 authorize the filing of an amendment under subsection (3).

14           (5) By acquiring collateral in which a security  
15 interest or agricultural lien continues under s. 679.3151(1),  
16 a debtor authorizes the filing of an initial financing, and an  
17 amendment, covering the collateral and property that become  
18 collateral under s. 679.3151(1)(b).

19           679.510 Effectiveness of filed record.--

20           (1) Subject to subsection (3), a filed record is  
21 effective only to the extent that it was filed by a person who  
22 may file it under s. 679.509.

23           (2) A record authorized by one secured party of record  
24 does not affect the financing statement with respect to  
25 another secured party of record.

26           (3) If a person may file a termination statement only  
27 under s. 679.509(3)(b), the filed termination statement is  
28 effective only if the debtor authorizes the filing and the  
29 termination statement indicates that the debtor authorized it  
30 to be filed.

31           (4) A continuation statement that is not filed within



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1 the 6-month period prescribed by s. 679.515(4) is ineffective.

2 679.511 Secured party of record.--

3 (1) A secured party of record with respect to a  
4 financing statement is a person whose name is provided as the  
5 name of the secured party or a representative of the secured  
6 party in an initial financing statement that has been filed.  
7 If an initial financing statement is filed under s.  
8 679.514(1), the assignee named in the initial financing  
9 statement is the secured party of record with respect to the  
10 financing statement.

11 (2) If an amendment of a financing statement which  
12 provides the name of a person as a secured party or a  
13 representative of a secured party is filed, the person named  
14 in the amendment is a secured party of record. If an  
15 amendment is filed under s. 679.514(2), the assignee named in  
16 the amendment is a secured party of record.

17 (3) A person remains a secured party of record until  
18 the filing of an amendment of the financing statement which  
19 deletes the person.

20 679.512 Amendment of financing statement.--

21 (1) Subject to s. 679.509, a person may add or delete  
22 collateral covered by, continue or terminate the effectiveness  
23 of, or, subject to subsection (5), otherwise amend the  
24 information provided in, a financing statement by filing an  
25 amendment that:

26 (a) Identifies, by its correct file number, if any,  
27 the initial financing statement to which the amendment  
28 relates, and the name of the debtor and the secured party of  
29 record; and

30 (b) If the amendment relates to an initial financing  
31 statement filed or recorded in a filing office described in s.

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1 679.5011(1)(a), provides the information specified in s.  
2 679.5021(2), the official records book and page number of the  
3 initial financing statement to which the amendment relates,  
4 and the name of the debtor and secured party of record.

5 (2) Except as otherwise provided in s. 679.515, the  
6 filing of an amendment does not extend the period of  
7 effectiveness of the financing statement.

8 (3) A financing statement that is amended by an  
9 amendment that adds collateral is effective as to the added  
10 collateral only from the date of the filing of the amendment.

11 (4) A financing statement that is amended by an  
12 amendment that adds a debtor is effective as to the added  
13 debtor only from the date of the filing of the amendment.

14 (5) An amendment is ineffective to the extent it:

15 (a) Purports to delete all debtors and fails to  
16 provide the name of a debtor to be covered by the financing  
17 statement; or

18 (b) Purports to delete all secured parties of record  
19 and fails to provide the name of a new secured party of  
20 record.

21 679.513 Termination statement.--

22 (1) A secured party shall cause the secured party of  
23 record for a financing statement to file a termination  
24 statement for the financing statement if the financing  
25 statement covers consumer goods and:

26 (a) There is no obligation secured by the collateral  
27 covered by the financing statement and no commitment to make  
28 an advance, incur an obligation, or otherwise give value; or

29 (b) The debtor did not authorize the filing of the  
30 initial financing statement.

31 (2) To comply with subsection (1), a secured party

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1 shall cause the secured party of record to file the  
2 termination statement:

3 (a) Within 1 month after there is no obligation  
4 secured by the collateral covered by the financing statement  
5 and no commitment to make an advance, incur an obligation, or  
6 otherwise give value; or

7 (b) If earlier, within 20 days after the secured party  
8 receives an authenticated demand from a debtor.

9 (3) In cases not governed by subsection (1), within 20  
10 days after a secured party receives an authenticated demand  
11 from a debtor, the secured party shall cause the secured party  
12 of record for a financing statement to send to the debtor a  
13 termination statement for the financing statement or file the  
14 termination statement in the filing office if:

15 (a) Except in the case of a financing statement  
16 covering accounts or chattel paper that has been sold or goods  
17 that are the subject of a consignment, there is no obligation  
18 secured by the collateral covered by the financing statement  
19 and no commitment to make an advance, incur an obligation, or  
20 otherwise give value;

21 (b) The financing statement covers accounts or chattel  
22 paper that has been sold but as to which the account debtor or  
23 other person obligated has discharged its obligation;

24 (c) The financing statement covers goods that were the  
25 subject of a consignment to the debtor but are not in the  
26 debtor's possession; or

27 (d) The debtor did not authorize the filing of the  
28 initial financing statement.

29 (4) Except as otherwise provided in s. 679.510, upon  
30 the filing of a termination statement with the filing office,  
31 the financing statement to which the termination statement

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1 relates ceases to be effective. Except as otherwise provided  
2 in s. 679.510, for purposes of ss. 679.519(7) and 679.522(1),  
3 the filing with the filing office of a termination statement  
4 relating to a financing statement that indicates that the  
5 debtor is a transmitting utility also causes the effectiveness  
6 of the financing statement to lapse.

7 679.514 Assignment of powers of secured party of  
8 record.--

9 (1) Except as otherwise provided in subsection (3), an  
10 initial financing statement may reflect an assignment of all  
11 of the secured party's power to authorize an amendment to the  
12 financing statement by providing the name and mailing address  
13 of the assignee as the name and address of the secured party.

14 (2) Except as otherwise provided in subsection (3), a  
15 secured party of record may assign of record all or part of  
16 its power to authorize an amendment to a financing statement  
17 by filing in the filing office an amendment of the financing  
18 statement which:

19 (a) Identifies, by its correct file number and the  
20 secured party of record, the initial financing statement to  
21 which it relates;

22 (b) Provides the names of the assignor and debtor; and

23 (c) Provides the name and mailing address of the  
24 assignee.

25 (3) An assignment of record of a security interest in  
26 a fixture covered by a real property mortgage that is  
27 effective as a fixture filing under s. 679.5021(3) may be made  
28 only by an assignment of record of the mortgage in the manner  
29 provided by s. 701.02.

30 679.515 Duration and effectiveness of financing  
31 statement; effect of lapsed financing statement.--

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1           (1) Except as otherwise provided in subsections (2),  
2 (5), (6), and (7), a filed financing statement is effective  
3 for a period of 5 years after the date of filing.

4           (2) Except as otherwise provided in subsections (5),  
5 (6), and (7), an initial financing statement filed in  
6 connection with a manufactured-home transaction is effective  
7 for a period of 30 years after the date of filing if it  
8 indicates that it is filed in connection with a  
9 manufactured-home transaction.

10           (3) The effectiveness of a filed financing statement  
11 lapses on the expiration of the period of its effectiveness  
12 unless, before the lapse, a continuation statement is filed  
13 pursuant to subsection (4). Upon lapse, a financing statement  
14 ceases to be effective and any security interest or  
15 agricultural lien that was perfected by the financing  
16 statement becomes unperfected, unless the security interest is  
17 perfected without filing. If the security interest or  
18 agricultural lien becomes unperfected upon lapse, it is deemed  
19 never to have been perfected as against a purchaser of the  
20 collateral for value.

21           (4) A continuation statement may be filed only within  
22 6 months before the expiration of the 5-year period specified  
23 in subsection (1) or the 30-year period specified in  
24 subsection (2), whichever is applicable.

25           (5) Except as otherwise provided in s. 679.510, upon  
26 timely filing of a continuation statement, the effectiveness  
27 of the initial financing statement continues for a period of 5  
28 years commencing on the day on which the financing statement  
29 would have become ineffective in the absence of the filing.  
30 Upon the expiration of the 5-year period, the financing  
31 statement lapses in the same manner as provided in subsection

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1 (3), unless, before the lapse, another continuation statement  
2 is filed pursuant to subsection (4). Succeeding continuation  
3 statements may be filed in the same manner to continue the  
4 effectiveness of the initial financing statement.

5 (6) If a debtor is a transmitting utility and a filed  
6 financing statement so indicates, the financing statement is  
7 effective until a termination statement is filed.

8 (7) A record of a mortgage satisfying the requirements  
9 of chapter 697 that is effective as a fixture filing under s.  
10 679.5021(3) remains effective as a financing statement filed  
11 as a fixture filing until the mortgage is released or  
12 satisfied of record or its effectiveness otherwise terminates  
13 as to the real property.

14 679.516 What constitutes filing; effectiveness of  
15 filing.--

16 (1) Except as otherwise provided in subsection (2),  
17 communication of a record to a filing office, tender of the  
18 processing fee, or acceptance of the record by the filing  
19 office constitutes filing.

20 (2) Filing does not occur with respect to a record  
21 that a filing office refuses to accept because:

22 (a) The record is not communicated by a method or  
23 medium of communication authorized by the filing office;

24 (b) An amount equal to or greater than the applicable  
25 processing fee is not tendered;

26 (c) The record does not include the notation required  
27 by s. 201.22 indicating that the excise tax required by  
28 chapter 201 had been paid or is not required;

29 (d) The filing office is unable to index the record  
30 because:

31 1. In the case of an initial financing statement, the

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- 1 record does not provide an organization's name or, if an  
2 individual, the individual's last name and first name or  
3 initial;
- 4 2. In the case of an amendment or correction  
5 statement, the record:
- 6 a. Does not correctly identify the initial financing  
7 statement as required by s. 679.512 or s. 679.518, as  
8 applicable; or
- 9 b. Identifies an initial financing statement the  
10 effectiveness of which has lapsed under s. 679.515;
- 11 3. In the case of an initial financing statement that  
12 provides the name of a debtor identified as an individual or  
13 an amendment that provides a name of a debtor identified as an  
14 individual which was not previously provided in the financing  
15 statement to which the record relates, the record does not  
16 identify the debtor's last name and first name or initial; or
- 17 4. In the case of a record filed or recorded in the  
18 filing office described in s. 679.5011(1)(a), the record does  
19 not provide a sufficient description of the real property to  
20 which it relates;
- 21 (e) In the case of an initial financing statement or  
22 an amendment that adds a secured party of record, the record  
23 does not provide an organization's name or, if an individual,  
24 the individual's last name and first name or initial and  
25 mailing address for the secured party of record;
- 26 (f) In the case of an initial financing statement or  
27 an amendment that provides a name of a debtor which was not  
28 previously provided in the financing statement to which the  
29 amendment relates, the record does not:
- 30 1. Provide a mailing address for the debtor;  
31 2. Indicate whether the debtor is an individual or an

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1 organization; or

2 3. If the financing statement indicates that the  
3 debtor is an organization, provide:

4 a. A type of organization for the debtor;

5 b. A jurisdiction of organization for the debtor; or

6 c. An organizational identification number for the  
7 debtor or indicate that the debtor has none;

8 (g) In the case of an assignment reflected in an  
9 initial financing statement under s. 679.514(1) or an  
10 amendment filed under s. 679.514(2), the record does not  
11 provide an organization's name or, if an individual, the  
12 individual's last name and first name or initial and mailing  
13 address for the assignee;

14 (h) In the case of a continuation statement, the  
15 record is not filed within the 6-month period prescribed by s.  
16 679.515(4);

17 (i) In the case of an initial financing statement or  
18 an amendment, which amendment requires the inclusion of a  
19 collateral statement but the record does not provide any, the  
20 record does not provide a statement of collateral; or

21 (3) For purposes of subsection (2):

22 (a) A record does not provide information if the  
23 filing office is unable to read or decipher the information;  
24 and

25 (b) A record that does not indicate that it is an  
26 amendment or identify an initial financing statement to which  
27 it relates, as required by s. 679.512, s. 679.514, or s.  
28 679.518, is an initial financing statement.

29 (4) A record that is communicated to the filing office  
30 with tender of the filing fee, but that the filing office  
31 refuses to accept for a reason other than one set forth in



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1 subsection (2), is effective as a filed record except as  
2 against a purchaser of the collateral which gives value in  
3 reasonable reliance upon the absence of the record from the  
4 files.

5 679.517 Effect of indexing errors.--The failure of the  
6 filing office to index a record correctly does not affect the  
7 effectiveness of the filed record.

8 679.518 Claim concerning inaccurate or wrongfully  
9 filed record.--

10 (1) A person may file in the filing office a  
11 correction statement with respect to a record indexed there  
12 under the person's name if the person believes that the record  
13 is inaccurate or was wrongfully filed.

14 (2) A correction statement must:

15 (a) Identify the record to which it relates by the  
16 file number assigned to the initial financing statement, the  
17 debtor, and the secured party of record to which the record  
18 relates;

19 (b) Indicate that it is a correction statement; and

20 (c) Provide the basis for the person's belief that the  
21 record is inaccurate and indicate the manner in which the  
22 person believes the record should be amended to cure any  
23 inaccuracy or provide the basis for the person's belief that  
24 the record was wrongfully filed.

25 (3) The filing of a correction statement does not  
26 affect the effectiveness of an initial financing statement or  
27 other filed record.

28 679.519 Numbering, maintaining, and indexing records;  
29 communicating information provided in records.--

30 (1) For each record filed in a filing office, the  
31 filing office shall, in accordance with such other laws

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- 1 applicable to the recording of instruments by a filing office  
2 described in s. 679.5011(1)(a):
- 3 (a) Assign a unique number to the filed record;  
4 (b) Create a record that bears the number assigned to  
5 the filed record and the date and time of filing;  
6 (c) Maintain the filed record for public inspection;  
7 and  
8 (d) Index the filed record in accordance with  
9 subsections (3), (4), and (5).
- 10 (2) Except as otherwise provided in subsection (9), a  
11 file number assigned after January 1, 2002, must include a  
12 digit that:
- 13 (a) Is mathematically derived from or related to the  
14 other digits of the file number; and  
15 (b) Enables the filing office to detect whether a  
16 number communicated as the file number includes a single-digit  
17 or transpositional error.
- 18 (3) Except as otherwise provided in subsections (4)  
19 and (5), the filing office shall:
- 20 (a) Index an initial financing statement according to  
21 the name of the debtor and shall index all filed records  
22 relating to the initial financing statement in a manner that  
23 associates with one another an initial financing statement and  
24 all filed records relating to the initial financing statement;  
25 and  
26 (b) Index a record that provides a name of a debtor  
27 which was not previously provided in the financing statement  
28 to which the record relates also according to the name that  
29 was not previously provided.
- 30 (4) If a financing statement is filed as a fixture  
31 filing or covers as-extracted collateral or timber to be cut,

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1 the filing office shall index it:

2 (a) Under the names of the debtor and of each owner of  
3 record shown on the financing statement as if they were the  
4 mortgagors under a mortgage of the real property described;  
5 and

6 (b) To the extent that the law of this state provides  
7 for indexing of mortgages under the name of the mortgagee,  
8 under the name of the secured party as if the secured party  
9 were the mortgagee thereunder, or, if indexing is by  
10 description, as if the financing statement were a mortgage of  
11 the real property described.

12 (5) If a financing statement is filed as a fixture  
13 filing or covers as-extracted collateral or timber to be cut,  
14 the filing office shall index an assignment filed under s.  
15 679.514(1) or an amendment filed under s. 679.514(2):

16 (a) Under the name of the assignor as grantor; and

17 (b) To the extent that the law of this state provides  
18 for indexing the assignment of a real property mortgage under  
19 the name of the assignee, under the name of the assignee.

20 (6) The filing office shall maintain a capability for:

21 (a) Retrieving a record by the name of the debtor and  
22 by the file number assigned to the initial financing statement  
23 to which the record relates; and

24 (b) Associating and retrieving with one another an  
25 initial financing statement and each filed record relating to  
26 the initial financing statement.

27 (7) The filing office may not remove a debtor's name  
28 from the index until 1 year after the effectiveness of a  
29 financing statement naming the debtor lapses under s. 679.515  
30 with respect to all secured parties of record.

31 (8) Except as otherwise provided in subsection (9),

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1 the filing office shall perform the acts required by  
2 subsections (1) through (5) at the time and in the manner  
3 prescribed by any filing-office rule, but not later than 3  
4 business days after the filing office receives the record in  
5 question, if practical.

6 (9) Subsections (1), (2), and (8) do not apply to a  
7 filing office described in s. 679.5011(1)(a).

8 679.520 Acceptance and refusal to accept record.--

9 (1) A filing office shall refuse to accept a record  
10 for filing for a reason set forth in s. 679.516(2) and may  
11 refuse to accept a record for filing only for a reason set  
12 forth in s. 679.516(2).

13 (2) If a filing office refuses to accept a record for  
14 filing, it shall communicate to the person that presented the  
15 record the fact of and reason for the refusal and the date and  
16 time the record would have been filed had the filing office  
17 accepted it. The communication must be made at the time and  
18 in the manner prescribed by any filing-office rule but, in the  
19 case of a filing office described in s. 679.5011(1)(b), in no  
20 event more than 3 business days after the filing office  
21 receives the record, if practical.

22 (3) A filed financing statement satisfying s.  
23 679.5021(1) and (2) is effective, even if the filing office is  
24 required to refuse to accept it for filing under subsection  
25 (1). However, s. 679.338 applies to a filed financing  
26 statement providing information described in s. 679.516(2)(e)  
27 which is incorrect at the time the financing statement is  
28 filed.

29 (4) If a record communicated to a filing office  
30 provides information that relates to more than one debtor,  
31 this part applies as to each debtor separately.

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1           679.521 Uniform form of written financing statement  
2 and amendment.--The Secretary of State shall develop or  
3 approve acceptable forms for use in filing under this chapter.  
4 Such forms must be in accord with the requirements of Florida  
5 law, including s. 201.22. The secretary may, if he or she  
6 finds that such forms meet these requirements, approve the use  
7 of a standard national form for this purpose.

8           679.522 Maintenance and destruction of records.--

9           (1) The filing office shall maintain a record of the  
10 information provided in a filed financing statement for at  
11 least 1 year after the effectiveness of the financing  
12 statement has lapsed under s. 679.515 with respect to all  
13 secured parties of record. The record must be retrievable by  
14 using the name of the debtor and by using the file number, or  
15 official records book and page number if a fixture filing,  
16 assigned to the initial financing statement to which the  
17 record relates.

18           (2) Except to the extent that chapter 119 governing  
19 disposition of public records provides otherwise, the filing  
20 office immediately may destroy any written record evidencing a  
21 financing statement. However, if the filing office destroys a  
22 written record, it shall maintain another record of the  
23 financing statement which complies with subsection (1).

24           679.523 Information from filing office; sale or  
25 license of records.--

26           (1) If a person files a written record, the filing  
27 office shall make available, on the database, an image of the  
28 record showing the number assigned to the record pursuant to  
29 s. 679.519(1)(a) and the date of the filing of the record or,  
30 if requested, send to the person a separate printed  
31 acknowledgement indicating the debtor's name, the number

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1 assigned to the record pursuant to s. 679.519(1)(a), and the  
2 date of the filing of the record.

3 (2) If a person files a record other than a written  
4 record, the filing office described in s. 679.5011(1)(b) shall  
5 communicate to the person an image that provides:

6 (a) The information in the record;

7 (b) The number assigned to the record pursuant to s.  
8 679.519(1)(a); and

9 (c) The date and time of the filing of the record.

10 (3) In complying with its duty under this chapter, the  
11 filing office described in s. 679.5011(1)(b) may communicate  
12 information in any medium. However, if requested, the filing  
13 office shall communicate information by issuing its written  
14 certificate or a record that can be admitted into evidence in  
15 the courts of the state without extrinsic evidence of its  
16 authenticity.

17 (4) The filing office described in s. 679.5011(1)(b)  
18 shall perform the acts required by subsections (1) and (2) at  
19 the time and in the manner prescribed by any filing-office  
20 rule, but not later than 3 business days after the filing  
21 office receives the request, if practical.

22 679.524 Delay by filing office.--Delay by the filing  
23 office beyond a timelimit prescribed by this part is excused  
24 if:

25 (1) The delay is caused by interruption of  
26 communication or computer facilities, war, emergency  
27 conditions, failure of equipment, or other circumstances  
28 beyond control of the filing office; and

29 (2) The filing office exercises reasonable diligence  
30 under the circumstances.

31 679.525 Processing fees.--

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- 1           (1) Except as otherwise provided in subsection (3),  
2 the nonrefundable processing fee for filing and indexing a  
3 record under this part, other than an initial financing  
4 statement of the kind described in s. 679.5021(3), is:
- 5           (a) For filing an initial financing statement, \$25 for  
6 the first page, which shall include the cost of filing a  
7 termination statement for the financing statement;
- 8           (b) For filing an amendment, \$12 for the first page;  
9           (c) For indexing by additional debtor, secured party,  
10 or assignee, \$3 per additional name indexed;
- 11           (d) For use of a nonapproved form, \$5;  
12           (e) For each additional page attached to a record, \$3;  
13           (f) For filing a financing statement communicated by  
14 an electronic filing process authorized by the filing office,  
15 \$15 with no additional fees for multiple names or attached  
16 pages;
- 17           (g) For filing an amendment communicated by an  
18 electronic filing process authorized by the filing office, \$5  
19 with no additional fees for multiple names or attached pages;
- 20           (h) For a certified copy of a financing statement and  
21 any and all associated amendments, \$30; and
- 22           (i) For a photocopy of a filed record, \$1 per page.  
23           (2) Except as otherwise provided in subsection (3),  
24 the fee for filing and indexing an initial financing statement  
25 of the kind described in s. 679.5021(3) is the amount  
26 specified in chapter 28.
- 27           (3) This section does not require a fee with respect  
28 to a mortgage that is effective as a financing statement filed  
29 as a fixture filing or as a financing statement covering  
30 as-extracted collateral or timber to be cut under s.  
31 679.5021(3). However, the recording and satisfaction fees

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1 that otherwise would be applicable to the mortgage apply.  
2 679.526 Filing-office rules.--The Department of State  
3 may adopt and publish rules to administer this chapter. The  
4 filing-office rules must be:  
5 (1) Consistent with this chapter.  
6 (2) Adopted and published in accordance with the  
7 Administrative Procedure Act.  
8 679.527 Florida Secured Transaction Registry.--  
9 (1) As used in this section, the term:  
10 (a) The "Florida Secured Transaction Registry" or  
11 "registry" means the centralized database in which all initial  
12 financing statements, amendments, assignments, and other  
13 statements of change authorized to be filed under this chapter  
14 are filed, maintained, and retrieved. The term does not apply  
15 to documents that are filed under this chapter with the clerk  
16 of a circuit court.  
17 (b) "Department" means the Department of State.  
18 (c) "Materials and records" includes, but is not  
19 limited to data bases, source or object codes, and any  
20 software relating to the Florida Secured Transaction Registry  
21 or system for centralized filing under this part, regardless  
22 of the original source of its creation or maintenance.  
23 (2) The Department of State may contract for the  
24 performance of the administrative and operational functions  
25 under this part of the filing office and filing officer for  
26 the Florida Secured Transaction Registry, provided that any  
27 such contract shall not be assignable or otherwise  
28 transferable without the express written consent of the  
29 department, notwithstanding any limitations imposed by ss.  
30 679.4061 or 679.4081.  
31 (3) The department shall perform the administrative



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1 and operational functions, as filing officer and filing  
2 office, for the Florida Secured Transaction Registry until  
3 October 1, 2001, or upon the effective date of a contract  
4 executed by the department to administer and operate the  
5 registry, whichever occurs later. At such time, the  
6 department shall cease serving as the designated filing  
7 officer and filing office for the registry under this part,  
8 and thereafter, except to the extent it reclaims such  
9 responsibilities as provided below, shall not be responsible  
10 for the duties of the filing office and officer under this  
11 part, including determining whether documents tendered for  
12 filing under this part satisfy the requirements of law. The  
13 department shall retain authority under this part to approve  
14 the forms required to be filed under this part. If authorized  
15 by the contract, the entity performing the duties of the  
16 filing office may certify a copy of a financing statement or  
17 amendment thereto which shall be admissible in a state or  
18 federal court or other tribunal proceeding.

19 (4) Notwithstanding the terms and conditions of any  
20 contract to perform the administrative and operational  
21 functions of the filing office or filing officer under this  
22 part for the Florida Secured Transaction Registry, the  
23 department and the state shall retain sole and exclusive  
24 ownership of the materials and records of the registry, shall  
25 have the right to inspect and make copies of the materials and  
26 records of the registry, and shall have the right to  
27 immediately reclaim and take possession and control of the  
28 original materials and records of the registry if any entity  
29 under contract with the department to administer and operate  
30 the registry does not, or cannot, perform the terms and  
31 conditions of the contract for any reason or commences or

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1 consents to an insolvency proceeding. If the department  
2 reclaims control of the materials and records of the registry,  
3 the department shall provide for the uninterrupted fulfillment  
4 of the duties of the filing office and filing officer by  
5 administration and operation by the department until a  
6 subsequent contract for such duties can be executed. The  
7 department shall be entitled to injunctive relief if the  
8 entity fails to turn over the materials and records upon  
9 demand, and the Circuit Court for Leon County, Florida shall  
10 have exclusive original jurisdiction to adjudicate any  
11 disputes pertaining to this section or any contract entered  
12 into under this section.

13 (5) The Department of State shall immediately develop  
14 and issue a Request for Qualifications seeking capable parties  
15 to perform both the administrative and operational functions  
16 currently being performed by the department as a filing  
17 officer and filing office under the Uniform Commercial Code.

18 (a) The qualifications shall, at a minimum, provide  
19 for the organization and maintenance of the Florida Secured  
20 Transaction Registry as the centralized Uniform Commercial  
21 Code filing and retrieval system, which:

22 1. Is comparable and compatible with the existing  
23 filing system.

24 2. Is open to the public and accessible through the  
25 Internet, to permit the review of all existing filings of the  
26 department and all future filings, in compliance with chapter  
27 119.

28 3. Provides for oversight and compliance audits by the  
29 department.

30 4. Requires records maintenance in compliance with  
31 this part and chapter 119.



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1           (2) A secured party in possession of collateral or  
2 control of collateral under s. 679.1041, s. 679.1051, s.  
3 679.1061, or s. 679.1071 has the rights and duties provided in  
4 s. 679.2071.

5           (3) The rights under subsections (1) and (2) are  
6 cumulative and may be exercised simultaneously.

7           (4) Except as otherwise provided in subsection (7) and  
8 s. 679.605, after default, a debtor and an obligor have the  
9 rights provided in this part and by agreement of the parties.

10           (5) If a secured party has reduced its claim to  
11 judgment, the lien of any levy that may be made upon the  
12 collateral by virtue of an execution based upon the judgment  
13 relates back to the earliest of:

14           (a) The date of perfection of the security interest or  
15 agricultural lien in the collateral;

16           (b) The date of filing a financing statement covering  
17 the collateral; or

18           (c) Any date specified in a statute under which the  
19 agricultural lien was created.

20           (6) A sale pursuant to an execution is a foreclosure  
21 of the security interest or agricultural lien by judicial  
22 procedure within the meaning of this section. A secured party  
23 may purchase at the sale and thereafter hold the collateral  
24 free of any other requirements of this chapter.

25           (7) Except as otherwise provided in s. 679.607(3),  
26 this part imposes no duties upon a secured party that is a  
27 consignor or is a buyer of accounts, chattel paper, payment  
28 intangibles, or promissory notes.

29           679.602 Waiver and variance of rights and  
30 duties.--Except as otherwise provided in s. 679.624, to the  
31 extent that they give rights to a debtor or obligor and impose

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1 duties on a secured party, the debtor or obligor may not waive  
2 or vary the rules stated in the following listed sections:

3 (1) Section 679.2071(2)(d)3., which deals with use and  
4 operation of the collateral by the secured party;

5 (2) Section 679.210, which deals with requests for an  
6 accounting and requests concerning a list of collateral and  
7 statement of account;

8 (3) Section 679.607(3), which deals with collection  
9 and enforcement of collateral;

10 (4) Sections 679.608(1) and 679.615(3) to the extent  
11 that they deal with application or payment of noncash proceeds  
12 of collection, enforcement, or disposition;

13 (5) Sections 679.608(1) and 679.615(4) to the extent  
14 that they require accounting for or payment of surplus  
15 proceeds of collateral;

16 (6) Section 679.609 to the extent that it imposes upon  
17 a secured party that takes possession of collateral without  
18 judicial process the duty to do so without breach of the  
19 peace;

20 (7) Sections 679.610(2), 679.611, 679.613, and  
21 679.614, which deal with disposition of collateral;

22 (8) Section 679.615(6), which deals with calculation  
23 of a deficiency or surplus when a disposition is made to the  
24 secured party, a person related to the secured party, or a  
25 secondary obligor;

26 (9) Section 679.616, which deals with explanation of  
27 the calculation of a surplus or deficiency;

28 (10) Sections 679.620, 679.621, and 679.622, which  
29 deal with acceptance of collateral in satisfaction of  
30 obligation;

31 (11) Section 679.623, which deals with redemption of

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1 collateral;

2 (12) Section 679.624, which deals with permissible  
3 waivers; and

4 (13) Sections 679.625 and 679.626, which deal with the  
5 secured party's liability for failure to comply with this  
6 article.

7 679.603 Agreement on standards concerning rights and  
8 duties.--

9 (1) The parties may determine by agreement the  
10 standards measuring the fulfillment of the rights of a debtor  
11 or obligor and the duties of a secured party under a rule  
12 stated in s. 679.602 if the standards are not manifestly  
13 unreasonable.

14 (2) Subsection (1) does not apply to the duty under s.  
15 679.609 to refrain from breaching the peace.

16 679.604 Procedure if security agreement covers real  
17 property or fixtures.--

18 (1) If a security agreement covers both personal and  
19 real property, a secured party may proceed:

20 (a) Under this part as to the personal property  
21 without prejudicing any rights with respect to the real  
22 property; or

23 (b) As to both the personal property and the real  
24 property in accordance with the rights with respect to the  
25 real property, in which case the other provisions of this part  
26 do not apply.

27 (2) Subject to subsection (3), if a security agreement  
28 covers goods that are or become fixtures, a secured party may  
29 proceed:

30 (a) Under this part; or

31 (b) In accordance with the rights with respect to real

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1 property, in which case the other provisions of this part do  
2 not apply.

3 (3) Subject to the other provisions of this part, if a  
4 secured party holding a security interest in fixtures has  
5 priority over all owners and encumbrancers of the real  
6 property, the secured party, after default, may remove the  
7 collateral from the real property. The secured party shall  
8 give reasonable notification of its intent to remove the  
9 collateral to all persons entitled to reimbursement under  
10 subsection (4).

11 (4) A secured party that removes collateral shall  
12 promptly reimburse any encumbrancer or owner of the real  
13 property, other than the debtor, for the cost of repair of any  
14 physical injury caused by the removal. The secured party need  
15 not reimburse the encumbrancer or owner for any diminution in  
16 value of the real property caused by the absence of the goods  
17 removed or by any necessity of replacing them. A person  
18 entitled to reimbursement may refuse permission to remove  
19 until the secured party gives adequate assurance for the  
20 performance of the obligation to reimburse. This subsection  
21 does not prohibit a secured party and the person entitled to  
22 reimbursement from entering into an authenticated record  
23 providing for the removal of fixtures and reimbursement for  
24 any damage caused thereby.

25 679.605 Unknown debtor or secondary obligor.--A  
26 secured party does not owe a duty based on its status as  
27 secured party:

28 (1) To a person who is a debtor or obligor, unless the  
29 secured party knows:

30 (a) That the person is a debtor or obligor;

31 (b) The identity of the person; and

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1           (c) How to communicate with the person; or  
2           (2) To a secured party or lienholder that has filed a  
3 financing statement against a person, unless the secured party  
4 knows:

- 5           (a) That the person is a debtor; and
- 6           (b) The identity of the person.

7           679.606 Time of default for agricultural lien.--For  
8 purposes of this part, a default occurs in connection with an  
9 agricultural lien at the time the secured party becomes  
10 entitled to enforce the lien in accordance with the statute  
11 under which it was created.

12           679.607 Collection and enforcement by secured party.--

13           (1) If so agreed, and in any event after default, a  
14 secured party:

15           (a) May notify an account debtor or other person  
16 obligated on collateral to make payment or otherwise render  
17 performance to or for the benefit of the secured party;

18           (b) May take any proceeds to which the secured party  
19 is entitled under s. 679.3151;

20           (c) May enforce the obligations of an account debtor  
21 or other person obligated on collateral and exercise the  
22 rights of the debtor with respect to the obligation of the  
23 account debtor or other person obligated on collateral to make  
24 payment or otherwise render performance to the debtor, and  
25 with respect to any property that secures the obligations of  
26 the account debtor or other person obligated on the  
27 collateral;

28           (d) If it holds a security interest in a deposit  
29 account perfected by control under s. 679.1041(1)(a), may  
30 apply the balance of the deposit account to the obligation  
31 secured by the deposit account; and



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1           (e) If it holds a security interest in a deposit  
2 account perfected by control under s. 679.1041(1)(b) or (c),  
3 may instruct the bank to pay the balance of the deposit  
4 account to or for the benefit of the secured party.

5           (2) If necessary to enable a secured party to exercise  
6 under paragraph (1)(c) the right of a debtor to enforce a  
7 mortgage nonjudicially outside this state, the secured party  
8 may record in the office in which a record of the mortgage is  
9 recorded:

10           (a) A copy of the security agreement that creates or  
11 provides for a security interest in the obligation secured by  
12 the mortgage; and

13           (b) The secured party's sworn affidavit in recordable  
14 form stating that:

15                 1. A default has occurred; and

16                 2. The secured party is entitled to enforce the  
17 mortgage nonjudicially outside this state.

18           (3) A secured party shall proceed in a commercially  
19 reasonable manner if the secured party:

20           (a) Undertakes to collect from or enforce an  
21 obligation of an account debtor or other person obligated on  
22 collateral; and

23           (b) Is entitled to charge back uncollected collateral  
24 or otherwise to full or limited recourse against the debtor or  
25 a secondary obligor.

26           (4) A secured party may deduct from the collections  
27 made pursuant to subsection (3) reasonable expenses of  
28 collection and enforcement, including reasonable attorney's  
29 fees and legal expenses incurred by the secured party.

30           (5) This section does not determine whether an account  
31 debtor, bank, or other person obligated on collateral owes a

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1 duty to a secured party.

2 (6) Nothing in subsection (2) is intended to create a  
3 right of nonjudicial foreclosure in this state.

4 679.608 Application of proceeds of collection or  
5 enforcement; liability for deficiency and right to surplus.--

6 (1) If a security interest or agricultural lien  
7 secures payment or performance of an obligation, the following  
8 rules apply:

9 (a) A secured party shall apply or pay over for  
10 application the cash proceeds of collection or enforcement  
11 under s. 679.607 in the following order to:

12 1. The reasonable expenses of collection and  
13 enforcement and, to the extent provided for by agreement and  
14 not prohibited by law, reasonable attorney's fees and legal  
15 expenses incurred by the secured party;

16 2. The satisfaction of obligations secured by the  
17 security interest or agricultural lien under which the  
18 collection or enforcement is made; and

19 3. The satisfaction of obligations secured by any  
20 subordinate security interest in or other lien on the  
21 collateral subject to the security interest or agricultural  
22 lien under which the collection or enforcement is made if the  
23 secured party receives an authenticated demand for proceeds  
24 before distribution of the proceeds is completed.

25 (b) If requested by a secured party, a holder of a  
26 subordinate security interest or other lien shall furnish  
27 reasonable proof of the interest or lien within a reasonable  
28 time and agree to indemnify the secured party on reasonable  
29 terms acceptable to the secured party for damages, including  
30 reasonable attorney's fees and costs, incurred or suffered by  
31 the secured party if the subordinate holder did not have the

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1 right to receive the amounts to be paid to it. Unless the  
2 holder complies, the secured party need not comply with the  
3 holder's demand under subparagraph (a)3.

4 (c) A secured party need not apply or pay over for  
5 application noncash proceeds of collection and enforcement  
6 under s. 679.607 unless the failure to do so would be  
7 commercially unreasonable. A secured party that applies or  
8 pays over for application noncash proceeds shall do so in a  
9 commercially reasonable manner.

10 (d) A secured party shall account to and pay a debtor  
11 for any surplus, and the obligor is liable for any deficiency.

12 (2) If the underlying transaction is a sale of  
13 accounts, chattel paper, payment intangibles, or promissory  
14 notes, the debtor is not entitled to any surplus, and the  
15 obligor is not liable for any deficiency.

16 (3) If the secured party in good faith cannot  
17 determine the validity, extent, or priority of a subordinate  
18 security interest or other lien or there are conflicting  
19 claims of subordinate interests or liens, the secured party  
20 may commence an interpleader action with respect to remaining  
21 proceeds in excess of \$2,500 in the circuit or county court,  
22 as applicable based upon the amount to be deposited, where the  
23 collateral was located or collected or in the county where the  
24 debtor has its chief executive office or principal residence  
25 in this state, as applicable. If authorized in an  
26 authenticated record, the interpleading secured party is  
27 entitled to be paid from the remaining proceeds the actual  
28 costs of the filing fee and an attorney's fee in the amount of  
29 \$250 incurred in connection with filing the interpleader  
30 action and obtaining an order approving the interpleader of  
31 funds. The debtor in a consumer transaction may not be

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1 assessed for the attorney's fees and costs incurred in the  
2 interpleader action by the holders of subordinate security  
3 interests or other liens based upon disputes among said  
4 holders, and a debtor in a transaction other than a consumer  
5 transaction may only recover such fees and costs to the extent  
6 provided for in an authenticated record. If authorized in an  
7 authenticated record, the court in the interpleader action may  
8 award reasonable attorney's fees and costs to the prevailing  
9 party in a dispute between the debtor and a holder of a  
10 security interest or lien which claims an interest in the  
11 remaining interplead proceeds, but only if the debtor  
12 challenges the validity, priority, or extent of said security  
13 interest or lien. Except as provided in this subsection, a  
14 debtor may not be assessed attorney's fees and costs incurred  
15 by any party in an interpleader action commenced under this  
16 section.

17 679.609 Secured party's right to take possession after  
18 default.--

19 (1) After default, a secured party:

20 (a) May take possession of the collateral; and

21 (b) Without removal, may render equipment unusable and  
22 dispose of collateral on a debtor's premises under s. 679.610.

23 (2) A secured party may proceed under subsection (1):

24 (a) Pursuant to judicial process; or

25 (b) Without judicial process, if it proceeds without  
26 breach of the peace.

27 (3) If so agreed, and in any event after default, a  
28 secured party may require the debtor to assemble the  
29 collateral and make it available to the secured party at a  
30 place to be designated by the secured party which is  
31 reasonably convenient to both parties.

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1           679.610 Disposition of collateral after default.--

2           (1) After default, a secured party may sell, lease,  
3 license, or otherwise dispose of any or all of the collateral  
4 in its present condition or following any commercially  
5 reasonable preparation or processing.

6           (2) Every aspect of a disposition of collateral,  
7 including the method, manner, time, place, and other terms,  
8 must be commercially reasonable. If commercially reasonable,  
9 a secured party may dispose of collateral by public or private  
10 proceedings, by one or more contracts, as a unit or in  
11 parcels, and at any time and place and on any terms.

12           (3) A secured party may purchase collateral:

13           (a) At a public disposition; or

14           (b) At a private disposition only if the collateral is  
15 of a kind that is customarily sold on a recognized market or  
16 the subject of widely distributed standard price quotations.

17           (4) A contract for sale, lease, license, or other  
18 disposition includes the warranties relating to title,  
19 possession, quiet enjoyment, and the like which by operation  
20 of law accompany a voluntary disposition of property of the  
21 kind subject to the contract.

22           (5) A secured party may disclaim or modify warranties  
23 under subsection (4):

24           (a) In a manner that would be effective to disclaim or  
25 modify the warranties in a voluntary disposition of property  
26 of the kind subject to the contract of disposition; or

27           (b) By communicating to the purchaser a record  
28 evidencing the contract for disposition and including an  
29 express disclaimer or modification of the warranties.

30           (6) A record is sufficient to disclaim warranties  
31 under subsection (5) if it indicates that "there is no

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1 warranty relating to title, possession, quiet enjoyment, or  
2 the like in this disposition" or uses words of similar import.

3 679.611 Notification before disposition of  
4 collateral.--

5 (1) In this section, the term "notification date"  
6 means the earlier of the date on which:

7 (a) A secured party sends to the debtor and any  
8 secondary obligor an authenticated notification of  
9 disposition; or

10 (b) The debtor and any secondary obligor waive the  
11 right to notification.

12 (2) Except as otherwise provided in subsection (4), a  
13 secured party that disposes of collateral under s. 679.610  
14 shall send to the persons specified in subsection (3) a  
15 reasonable authenticated notification of disposition.

16 (3) To comply with subsection (2), the secured party  
17 shall send an authenticated notification of disposition to:

18 (a) The debtor;

19 (b) Any secondary obligor; and

20 (c) If the collateral is other than consumer goods:

21 1. Any other person from whom the secured party has  
22 received, before the notification date, an authenticated  
23 notification of a claim of an interest in the collateral;

24 2. Any other secured party or lienholder that, 10 days  
25 before the notification date, held a security interest in or  
26 other lien on the collateral perfected by the filing of a  
27 financing statement that:

28 a. Identified the collateral;

29 b. Was indexed under the debtor's name as of that  
30 date; and

31 c. Was filed in the office in which to file a

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1 financing statement against the debtor covering the collateral  
2 as of that date; and

3 3. Any other secured party that, 10 days before the  
4 notification date, held a security interest in the collateral  
5 perfected by compliance with a statute, regulation, or treaty  
6 described in s. 679.3111(1).

7 (4) Subsection (2) does not apply if the collateral is  
8 perishable or threatens to decline speedily in value or is of  
9 a type customarily sold on a recognized market.

10 (5) A secured party complies with the requirement for  
11 notification prescribed by subparagraph (3)(c)2. if:

12 (a) Not later than 20 days or earlier than 30 days  
13 before the notification date, the secured party requests, in a  
14 commercially reasonable manner, information concerning  
15 financing statements indexed under the debtor's name in the  
16 office indicated in subparagraph (3)(c)2.; and

17 (b) Before the notification date, the secured party:

18 1. Did not receive a response to the request for  
19 information; or

20 2. Received a response to the request for information  
21 and sent an authenticated notification of disposition to each  
22 secured party or other lienholder named in that response whose  
23 financing statement covered the collateral.

24 (6) For purposes of subsection (3), the secured party  
25 may send the authenticated notification as follows:

26 (a) If the collateral is other than consumer goods, to  
27 the debtor at the address in the financing statement, unless  
28 the secured party has received an authenticated record from  
29 the debtor notifying the secured party of a different address  
30 for such notification purposes or the secured party has actual  
31 knowledge of the address of the debtor's chief executive

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1 office or principal residence, as applicable, at the time the  
2 notification is sent;

3 (b) If the collateral is other than consumer goods, to  
4 any secondary obligor at the address, if any, in the  
5 authenticated agreement, unless the secured party has received  
6 an authenticated record from the secondary obligor notifying  
7 the secured party of a different address for such notification  
8 purposes or the secured party has actual knowledge of the  
9 address of the secondary obligor's chief executive office or  
10 principal residence, as applicable, at the time the  
11 notification is sent; and

12 (c) If the collateral is other than consumer goods:

13 1. To the person described in subparagraph (3)(c)1.,  
14 at the address stated in the notification;

15 2. To the person described in subparagraph (3)(c)2.,  
16 at the address stated in the financing statement;

17 3. To the person described in subparagraph (3)(c)3.,  
18 at the address stated in the official records of the recording  
19 or registration agency.

20 679.612 Timeliness of notification before disposition  
21 of collateral.--

22 (1) Except as otherwise provided in subsection (2),  
23 whether a notification is sent within a reasonable time is a  
24 question of fact.

25 (2) A notification of disposition sent after default  
26 and 10 days or more before the earliest time of disposition  
27 set forth in the notification is sent within a reasonable time  
28 before the disposition.

29 679.613 Contents and form of notification before  
30 disposition of collateral; general.--Except in a  
31 consumer-goods transaction, the following rules apply:



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1           (1) The contents of a notification of disposition are  
2 sufficient if the notification:  
3           (a) Describes the debtor and the secured party;  
4           (b) Describes the collateral that is the subject of  
5 the intended disposition;  
6           (c) States the method of intended disposition;  
7           (d) States that the debtor is entitled to an  
8 accounting of the unpaid indebtedness and states the charge,  
9 if any, for an accounting; and  
10           (e) States the time and place of a public disposition  
11 or the time after which any other disposition is to be made.  
12           (2) Whether the contents of a notification that lacks  
13 any of the information specified in subsection (1) are  
14 nevertheless sufficient is a question of fact.  
15           (3) The contents of a notification providing  
16 substantially the information specified in subsection (1) are  
17 sufficient, even if the notification includes:  
18           (a) Information not specified by that paragraph; or  
19           (b) Minor errors that are not seriously misleading.  
20           (4) A particular phrasing of the notification is not  
21 required.  
22           (5) The following form of notification and the form  
23 appearing in s. 679.614(3), when completed, each provides  
24 sufficient information:  
25                   NOTIFICATION OF DISPOSITION OF COLLATERAL  
26 To:....(Name of debtor, obligor, or other person to which the  
27 notification is sent)....  
28 From:....(Name, address, and telephone number of secured  
29 party)....  
30 Name of Debtor(s):....(Include only if debtor(s) are not an  
31 addressee)....

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1 [For a public disposition:]

2         We will sell [or lease or license, as applicable] the  
3 ....(describe collateral)....to the highest qualified bidder  
4 in public as follows:

5 Day and Date:

6 Time:

7 Place:

8 [For a private disposition:]

9         We will sell [or lease or license, as applicable] the  
10 ....(describe collateral).... privately sometime after  
11 ....(day and date).....

12         You are entitled to an accounting of the unpaid  
13 indebtedness secured by the property that we intend to sell  
14 [or lease or license, as applicable] for a charge of \$\_\_\_\_\_.  
15 You may request an accounting by calling us at ....(telephone  
16 number).....

17         679.614 Contents and form of notification before  
18 disposition of collateral; consumer-goods transaction.--In a  
19 consumer-goods transaction, the following rules apply:

20         (1) A notification of disposition must provide the  
21 following information:

22         (a) The information specified in s. 679.613(1);

23         (b) A description of any liability for a deficiency of  
24 the person to whom the notification is sent;

25         (c) A telephone number from which the amount that must  
26 be paid to the secured party to redeem the collateral under s.  
27 679.623 is available; and

28         (d) A telephone number or mailing address from which  
29 additional information concerning the disposition and the  
30 obligation secured is available.

31         (2) A particular phrasing of the notification is not

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1 required.

2 (3) The following form of notification, when  
3 completed, provides sufficient information:

4 ....(Name and address of secured party)....

5 .... (Date)....

6                   NOTICE OF OUR PLAN TO SELL PROPERTY

7 .... (Name and address of any obligor who is also a  
8 debtor)....

9 Subject:....(Identification of Transaction)....

10 We have your ....(describe collateral)...., because you broke  
11 promises in our agreement.

12

13 [For a public disposition:]

14 We will sell ....(describe collateral).... at public sale. A  
15 sale could include a lease or license. The sale will be held  
16 as follows:

17         Date:

18         Time:

19         Place:

20 You may attend the sale and bring bidders if you want.

21 [For a private disposition:]

22 We will sell ....(describe collateral).... at private sale  
23 sometime after ....(date)..... A sale could include a lease or  
24 license.

25

26 The money that we get from the sale (after paying our costs)  
27 will reduce the amount you owe. If we get less money than you  
28 owe, you ....(will or will not, as applicable).... still owe  
29 us the difference. If we get more money than you owe, you will  
30 get the extra money, unless we must pay it to someone else.

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1 You can get the property back at any time before we sell it by  
2 paying us the full amount you owe (not just the past due  
3 payments), including our expenses. To learn the exact amount  
4 you must pay, call us at ....(telephone number).....

5  
6 If you want us to explain to you in writing how we have  
7 figured the amount that you owe us, you may call us at  
8 ....(telephone number).... or write us at ....(secured party's  
9 address).... and request a written explanation. We will charge  
10 you \$\_\_\_\_\_ for the explanation if we sent you another written  
11 explanation of the amount you owe us within the last 6 months.

12  
13 If you need more information about the sale, call us at  
14 ....(telephone number).... or write us at ....(secured party's  
15 address).....

16  
17 We are sending this notice to the following other people who  
18 have an interest in ....(describe collateral).... or who owe  
19 money under your agreement:  
20 ....(Names of all other debtors and obligors, if any)....

21 (4) A notification in the form of subsection (3) is  
22 sufficient, even if additional information appears at the end  
23 of the form.

24 (5) A notification in the form of subsection (3) is  
25 sufficient, even if it includes errors in information not  
26 required by subsection (1), unless the error is misleading  
27 with respect to rights arising under this chapter.

28 (6) If a notification under this section is not in the  
29 form of subsection (3), law other than this chapter determines  
30 the effect of including information not required by subsection  
31 (1).

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1           679.615 Application of proceeds of disposition;  
2 liability for deficiency and right to surplus.--

3           (1) A secured party shall apply or pay over for  
4 application the cash proceeds of disposition under s. 679.610  
5 in the following order to:

6           (a) The reasonable expenses of retaking, holding,  
7 preparing for disposition, processing, and disposing, and, to  
8 the extent provided for by agreement and not prohibited by  
9 law, reasonable attorney's fees and legal expenses incurred by  
10 the secured party;

11           (b) The satisfaction of obligations secured by the  
12 security interest or agricultural lien under which the  
13 disposition is made;

14           (c) The satisfaction of obligations secured by any  
15 subordinate security interest in or other subordinate lien on  
16 the collateral if:

17           1. The secured party receives from the holder of the  
18 subordinate security interest or other lien an authenticated  
19 demand for proceeds before distribution of the proceeds is  
20 completed; and

21           2. In a case in which a consignor has an interest in  
22 the collateral, the subordinate security interest or other  
23 lien is senior to the interest of the consignor; and

24           (d) A secured party that is a consignor of the  
25 collateral if the secured party receives from the consignor an  
26 authenticated demand for proceeds before distribution of the  
27 proceeds is completed.

28           (2) If requested by a secured party, a holder of a  
29 subordinate security interest or other lien shall furnish  
30 reasonable proof of the interest or lien within a reasonable  
31 time after receipt of the request and agree to indemnify the

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1 secured party on reasonable terms acceptable to the secured  
2 party for damages, including reasonable attorney's fees and  
3 costs, incurred or suffered by the secured party if the  
4 subordinate holder did not have the right to receive the  
5 amounts to be paid to it. Unless the holder complies, the  
6 secured party need not comply with the holder's demand under  
7 paragraph (1)(c).

8 (3) A secured party need not apply or pay over for  
9 application noncash proceeds of disposition under s. 679.610  
10 unless the failure to do so would be commercially  
11 unreasonable. A secured party that applies or pays over for  
12 application noncash proceeds shall do so in a commercially  
13 reasonable manner.

14 (4) If the security interest under which a disposition  
15 is made secures payment or performance of an obligation, after  
16 making the payments and applications required by subsection  
17 (1) and permitted by subsection (3):

18 (a) Unless paragraph (1)(d) requires the secured party  
19 to apply or pay over cash proceeds to a consignor, the secured  
20 party shall account to and pay a debtor for any surplus; and

21 (b) The obligor is liable for any deficiency.

22 (5) If the underlying transaction is a sale of  
23 accounts, chattel paper, payment intangibles, or promissory  
24 notes:

25 (a) The debtor is not entitled to any surplus; and

26 (b) The obligor is not liable for any deficiency.

27 (6) The surplus or deficiency following a disposition  
28 is calculated based on the amount of proceeds that would have  
29 been realized in a disposition complying with this part to a  
30 transferee other than the secured party, a person related to  
31 the secured party, or a secondary obligor if:

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1           (a) The transferee in the disposition is the secured  
2 party, a person related to the secured party, or a secondary  
3 obligor; and

4           (b) The amount of proceeds of the disposition is  
5 significantly below the range of proceeds that a complying  
6 disposition to a person other than the secured party, a person  
7 related to the secured party, or a secondary obligor would  
8 have brought.

9           (7) A secured party that receives cash proceeds of a  
10 disposition in good faith and without knowledge that the  
11 receipt violates the rights of the holder of a security  
12 interest or other lien that is not subordinate to the security  
13 interest or agricultural lien under which the disposition is  
14 made:

15           (a) Takes the cash proceeds free of the security  
16 interest or other lien;

17           (b) Is not obligated to apply the proceeds of the  
18 disposition to the satisfaction of obligations secured by the  
19 security interest or other lien; and

20           (c) Is not obligated to account to or pay the holder  
21 of the security interest or other lien for any surplus.

22           (8) If the secured party in good faith cannot  
23 determine the validity, extent, or priority of a subordinate  
24 security interest or other lien or there are conflicting  
25 claims of subordinate interests or liens, the secured party  
26 may commence an interpleader action with respect to remaining  
27 proceeds in excess of \$2,500 in the circuit or county court,  
28 as applicable based upon the amount to be deposited, where the  
29 collateral was located or collected or in the county where the  
30 debtor's chief executive office or principal residence is  
31 located in this state, as applicable. The interpleading

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1 secured party and any other parties in the interpleader action  
2 shall only be entitled to recover attorney's fees and costs as  
3 permitted in s. 679.608(3).

4 679.616 Explanation of calculation of surplus or  
5 deficiency.--

6 (1) In this section, the term:

7 (a) "Explanation" means a writing that:

8 1. States the amount of the surplus or deficiency;

9 2. Provides an explanation in accordance with

10 subsection (3) of how the secured party calculated the surplus  
11 or deficiency;

12 3. States, if applicable, that future debits, credits,  
13 charges, including additional credit service charges or  
14 interest, rebates, and expenses may affect the amount of the  
15 surplus or deficiency; and

16 4. Provides a telephone number or mailing address from  
17 which additional information concerning the transaction is  
18 available.

19 (b) "Request" means a record:

20 1. Authenticated by a debtor or consumer obligor;

21 2. Requesting that the recipient provide an  
22 explanation; and

23 3. Sent after disposition of the collateral under s.  
24 679.610.

25 (2) In a consumer-goods transaction in which the  
26 debtor is entitled to a surplus or a consumer obligor is  
27 liable for a deficiency under s. 679.615, the secured party  
28 shall:

29 (a) Send an explanation to the debtor or consumer  
30 obligor, as applicable, after the disposition and:

31 1. Before or when the secured party accounts to the



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1 debtor and pays any surplus or first makes written demand on  
2 the consumer obligor after the disposition for payment of the  
3 deficiency; and

4 2. Within 14 days after receipt of a request; or  
5 (b) In the case of a consumer obligor who is liable  
6 for a deficiency, within 14 days after receipt of a request,  
7 send to the consumer obligor a record waiving the secured  
8 party's right to a deficiency.

9 (3) To comply with subparagraph (1)(a)2., a writing  
10 must provide the following information in the following order:

11 (a) The aggregate amount of obligations secured by the  
12 security interest under which the disposition was made, and,  
13 if the amount reflects a rebate of unearned interest or credit  
14 service charge, an indication of that fact, calculated as of a  
15 specified date:

16 1. If the secured party takes or receives possession  
17 of the collateral after default, not more than 35 days before  
18 the secured party takes or receives possession; or

19 2. If the secured party takes or receives possession  
20 of the collateral before default or does not take possession  
21 of the collateral, not more than 35 days before the  
22 disposition;

23 (b) The amount of proceeds of the disposition;  
24 (c) The aggregate amount of the obligations after  
25 deducting the amount of proceeds;

26 (d) The amount, in the aggregate or by type, and types  
27 of expenses, including expenses of retaking, holding,  
28 preparing for disposition, processing, and disposing of the  
29 collateral, and attorney's fees secured by the collateral  
30 which are known to the secured party and relate to the current  
31 disposition;

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1           (e) The amount, in the aggregate or by type, and types  
2 of credits, including rebates of interest or credit service  
3 charges, to which the obligor is known to be entitled and  
4 which are not reflected in the amount in paragraph (a); and

5           (f) The amount of the surplus or deficiency.

6           (4) A particular phrasing of the explanation is not  
7 required. An explanation complying substantially with the  
8 requirements of subsection (1) is sufficient, even if it  
9 includes minor errors that are not seriously misleading.

10           (5) A debtor or consumer obligor is entitled without  
11 charge to one response to a request under this section during  
12 any 6-month period in which the secured party did not send to  
13 the debtor or consumer obligor an explanation pursuant to  
14 paragraph (2)(a). The secured party may require payment of a  
15 charge not exceeding \$25 for each additional response.

16           679.617 Rights of transferee of collateral.--

17           (1) A secured party's disposition of collateral after  
18 default:

19           (a) Transfers to a transferee for value all of the  
20 debtor's rights in the collateral;

21           (b) Discharges the security interest under which the  
22 disposition is made; and

23           (c) Discharges any subordinate security interest or  
24 other subordinate lien other than liens created under statutes  
25 providing for liens, if any, that are not to be discharged.

26           (2) A transferee that acts in good faith takes free of  
27 the rights and interests described in subsection (1), even if  
28 the secured party fails to comply with this chapter or the  
29 requirements of any judicial proceeding.

30           (3) If a transferee does not take free of the rights  
31 and interests described in subsection (1), the transferee

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1 takes the collateral subject to:

2 (a) The debtor's rights in the collateral;

3 (b) The security interest or agricultural lien under  
4 which the disposition is made; and

5 (c) Any other security interest or other lien.

6 679.618 Rights and duties of certain secondary  
7 obligors.--

8 (1) A secondary obligor acquires the rights and  
9 becomes obligated to perform the duties of the secured party  
10 after the secondary obligor:

11 (a) Receives an assignment of a secured obligation  
12 from the secured party;

13 (b) Receives a transfer of collateral from the secured  
14 party and agrees to accept the rights and assume the duties of  
15 the secured party; or

16 (c) Is subrogated to the rights of a secured party  
17 with respect to collateral.

18 (2) An assignment, transfer, or subrogation described  
19 in subsection (1):

20 (a) Is not a disposition of collateral under s.  
21 679.610; and

22 (b) Relieves the secured party of further duties under  
23 this chapter.

24 679.619 Transfer of record or legal title.--

25 (1) In this section, the term "transfer statement"  
26 means a record authenticated by a secured party stating:

27 (a) That the debtor has defaulted in connection with  
28 an obligation secured by specified collateral;

29 (b) That the secured party has exercised its  
30 post-default remedies with respect to the collateral;

31 (c) That, by reason of the exercise, a transferee has

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1 acquired the rights of the debtor in the collateral; and  
2 (d) The name and mailing address of the secured party,  
3 debtor, and transferee.  
4 (2) A transfer statement entitles the transferee to  
5 the transfer of record of all rights of the debtor in the  
6 collateral specified in the statement in any official filing,  
7 recording, registration, or certificate-of-title system  
8 covering the collateral. If a transfer statement is presented  
9 with the applicable fee and request form to the official or  
10 office responsible for maintaining the system, the official or  
11 office shall:  
12 (a) Accept the transfer statement;  
13 (b) Promptly amend its records to reflect the  
14 transfer; and  
15 (c) If applicable, issue a new appropriate certificate  
16 of title in the name of the transferee.  
17 (3) A transfer of the record or legal title to  
18 collateral to a secured party under subsection (2) or  
19 otherwise is not of itself a disposition of collateral under  
20 this chapter and does not of itself relieve the secured party  
21 of its duties under this chapter.  
22 679.620 Acceptance of collateral in full or partial  
23 satisfaction of obligation; compulsory disposition of  
24 collateral.--  
25 (1) Except as otherwise provided in subsection (7), a  
26 secured party may accept collateral in full or partial  
27 satisfaction of the obligation it secures only if:  
28 (a) The debtor consents to the acceptance under  
29 subsection (3);  
30 (b) The secured party does not receive, within the  
31 time set forth in subsection (4), a notification of objection

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1 to the proposal authenticated by:

2 1. A person to whom the secured party was required to  
3 send a proposal under s. 679.621; or

4 2. Any other person, other than the debtor, holding an  
5 interest in the collateral subordinate to the security  
6 interest that is the subject of the proposal;

7 (c) If the collateral is consumer goods, the  
8 collateral is not in the possession of the debtor when the  
9 debtor consents to the acceptance; and

10 (d) Subsection (5) does not require the secured party  
11 to dispose of the collateral or the debtor waives the  
12 requirement pursuant to s. 679.624.

13 (2) A purported or apparent acceptance of collateral  
14 under this section is ineffective unless:

15 (a) The secured party consents to the acceptance in an  
16 authenticated record or sends a proposal to the debtor; and

17 (b) The conditions of subsection (1) are met.

18 (3) For purposes of this section:

19 (a) A debtor consents to an acceptance of collateral  
20 in partial satisfaction of the obligation it secures only if  
21 the debtor agrees to the terms of the acceptance in a record  
22 authenticated after default; and

23 (b) A debtor consents to an acceptance of collateral  
24 in full satisfaction of the obligation it secures only if the  
25 debtor agrees to the terms of the acceptance in a record  
26 authenticated after default or the secured party:

27 1. Sends to the debtor after default a proposal that  
28 is unconditional or subject only to a condition that  
29 collateral not in the possession of the secured party be  
30 preserved or maintained;

31 2. In the proposal, proposes to accept collateral in

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1 full satisfaction of the obligation it secures, and, in a  
2 consumer transaction, provides notice that the proposal will  
3 be deemed accepted if it is not objected to by an  
4 authenticated notice within 30 days after the date the  
5 proposal is sent by the secured party; and

6 3. Does not receive a notification of objection  
7 authenticated by the debtor within 30 days after the proposal  
8 is sent.

9 (4) To be effective under paragraph (1)(b), a  
10 notification of objection must be received by the secured  
11 party:

12 (a) In the case of a person to whom the proposal was  
13 sent pursuant to s. 679.621, within 20 days after notification  
14 was sent to that person; and

15 (b) In other cases:

16 1. Within 20 days after the last notification was sent  
17 pursuant to s. 679.621; or

18 2. If a notification was not sent, before the debtor  
19 consents to the acceptance under subsection (3).

20 (5) A secured party that has taken possession of  
21 collateral shall dispose of the collateral pursuant to s.  
22 679.610 within the time specified in subsection (6) if:

23 (a) Sixty percent of the cash price has been paid in  
24 the case of a purchase-money security interest in consumer  
25 goods; or

26 (b) Sixty percent of the principal amount of the  
27 obligation secured has been paid in the case of a  
28 non-purchase-money security interest in consumer goods.

29 (6) To comply with subsection (5), the secured party  
30 shall dispose of the collateral:

31 (a) Within 90 days after taking possession; or

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1           (b) Within any longer period to which the debtor and  
2 all secondary obligors have agreed in an agreement to that  
3 effect entered into and authenticated after default.

4           (7) In a consumer transaction, a secured party may not  
5 accept collateral in partial satisfaction of the obligation it  
6 secures.

7           679.621 Notification of proposal to accept  
8 collateral.--

9           (1) A secured party that desires to accept collateral  
10 in full or partial satisfaction of the obligation it secures  
11 shall send its proposal to:

12           (a) Any person from whom the secured party has  
13 received, before the debtor consented to the acceptance, an  
14 authenticated notification of a claim of an interest in the  
15 collateral;

16           (b) Any other secured party or lienholder that, 10  
17 days before the debtor consented to the acceptance, held a  
18 security interest in or other lien on the collateral perfected  
19 by the filing of a financing statement that:

20           1. Identified the collateral;

21           2. Was indexed under the debtor's name as of that  
22 date; and

23           3. Was filed in the office or offices in which to file  
24 a financing statement against the debtor covering the  
25 collateral as of that date; and

26           (c) Any other secured party that, 10 days before the  
27 debtor consented to the acceptance, held a security interest  
28 in the collateral perfected by compliance with a statute,  
29 regulation, or treaty described in s. 679.3111(1).

30           (2) A secured party that desires to accept collateral  
31 in partial satisfaction of the obligation it secures shall

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1 send its proposal to any secondary obligor in addition to the  
2 persons described in subsection (1).

3 (3) A secured party shall send its proposal under s.  
4 679.621(1) or (2) to the affected party at the address  
5 prescribed in s. 679.611(6).

6 679.622 Effect of acceptance of collateral.--

7 (1) A secured party's acceptance of collateral in full  
8 or partial satisfaction of the obligation it secures:

9 (a) Discharges the obligation to the extent consented  
10 to by the debtor;

11 (b) Transfers to the secured party all of a debtor's  
12 rights in the collateral;

13 (c) Discharges the security interest or agricultural  
14 lien that is the subject of the debtor's consent and any  
15 subordinate security interest or other subordinate lien; and

16 (d) Terminates any other subordinate interest.

17 (2) A subordinate interest is discharged or terminated  
18 under subsection (1), even if the secured party fails to  
19 comply with this chapter.

20 679.623 Right to redeem collateral.--

21 (1) A debtor, any secondary obligor, or any other  
22 secured party or lienholder may redeem collateral.

23 (2) To redeem collateral, a person shall tender:

24 (a) Fulfillment of all obligations secured by the  
25 collateral; and

26 (b) The reasonable expenses and attorney's fees  
27 described in s. 679.615(1)(a).

28 (3) A redemption may occur at any time before a  
29 secured party:

30 (a) Has collected collateral under s. 679.607;

31 (b) Has disposed of collateral or entered into a



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1 contract for its disposition under s. 679.610; or  
2 (c) Has accepted collateral in full or partial  
3 satisfaction of the obligation it secures under s. 679.622.  
4 679.624 Waiver.--  
5 (1) A debtor or secondary obligor may waive the right  
6 to notification of disposition of collateral under s. 679.611  
7 only by an agreement to that effect entered into and  
8 authenticated after default.  
9 (2) A debtor may waive the right to require  
10 disposition of collateral under s. 679.620(5) only by an  
11 agreement to that effect entered into and authenticated after  
12 default.  
13 (3) Except in a consumer-goods transaction, a debtor  
14 or secondary obligor may waive the right to redeem collateral  
15 under s. 679.623 only by an agreement to that effect entered  
16 into and authenticated after default.  
17 679.625 Remedies for failure to comply with article.--  
18 (1) If it is established that a secured party is not  
19 proceeding in accordance with this chapter, a court may order  
20 or restrain collection, enforcement, or disposition of  
21 collateral on appropriate terms and conditions. This  
22 subsection shall not preclude a debtor other than a consumer  
23 and a secured party, or two or more secured parties in other  
24 than a consumer transaction, from agreeing in an authenticated  
25 record that the debtor or secured party must first provide to  
26 the alleged offending secured party notice of a violation of  
27 this chapter and opportunity to cure before commencing any  
28 legal proceeding under this section.  
29 (2) Subject to subsections (3), (4), and (6), a person  
30 is liable for damages in the amount of any loss caused by a  
31 failure to comply with this chapter, including damages

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1 suffered by the debtor resulting from the debtor's inability  
2 to obtain, or increased costs of, alternative financing, but  
3 not including consequential, special, or penal damages, unless  
4 the conduct giving rise to the failure constitutes an  
5 independent claim under the laws of this state other than this  
6 chapter and then only to the extent otherwise recoverable  
7 under law.

8 (3) Except as otherwise provided in s. 679.628:

9 (a) A person who, at the time of the failure, was a  
10 debtor, was an obligor, or held a security interest in or  
11 other lien on the collateral may recover damages under  
12 subsection (2) for the person's loss; and

13 (b) If the collateral is consumer goods, a person who  
14 was a debtor or a secondary obligor at the time a secured  
15 party failed to comply with this part may recover for that  
16 failure in any event an amount not less than the credit  
17 service charge plus 10 percent of the principal amount of the  
18 obligation or the time-price differential plus 10 percent of  
19 the cash price.

20 (4) A debtor whose deficiency is eliminated under s.  
21 679.626 may recover damages for the loss of any surplus.  
22 However, a debtor or secondary obligor whose deficiency is  
23 eliminated or reduced under s. 679.626 may not otherwise  
24 recover under subsection (2) for noncompliance with the  
25 provisions of this part relating to collection, enforcement,  
26 disposition, or acceptance.

27 (5) In lieu of damages recoverable under subsection  
28 (2), the debtor, consumer obligor, or person named as a debtor  
29 in a filed record, as applicable, may recover \$500 in each  
30 case from a person who:

31 (a) Fails to comply with s. 679.2081;

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- 1           (b) Fails to comply with s. 679.209;
- 2           (c) Files a record that the person is not entitled to
- 3 file under s. 679.509(1);
- 4           (d) Fails to cause the secured party of record to file
- 5 or send a termination statement as required by s. 679.513(1)
- 6 or (3) after receipt of an authenticated record notifying the
- 7 person of such noncompliance;
- 8           (e) Fails to comply with s. 679.616(2)(a) and whose
- 9 failure is part of a pattern, or consistent with a practice,
- 10 of noncompliance; or
- 11           (f) Fails to comply with s. 679.616(2)(b) with respect
- 12 to a consumer transaction, and with respect to a transaction
- 13 other than a consumer transaction, after receipt of an
- 14 authenticated record notifying the person of such
- 15 noncompliance.
- 16           (6) A debtor or consumer obligor may recover damages
- 17 under subsection (2) and, in addition, \$500 in each case from
- 18 a person who, without reasonable cause, fails to comply with a
- 19 request under s. 679.210. A recipient of a request under s.
- 20 679.210 which never claimed an interest in the collateral or
- 21 obligations that are the subject of a request under that
- 22 section has a reasonable excuse for failure to comply with the
- 23 request within the meaning of this subsection.
- 24           (7) If a secured party fails to comply with a request
- 25 regarding a list of collateral or a statement of account under
- 26 S. 679.210, the secured party may claim a security interest
- 27 only as shown in the list or statement included in the request
- 28 as against a person who is reasonably misled by the failure.
- 29           679.626 Action in which deficiency or surplus is in
- 30 issue.--In an action arising from a transaction in which the
- 31 amount of a deficiency or surplus is in issue, the following

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1 rules apply:

2 (1) A secured party need not prove compliance with the  
3 provisions of this part relating to collection, enforcement,  
4 disposition, or acceptance unless the debtor or a secondary  
5 obligor places the secured party's compliance in issue.

6 (2) If the secured party's compliance is placed in  
7 issue, the secured party has the burden of establishing that  
8 the collection, enforcement, disposition, or acceptance was  
9 conducted in accordance with this part.

10 (3) Except as otherwise provided in s. 679.628, if a  
11 secured party fails to prove that the collection, enforcement,  
12 disposition, or acceptance was conducted in accordance with  
13 the provisions of this part relating to collection,  
14 enforcement, disposition, or acceptance, the liability of a  
15 debtor or a secondary obligor for a deficiency is limited to  
16 an amount by which the sum of the secured obligation,  
17 reasonable expenses, and, to the extent provided for by  
18 agreement and not prohibited by law, attorney's fees exceeds  
19 the greater of:

20 (a) The proceeds of the collection, enforcement,  
21 disposition, or acceptance; or

22 (b) The amount of proceeds that would have been  
23 realized had the noncomplying secured party proceeded in  
24 accordance with the provisions of this part relating to  
25 collection, enforcement, disposition, or acceptance.

26 (4) For purposes of paragraph (3)(b), the amount of  
27 proceeds that would have been realized is equal to the sum of  
28 the secured obligation, expenses, and attorney's fees unless  
29 the secured party proves that the amount is less than that  
30 sum.

31 (5) If a deficiency or surplus is calculated under s.

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1 679.615(6), the debtor or obligor has the burden of  
2 establishing that the amount of proceeds of the disposition is  
3 significantly below the range of prices that a complying  
4 disposition to a person other than the secured party, a person  
5 related to the secured party, or a secondary obligor would  
6 have brought.

7 679.627 Determination of whether conduct was  
8 commercially reasonable.--

9 (1) The fact that a greater amount could have been  
10 obtained by a collection, enforcement, disposition, or  
11 acceptance at a different time or in a different method from  
12 that selected by the secured party is not of itself sufficient  
13 to preclude the secured party from establishing that the  
14 collection, enforcement, disposition, or acceptance was made  
15 in a commercially reasonable manner.

16 (2) A disposition of collateral is made in a  
17 commercially reasonable manner if the disposition is made:

18 (a) In the usual manner on any recognized market;

19 (b) At the price current in any recognized market at  
20 the time of the disposition; or

21 (c) Otherwise in conformity with reasonable commercial  
22 practices among dealers in the type of property that was the  
23 subject of the disposition.

24 (3) A collection, enforcement, disposition, or  
25 acceptance is commercially reasonable if it has been approved:

26 (a) In a judicial proceeding;

27 (b) By a bona fide creditors' committee;

28 (c) By a representative of creditors; or

29 (d) By an assignee for the benefit of creditors.

30 (4) Approval under subsection (3) need not be  
31 obtained, and lack of approval does not mean that the

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1 collection, enforcement, disposition, or acceptance is not  
2 commercially reasonable.

3 679.628 Nonliability and limitation on liability of  
4 secured party; liability of secondary obligor.--

5 (1) Unless a secured party knows that a person is a  
6 debtor or obligor, knows the identity of the person, and knows  
7 how to communicate with the person:

8 (a) The secured party is not liable to the person, or  
9 to a secured party or lienholder that has filed a financing  
10 statement against the person, for failure to comply with this  
11 chapter; and

12 (b) The secured party's failure to comply with this  
13 chapter does not affect the liability of the person for a  
14 deficiency.

15 (2) A secured party is not liable because of its  
16 status as a secured party:

17 (a) To a person who is a debtor or obligor, unless the  
18 secured party knows:

- 19 1. That the person is a debtor or obligor;  
20 2. The identity of the person; and  
21 3. How to communicate with the person; or

22 (b) To a secured party or lienholder that has filed a  
23 financing statement against a person, unless the secured party  
24 knows:

- 25 1. That the person is a debtor; and  
26 2. The identity of the person.

27 (3) A secured party is not liable to any person, and a  
28 person's liability for a deficiency is not affected, because  
29 of any act or omission arising out of the secured party's  
30 reasonable belief that a transaction is not a consumer-goods  
31 transaction or a consumer transaction or that goods are not

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1 consumer goods, if the secured party's belief is based on its  
 2 reasonable reliance on:

3 (a) A debtor's representation concerning the purpose  
 4 for which collateral was to be used, acquired, or held; or

5 (b) an obligor's representation concerning the purpose  
 6 for which a secured obligation was incurred.

7 (4) A secured party is not liable to any person under  
 8 s. 679.625(3)(b) for its failure to comply with s. 679.616.

9 (5) A secured party is not liable under s.  
 10 679.625(3)(b) more than once with respect to any one secured  
 11 obligation.

12 Section 8. Part VII of chapter 679, Florida Statutes,  
 13 consisting of sections 679.701, 679.702, 679.703, 679.704,  
 14 679.705, 679.706, 679.707, 679.708, and 679.709, Florida  
 15 Statutes, is created to read:

16 PART VII

17 TRANSITION

18 679.701 Effective date.--This part takes effect  
 19 January 1, 2002.

20 679.702 Savings clause.--

21 (1) Except as otherwise provided in this part, this  
 22 act applies to a transaction or lien within its scope, even if  
 23 the transaction or lien was entered into or created before  
 24 this act takes effect.

25 (2) Except as otherwise provided in subsection (3) and  
 26 ss. 679.703-679.709:

27 (a) Transactions and liens that were not governed by  
 28 chapter 679, Florida Statutes 2000, were validly entered into  
 29 or created before this act takes effect, and would be subject  
 30 to this act if they had been entered into or created after  
 31 this act takes effect, and the rights, duties, and interests

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1 flowing from those transactions and liens remain valid after  
2 this act takes effect; and

3 (b) The transactions and liens may be terminated,  
4 completed, consummated, and enforced as required or permitted  
5 by this act or by the law that otherwise would apply if this  
6 act had not taken effect.

7 (3) This act does not affect an action, case, or  
8 proceeding commenced before this act takes effect.

9 679.703 Security interest perfected before effective  
10 date.--

11 (1) A security interest that is enforceable  
12 immediately before this act takes effect and would have  
13 priority over the rights of a person who becomes a lien  
14 creditor at that time is a perfected security interest under  
15 this act if, when this act takes effect, the applicable  
16 requirements for enforceability and perfection under this act  
17 are satisfied without further action.

18 (2) Except as otherwise provided in s. 679.705, if,  
19 immediately before this act takes effect, a security interest  
20 is enforceable and would have priority over the rights of a  
21 person who becomes a lien creditor at that time, but the  
22 applicable requirements for enforceability or perfection under  
23 this act are not satisfied when this act takes effect, the  
24 security interest:

25 (a) Is a perfected security interest for 1 year after  
26 this act takes effect;

27 (b) Remains enforceable thereafter only if the  
28 security interest becomes enforceable under s. 679.203 before  
29 the year expires; and

30 (c) Remains perfected thereafter only if the  
31 applicable requirements for perfection under this act are



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1 satisfied before the year expires.

2 679.704 Security interest unperfected before effective  
3 date.--A security interest that is enforceable immediately  
4 before this act takes effect but that would be subordinate to  
5 the rights of a person who becomes a lien creditor at that  
6 time:

7 (1) Remains an enforceable security interest for 1  
8 year after this act takes effect;

9 (2) Remains enforceable thereafter if the security  
10 interest becomes enforceable under s. 679.203 when this act  
11 takes effect or within 1 year thereafter; and

12 (3) Becomes perfected:

13 (a) Without further action when this act takes effect  
14 if the applicable requirements for perfection under this act  
15 are satisfied before or at that time; or

16 (b) When the applicable requirements for perfection  
17 are satisfied if the requirements are satisfied after that  
18 time.

19 679.705 Effectiveness of action taken before effective  
20 date.--

21 (1) If action, other than the filing of a financing  
22 statement, is taken before this act takes effect and the  
23 action would have resulted in priority of a security interest  
24 over the rights of a person who becomes a lien creditor had  
25 the security interest become enforceable before this act takes  
26 effect, the action is effective to perfect a security interest  
27 that attaches under this act within 1 year after this act  
28 takes effect. An attached security interest becomes  
29 unperfected 1 year after this act takes effect unless the  
30 security interest becomes a perfected security interest under  
31 this act before the expiration of that period.

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1           (2) The filing of a financing statement before this  
2 act takes effect is effective to perfect a security interest  
3 to the extent the filing would satisfy the applicable  
4 requirements for perfection under this act.

5           (3) This act does not render ineffective an effective  
6 financing statement that, before this act takes effect, is  
7 filed and satisfies the applicable requirements for perfection  
8 under the law of the jurisdiction governing perfection as  
9 provided in s. 679.103, Florida Statutes 2000. However,  
10 except as otherwise provided in subsections (4) and (5) and s.  
11 679.706, the financing statement ceases to be effective at the  
12 earlier of:

13           (a) The time the financing statement would have ceased  
14 to be effective under the law of the jurisdiction in which it  
15 is filed; or

16           (b) June 30, 2006.

17           (4) The filing of a continuation statement after this  
18 act takes effect does not continue the effectiveness of the  
19 financing statement filed before this act takes effect.  
20 However, upon the timely filing of a continuation statement  
21 after this act takes effect and in accordance with the law of  
22 the jurisdiction governing perfection as provided in part III,  
23 the effectiveness of a financing statement filed in the same  
24 office in that jurisdiction before this act takes effect  
25 continues for the period provided by the law of that  
26 jurisdiction.

27           (5) Paragraph (3)(b) applies to a financing statement  
28 that, before this act takes effect, is filed against a  
29 transmitting utility and satisfies the applicable requirements  
30 for perfection under the law of the jurisdiction governing  
31 perfection as provided in s. 679.103, Florida Statutes 2000,

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1 only to the extent that part III provides that the law of a  
2 jurisdiction other than the jurisdiction in which the  
3 financing statement is filed governs perfection of a security  
4 interest in collateral covered by the financing statement.

5 (6) A financing statement that includes a financing  
6 statement filed before this act takes effect and a  
7 continuation statement filed after this act takes effect is  
8 effective only to the extent that it satisfies the  
9 requirements of part V for an initial financing statement.

10 679.706 When initial financing statement suffices to  
11 continue effectiveness of financing statement.--

12 (1) The filing of an initial financing statement in  
13 the office specified in s. 679.5011 continues the  
14 effectiveness of a financing statement filed before this act  
15 takes effect if:

16 (a) The filing of an initial financing statement in  
17 that office would be effective to perfect a security interest  
18 under this act;

19 (b) The pre-effective date financing statement was  
20 filed in an office in another state or another office in this  
21 state; and

22 (c) The initial financing statement satisfies  
23 subsection (3).

24 (2) The filing of an initial financing statement under  
25 subsection (1) continues the effectiveness of the  
26 pre-effective date financing statement:

27 (a) If the initial financing statement is filed before  
28 this act takes effect, for the period provided in s. 679.403,  
29 Florida Statutes 2000, with respect to a financing statement;  
30 and

31 (b) If the initial financing statement is filed after

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1 this act takes effect, for the period provided in s. 679.515  
2 with respect to an initial financing statement.

3 (3) To be effective for purposes of subsection (1), an  
4 initial financing statement must:

5 (a) Satisfy the requirements of part V for an initial  
6 financing statement;

7 (b) Identify the pre-effective date financing  
8 statement by indicating the office in which the financing  
9 statement was filed and providing the dates of filing and file  
10 numbers, if any, of the financing statement and of the most  
11 recent continuation statement filed with respect to the  
12 financing statement; and

13 (c) Indicate that the pre-effective date financing  
14 statement remains effective.

15 679.707 Amendment or pre-effective date financing  
16 statement.--

17 (1) In this section, the term "pre-effective date  
18 financing statement" means a financing statement filed before  
19 this act takes effect.

20 (2) After this act takes effect, a person may add or  
21 delete collateral covered by, continue or terminate the  
22 effectiveness of, or otherwise amend the information provided  
23 in a pre-effective date financing statement only in accordance  
24 with the law of the jurisdiction governing perfection as  
25 provided in part III. However, the effectiveness of a  
26 pre-effective date financing statement also may be terminated  
27 in accordance with the law of the jurisdiction in which the  
28 financing statement is filed.

29 (3) Except as otherwise provided in subsection (4), if  
30 the law of this state governs perfection of a security  
31 interest, the information in a pre-effective date financing

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1 statement may be amended after this act takes effect only if:

2 (a) The pre-effective date financing statement and an  
3 amendment are filed in the office specified in s. 679.5011;

4 (b) An amendment is filed in the office specified in  
5 s. 679.5011 concurrently with, or after the filing in that  
6 office of, an initial financing statement that satisfies s.  
7 671.706(3); or

8 (c) An initial financing statement that provides the  
9 information as amended and satisfies s. 679.706(3) is filed in  
10 the office specified in s. 679.5011.

11 (4) If the law of this state governs perfection of a  
12 security interest, the effectiveness of a pre-effective date  
13 financing statement may be continued only under s. 679.705(4)  
14 and (6) or s. 679.706.

15 (5) Whether or not the law of this state governs  
16 perfection of a security interest, the effectiveness of a  
17 pre-effective date financing statement filed in this state may  
18 be terminated after this act takes effect by filing a  
19 termination statement in the office in which the pre-effective  
20 date financing statement is filed, unless an initial financing  
21 statement that satisfies s. 679.706(3) has been filed in the  
22 office specified by the law of the jurisdiction governing  
23 perfection as provided in part III as the office in which to  
24 file a financing statement.

25 679.708 Persons entitled to file initial financing  
26 statement or continuation statement.--A person may file an  
27 initial financing statement or a continuation statement under  
28 this part if:

29 (1) The secured party of record authorizes the filing;  
30 and

31 (2) The filing is necessary under this part:

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1           (a) To continue the effectiveness of a financing  
 2 statement filed before this act takes effect; or

3           (b) To perfect or continue the perfection of a  
 4 security interest.

5           679.709 Priority.--

6           (1) This act determines the priority of conflicting  
 7 claims to collateral. However, if the relative priorities of  
 8 the claims were established before this act takes effect,  
 9 chapter 679, Florida Statutes 2000, determines priority.

10           (2) For purposes of s. 679.322(1), the priority of a  
 11 security interest that becomes enforceable under s. 679.2031  
 12 of this act dates from the time this act takes effect if the  
 13 security interest is perfected under this act by the filing of  
 14 a financing statement before this act takes effect which would  
 15 not have been effective to perfect the security interest under  
 16 chapter 679, Florida Statutes 2000. This subsection does not  
 17 apply to conflicting security interests each of which is  
 18 perfected by the filing of such a financing statement.

19           Section 9. Subsection (2) of section 671.105, Florida  
 20 Statutes, is amended to read:

21           671.105 Territorial application of the code; parties'  
 22 power to choose applicable law.--

23           (2) When one of the following provisions of this code  
 24 specifies the applicable law, that provision governs; and a  
 25 contrary agreement is effective only to the extent permitted  
 26 by the law (including the conflict-of-laws rules) so  
 27 specified:

28           (a) Governing law in the chapter on funds transfers.  
 29 (s. 670.507)

30           (b) Rights of sellers' creditors against sold goods.  
 31 (s. 672.402)

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1 (c) Applicability of the chapter on bank deposits and  
2 collections. (s. 674.102)

3 (d) Applicability of the chapter on letters of credit.  
4 (s. 675.116)

5 (e) Applicability of the chapter on investment  
6 securities. (s. 678.1101)

7 (f) Law governing perfection, the effect provisions of  
8 perfection or nonperfection, and the priority of security  
9 interests and agricultural liens chapter on secured  
10 transactions. (ss. 679.3011-679.3071) (s. 679.103)

11 (g) Applicability of the chapter on leases. (ss.  
12 680.1051 and 680.1061)

13 Section 10. Subsections (9), (32), and (37) of section  
14 671.201, Florida Statutes, are amended to read:

15 671.201 General definitions.--Subject to additional  
16 definitions contained in the subsequent chapters of this code  
17 which are applicable to specific chapters or parts thereof,  
18 and unless the context otherwise requires, in this code:

19 (9) "Buyer in ordinary course of business" means a  
20 person who buys goods in good faith ~~and~~ without knowledge that  
21 the sale violates to him or her is in violation of the  
22 ownership rights or security interest of another person a  
23 third party in the goods, and buys in the ordinary course from  
24 a person, other than a pawnbroker, in the business of selling  
25 goods of that kind but does not include a pawnbroker. A  
26 person buys goods in the ordinary course if the sale to the  
27 person comports with the usual or customary practices in the  
28 kind of business in which the seller is engaged or with the  
29 seller's own usual or customary practices. A person who sells  
30 oil, gas, or other minerals at the wellhead or minehead is a  
31 person ~~All persons who sell minerals or the like (including~~

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1 ~~oil and gas) at wellhead or minehead shall be deemed to be~~  
2 ~~persons~~ in the business of selling goods of that kind. A buyer  
3 in the ordinary course of business ~~"Buying"~~ may buy ~~be~~ for  
4 cash, ~~or~~ by exchange of other property, ~~or~~ on secured or  
5 unsecured credit and may acquire ~~includes receiving~~ goods or  
6 documents of title under a preexisting contract for sale ~~but~~  
7 ~~does not include a transfer in bulk or as security for or in~~  
8 ~~total or partial satisfaction of a money debt.~~ Only a buyer  
9 who takes possession of the goods or has a right to recover  
10 the goods from the seller under chapter 672 may be a buyer in  
11 the ordinary course of business. A person who acquires goods  
12 in a transfer in bulk or as security for or in total or  
13 partial satisfaction of a money debt is not a buyer in the  
14 ordinary course of business.

15 (32) "Purchase" includes taking by sale, discount,  
16 negotiation, mortgage, pledge, lien, security interest, issue  
17 or reissue, gift or any other voluntary transaction creating  
18 an interest in property.

19 (37) "Security interest" means an interest in personal  
20 property or fixtures which secures payment or performance of  
21 an obligation. ~~The retention or reservation of title by a~~  
22 ~~seller of goods notwithstanding shipment or delivery to the~~  
23 ~~buyer (s. 672.401) is limited in effect to a reservation of a~~  
24 ~~security interest.~~ The term also includes any interest of a  
25 consignor and a buyer of accounts, or chattel paper, a payment  
26 intangible, or a promissory note in a transaction which is  
27 subject to chapter 679. The special property interest of a  
28 buyer of goods on identification of those goods to a contract  
29 for sale under s. 672.401 is not a security interest, but a  
30 buyer may also acquire a security interest by complying with  
31 chapter 679. Except as otherwise provided in s. 672.505, the



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1 right of a seller or lessor of goods under chapter 672 or  
2 chapter 680 to retain or acquire possession of the goods is  
3 not a security interest, but a seller or lessor may also  
4 acquire a security interest by complying with chapter 679. The  
5 retention or reservation of title by a seller of goods,  
6 notwithstanding shipment or delivery to the buyer (s.  
7 672.401), is limited in effect to a reservation of a security  
8 interest.~~Unless a consignment is intended as security,~~  
9 ~~reservation of title thereunder is not a security interest,~~  
10 ~~but a consignment is in any event subject to the provisions on~~  
11 ~~consignment sales (s. 672.326).~~ Whether a transaction creates  
12 a lease or security interest is determined by the facts of  
13 each case; however:

14 (a) A transaction creates a security interest if the  
15 consideration the lessee is to pay the lessor for the right to  
16 possession and use of the goods is an obligation for the term  
17 of the lease not subject to termination by the lessee, and;

18 1. The original term of the lease is equal to or  
19 greater than the remaining economic life of the goods;

20 2. The lessee is bound to renew the lease for the  
21 remaining economic life of the goods or is bound to become the  
22 owner of the goods;

23 3. The lessee has an option to renew the lease for the  
24 remaining economic life of the goods for no additional  
25 consideration or nominal additional consideration upon  
26 compliance with the lease agreement; or

27 4. The lessee has an option to become the owner of the  
28 goods for no additional consideration or nominal additional  
29 consideration upon compliance with the lease agreement.

30 (b) A transaction does not create a security interest  
31 merely because it provides that:

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1           1. The present value of the consideration the lessee  
2 is obligated to pay the lessor for the right to possession and  
3 use of the goods is substantially equal to or is greater than  
4 the fair market value of the goods at the time the lease is  
5 entered into;

6           2. The lessee assumes the risk of loss of the goods or  
7 agrees to pay taxes; insurance; filing, recording, or  
8 registration fees; or service or maintenance costs with  
9 respect to the goods;

10          3. The lessee has an option to renew the lease or to  
11 become the owner of the goods;

12          4. The lessee has an option to renew the lease for a  
13 fixed rent that is equal to or greater than the reasonably  
14 predictable fair market rent for the use of the goods for the  
15 term of the renewal at the time the option is to be performed;  
16 or

17          5. The lessee has an option to become the owner of the  
18 goods for a fixed price that is equal to or greater than the  
19 reasonably predictable fair market value of the goods at the  
20 time the option is to be performed.

21           (c) For purposes of this subsection:

22           1. Additional consideration is not nominal if, when  
23 the option to renew the lease is granted to the lessee, the  
24 rent is stated to be the fair market rent for the use of the  
25 goods for the term of the renewal determined at the time the  
26 option is to be performed or if, when the option to become the  
27 owner of the goods is granted to the lessee, the price is  
28 stated to be the fair market value of the goods determined at  
29 the time the option is to be performed. Additional  
30 consideration is nominal if it is less than the lessee's  
31 reasonably predictable cost of performing under the lease

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1 agreement if the option is not exercised.

2           2. "Reasonably predictable" and "remaining economic  
3 life of the goods" are to be determined with reference to the  
4 facts and circumstances at the time the transaction is entered  
5 into.

6           3. "Present value" means the amount as of a date  
7 certain of one or more sums payable in the future, discounted  
8 to the date certain. The discount is determined by the  
9 interest rate specified by the parties if the rate is not  
10 manifestly unreasonable at the time the transaction is entered  
11 into; otherwise, the discount is determined by a commercially  
12 reasonable rate that takes into account the facts and  
13 circumstances of each case at the time the transaction was  
14 entered into.

15           Section 11. Subsection (3) of section 672.103, Florida  
16 Statutes, is amended to read:

17           672.103 Definitions and index of definitions.--

18           (3) The following definitions in other chapters apply  
19 to this chapter:

20           "Check," s. 673.1041.

21           "Consignee," s. 677.102.

22           "Consignor," s. 677.102.

23           "Consumer goods," s. 679.1021 ~~679.109~~.

24           "Dishonor," s. 673.5021.

25           "Draft," s. 673.1041.

26           Section 12. Section 672.210, Florida Statutes, is  
27 amended to read:

28           672.210 Delegation of performance; assignment of  
29 rights.--

30           (1) A party may perform her or his duty through a  
31 delegate unless otherwise agreed or unless the other party has

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1 a substantial interest in having her or his original promisor  
2 perform or control the acts required by the contract. No  
3 delegation of performance relieves the party delegating of any  
4 duty to perform or any liability for breach.

5 (2) Except as otherwise provided in s. 679.4061,  
6 unless otherwise agreed all rights of either seller or buyer  
7 can be assigned except where the assignment would materially  
8 change the duty of the other party, or increase materially the  
9 burden or risk imposed on her or him by her or his contract,  
10 or impair materially her or his chance of obtaining return  
11 performance. A right to damages for breach of the whole  
12 contract or a right arising out of the assignor's due  
13 performance of her or his entire obligation can be assigned  
14 despite agreement otherwise.

15 (3) The creation, attachment, perfection, or  
16 enforcement of a security interest in the seller's interest  
17 under a contract is not a transfer that materially changes the  
18 duty of or increases materially the burden or risk imposed on  
19 the buyer or impairs materially the buyer's chance of  
20 obtaining return performance within the purview of subsection  
21 (2) unless, and then only to the extent that, enforcement  
22 actually results in a delegation of material performance of  
23 the seller. Even in that event, the creation, attachment,  
24 perfection, and enforcement of the security interest remain  
25 effective, but the seller is liable to the buyer for damages  
26 caused by the delegation to the extent that the damages could  
27 not reasonably be prevented by the buyer. A court having  
28 jurisdiction may grant other appropriate relief, including  
29 cancellation of the contract for sale or an injunction against  
30 enforcement of the security interest or consummation of the  
31 enforcement.

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1           (4)~~(3)~~ Unless the circumstances indicate the contrary  
2 a prohibition of assignment of "the contract" is to be  
3 construed as barring only the delegation to the assignee of  
4 the assignor's performance.

5           (5)~~(4)~~ An assignment of "the contract" or of "all my  
6 rights under the contract" or an assignment in similar general  
7 terms is an assignment of rights and unless the language or  
8 the circumstances (as in an assignment for security) indicate  
9 the contrary, it is a delegation of performance of the duties  
10 of the assignor and its acceptance by the assignee constitutes  
11 a promise by her or him to perform those duties. This promise  
12 is enforceable by either the assignor or the other party to  
13 the original contract.

14           (6)~~(5)~~ The other party may treat any assignment which  
15 delegates performance as creating reasonable grounds for  
16 insecurity and may without prejudice to her or his rights  
17 against the assignor demand assurances from the assignee (s.  
18 672.609).

19           Section 13. Section 672.326, Florida Statutes, is  
20 amended to read:

21           672.326 Sale on approval and sale or return;  
22 ~~consignment sales and rights of creditors.--~~

23           (1) Unless otherwise agreed, if delivered goods may be  
24 returned by the buyer even though they conform to the  
25 contract, the transaction is:

26           (a) A "sale on approval" if the goods are delivered  
27 primarily for use, and

28           (b) A "sale or return" if the goods are delivered  
29 primarily for resale.

30           (2) ~~Except as provided in subsection (3),~~ Goods held  
31 on approval are not subject to the claims of the buyer's

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1 creditors until acceptance; goods held on sale or return are  
2 subject to such claims while in the buyer's possession.

3 ~~(3) Where goods are delivered to a person for sale and~~  
4 ~~such person maintains a place of business at which she or he~~  
5 ~~deals in goods of the kind involved, under a name other than~~  
6 ~~the name of the person making delivery, then with respect to~~  
7 ~~claims of creditors of the person conducting the business the~~  
8 ~~goods are deemed to be on sale or return. The provisions of~~  
9 ~~this subsection are applicable even though an agreement~~  
10 ~~purports to reserve title to the person making delivery until~~  
11 ~~payment or resale or uses such words as "on consignment" or~~  
12 ~~"on memorandum." However, this subsection is not applicable if~~  
13 ~~the person making delivery:~~

14 ~~(a) Complies with an applicable law providing for a~~  
15 ~~consignor's interest or the like to be evidenced by a sign, or~~

16 ~~(b) Establishes that the person conducting the~~  
17 ~~business is generally known by her or his creditors to be~~  
18 ~~substantially engaged in selling the goods of others, or~~

19 ~~(c) Complies with the filing provisions of the chapter~~  
20 ~~on secured transactions (chapter 679).~~

21 ~~(3)(4)~~ Any "or return" term of a contract for sale is  
22 to be treated as a separate contract for sale within the  
23 statute of frauds section of this chapter (s. 672.201) and as  
24 contradicting the sale aspect of the contract within the  
25 provisions of this chapter on parol or extrinsic evidence (s.  
26 672.202).

27 Section 14. Section 672.502, Florida Statutes, is  
28 amended to read:

29 672.502 Buyer's right to goods on seller's  
30 repudiation, failure to deliver, or insolvency.--

31 (1) Subject to subsections ~~subsection~~ (2) and (3), and

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1 even though the goods have not been shipped, a buyer who has  
2 paid a part or all of the price of goods in which she or he  
3 has a special property under the provisions of the immediately  
4 preceding section may on making and keeping good a tender of  
5 any unpaid portion of their price recover them from the seller  
6 if:

7 (a) In the case of goods bought for personal, family,  
8 or household purposes, the seller repudiates or fails to  
9 deliver as required by the contract; or

10 (b) In all cases, the seller becomes insolvent within  
11 ten days after receipt of the first installment on their  
12 price.

13 (2) The buyer's right to recover the goods under  
14 paragraph (1)(a) vests upon acquisition of a special property,  
15 even if the seller has not then repudiated or failed to  
16 deliver.

17 (3)(2) If the identification creating her or his  
18 special property has been made by the buyer she or he acquires  
19 the right to recover the goods only if they conform to the  
20 contract for sale.

21 Section 15. Section 672.716, Florida Statutes, is  
22 amended to read:

23 672.716 Buyer's right to specific performance or  
24 replevin.--

25 (1) Specific performance may be decreed where the  
26 goods are unique or in other proper circumstances.

27 (2) The decree for specific performance may include  
28 such terms and conditions as to payment of the price, damages,  
29 or other relief as the court may deem just.

30 (3) The buyer has a right of replevin for goods  
31 identified to the contract if after reasonable effort she or

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1 he is unable to effect cover for such goods or the  
2 circumstances reasonably indicate that such effort will be  
3 unavailing or if the goods have been shipped under reservation  
4 and satisfaction of the security interest in them has been  
5 made or tendered. In the case of goods bought for personal,  
6 family, or household purposes, the buyer's right of replevin  
7 vests upon acquisition of a special property, even if the  
8 seller had not then repudiated or failed to deliver.

9 Section 16. Subsection (3) of section 674.2101,  
10 Florida Statutes, is amended to read:

11 674.2101 Security interest of collecting bank in  
12 items, accompanying documents, and proceeds.--

13 (3) Receipt by a collecting bank of a final settlement  
14 for an item is a realization on its security interest in the  
15 item, accompanying documents, and proceeds. So long as the  
16 bank does not receive final settlement for the item or give up  
17 possession of the item or accompanying documents for purposes  
18 other than collection, the security interest continues to that  
19 extent and is subject to chapter 679, but:

20 (a) No security agreement is necessary to make the  
21 security interest enforceable (s. 679.2031(2)(c)1.  
22 ~~679.203(1)(a)~~);

23 (b) No filing is required to perfect the security  
24 interest; and

25 (c) The security interest has priority over  
26 conflicting perfected security interests in the item,  
27 accompanying documents, or proceeds.

28 Section 17. Section 675.1181, Florida Statutes, is  
29 created to read:

30 675.1181 Security interest of issuer of nominated  
31 person.--



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1           (1) An issuer or nominated person has a security  
2 interest in a document presented under a letter of credit to  
3 the extent that the issuer or nominated person honors or gives  
4 value for the presentation.

5           (2) As long as and to the extent that an issuer or  
6 nominated person has not been reimbursed or has not otherwise  
7 recovered the value given with respect to a security interest  
8 in a document under subsection (1), the security interest  
9 continues and is subject to chapter 679, but a security  
10 agreement is not necessary to make the security interest  
11 enforceable under s. 679.2031(2)(c):

12           (a) If the document is presented in a medium other  
13 than a written or other tangible medium, the security interest  
14 is perfected; and

15           (b) If the document is presented in a written or other  
16 tangible medium and is not a certificated security, chattel  
17 paper, a document of title, an instrument, or a letter of  
18 credit, the security interest is perfected and has priority  
19 over a conflicting security interest in the document so long  
20 as the debtor does not have possession of the document.

21           Section 18. Subsection (1) of section 677.503, Florida  
22 Statutes, is amended to read:

23           677.503 Document of title to goods defeated in certain  
24 cases.--

25           (1) A document of title confers no right in goods  
26 against a person who before issuance of the document had a  
27 legal interest or a perfected security interest in them and  
28 who neither:

29           (a) Delivered or entrusted them or any document of  
30 title covering them to the bailor or the bailor's nominee with  
31 actual or apparent authority to ship, store or sell or with

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1 power to obtain delivery under this chapter (s. 677.403) or  
 2 with power of disposition under this code (ss. 672.403 and  
 3 679.320 ~~679.307~~) or other statute or rule of law; nor

4 (b) Acquiesced in the procurement by the bailor or the  
 5 bailor's nominee of any document of title.

6 Section 19. Subsection (6) of section 678.1031,  
 7 Florida Statutes, is amended to read:

8 678.1031 Rules for determining whether certain  
 9 obligations and interests are securities or financial  
 10 assets.--

11 (6) A commodity contract, as defined in s.  
 12 679.1021(1)(o)~~679.115~~, is not a security or a financial  
 13 asset.

14 Section 20. Subsections (4) and (6) of section  
 15 678.1061, Florida Statutes, are amended to read:

16 678.1061 Control.--

17 (4) A purchaser has "control" of a security  
 18 entitlement if:

19 (a) The purchaser becomes the entitlement holder; ~~or~~

20 (b) The securities intermediary has agreed that it  
 21 will comply with entitlement orders originated by the  
 22 purchaser without further consent by the entitlement holder;  
 23 or-

24 (c) Another person has control of the security  
 25 entitlement on behalf of the purchaser or, having previously  
 26 acquired control of the security entitlement, acknowledges  
 27 that the person has control on behalf of the purchaser.

28 (6) A purchaser who has satisfied the requirements of  
 29 subsection paragraph (3)(b) or subsection paragraph (4)(b) has  
 30 control, even if the registered owner in the case of  
 31 subsection paragraph (3)(b) or the entitlement holder in the

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1 case of subsection ~~paragraph~~ (4)~~(b)~~ retains the right to make  
2 substitutions for the uncertificated security or security  
3 entitlement, to originate instructions or entitlement orders  
4 to the issuer or securities intermediary, or otherwise to deal  
5 with the uncertificated security or security entitlement.

6 Section 21. Subsection (5) of section 678.1101,  
7 Florida Statutes, is amended to read:

8 678.1101 Applicability; choice of law.--

9 (5) The following rules determine a "securities  
10 intermediary's jurisdiction" for purposes of this section:

11 (a) If an agreement between the securities  
12 intermediary and its entitlement holder governing the  
13 securities account expressly provides that a particular  
14 jurisdiction is the securities intermediary's jurisdiction for  
15 purposes of this part, this chapter, or this code specifies  
16 ~~that it is governed by the law of a particular jurisdiction,~~  
17 that jurisdiction is the securities intermediary's  
18 jurisdiction.

19 (b) If paragraph (a) does not apply and an agreement  
20 between the securities intermediary and its entitlement holder  
21 governing the securities account expressly provides that the  
22 agreement is governed by the law of a particular jurisdiction,  
23 that jurisdiction is the securities intermediary's  
24 jurisdiction.

25 (c)~~(b)~~ If neither paragraph (a) nor paragraph (b)  
26 applies and an agreement between the securities intermediary  
27 and its entitlement holder governing the securities account  
28 ~~does not specify the governing law as provided in paragraph~~  
29 ~~(a), but expressly provides specifies~~ that the securities  
30 account is maintained at an office in a particular  
31 jurisdiction, that jurisdiction is the securities

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1 intermediary's jurisdiction.

2 ~~(d)(c)~~ If none of the preceding paragraphs applies an  
3 ~~agreement between the securities intermediary and its~~  
4 ~~entitlement holder does not specify a jurisdiction as provided~~  
5 ~~in paragraph (a) or paragraph (b), the securities~~  
6 intermediary's jurisdiction is the jurisdiction in which ~~is~~  
7 ~~located~~ the office identified in an account statement as the  
8 office serving the entitlement holder's account is located.

9 ~~(e)(d)~~ If none of the preceding paragraphs applies an  
10 ~~agreement between the securities intermediary and its~~  
11 ~~entitlement holder does not specify a jurisdiction as provided~~  
12 ~~in paragraph (a) or paragraph (b) and an account statement~~  
13 ~~does not identify an office serving the entitlement holder's~~  
14 ~~account as provided in paragraph (c), the securities~~  
15 intermediary's jurisdiction is the jurisdiction in which ~~is~~  
16 ~~located~~ the chief executive office of the securities  
17 intermediary is located.

18 Section 22. Subsection (1) of section 678.3011,  
19 Florida Statutes, is amended to read:

20 678.3011 Delivery.--

21 (1) Delivery of a certificated security to a purchaser  
22 occurs when:

23 (a) The purchaser acquires possession of the security  
24 certificate;

25 (b) Another person, other than a securities  
26 intermediary, either acquires possession of the security  
27 certificate on behalf of the purchaser or, having previously  
28 acquired possession of the certificate, acknowledges that it  
29 holds for the purchaser; or

30 (c) A securities intermediary acting on behalf of the  
31 purchaser acquires possession of the security certificate,

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1 only if the certificate is in registered form and is  
2 registered in the name of the purchaser, payable to the order  
3 of the purchaser, or ~~has been~~ specially indorsed to the  
4 purchaser by an effective indorsement and has not been  
5 endorsed to the securities intermediary or in blank.

6 Section 23. Section 678.3021, Florida Statutes, is  
7 amended to read:

8 678.3021 Rights of purchaser.--

9 (1) Except as otherwise provided in subsections (2)  
10 and (3), a purchaser upon delivery of a certificated or  
11 uncertificated security to a purchaser, the purchaser acquires  
12 all rights in the security that the transferor had or had  
13 power to transfer.

14 (2) A purchaser of a limited interest acquires rights  
15 only to the extent of the interest purchased.

16 (3) A purchaser of a certificated security who as a  
17 previous holder had notice of an adverse claim does not  
18 improve its position by taking from a protected purchaser.

19 Section 24. Section 678.5101, Florida Statutes, is  
20 amended to read:

21 678.5101 Rights of purchaser of security entitlement  
22 from entitlement holder.--

23 (1) In a case not covered by the priority rules in  
24 chapter 679 or the rules stated in subsection (3), an action  
25 based on an adverse claim to a financial asset or security  
26 entitlement, whether framed in conversion, replevin,  
27 constructive trust, equitable lien, or other theory, may not  
28 be asserted against a person who purchases a security  
29 entitlement, or an interest therein, from an entitlement  
30 holder if the purchaser gives value, does not have notice of  
31 the adverse claim, and obtains control.

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1           (2) If an adverse claim could not have been asserted  
2 against an entitlement holder under s. 678.5021, the adverse  
3 claim cannot be asserted against a person who purchases a  
4 security entitlement, or an interest therein, from the  
5 entitlement holder.

6           (3) In a case not covered by the priority rules in  
7 chapter 679, a purchaser for value of a security entitlement,  
8 or an interest therein, who obtains control has priority over  
9 a purchaser of a security entitlement, or an interest therein,  
10 who does not obtain control. Except as otherwise provided in  
11 subsection (4), purchasers who have control rank according to  
12 priority in time of:

13           (a) The purchaser's becoming the person for whom the  
14 securities account, in which the security entitlement is  
15 carried, is maintained, if the purchaser obtained control  
16 under s. 678.1061(4)(a);

17           (b) The securities intermediary's agreement to comply  
18 with the purchaser's entitlement orders with respect to  
19 security entitlements carried or to be carried in the  
20 securities account in which the security entitlement is  
21 carried, if the purchaser obtained control under s.  
22 678.1061(4)(b); or

23           (c) If the purchaser obtained control through another  
24 person under s. 678.1061(4)(c), the time on which priority  
25 would be based under this subsection if the other person were  
26 the secured party, equally, except that

27           (4) A securities intermediary as purchaser has  
28 priority over a conflicting purchaser who has control unless  
29 otherwise agreed by the securities intermediary.

30           Section 25. Subsection (3) of section 680.1031,  
31 Florida Statutes, is amended to read:

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- 1           680.1031 Definitions and index of definitions.--
- 2           (3) The following definitions in other chapters of
- 3 this code apply to this chapter:
- 4           (a) "Account," s. 679.1021(1)(b)~~679.106~~.
- 5           (b) "Between merchants," s. 672.104(3).
- 6           (c) "Buyer," s. 672.103(1)(a).
- 7           (d) "Chattel paper," s. 679.1021(1)(k)~~679.105(1)(b)~~.
- 8           (e) "Consumer goods," s. 679.1021(1)(w)~~679.109(1)~~.
- 9           (f) "Document," s. 679.1021(1)(dd)~~679.105(1)(f)~~.
- 10          (g) "Entrusting," s. 672.403(3).
- 11          (h) "General intangible intangibles," s.
- 12 679.1021(1)(pp)~~679.106~~.
- 13          (i) "Good faith," s. 672.103(1)(b).
- 14          (j) "Instrument," s. 679.1021(1)(uu)~~679.105(1)(i)~~.
- 15          (k) "Merchant," s. 672.104(1).
- 16          (l) "Mortgage," s. 679.1021(1)(ccc)~~679.105(1)(j)~~.
- 17          (m) "Pursuant to a commitment," s. 679.1021(1)(ppp)
- 18 679.105(1)(k).
- 19          (n) "Receipt," s. 672.103(1)(c).
- 20          (o) "Sale," s. 672.106(1).
- 21          (p) "Sale on approval," s. 672.326(1).
- 22          (q) "Sale or return," s. 672.326(1).
- 23          (r) "Seller," s. 672.103(1)(d).

24           Section 26. Section 680.303, Florida Statutes, is

25 amended to read:

26           680.303 Alienability of party's interest under lease

27 contract or of lessor's residual interest in goods; delegation

28 of performance; transfer of rights.--

29           (1) As used in this section, "creation of a security

30 interest" includes the sale of a lease contract that is

31 subject to chapter 679 by reason of s. 679.1091(1)(c).

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1           (2) Except as provided in subsection ~~subsections~~ (3)  
2 and s. 679.4071~~(4)~~, a provision in a lease agreement which:

3           (a) Prohibits the voluntary or involuntary transfer,  
4 including a transfer by sale, sublease, creation or  
5 enforcement of a security interest, or attachment, levy, or  
6 other judicial process, of an interest of a party under the  
7 lease contract or of the lessor's residual interest in the  
8 goods; or

9           (b) Makes such a transfer an event of default, gives  
10 rise to the rights and remedies provided in subsection~~(4)~~  
11 ~~(5)~~, but a transfer that is prohibited or is an event of  
12 default under the lease agreement is otherwise effective.

13           ~~(3) A provision in a lease agreement which:~~

14           ~~(a) Prohibits the creation or enforcement of a~~  
15 ~~security interest in an interest of a party under the lease~~  
16 ~~contract or in the lessor's residual interest in the goods; or~~

17           ~~(b) Makes such a transfer an event of default, is not~~  
18 ~~enforceable unless, and then only to the extent that, there is~~  
19 ~~an actual transfer by the lessee of the lessee's right of~~  
20 ~~possession or use of the goods in violation of the provision~~  
21 ~~or an actual delegation of a material performance of either~~  
22 ~~party to the lease contract in violation of the provision.~~  
23 ~~Neither the granting nor the enforcement of a security~~  
24 ~~interest in the lessor's interest under the lease contract or~~  
25 ~~the lessor's residual interest in the goods is a transfer that~~  
26 ~~materially impairs the prospect of obtaining return~~  
27 ~~performance by, materially changes the duty of, or materially~~  
28 ~~increases the burden or risk imposed on, the lessee within the~~  
29 ~~purview of subsection (5) unless, and then only to the extent~~  
30 ~~that, there is an actual delegation of a material performance~~  
31 ~~of the lessor.~~



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1           ~~(3)~~~~(4)~~ A provision in a lease agreement which:

2           (a) Prohibits a transfer of a right to damages for  
3 default with respect to the whole lease contract or of a right  
4 to payment arising out of the transferor's due performance of  
5 the transferor's entire obligation; or

6           (b) Makes such a transfer an event of default, is not  
7 enforceable, and such a transfer is not a transfer that  
8 materially impairs the prospect of obtaining return  
9 performance by, materially changes the duty of, or materially  
10 increases the burden or risk imposed on, the other party to  
11 the lease contract within the purview of subsection~~(4)~~~~(5)~~.

12           ~~(4)~~~~(5)~~ Subject to subsection ~~subsections~~ (3) and s.  
13 679.4071~~(4)~~:

14           (a) If a transfer is made which is made an event of  
15 default under a lease agreement, the party to the lease  
16 contract not making the transfer, unless that party waives the  
17 default or otherwise agrees, has the rights and remedies  
18 described in s. 680.501(2);

19           (b) If paragraph (a) is not applicable and if a  
20 transfer is made that is prohibited under a lease agreement or  
21 materially impairs the prospect of obtaining return  
22 performance by, materially changes the duty of, or materially  
23 increases the burden or risk imposed on, the other party to  
24 the lease contract, unless the party not making the transfer  
25 agrees at any time to the transfer in the lease contract or  
26 otherwise, then, except as limited by contract, the transferor  
27 is liable to the party not making the transfer for damages  
28 caused by the transfer to the extent that the damages could  
29 not reasonably be prevented by the party not making the  
30 transfer and a court having jurisdiction may grant other  
31 appropriate relief, including cancellation of the lease

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1 contract or an injunction against the transfer.

2 (5)~~(6)~~ A transfer of "the lease" or of "all my rights  
3 under the lease" or a transfer in similar general terms is a  
4 transfer of rights, and unless the language or the  
5 circumstances, as in a transfer for security, indicate the  
6 contrary, the transfer is a delegation of duties by the  
7 transferor to the transferee. Acceptance by the transferee  
8 constitutes a promise by the transferee to perform those  
9 duties. The promise is enforceable by either the transferor or  
10 the other party to the lease contract.

11 (6)~~(7)~~ Unless otherwise agreed by the lessor and the  
12 lessee, a delegation of performance does not relieve the  
13 transferor as against the other party of any duty to perform  
14 or of any liability for default.

15 (7)~~(8)~~ In a consumer lease, to prohibit the transfer  
16 of an interest of a party under the lease contract or to make  
17 a transfer an event of default, the language must be specific,  
18 by a writing, and conspicuous.

19 Section 27. Section 680.307, Florida Statutes, is  
20 amended to read:

21 680.307 Priority of liens arising by attachment or  
22 levy on, security interests in, and other claims to goods.--

23 (1) Except as otherwise provided in s. 680.306, a  
24 creditor of a lessee takes subject to the lease contract.

25 (2) Except as otherwise provided in subsection  
26 ~~subsections~~ (3) ~~and (4)~~ and in ss. 680.306 and 680.308, a  
27 creditor of a lessor takes subject to the lease contract  
28 unless+

29 ~~(a)~~ the creditor holds a lien that attached to the  
30 goods before the lease contract became enforceable.†

31 ~~(b) The creditor holds a security interest in the~~

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1 ~~goods and the lessee did not give value and receive delivery~~  
 2 ~~of the goods without knowledge of the security interests; or~~  
 3 ~~(c) The creditor holds a security interest in the~~  
 4 ~~goods which was perfected (s. 679.303) before the lease~~  
 5 ~~contract became enforceable.~~

6 (3) Except as otherwise provided in ss. 679.3171,  
 7 679.321, and 679.323, a lessee takes a leasehold interest  
 8 subject to a security interest held by a creditor or lessor.~~A~~  
 9 ~~lessee in the ordinary course of business takes the leasehold~~  
 10 ~~interest free of a security interest in the goods created by~~  
 11 ~~the lessor even though the security interest is perfected (s.~~  
 12 ~~679.303) and the lessee knows of its existence.~~

13 ~~(4) A lessee other than a lessee in the ordinary~~  
 14 ~~course of business takes the leasehold interest free of a~~  
 15 ~~security interest to the extent that it secures future~~  
 16 ~~advances made after the secured party acquires knowledge of~~  
 17 ~~the lease or more than 45 days after the lease contract~~  
 18 ~~becomes enforceable, whichever first occurs, unless the future~~  
 19 ~~advances are made pursuant to a commitment entered into~~  
 20 ~~without knowledge of the lease and before the expiration of~~  
 21 ~~the 45-day period.~~

22 Section 28. Paragraph (b) of subsection (1) of section  
 23 680.309, Florida Statutes, is amended to read:

24 680.309 Lessor's and lessee's rights when goods become  
 25 fixtures.--

26 (1) In this section:

27 (b) A "fixture filing" is the filing, in the office  
 28 where a mortgage on the real estate would be filed or  
 29 recorded, of a financing statement covering goods that are or  
 30 are to become fixtures and conforming to the requirements of  
 31 s. 679.5021(1) and (2)~~679.402(5)~~.

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1           Section 29. Section 285.20, Florida Statutes, is  
2 created to read:

3           285.20 Tribal Secured Transactions Filing Offices.--

4           (1) If the governing body of the Seminole Tribe of  
5 Florida or the governing body of the Miccosukee Tribe of  
6 Indians adopts or enacts a law or ordinance governing secured  
7 transactions arising within or relating to the reservation of  
8 such tribe in this state, and if such tribal law or ordinance  
9 authorizes financing statements and other records relating to  
10 secured transactions to be filed:

11           (a) With the Department of State or such other central  
12 filing office as may be established from time to time under  
13 the Uniform Commercial Code of this state, then the Department  
14 of State or other central filing office, including any private  
15 secured transaction registry that may be designated as such in  
16 this state, shall accept and process such filings made under  
17 the tribal secured transactions law in accordance with this  
18 section and the provisions of chapter 679; or

19           (b) With the office of the clerk of circuit court in  
20 any county of this state in which the tribal secured  
21 transactions law requires a local filing, then such county  
22 filing office shall accept and process such filings made under  
23 such tribal law in accordance with this section and the  
24 provisions of chapter 28.

25           (2) The filing office shall not be required to accept  
26 any financing statements or other records communicated for  
27 filing under a tribal secured transactions law unless they  
28 satisfy the same filing requirements then applicable to  
29 financing statements and other records communicated to that  
30 filing office under the Uniform Commercial Code of this state,  
31 including the payment of the same filing, processing, or

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1 recording charges or fees then charged by that filing office  
2 for filing or recording comparable financing statements and  
3 other records under the Uniform Commercial Code of this state.

4 (3) The filing office shall maintain and index its  
5 records of all financing statements or other records filing  
6 with that filing office under the tribal secured transactions  
7 law together with and in the same manner as its records of  
8 financing statements and other records filed under the Uniform  
9 Commerical Code of this state. The filing office shall not be  
10 required to record or index separately, or otherwise segregate  
11 in any manner, any such filings made under the tribal secured  
12 transactions law from other filings made under the Uniform  
13 Commerical Code of this state. In all respects, the filing  
14 office shall have the same duties and responsibilities with  
15 respect to filings made under the tribal secured transactions  
16 law as with respect to filings made under the Uniform  
17 Commercial Code of this state.

18 Section 30. Nothing contained in s. 679.4061, Florida  
19 Statutes, or s. 679.4081, Florida Statutes, as created by this  
20 act, shall supersede the provisions of SB 108 or HB 767,  
21 relating to structured settlements, if Senate Bill 108 or  
22 House Bill 767 becomes a law.

23 Section 31. This act shall take effect January 1,  
24 2002.

25  
26  
27 ===== T I T L E A M E N D M E N T =====

28 And the title is amended as follows:

29 Delete everything before the enacting clause

30

31 and insert:

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1                                    A bill to be entitled

2                    An act relating to the Uniform Commercial Code;

3                    revising ch. 679, F.S., relating to secured

4                    transactions; creating ss. 679.1011, 679.1021,

5                    679.1031, 679.1041, 679.1051, 679.1061,

6                    679.1071, 679.1081, 679.1091, 679.1101, F.S.;

7                    providing a short title, definitions, and

8                    general concepts; creating ss. 679.2011,

9                    679.2021, 679.2031, 679.2041, 679.2051,

10                  679.2061, 679.2071, 679.2081, 679.209, 679.210,

11                  F.S.; providing for the effectiveness and

12                  attachment of security agreements; prescribing

13                  rights and duties of secured parties; creating

14                  ss. 679.3011, 679.3021, 679.3031, 679.3041,

15                  679.3051, 679.3061, 679.3071, 679.3081,

16                  679.091, 679.3101, 679.3111, 679.3121,

17                  679.3131, 679.3141, 679.3151, 679.3161,

18                  679.3171, 679.3181, 679.319, 679.320, 679.321,

19                  679.322, 679.323, 679.324, 679.325, 679.326,

20                  679.327, 679.328, 679.329, 679.330, 679.331,

21                  679.332, 679.333, 679.334, 679.335, 679.336,

22                  679.337, 679.338, 679.340, 679.341, 679.342,

23                  F.S.; providing for perfection and priority of

24                  security interests; creating ss. 679.40111,

25                  679.4021, 679.4031, 679.4041, 679.4051,

26                  679.4061, 679.4071, 679.4081, 679.409, F.S.;

27                  prescribing rights of third parties; providing

28                  legislative findings; creating ss. 679.5011,

29                  679.5021, 679.5031, 679.5041, 679.5051,

30                  679.5061, 679.5071, 679.508, 679.509, 679.510,

31                  679.511, 679.512, 679.513, 679.524, 679.515,

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1 679.516, 679.517, 679.518, 679.519, 679.520,  
2 679.521, 679.522, 679.523, 679.524, 679.525,  
3 679.526, 679.527, F.S.; prescribing filing  
4 procedures for perfection of a security  
5 interest; providing forms; providing duties and  
6 operation of filing office; providing  
7 definitions relating to the Florida Secured  
8 Transaction Registry; requiring the Department  
9 of State to cease operating as designated  
10 filing officer and filing office for certain  
11 purposes; providing duties and responsibilities  
12 of the Department of State relating to  
13 contracting for the administration, operation,  
14 and maintenance of the registry; providing  
15 criteria for the registry; operation of a  
16 filing office; providing definitions relating  
17 to the Florida Secured Transaction Registry;  
18 requiring the Department of State to cease  
19 operating as designated filing officer and  
20 filing office for certain purposes; providing  
21 duties and responsibilities of the Department  
22 of State relating to contracting for the  
23 administration, operation, and maintenance of  
24 the registry; creating ss. 679.601, 679.602,  
25 679.603, 679.604, 679.605, 679.606, 679.607,  
26 679.608, 679.609, 679.610, 679.611, 679.612,  
27 679.613, 679.614, 679.615, 679.616, 679.617,  
28 679.618, 679.619, 679.620, 679.621, 679.622,  
29 679.623, 679.624, 679.625, 679.626, 679.627,  
30 F.S.; prescribing procedures for default and  
31 enforcement of security interests; providing

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1 for forms; creating ss. 679.701, 679.702,  
2 679.703, 679.704, 679.705, 679.706, 679.707,  
3 679.708, 679.709, F.S.; providing transitional  
4 effective dates and savings clause for  
5 perfected and unperfected security interests,  
6 specified actions, and financing statements;  
7 specifying priority of conflicting claims;  
8 amending s. 671.105, F.S.; specifying the  
9 precedence of law governing the perfection, the  
10 effect of perfection or nonperfection, and the  
11 priority of security interests and agricultural  
12 liens; amending s. 671.201, F.S.; revising  
13 definitions used in the Uniform Commercial  
14 Code; amending s. 672.103, F.S.; conforming a  
15 cross-reference; amending s. 672.210, F.S.;  
16 providing that the creation, attachment,  
17 perfection, or enforcement of a security  
18 interest in the seller's interest under a  
19 contract is not a transfer that materially  
20 affects the buyer unless the enforcement  
21 actually results in a delegation of material  
22 performance of the seller; amending s. 672.326,  
23 F.S.; eliminating provisions relating to  
24 consignment sales; amending s. 672.502, F.S.;  
25 modifying buyers' rights to goods on a seller's  
26 repudiation, failure to deliver, or insolvency;  
27 amending s. 672.716, F.S.; providing that, for  
28 goods bought for personal, family, or household  
29 purposes, the buyer's right of replevin vests  
30 upon acquisition of a special property;  
31 amending s. 674.2101, F.S.; conforming a



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1 cross-reference; creating s. 675.1181, F.S.;  
2 specifying conditions under which an issuer or  
3 nominated person has a security interest in a  
4 document presented under a letter of credit;  
5 amending ss. 677.503, 678.1031, F.S.;  
6 conforming cross-references; amending s.  
7 678.1061, F.S.; specifying a condition under  
8 which a purchaser has control of a security  
9 entitlement; amending s. 678.1101, F.S.;  
10 modifying rules that determine a securities  
11 intermediary's jurisdiction; amending s.  
12 678.3011, F.S.; providing for delivery of a  
13 certificated security to a purchaser; amending  
14 s. 678.3021, F.S.; eliminating a requirement  
15 that a purchaser of a certificated or  
16 uncertificated security receive delivery prior  
17 to acquiring all rights in the security;  
18 amending s. 678.5101, F.S.; prescribing rights  
19 of a purchaser of a security entitlement from  
20 an entitlement holder; amending ss. 680.1031,  
21 680.303, 680.307, 680.309, F.S.; conforming  
22 cross-references; repealing ss. 679.101,  
23 679.102, 679.103, 679.104, 679.105, 679.106,  
24 679.107, 679.108, 679.109, 679.110, 679.112,  
25 679.113, 679.114, 679.115, 679.116, F.S.,  
26 relating to the short title, applicability, and  
27 definitions of ch. 679, F.S.; repealing ss.  
28 679.201, 679.202, 679.203, 679.204, 679.205,  
29 679.206, 679.207, 679.208, F.S., relating to  
30 the validity of security agreements and the  
31 rights of parties to such agreements; repealing

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1           ss. 679.301, 679.302, 679,303, 679.304,  
2           679.305, 679.306, 679.307, 679.308, 679.309,  
3           679.310, 679.311, 679.312, 679.313, 679.314,  
4           679.315, 679.316, 679.317, 679.318, F.S.,  
5           relating to rights of third parties, perfected  
6           and unperfected security interests, and rules  
7           of priority; repealing ss. 679.401, 679.4011,  
8           679.402, 679.403, 679.404, 679.405, 679.406,  
9           679.407, 679.408, F.S., relating to filing of  
10          security interests; repealing ss. 679.501,  
11          679.502, 679.503, 679.504, 679.505, 679.506,  
12          679.507, F.S., relating to rights of the  
13          parties upon default under a security  
14          agreement; creating s. 285.20, F.S.;  
15          establishing the Tribal Secured Transactions  
16          Filing Offices; specifying nonsupersession of  
17          certain provisions; providing effective dates.

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