

By the Committee on Judiciary and Senator Campbell

308-1808-01

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,

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 authority  
7 for the Secretary of State to delegate certain  
8 filing functions to a private filing agency  
9 under certain circumstances; providing  
10 criteria, requirements, procedures, and  
11 limitations; creating ss. 679.601, 679.602,  
12 679.603, 679.604, 679.605, 679.606, 679.607,  
13 679.608, 679.609, 679.610, 679.611, 679.612,  
14 679.613, 679.614, 679.615, 679.616, 679.617,  
15 679.618, 679.619, 679.620, 679.621, 679.622,  
16 679.623, 679.624, 679.625, 679.626, 679.627,  
17 F.S.; prescribing procedures for default and  
18 enforcement of security interests; providing  
19 for forms; creating ss. 679.701, 679.702,  
20 679.703, 679.704, 679.705, 679.706, 679.707,  
21 679.708, 679.709, F.S.; providing transitional  
22 effective dates and savings clause for  
23 perfected and unperfected security interests,  
24 specified actions, and financing statements;  
25 specifying priority of conflicting claims;  
26 amending s. 671.105, F.S.; specifying the  
27 precedence of law governing the perfection, the  
28 effect of perfection or nonperfection, and the  
29 priority of security interests and agricultural  
30 liens; amending s. 671.201, F.S.; revising  
31 definitions used in the Uniform Commercial

1 Code; amending s. 672.103, F.S.; conforming a  
2 cross-reference; amending s. 672.210, F.S.;  
3 providing that the creation, attachment,  
4 perfection, or enforcement of a security  
5 interest in the seller's interest under a  
6 contract is not a transfer that materially  
7 affects the buyer unless the enforcement  
8 actually results in a delegation of material  
9 performance of the seller; amending s. 672.326,  
10 F.S.; eliminating provisions relating to  
11 consignment sales; amending s. 672.502, F.S.;  
12 modifying buyers' rights to goods on a seller's  
13 repudiation, failure to deliver, or insolvency;  
14 amending s. 672.716, F.S.; providing that, for  
15 goods bought for personal, family, or household  
16 purposes, the buyer's right of replevin vests  
17 upon acquisition of a special property;  
18 amending s. 674.2101, F.S.; conforming a  
19 cross-reference; creating s. 675.1181, F.S.;  
20 specifying conditions under which an issuer or  
21 nominated person has a security interest in a  
22 document presented under a letter of credit;  
23 amending ss. 677.503, 678.1031, F.S.;  
24 conforming cross-references; amending s.  
25 678.1061, F.S.; specifying a condition under  
26 which a purchaser has control of a security  
27 entitlement; amending s. 678.1101, F.S.;  
28 modifying rules that determine a securities  
29 intermediary's jurisdiction; amending s.  
30 678.3011, F.S.; providing for delivery of a  
31 certificated security to a purchaser; amending

1 s. 678.3021, F.S.; eliminating a requirement  
2 that a purchaser of a certificated or  
3 uncertificated security receive delivery prior  
4 to acquiring all rights in the security;  
5 amending s. 678.5101, F.S.; prescribing rights  
6 of a purchaser of a security entitlement from  
7 an entitlement holder; amending ss. 680.1031,  
8 680.303, 680.307, 680.309, F.S.; conforming  
9 cross-references; repealing ss. 679.101,  
10 679.102, 679.103, 679.104, 679.105, 679.106,  
11 679.107, 679.108, 679.109, 679.110, 679.112,  
12 679.113, 679.114, 679.115, 679.116, F.S.,  
13 relating to the short title, applicability, and  
14 definitions of ch. 679, F.S.; repealing ss.  
15 679.201, 679.202, 679.203, 679.204, 679.205,  
16 679.206, 679.207, 679.208, F.S., relating to  
17 the validity of security agreements and the  
18 rights of parties to such agreements; repealing  
19 ss. 679.301, 679.302, 679.303, 679.304,  
20 679.305, 679.306, 679.307, 679.308, 679.309,  
21 679.310, 679.311, 679.312, 679.313, 679.314,  
22 679.315, 679.316, 679.317, 679.318, F.S.,  
23 relating to rights of third parties, perfected  
24 and unperfected security interests, and rules  
25 of priority; repealing ss. 679.401, 679.4011,  
26 679.402, 679.403, 679.404, 679.405, 679.406,  
27 679.407, 679.408, F.S., relating to filing of  
28 security interests; repealing ss. 679.501,  
29 679.502, 679.503, 679.504, 679.505, 679.506,  
30 679.507, F.S., relating to rights of the  
31

1 parties upon default under a security  
2 agreement; providing effective dates.

3  
4 Be It Enacted by the Legislature of the State of Florida:

5  
6 Section 1. Part I of chapter 679, Florida Statutes,  
7 consisting of sections 679.101, 679.102, 679.103, 679.104,  
8 679.105, 679.106, 679.107, 679.108, 679.109, 679.110, 679.112,  
9 679.113, 679.114, 679.115, and 679.116, Florida Statutes, is  
10 repealed and a new part I of that chapter, consisting of  
11 sections 679.1011, 679.1021, 679.1031, 679.1041, 679.1051,  
12 679.1061, 679.1071, 679.1081, 679.1091, and 679.1101, Florida  
13 Statutes, is created to read:

14 PART I

15 GENERAL PROVISIONS

16 679.1011 Short title.--This chapter may be cited as  
17 Uniform Commercial Code-Secured Transactions.

18 679.1021 Definitions and index of definitions.--

19 (1) In this chapter, the term:

20 (a) "Accession" means goods that are physically united  
21 with other goods in such a manner that the identity of the  
22 original goods is not lost.

23 (b) "Account," except as used in "account for," means  
24 a right to payment of a monetary obligation, whether or not  
25 earned by performance, for property that has been or is to be  
26 sold, leased, licensed, assigned, or otherwise disposed of;  
27 for services rendered or to be rendered; for a policy of  
28 insurance issued or to be issued; for a secondary obligation  
29 incurred or to be incurred; for energy provided or to be  
30 provided; for the use or hire of a vessel under a charter or  
31 other contract; arising out of the use of a credit or charge

1 card or information contained on or for use with the card; or  
2 as winnings in a lottery or other game of chance operated or  
3 sponsored by a state, governmental unit of a state, or person  
4 licensed or authorized to operate the game by a state or  
5 governmental unit of a state. The term includes  
6 health-care-insurance receivables. The term does not include  
7 rights to payment evidenced by chattel paper or an instrument;  
8 commercial tort claims; deposit accounts; investment property;  
9 letter-of-credit rights or letters of credit; or rights to  
10 payment for money or funds advanced or sold, other than rights  
11 arising out of the use of a credit or charge card or  
12 information contained on or for use with the card.

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

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

- 19 1. Authenticated by a secured party;
- 20 2. Indicating the aggregate unpaid secured obligations  
21 as of a date not more than 35 days earlier or 35 days later  
22 than the date of the record; and
- 23 3. Identifying the components of the obligations in  
24 reasonable detail.

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

- 27 1. Which secures payment or performance of an  
28 obligation for:

- 29 a. Goods or services furnished in connection with a  
30 debtor's farming operation; or

31

- 1           b. Rent on real property leased by a debtor in  
2 connection with the debtor's farming operation;  
3           2. Which is created by statute in favor of a person  
4 who:  
5           a. In the ordinary course of the person's business  
6 furnished goods or services to a debtor in connection with a  
7 debtor's farming operation; or  
8           b. Leased real property to a debtor in connection with  
9 the debtor's farming operation; and  
10          3. Whose effectiveness does not depend on the person's  
11 possession of the personal property.  
12          (f) "As-extracted collateral" means:  
13           1. Oil, gas, or other minerals that are subject to a  
14 security interest that:  
15           a. Is created by a debtor having an interest in the  
16 minerals before extraction; and  
17           b. Attaches to the minerals as extracted; or  
18           2. Accounts arising out of the sale at the wellhead or  
19 minehead of oil, gas, or other minerals in which the debtor  
20 had an interest before extraction.  
21          (g) "Authenticate" means:  
22           1. To sign; or  
23           2. To execute or otherwise adopt a symbol, or encrypt  
24 or similarly process a record in whole or in part, with the  
25 present intent of the authenticating person to identify the  
26 person and adopt or accept a record.  
27          (h) "Bank" means an organization that is engaged in  
28 the business of banking. The term includes savings banks,  
29 savings and loan associations, credit unions, and trust  
30 companies.  
31

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

3           (j) "Certificate of title" means a certificate of  
4 title with respect to which a statute provides for the  
5 security interest in question to be indicated on the  
6 certificate as a condition or result of the security  
7 interest's obtaining priority over the rights of a lien  
8 creditor with respect to the collateral.

9           (k) "Chattel paper" means a record or records that  
10 evidence both a monetary obligation and a security interest in  
11 specific goods, a security interest in specific goods and  
12 software used in the goods, a security interest in specific  
13 goods and license of software used in the goods, a lease of  
14 specific goods, or a lease of specific goods and license of  
15 software used in the goods. In this paragraph, "monetary  
16 obligation" means a monetary obligation secured by the goods  
17 or owed under a lease of the goods and includes a monetary  
18 obligation with respect to software used in the goods. The  
19 term does not include charters or other contracts involving  
20 the use or hire of a vessel or records that evidence a right  
21 to payment arising out of the use of a credit or charge card  
22 or information contained on or for use with the card. If a  
23 transaction is evidenced by records that include an instrument  
24 or series of instruments, the group of records taken together  
25 constitutes chattel paper.

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

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



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

3           1. The claimant is an organization; or

4           2. The claimant is an individual and the claim:

5           a. Arose in the course of the claimant's business or  
6 profession; and

7           b. Does not include damages arising out of personal  
8 injury to or the death of an individual.

9           (n) "Commodity account" means an account maintained by  
10 a commodity intermediary in which a commodity contract is  
11 carried for a commodity customer.

12           (o) "Commodity contract" means a commodity futures  
13 contract, an option on a commodity futures contract, a  
14 commodity option, or another contract if the contract or  
15 option is:

16           1. Traded on or subject to the rules of a board of  
17 trade that has been designated as a contract market for such a  
18 contract pursuant to federal commodities laws; or

19           2. Traded on a foreign commodity board of trade,  
20 exchange, or market, and is carried on the books of a  
21 commodity intermediary for a commodity customer.

22           (p) "Commodity customer" means a person for which a  
23 commodity intermediary carries a commodity contract on its  
24 books.

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

26           1. Is registered as a futures commission merchant  
27 under federal commodities law; or

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

- 1           (r) "Communicate" means:  
2           1. To send a written or other tangible record;  
3           2. To transmit a record by any means agreed upon by  
4 the persons sending and receiving the record; or  
5           3. In the case of transmission of a record to or by a  
6 filing office, to transmit a record by any means prescribed by  
7 filing-office rule.  
8           (s) "Consignee" means a merchant to which goods are  
9 delivered in a consignment.  
10          (t) "Consignment" means a transaction, regardless of  
11 its form, in which a person delivers goods to a merchant for  
12 the purpose of sale and:  
13          1. The merchant:  
14           a. Deals in goods of that kind under a name other than  
15 the name of the person making delivery;  
16           b. Is not an auctioneer; and  
17           c. Is not generally known by its creditors to be  
18 substantially engaged in selling the goods of others;  
19          2. With respect to each delivery, the aggregate value  
20 of the goods is \$1,000 or more at the time of delivery;  
21          3. The goods are not consumer goods immediately before  
22 delivery; and  
23          4. The transaction does not create a security interest  
24 that secures an obligation.  
25          (u) "Consignor" means a person who delivers goods to a  
26 consignee in a consignment.  
27          (v) "Consumer debtor" means a debtor in a consumer  
28 transaction.  
29          (w) "Consumer goods" means goods that are used or  
30 bought for use primarily for personal, family, or household  
31 purposes.

1           (x) "Consumer-goods transaction" means a consumer  
2 transaction in which:

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

5           2. A security interest in consumer goods secures the  
6 obligation.

7           (y) "Consumer obligor" means an obligor who is an  
8 individual and who incurred the obligation as part of a  
9 transaction entered into primarily for personal, family, or  
10 household purposes.

11           (z) "Consumer transaction" means a transaction in  
12 which an individual incurs an obligation primarily for  
13 personal, family, or household purposes; a security interest  
14 secures the obligation; and the collateral is held or acquired  
15 primarily for personal, family, or household purposes. The  
16 term includes consumer-goods transactions.

17           (aa) "Continuation statement" means an amendment of a  
18 financing statement which:

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

21           2. Indicates that it is a continuation statement for,  
22 or that it is filed to continue the effectiveness of, the  
23 identified financing statement.

24           (bb) "Debtor" means:

25           1. A person having an interest, other than a security  
26 interest or other lien, in the collateral, whether or not the  
27 person is an obligor;

28           2. A seller of accounts, chattel paper, payment  
29 intangibles, or promissory notes; or

30           3. A consignee.  
31

1           (cc) "Deposit account" means a demand, time, savings,  
2 passbook, or similar account maintained with a bank. The term  
3 does not include investment property or accounts evidenced by  
4 an instrument.

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

7           (ee) "Electronic chattel paper" means chattel paper  
8 evidenced by a record or records consisting of information  
9 stored in an electronic medium.

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

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

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

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

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

20                   b. Aquatic goods produced in aquacultural operations;

21               2. Livestock, born or unborn, including aquatic goods  
22 produced in aquacultural operations;

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

24 or

25               4. Products of crops or livestock in their  
26 unmanufactured states.

27           (ii) "Farming operation" means raising, cultivating,  
28 propagating, fattening, grazing, or any other farming,  
29 livestock, or aquacultural operation.

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

1           (kk) "Filing office" means an office designated in s.  
2 679.5011 as the place to file a financing statement.

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

5           (mm) "Financing statement" means a record or records  
6 composed of an initial financing statement and any filed  
7 record relating to the initial financing statement.

8           (nn) "Fixture filing" means the filing of a financing  
9 statement covering goods that are or are to become fixtures  
10 and satisfying s. 679.502(1) and (2). The term includes the  
11 filing of a financing statement covering goods of a  
12 transmitting utility which are or are to become fixtures.

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

16           (pp) "General intangible" means any personal property,  
17 including things in action, other than accounts, chattel  
18 paper, commercial tort claims, deposit accounts, documents,  
19 goods, instruments, investment property, letter-of-credit  
20 rights, letters of credit, money, and oil, gas, or other  
21 minerals before extraction. The term includes payment  
22 intangibles and software.

23           (qq) "Good faith" means honesty in fact and the  
24 observance of reasonable commercial standards of fair dealing.

25           (rr) "Goods" means all things that are movable when a  
26 security interest attaches. The term includes fixtures;  
27 standing timber that is to be cut and removed under a  
28 conveyance or contract for sale; the unborn young of animals;  
29 crops grown, growing, or to be grown, even if the crops are  
30 produced on trees, vines, or bushes; and manufactured homes.  
31 The term also includes a computer program embedded in goods

1 and any supporting information provided in connection with a  
2 transaction relating to the program if the program is  
3 associated with the goods in such a manner that it customarily  
4 is considered part of the goods, or by becoming the owner of  
5 the goods, a person acquires a right to use the program in  
6 connection with the goods. The term does not include a  
7 computer program embedded in goods that consist solely of the  
8 medium in which the program is embedded. The term also does  
9 not include accounts, chattel paper, commercial tort claims,  
10 deposit accounts, documents, general intangibles, instruments,  
11 investment property, letter-of-credit rights, letters of  
12 credit, money, or oil, gas, or other minerals before  
13 extraction.

14 (ss) "Governmental unit" means a subdivision, agency,  
15 department, county, parish, municipality, or other unit of the  
16 government of the United States, a state, or a foreign  
17 country. The term includes an organization having a separate  
18 corporate existence if the organization is eligible to issue  
19 debt on which interest is exempt from income taxation under  
20 the laws of the United States.

21 (tt) "Health-care-insurance receivable" means an  
22 interest in or claim under a policy of insurance which is a  
23 right to payment of a monetary obligation for health-care  
24 goods or services provided.

25 (uu) "Instrument" means a negotiable instrument or any  
26 other writing that evidences a right to the payment of a  
27 monetary obligation, is not itself a security agreement or  
28 lease, and is of a type that in the ordinary course of  
29 business is transferred by delivery with any necessary  
30 indorsement or assignment. The term does not include  
31 investment property, letters of credit, or writings that

1 evidence a right to payment arising out of the use of a credit  
2 or charge card or information contained on or for use with the  
3 card.

4 (vv) "Inventory" means goods, other than farm  
5 products, which:

6 1. Are leased by a person as lessor;

7 2. Are held by a person for sale or lease or to be  
8 furnished under a contract of service;

9 3. Are furnished by a person under a contract of  
10 service; or

11 4. Consist of raw materials, work in process, or  
12 materials used or consumed in a business.

13 (ww) "Investment property" means a security, whether  
14 certificated or uncertificated, security entitlement,  
15 securities account, commodity contract, or commodity account.

16 (xx) "Jurisdiction of organization," with respect to a  
17 registered organization, means the jurisdiction under whose  
18 law the organization is organized.

19 (yy) "Letter-of-credit right" means a right to payment  
20 or performance under a letter of credit, whether or not the  
21 beneficiary has demanded or is at the time entitled to demand  
22 payment or performance. The term does not include the right  
23 of a beneficiary to demand payment or performance under a  
24 letter of credit.

25 (zz) "Lien creditor" means:

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

28 2. An assignee for benefit of creditors from the time  
29 of assignment;

30 3. A trustee in bankruptcy from the date of the filing  
31 of the petition; or

1           4. A receiver in equity from the time of appointment.  
2           (aaa) "Manufactured home" means a structure,  
3 transportable in one or more sections, which, in the traveling  
4 mode, is eight body feet or more in width or 40 body feet or  
5 more in length, or, when erected on site, is 320 or more  
6 square feet, and which is built on a permanent chassis and  
7 designed to be used as a dwelling with or without a permanent  
8 foundation when connected to the required utilities, and  
9 includes the plumbing, heating, air-conditioning, and  
10 electrical systems contained therein. The term includes any  
11 structure that meets all of the requirements of this paragraph  
12 except the size requirements and with respect to which the  
13 manufacturer voluntarily files a certification required by the  
14 United States Secretary of Housing and Urban Development and  
15 complies with the standards established under Title 42 of the  
16 United States Code.  
17           (bbb) "Manufactured-home transaction" means a secured  
18 transaction:  
19           1. That creates a purchase-money security interest in  
20 a manufactured home, other than a manufactured home held as  
21 inventory; or  
22           2. In which a manufactured home, other than a  
23 manufactured home held as inventory, is the primary  
24 collateral.  
25           (ccc) "Mortgage" means a consensual interest in real  
26 property, including fixtures, which secures payment or  
27 performance of an obligation, which interest was created or  
28 derived from an instrument described in s. 697.01.  
29           (ddd) "New debtor" means a person who becomes bound as  
30 debtor under s. 679.2031(4) by a security agreement previously  
31 entered into by another person.



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

6           (fff) "Noncash proceeds" means proceeds other than  
7 cash proceeds.

8           (ggg) "Obligor" means a person who, with respect to an  
9 obligation secured by a security interest in or an  
10 agricultural lien on the collateral, owes payment or other  
11 performance of the obligation, has provided property other  
12 than the collateral to secure payment or other performance of  
13 the obligation, or is otherwise accountable in whole or in  
14 part for payment or other performance of the obligation. The  
15 term does not include issuers or nominated persons under a  
16 letter of credit.

17           (hhh) "Original debtor," except as used in s.  
18 679.3101(3), means a person who, as debtor, entered into a  
19 security agreement to which a new debtor has become bound  
20 under s. 679.2031(4).

21           (iii) "Payment intangible" means a general intangible  
22 under which the account debtor's principal obligation is a  
23 monetary obligation.

24           (jjj) "Person related to," with respect to an  
25 individual, means:

- 26           1. The spouse of the individual;
- 27           2. A brother, brother-in-law, sister, or sister-in-law  
28 of the individual;
- 29           3. An ancestor or lineal descendant of the individual  
30 or the individual's spouse; or

31

1           4. Any other relative, by blood or marriage, of the  
2 individual or the individual's spouse who shares the same home  
3 with the individual.

4           (kkk) "Person related to," with respect to an  
5 organization, means:

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

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

10           3. An officer or director of, or a person performing  
11 similar functions with respect to, a person described in  
12 subparagraph 1.;

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

15           5. An individual who is related by blood or marriage  
16 to an individual described in subparagraph 1., subparagraph  
17 2., subparagraph 3., or subparagraph 4. and shares the same  
18 home with the individual.

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

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

23           2. Whatever is collected on, or distributed on account  
24 of, collateral;

25           3. Rights arising out of collateral;

26           4. To the extent of the value of collateral, claims  
27 arising out of the loss, nonconformity, or interference with  
28 the use of, defects or infringement of rights in, or damage  
29 to, the collateral; or

30           5. To the extent of the value of collateral and to the  
31 extent payable to the debtor or the secured party, insurance

1 payable by reason of the loss or nonconformity of, defects or  
2 infringement of rights in, or damage to, the collateral.

3 (mmm) "Promissory note" means an instrument that  
4 evidences a promise to pay a monetary obligation, does not  
5 evidence an order to pay, and does not contain an  
6 acknowledgment by a bank that the bank has received for  
7 deposit a sum of money or funds.

8 (nnn) "Proposal" means a record authenticated by a  
9 secured party which includes the terms on which the secured  
10 party is willing to accept collateral in full or partial  
11 satisfaction of the obligation it secures pursuant to ss.  
12 679.620, 679.621, and 679.622.

13 (ooo) "Pursuant to commitment," with respect to an  
14 advance made or other value given by a secured party, means  
15 pursuant to the secured party's obligation, whether or not a  
16 subsequent event of default or other event not within the  
17 secured party's control has relieved or may relieve the  
18 secured party from its obligation.

19 (ppp) "Record," except as used in the terms "for  
20 record," "of record," "record or legal title," and "record  
21 owner," means information that is inscribed on a tangible  
22 medium or that is stored in an electronic or other medium and  
23 is retrievable in perceivable form.

24 (qqq) "Registered organization" means an organization  
25 organized solely under the law of a single state or the United  
26 States and as to which the state or the United States must  
27 maintain a public record showing the organization to have been  
28 organized.

29 (rrr) "Secondary obligor" means an obligor to the  
30 extent that:

- 31 1. The obligor's obligation is secondary; or

1           2. The obligor has a right of recourse with respect to  
2 an obligation secured by collateral against the debtor,  
3 another obligor, or property of either.

4           (sss) "Secured party" means:

5           1. A person in whose favor a security interest is  
6 created or provided for under a security agreement, whether or  
7 not any obligation to be secured is outstanding;

8           2. A person who holds an agricultural lien;

9           3. A consignor;

10           4. A person to whom accounts, chattel paper, payment  
11 intangibles, or promissory notes have been sold;

12           5. A trustee, indenture trustee, agent, collateral  
13 agent, or other representative in whose favor a security  
14 interest or agricultural lien is created or provided for; or

15           6. A person who holds a security interest arising  
16 under s. 672.401, s. 672.505, s. 672.711(3), s. 680.508(5), s.  
17 674.2101, or s. 675.118.

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

20           (uuu) "Send," in connection with a record or  
21 notification, means:

22           1. To deposit in the mail, deliver for transmission,  
23 or transmit by any other usual means of communication, with  
24 postage or cost of transmission provided for, addressed to any  
25 address reasonable under the circumstances; or

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

29           (vvv) "Software" means a computer program and any  
30 supporting information provided in connection with a  
31 transaction relating to the program. The term does not include

1 a computer program that is included in the definition of  
2 goods.

3 (www) "State" means a state of the United States, the  
4 District of Columbia, Puerto Rico, the United States Virgin  
5 Islands, or any territory or insular possession subject to the  
6 jurisdiction of the United States.

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

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

14 (zzz) "Termination statement" means an amendment of a  
15 financing statement which:

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

19 2. Indicates either that it is a termination statement  
20 or that the identified financing statement is no longer  
21 effective.

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

24 1. Operating a railroad, subway, street railway, or  
25 trolley bus;

26 2. Transmitting communications electrically,  
27 electromagnetically, or by light;

28 3. Transmitting goods by pipeline or sewer; or

29 4. Transmitting or producing and transmitting  
30 electricity, steam, gas, or water.

31

1	<u>(2) The following definitions in other chapters apply</u>	
2	<u>to this chapter:</u>	
3	<u>"Applicant"</u>	s. 675.103.
4	<u>"Beneficiary"</u>	s. 675.103.
5	<u>"Broker"</u>	s. 678.1021.
6	<u>"Certificated security"</u>	s. 678.1021.
7	<u>"Check"</u>	s. 673.1041.
8	<u>"Clearing corporation"</u>	s. 678.1021.
9	<u>"Contract for sale"</u>	s. 672.106.
10	<u>"Customer"</u>	s. 674.104.
11	<u>"Entitlement holder"</u>	s. 678.1021.
12	<u>"Financial asset"</u>	s. 678.1021.
13	<u>"Holder in due course"</u>	s. 673.3021.
14	<u>"Issuer" (with respect to a letter of credit or</u>	
15	<u>letter-of-credit right)</u>	s. 675.103.
16	<u>"Issuer" (with respect to a security)</u>	s. 678.2011.
17	<u>"Lease"</u>	s. 680.1031.
18	<u>"Lease agreement"</u>	s. 680.1031.
19	<u>"Lease contract"</u>	s. 680.1031.
20	<u>"Leasehold interest"</u>	s. 680.1031.
21	<u>"Lessee"</u>	s. 680.1031.
22	<u>"Lessee in ordinary course of business"</u>	s. 680.1031.
23	<u>"Lessor"</u>	s. 680.1031.
24	<u>"Lessor's residual interest"</u>	s. 680.1031.
25	<u>"Letter of credit"</u>	s. 675.103.
26	<u>"Merchant"</u>	s. 672.104.
27	<u>"Negotiable instrument"</u>	s. 673.1041.
28	<u>"Nominated person"</u>	s. 675.103.
29	<u>"Note"</u>	s. 673.1041.
30	<u>"Proceeds of a letter of credit"</u>	s. 675.114.
31	<u>"Prove"</u>	s. 673.1031.



1           (c) Also to the extent that the security interest  
2 secures a purchase-money obligation incurred with respect to  
3 software in which the secured party holds or held a  
4 purchase-money security interest.

5           (3) A security interest in software is a  
6 purchase-money security interest to the extent that the  
7 security interest also secures a purchase-money obligation  
8 incurred with respect to goods in which the secured party  
9 holds or held a purchase-money security interest if:

10           (a) The debtor acquired interest in the software in an  
11 integrated transaction in which the debtor acquired an  
12 interest in the goods; and

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

15           (4) The security interest of a consignor in goods that  
16 are the subject of a consignment is a purchase-money security  
17 interest in inventory.

18           (5) If the extent to which a security interest is a  
19 purchase-money security interest depends on the application of  
20 a payment to a particular obligation, the payment must be  
21 applied:

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

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

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

30           1. To obligations that are not secured; and  
31



1           2. If more than one obligation is secured, to  
2 obligations secured by purchase-money security interests in  
3 the order in which those obligations were incurred.

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

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

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

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

12           (7) A secured party claiming a purchase-money security  
13 interest has the burden of establishing the extent to which  
14 the security interest is a purchase-money security interest.

15           679.1041 Control of deposit account.--

16           (1) A secured party has control of a deposit account  
17 if:

18           (a) The secured party is the bank with which the  
19 deposit account is maintained;

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

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

27           (2) A secured party that has satisfied subsection (1)  
28 has control, even if the debtor retains the right to direct  
29 the disposition of funds from the deposit account.

30           679.1051 Control of electronic chattel paper.--A

31 secured party has control of electronic chattel paper if the

1 record or records comprising the chattel paper are created,  
2 stored, and assigned in such a manner that:

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

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

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

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

14 (5) Each copy of the authoritative copy and any copy  
15 of a copy is readily identifiable as a copy that is not the  
16 authoritative copy; and

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

19 679.1061 Control of investment property.--

20 (1) A person has control of a certificated security,  
21 uncertificated security, or security entitlement as provided  
22 in s. 678.1061.

23 (2) A secured party has control of a commodity  
24 contract if:

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

27 (b) The commodity customer, secured party, and  
28 commodity intermediary have agreed that the commodity  
29 intermediary will apply any value distributed on account of  
30 the commodity contract as directed by the secured party  
31 without further consent by the commodity customer.

1           (3) A secured party having control of all security  
2 entitlements or commodity contracts carried in a securities  
3 account or commodity account has control over the securities  
4 account or commodity account.

5           679.1071 Control of letter-of-credit right.--A secured  
6 party has control of a letter-of-credit right to the extent of  
7 any right to payment or performance by the issuer or any  
8 nominated person if the issuer or nominated person has  
9 consented to an assignment of proceeds of the letter of credit  
10 under s. 675.114(3) or otherwise applicable law or practice.

11           679.1081 Sufficiency of description.--

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

24           (2) Except as otherwise provided in subsection (4), a  
25 description of collateral reasonably identifies the collateral  
26 if it identifies the collateral by:

27           (a) Specific listing;

28           (b) Category;

29           (c) Except as otherwise provided in subsection (5), a  
30 type of collateral defined in the Uniform Commercial Code;

31           (d) Quantity;

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

1           (c) A sale of accounts, chattel paper, payment  
2 intangibles, or promissory notes;

3           (d) A consignment;

4           (e) A security interest arising under s. 672.401, s.  
5 672.502, s. 672.711, or s. 680.508(5), as provided in s.  
6 679.1101; and

7           (f) A security interest arising under s. 674.2101 or  
8 s. 675.118.

9           (2) The application of this chapter to a security  
10 interest in a secured obligation is not affected by the fact  
11 that the obligation is itself secured by a transaction or  
12 interest to which this chapter does not apply.

13           (3) This chapter does not apply to the extent that:

14           (a) A statute, regulation, or treaty of the United  
15 States preempts this chapter; or

16           (b) The rights of a transferee beneficiary or  
17 nominated person under a letter of credit are independent and  
18 superior under s. 675.114.

19           (4) This chapter does not apply to:

20           (a) A landlord's lien, other than an agricultural  
21 lien;

22           (b) A lien, other than an agricultural lien, given by  
23 statute or other rule of law for services or materials, but s.  
24 679.333 applies with respect to priority of the lien;

25           (c) An assignment of a claim for wages, salary, or  
26 other compensation of an employee;

27           (d) A sale of accounts, chattel paper, payment  
28 intangibles, or promissory notes as part of a sale of the  
29 business out of which they arose;

30  
31

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

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

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

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

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

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

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

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

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

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

30           2. Fixtures in s. 679.334;

31

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           (l) 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 in a consumer  
9 transaction, but ss. 679.3151 and 679.322 apply with respect  
10 to proceeds and priorities in proceeds; or

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

12           679.1101 Security interests arising under chapter 672  
13 or chapter 680.--A security interest arising under s. 672.401,  
14 s. 672.505, s. 672.711(3), or s. 680.508(5) is subject to this  
15 chapter. However, until the debtor obtains possession of the  
16 goods:

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

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

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

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

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





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

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

1       (8) The attachment of a security interest in a  
2 securities account is also attachment of a security interest  
3 in the security entitlements carried in the securities  
4 account.

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

8       679.2041 After-acquired property; future advances.--

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

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

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

17       (b) A commercial tort claim.

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

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

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

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

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

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

1           3. Accept the return of collateral or make  
2 repossessions; or

3           4. Use, commingle, or dispose of proceeds; or  
4           (b) The secured party fails to require the debtor to  
5 account for proceeds or replace collateral.

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

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

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

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

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

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

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

28           (a) The security or other financial asset:

29           1. In the ordinary course of business is transferred  
30 by delivery with any necessary indorsement or assignment; and  
31

1           2. Is delivered under an agreement between persons in  
2 the business of dealing with such securities or financial  
3 assets; and

4           (b) The agreement calls for delivery against payment.

5           (4) The security interest described in subsection (3)  
6 secures the obligation to make payment for the delivery.

7           679.2071 Rights and duties of secured party having  
8 possession or control of collateral.--

9           (1) Except as otherwise provided in subsection (4), a  
10 secured party shall use reasonable care in the custody and  
11 preservation of collateral in the secured party's possession.  
12 In the case of chattel paper or an instrument, reasonable care  
13 includes taking necessary steps to preserve rights against  
14 prior parties unless otherwise agreed.

15           (2) Except as otherwise provided in subsection (4), if  
16 a secured party has possession of collateral:

17           (a) Reasonable expenses, including the cost of  
18 insurance and payment of taxes or other charges, incurred in  
19 the custody, preservation, use, or operation of the collateral  
20 are chargeable to the debtor and are secured by the  
21 collateral;

22           (b) The risk of accidental loss or damage is on the  
23 debtor to the extent of a deficiency in any effective  
24 insurance coverage;

25           (c) The secured party shall keep the collateral  
26 identifiable, but fungible collateral may be commingled; and

27           (d) The secured party may use or operate the  
28 collateral:

29           1. For the purpose of preserving the collateral or its  
30 value;

31

1           2. As permitted by an order of a court having  
2 competent jurisdiction; or

3           3. Except in the case of consumer goods, in the manner  
4 and to the extent agreed by the debtor.

5           (3) Except as otherwise provided in subsection (4), a  
6 secured party having possession of collateral or control of  
7 collateral under s. 679.1041, s. 679.1051, s. 679.1061, or s.  
8 679.1071:

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

11           (b) Shall apply money or funds received from the  
12 collateral to reduce the secured obligation, unless remitted  
13 to the debtor; and

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

15           (4) If the secured party is a buyer of accounts,  
16 chattel paper, payment intangibles, or promissory notes or a  
17 consignor:

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

20           1. To charge back uncollected collateral; or

21           2. Otherwise to full or limited recourse against the  
22 debtor or a secondary obligor based on the nonpayment or other  
23 default of an account debtor or other obligor on the  
24 collateral; and

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

26           679.2081 Additional duties of secured party having  
27 control of collateral.--

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

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

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

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

10           1. Pay the debtor the balance on deposit in the  
11 deposit account; or

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

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

16           1. Communicate the authoritative copy of the  
17 electronic chattel paper to the debtor or its designated  
18 custodian;

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

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

1           (d) A secured party having control of investment  
2 property under s. 678.1061(4)(b) or s. 679.1061(2) shall send  
3 to the securities intermediary or commodity intermediary with  
4 which the security entitlement or commodity contract is  
5 maintained an authenticated record that releases the  
6 securities intermediary or commodity intermediary from any  
7 further obligation to comply with entitlement orders or  
8 directions originated by the secured party; and

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

15           679.209 Duties of secured party if account debtor has  
16 been notified of assignment.--

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

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

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

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

28           (3) This section does not apply to an assignment  
29 constituting the sale of an account, chattel paper, or payment  
30 intangible.

31



1           679.210 Request for accounting; request regarding list  
2 of collateral or statement of account.--

3           (1) In this section, the term:

4           (a) "Request" means a record of a type described in  
5 paragraph (b), paragraph (c), or paragraph (d).

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

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

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

24           (e) "Reasonably identifying the transaction or  
25 relationship" means that the request provides information  
26 sufficient for the person to identify the transaction or  
27 relationship and respond to the request. Pursuant to s.  
28 679.603(1), a secured party and debtor may determine by  
29 agreement the standards for measuring fulfillment of this  
30 duty.

31

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

4           (2) Subject to subsections (3), (4), (5), and (6), a  
5 secured party, other than a buyer of accounts, chattel paper,  
6 payment intangibles, or promissory notes or a consignor, shall  
7 comply with a request within 14 days after receipt:

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

10           (b) In the case of a request regarding a list of  
11 collateral or a request regarding a statement of account, by  
12 authenticating and sending to the debtor an approval or  
13 correction.

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

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

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

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

29           (5) A person who receives a request for an accounting  
30 or a request regarding a statement of account, claims no  
31 interest in the obligations when the request is received, and

1 claimed an interest in the obligations at an earlier time  
2 shall comply with the request within 14 days after receipt by  
3 sending to the debtor an authenticated record:

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

5 (b) If known to the recipient, providing the name and  
6 mailing address of any assignee of or successor to the  
7 recipient's interest in the obligations.

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

30 Section 3. Part III of chapter 679, Florida Statutes,  
31 consisting of sections 679.301, 679.302, 679.303, 679.304,

1 690.305, 679.306, 679.307, 679.308, 679.309, 679.310, 679.311,  
2 679.312, 679.313, 679.314, 679.315, 679.316, 679.317, and  
3 679.318, Florida Statutes, is repealed and a new part III of  
4 that chapter, consisting of sections 679.3011, 679.3021,  
5 679.3031, 679.3041, 690.3051, 679.3061, 679.3071, 679.3081,  
6 679.3091, 679.3101, 679.3111, 679.3121, 679.3131, 679.3141,  
7 679.3151, 679.3161, 679.3171, 679.3181, 679.319, 679.320,  
8 679.321, 679.322, 679.323, 679.324, 679.325, 679.326, 679.327,  
9 679.328, 679.329, 679.330, 679.331, 679.332, 679.333, 679.334,  
10 679.335, 679.336, 679.337, 679.3381, 679.339, 679.340,  
11 679.341, and 679.342, Florida Statutes, is created to read:

12 PART III

13 PERFECTION AND PRIORITY

14 679.3011 Law governing perfection and priority of  
15 security interests.--Except as otherwise provided in ss.  
16 679.1091, 679.3031, 679.3041, 679.3051, and 679.3061, the  
17 following rules determine the law governing perfection, the  
18 effect of perfection or nonperfection, and the priority of a  
19 security interest in collateral:

20 (1) Except as otherwise provided in this section,  
21 while a debtor is located in a jurisdiction, the local law of  
22 that jurisdiction governs perfection, the effect of perfection  
23 or nonperfection, and the priority of a security interest in  
24 collateral.

25 (2) While collateral is located in a jurisdiction, the  
26 local law of that jurisdiction governs perfection, the effect  
27 of perfection or nonperfection, and the priority of a  
28 possessory security interest in that collateral.

29 (3) Except as otherwise provided in subsection (4),  
30 while negotiable documents, goods, instruments, money, or  
31

1 tangible chattel paper is located in a jurisdiction, the local  
2 law of that jurisdiction governs:

3 (a) Perfection of a security interest in the goods by  
4 filing a fixture filing;

5 (b) Perfection of a security interest in timber to be  
6 cut; and

7 (c) The effect of perfection or nonperfection and the  
8 priority of a nonpossessory security interest in the  
9 collateral.

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

14 679.3021 Law governing perfection and priority of  
15 agricultural liens.--While farm products are located in a  
16 jurisdiction, the local law of that jurisdiction governs  
17 perfection, the effect of perfection or nonperfection, and the  
18 priority of an agricultural lien on the farm products.

19 679.3031 Law governing perfection and priority of  
20 security interests in goods covered by a certificate of  
21 title.--

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

26 (2) Goods become covered by a certificate of title  
27 when a valid application for the certificate of title and the  
28 applicable fee are delivered to the appropriate authority.  
29 Goods cease to be covered by a certificate of title at the  
30 earlier of the time the certificate of title ceases to be  
31 effective under the law of the issuing jurisdiction or the

1 time the goods become covered subsequently by a certificate of  
2 title issued by another jurisdiction.

3 (3) The local law of the jurisdiction under whose  
4 certificate of title the goods are covered governs perfection,  
5 the effect of perfection or nonperfection, and the priority of  
6 a security interest in goods covered by a certificate of title  
7 from the time the goods become covered by the certificate of  
8 title until the goods cease to be covered by the certificate  
9 of title.

10 679.3041 Law governing perfection and priority of  
11 security interests in deposit accounts.--

12 (1) The local law of a bank's jurisdiction governs  
13 perfection, the effect of perfection or nonperfection, and the  
14 priority of a security interest in a deposit account  
15 maintained with that bank.

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

18 (a) If an agreement between the bank and the debtor  
19 governing the deposit account expressly provides that a  
20 particular jurisdiction is the bank's jurisdiction for  
21 purposes of this part, this chapter, or the Uniform Commercial  
22 Code, that jurisdiction is the bank's jurisdiction.

23 (b) If paragraph (a) does not apply and an agreement  
24 between the bank and its customer governing the deposit  
25 account expressly provides that the agreement is governed by  
26 the law of a particular jurisdiction, that jurisdiction is the  
27 bank's jurisdiction.

28 (c) If neither paragraph (a) nor paragraph (b) applies  
29 and an agreement between the bank and its customer governing  
30 the deposit account expressly provides that the deposit  
31

1 account is maintained at an office in a particular  
2 jurisdiction, that jurisdiction is the bank's jurisdiction.

3 (d) If none of the preceding paragraphs applies, the  
4 bank's jurisdiction is the jurisdiction in which the office  
5 identified in an account statement as the office serving the  
6 customer's account is located.

7 (e) If none of the preceding paragraphs applies, the  
8 bank's jurisdiction is the jurisdiction in which the chief  
9 executive office of the bank is located.

10 679.3051 Law governing perfection and priority of  
11 security interests in investment property.--

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

14 (a) While a security certificate is located in a  
15 jurisdiction, the local law of that jurisdiction governs  
16 perfection, the effect of perfection or nonperfection, and the  
17 priority of a security interest in the certificated security  
18 represented thereby.

19 (b) The local law of the issuer's jurisdiction as  
20 specified in s. 678.1101(4) governs perfection, the effect of  
21 perfection or nonperfection, and the priority of a security  
22 interest in an uncertificated security.

23 (c) The local law of the securities intermediary's  
24 jurisdiction as specified in s. 678.1101(5) governs  
25 perfection, the effect of perfection or nonperfection, and the  
26 priority of a security interest in a security entitlement or  
27 securities account.

28 (d) The local law of the commodity intermediary's  
29 jurisdiction governs perfection, the effect of perfection or  
30 nonperfection, and the priority of a security interest in a  
31 commodity contract or commodity account.

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

3           (a) If an agreement between the commodity intermediary  
4 and commodity customer governing the commodity account  
5 expressly provides that a particular jurisdiction is the  
6 commodity intermediary's jurisdiction for purposes of this  
7 part, this chapter, or the Uniform Commercial Code, that  
8 jurisdiction is the commodity intermediary's jurisdiction.

9           (b) If paragraph (a) does not apply and an agreement  
10 between the commodity intermediary and commodity customer  
11 governing the commodity account expressly provides that the  
12 agreement is governed by the law of a particular jurisdiction,  
13 that jurisdiction is the commodity intermediary's  
14 jurisdiction.

15           (c) If neither paragraph (a) nor paragraph (b) applies  
16 and an agreement between the commodity intermediary and  
17 commodity customer governing the commodity account expressly  
18 provides that the commodity account is maintained at an office  
19 in a particular jurisdiction, that jurisdiction is the  
20 commodity intermediary's jurisdiction.

21           (d) If none of the preceding paragraphs applies, the  
22 commodity intermediary's jurisdiction is the jurisdiction in  
23 which the office identified in an account statement as the  
24 office serving the commodity customer's account is located.

25           (e) If none of the preceding paragraphs applies, the  
26 commodity intermediary's jurisdiction is the jurisdiction in  
27 which the chief executive office of the commodity intermediary  
28 is located.

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

31



1           (a) Perfection of a security interest in investment  
2 property by filing;

3           (b) Automatic perfection of a security interest in  
4 investment property created by a broker or securities  
5 intermediary; and

6           (c) Automatic perfection of a security interest in a  
7 commodity contract or commodity account created by a commodity  
8 intermediary.

9           679.3061 Law governing perfection and priority of  
10 security interests in letter-of-credit rights.--

11           (1) Subject to subsection (3), the local law of the  
12 issuer's jurisdiction or a nominated person's jurisdiction  
13 governs perfection, the effect of perfection or nonperfection,  
14 and the priority of a security interest in a letter-of-credit  
15 right if the issuer's jurisdiction or nominated person's  
16 jurisdiction is a state.

17           (2) For purposes of this part, an issuer's  
18 jurisdiction or nominated person's jurisdiction is the  
19 jurisdiction whose law governs the liability of the issuer or  
20 nominated person with respect to the letter-of-credit right as  
21 provided in s. 675.116.

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

24           679.3071 Location of debtor.--

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

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

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

31

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

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

6           (3) Subsection (2) applies only if a debtor's  
7 residence, place of business, or chief executive office, as  
8 applicable, is located in a jurisdiction whose law generally  
9 requires information concerning the existence of a  
10 nonpossessory security interest to be made generally available  
11 in a filing, recording, or registration system as a condition  
12 or result of the security interest's obtaining priority over  
13 the rights of a lien creditor with respect to the collateral.  
14 If subsection (2) does not apply, the debtor is located in the  
15 District of Columbia.

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

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

21           (6) Except as otherwise provided in subsection (9), a  
22 registered organization that is organized under the law of the  
23 United States and a branch or agency of a bank that is not  
24 organized under the law of the United States or a state are  
25 located:

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

28           (b) In the state that the registered organization,  
29 branch, or agency designates, if the law of the United States  
30 authorizes the registered organization, branch, or agency to  
31 designate its state of location; or

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

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

6           (a) The suspension, revocation, forfeiture, or lapse  
7 of the registered organization's status as such in its  
8 jurisdiction of organization; or

9           (b) The dissolution, winding up, or cancellation of  
10 the existence of the registered organization.

11           (8) The United States is located in the District of  
12 Columbia.

13           (9) A branch or agency of a bank that is not organized  
14 under the law of the United States or a state is located in  
15 the state in which the branch or agency is licensed, if all  
16 branches and agencies of the bank are licensed in only one  
17 state.

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

22           (11) This section applies only for purposes of this  
23 part.

24           679.3081 When security interest or agricultural lien  
25 is perfected; continuity of perfection.--

26           (1) Except as otherwise provided in this section and  
27 s. 679.3091, a security interest is perfected if it has  
28 attached and all of the applicable requirements for perfection  
29 in ss. 679.3101-679.3161 have been satisfied. A security  
30 interest is perfected when it attaches if the applicable

31

1 requirements are satisfied before the security interest  
2 attaches.

3 (2) An agricultural lien is perfected if it has become  
4 effective and all of the applicable requirements for  
5 perfection in s. 679.3101 have been satisfied. An  
6 agricultural lien is perfected when it becomes effective if  
7 the applicable requirements are satisfied before the  
8 agricultural lien becomes effective.

9 (3) A security interest or agricultural lien is  
10 perfected continuously if it is originally perfected by one  
11 method under this chapter and is later perfected by another  
12 method under this chapter, without an intermediate period  
13 during which it was unperfected.

14 (4) Perfection of a security interest in collateral  
15 also perfects a security interest in a supporting obligation  
16 for the collateral.

17 (5) Perfection of a security interest in a right to  
18 payment or performance also perfects a security interest in a  
19 security interest, mortgage, or other lien on personal or real  
20 property securing the right.

21 (6) Perfection of a security interest in a securities  
22 account also perfects a security interest in the security  
23 entitlements carried in the securities account.

24 (7) Perfection of a security interest in a commodity  
25 account also perfects a security interest in the commodity  
26 contracts carried in the commodity account.

27 679.3091 Security interest perfected upon  
28 attachment.--The following security interests are perfected  
29 when they attach:

30 (1) A purchase-money security interest in consumer  
31 goods, except as otherwise provided in s. 679.3111(2) with

- 1 respect to consumer goods that are subject to a statute or  
2 treaty described in s. 679.3111(1);  
3 (2) An assignment of accounts or payment intangibles  
4 which does not by itself or in conjunction with other  
5 assignments to the same assignee transfer a significant part  
6 of the assignor's outstanding accounts or payment intangibles;  
7 (3) A sale of a payment intangible;  
8 (4) A sale of a promissory note;  
9 (5) A security interest created by the assignment of a  
10 health-care-insurance receivable to the provider of the  
11 health-care goods or services;  
12 (6) A security interest arising under s. 672.401, s.  
13 672.505, s. 672.711(3), or s. 680.508(5), until the debtor  
14 obtains possession of the collateral;  
15 (7) A security interest of a collecting bank arising  
16 under s. 674.2101;  
17 (8) A security interest of an issuer or nominated  
18 person arising under s. 675.118;  
19 (9) A security interest arising in the delivery of a  
20 financial asset under s. 679.2061(3);  
21 (10) A security interest in investment property  
22 created by a broker or securities intermediary;  
23 (11) A security interest in a commodity contract or a  
24 commodity account created by a commodity intermediary;  
25 (12) An assignment for the benefit of all creditors of  
26 the transferor and subsequent transfers by the assignee  
27 thereunder; and  
28 (13) A security interest created by an assignment of a  
29 beneficial interest in a decedent's estate.  
30  
31

1           679.3101 When filing required to perfect security  
2 interest or agricultural lien; security interests and  
3 agricultural liens to which filing provisions do not apply.--

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

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

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

11           (b) That is perfected under s. 679.3091 when it  
12 attaches;

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

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

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

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

22           (g) In a certificated security which is perfected by  
23 delivery of the security certificate to the secured party  
24 under s. 679.3131;

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

28           (i) In proceeds which is perfected under s. 679.3151;  
29 or

30           (j) That is perfected under s. 679.3161.  
31

1           (3) If a secured party assigns a perfected security  
2 interest or agricultural lien, a filing under this chapter is  
3 not required to continue the perfected status of the security  
4 interest against creditors of and transferees from the  
5 original debtor.

6           679.3111 Perfection of security interests in property  
7 subject to certain statutes, regulations, and treaties.--

8           (1) Except as otherwise provided in subsection (4),  
9 the filing of a financing statement is not necessary or  
10 effective to perfect a security interest in property subject  
11 to:

12           (a) A statute, regulation, or treaty of the United  
13 States whose requirements for a security interest's obtaining  
14 priority over the rights of a lien creditor with respect to  
15 the property preempt s. 679.3101(1);

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

21           (c) A certificate-of-title statute of another  
22 jurisdiction which provides for a security interest to be  
23 indicated on the certificate as a condition or result of the  
24 security interest's obtaining priority over the rights of a  
25 lien creditor with respect to the property.

26           (2) Compliance with the requirements of a statute,  
27 regulation, or treaty described in paragraph (1) for obtaining  
28 priority over the rights of a lien creditor is equivalent to  
29 the filing of a financing statement under this chapter.

30 Except as otherwise provided in subsection (4) and ss.  
31 679.3131 and 679.3161(4) and (5) for goods covered by a

1 certificate of title, a security interest in property subject  
2 to a statute, regulation, or treaty described in subsection  
3 (1) may be perfected only by compliance with those  
4 requirements, and a security interest so perfected remains  
5 perfected notwithstanding a change in the use or transfer of  
6 possession of the collateral.

7 (3) Except as otherwise provided in subsection (4) and  
8 s. 679.3161(4) and (5), duration and renewal of perfection of  
9 a security interest perfected by compliance with the  
10 requirements prescribed by a statute, regulation, or treaty  
11 described in subsection (1) are governed by the statute,  
12 regulation, or treaty. In other respects, the security  
13 interest is subject to this chapter.

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

20 679.3121 Perfection of security interests in chattel  
21 paper, deposit accounts, documents, goods covered by  
22 documents, instruments, investment property, letter-of-credit  
23 rights, and money; perfection by permissive filing; temporary  
24 perfection without filing or transfer of possession.--

25 (1) A security interest in chattel paper, negotiable  
26 documents, instruments, or investment property may be  
27 perfected by filing.

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

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



1           (b) And except as otherwise provided in s.  
2 679.3081(4), a security interest in a letter-of-credit right  
3 may be perfected only by control under s. 679.3141.

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

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

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

10           (b) A security interest perfected in the document has  
11 priority over any security interest that becomes perfected in  
12 the goods by another method during that time.

13           (4) While goods are in the possession of a bailee that  
14 has issued a nonnegotiable document covering the goods, a  
15 security interest in the goods may be perfected by:

16           (a) Issuance of a document in the name of the secured  
17 party;

18           (b) The bailee's receipt of notification of the  
19 secured party's interest; or

20           (c) Filing as to the goods.

21           (5) A security interest in certificated securities,  
22 negotiable documents, or instruments is perfected without  
23 filing or the taking of possession for a period of 20 days  
24 from the time it attaches to the extent that it arises for new  
25 value given under an authenticated security agreement.

26           (6) A perfected security interest in a negotiable  
27 document or goods in possession of a bailee, other than one  
28 that has issued a negotiable document for the goods, remains  
29 perfected for 20 days without filing if the secured party  
30 makes available to the debtor the goods or documents  
31 representing the goods for the purpose of:

1           (a) Ultimate sale or exchange; or  
2           (b) Loading, unloading, storing, shipping,  
3 transshipping, manufacturing, processing, or otherwise dealing  
4 with them in a manner preliminary to their sale or exchange.  
5           (7) A perfected security interest in a certificated  
6 security or instrument remains perfected for 20 days without  
7 filing if the secured party delivers the security certificate  
8 or instrument to the debtor for the purpose of:  
9           (a) Ultimate sale or exchange; or  
10           (b) Presentation, collection, enforcement, renewal, or  
11 registration of transfer.  
12           (8) After the 20-day period specified in subsection  
13 (5), subsection (6), or subsection (7) expires, perfection  
14 depends upon compliance with this chapter.  
15           679.3131 When possession by or delivery to secured  
16 party perfects security interest without filing.--  
17           (1) Except as otherwise provided in subsection (2), a  
18 secured party may perfect a security interest in negotiable  
19 documents, goods, instruments, money, or tangible chattel  
20 paper by taking possession of the collateral. A secured party  
21 may perfect a security interest in certificated securities by  
22 taking delivery of the certificated securities under s.  
23 678.3011.  
24           (2) With respect to goods covered by a certificate of  
25 title issued by this state, a secured party may perfect a  
26 security interest in the goods by taking possession of the  
27 goods only in the circumstances described in s. 679.3161(4).  
28           (3) With respect to collateral other than certificated  
29 securities and goods covered by a document, a secured party  
30 takes possession of collateral in the possession of a person  
31 other than the debtor, the secured party, or a lessee of the

1 collateral from the debtor in the ordinary course of the  
2 debtor's business, when:

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

6 (b) The person takes possession of the collateral  
7 after having authenticated a record acknowledging that the  
8 person will hold possession of collateral for the secured  
9 party's benefit.

10 (4) If perfection of a security interest depends upon  
11 possession of the collateral by a secured party, perfection  
12 occurs no earlier than the time the secured party takes  
13 possession and continues only while the secured party retains  
14 possession.

15 (5) A security interest in a certificated security in  
16 registered form is perfected by delivery when delivery of the  
17 certificated security occurs under s. 678.3011 and remains  
18 perfected by delivery until the debtor obtains possession of  
19 the security certificate.

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

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

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

28 (b) Unless the person otherwise agrees or law other  
29 than this chapter otherwise provides, the person does not owe  
30 any duty to the secured party and is not required to confirm  
31 the acknowledgment to another person.

1           (8) A secured party having possession of collateral  
2 does not relinquish possession by delivering the collateral to  
3 a person other than the debtor or a lessee of the collateral  
4 from the debtor in the ordinary course of the debtor's  
5 business if the person was instructed before the delivery or  
6 is instructed contemporaneously with the delivery:

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

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

10           (9) A secured party does not relinquish possession,  
11 even if a delivery under subsection (8) violates the rights of  
12 a debtor. A person to whom collateral is delivered under  
13 subsection (8) does not owe any duty to the secured party and  
14 is not required to confirm the delivery to another person  
15 unless the person otherwise agrees or law other than this  
16 chapter otherwise provides.

17           679.3141 Perfection by control.--

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

22           (2) A security interest in deposit accounts,  
23 electronic chattel paper, or letter-of-credit rights is  
24 perfected by control under s. 679.1041, s. 679.1051, or s.  
25 679.1071 when the secured party obtains control and remains  
26 perfected by control only while the secured party retains  
27 control.

28           (3) A security interest in investment property is  
29 perfected by control under s. 679.1061 from the time the  
30 secured party obtains control and remains perfected by control  
31 until:

- 1           (a) The secured party does not have control; and  
2           (b) One of the following occurs:  
3            1. If the collateral is a certificated security, the  
4 debtor has or acquires possession of the security certificate;  
5            2. If the collateral is an uncertificated security,  
6 the issuer has registered or registers the debtor as the  
7 registered owner; or  
8            3. If the collateral is a security entitlement, the  
9 debtor is or becomes the entitlement holder.  
10           679.3151 Secured party's rights on disposition of  
11 collateral and in proceeds.--  
12            (1) Except as otherwise provided in this chapter and  
13 in s. 672.403(2):  
14            (a) A security interest or agricultural lien continues  
15 in collateral notwithstanding sale, lease, license, exchange,  
16 or other disposition thereof unless the secured party  
17 authorized the disposition free of the security interest or  
18 agricultural lien; and  
19            (b) A security interest attaches to any identifiable  
20 proceeds of collateral.  
21            (2) Proceeds that are commingled with other property  
22 are identifiable proceeds:  
23            (a) If the proceeds are goods, to the extent provided  
24 by s. 679.336; and  
25            (b) If the proceeds are not goods, to the extent that  
26 the secured party identifies the proceeds by a method of  
27 tracing, including application of equitable principles, that  
28 is permitted under law other than this chapter with respect to  
29 commingled property of the type involved.  
30  
31

1           (3) A security interest in proceeds is a perfected  
2 security interest if the security interest in the original  
3 collateral was perfected.

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

7           (a) The following conditions are satisfied:

8           1. A filed financing statement covers the original  
9 collateral;

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

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

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

15           (c) The security interest in the proceeds is perfected  
16 other than under subsection (3) when the security interest  
17 attaches to the proceeds or within 20 days thereafter.

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

22           (a) When the effectiveness of the filed financing  
23 statement lapses under s. 679.515 or is terminated under s.  
24 679.513; or

25           (b) The 21st day after the security interest attaches  
26 to the proceeds.

27           679.3161 Continued perfection of security interest  
28 following change in governing law.--

29           (1) A security interest perfected pursuant to the law  
30 of the jurisdiction designated in s. 679.3011(1) or s.  
31 679.3051(3) remains perfected until the earliest of:

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

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

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

8       (2) If a security interest described in subsection (1)  
9 becomes perfected under the law of the other jurisdiction  
10 before the earliest time or event described in that  
11 subsection, it remains perfected thereafter. If the security  
12 interest does not become perfected under the law of the other  
13 jurisdiction before the earliest time or event, it becomes  
14 unperfected and is deemed never to have been perfected as  
15 against a purchaser of the collateral for value.

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

20       (a) The collateral is located in one jurisdiction and  
21 subject to a security interest perfected under the law of that  
22 jurisdiction;

23       (b) Thereafter the collateral is brought into another  
24 jurisdiction; and

25       (c) Upon entry into the other jurisdiction, the  
26 security interest is perfected under the law of the other  
27 jurisdiction.

28       (4) Except as otherwise provided in subsection (5), a  
29 security interest in goods covered by a certificate of title  
30 which is perfected by any method under the law of another  
31 jurisdiction when the goods become covered by a certificate of

1 title from this state remains perfected until the security  
2 interest would have become unperfected under the law of the  
3 other jurisdiction had the goods not become so covered.

4 (5) A security interest described in subsection (4)  
5 becomes unperfected as against a purchaser of the goods for  
6 value and is deemed never to have been perfected as against a  
7 purchaser of the goods for value if the applicable  
8 requirements for perfection under s. 679.3111(2) or s.  
9 679.3131 are not satisfied before the earlier of:

10 (a) The time the security interest would have become  
11 unperfected under the law of the other jurisdiction had the  
12 goods not become covered by a certificate of title from this  
13 state; or

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

16 (6) A security interest in deposit accounts,  
17 letter-of-credit rights, or investment property which is  
18 perfected under the law of the bank's jurisdiction, the  
19 issuer's jurisdiction, a nominated person's jurisdiction, the  
20 securities intermediary's jurisdiction, or the commodity  
21 intermediary's jurisdiction, as applicable, remains perfected  
22 until the earlier of:

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

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

27 (7) If a security interest described in subsection (6)  
28 becomes perfected under the law of the other jurisdiction  
29 before the earlier of the time or the end of the period  
30 described in that subsection, it remains perfected thereafter.  
31 If the security interest does not become perfected under the



1 law of the other jurisdiction before the earlier of that time  
2 or the end of that period, it becomes unperfected and is  
3 deemed never to have been perfected as against a purchaser of  
4 the collateral for value.

5 679.3171 Interests that take priority over or take  
6 free of security interest or agricultural lien.--

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

9 (a) A person entitled to priority under s. 679.322;  
10 and

11 (b) Except as otherwise provided in subsection (5), a  
12 person who becomes a lien creditor before the earlier of the  
13 time:

14 1. The security interest or agricultural lien is  
15 perfected; or

16 2. One of the conditions specified in s.  
17 679.2031(2)(c) is met and a financing statement covering the  
18 collateral is filed.

19 (2) Except as otherwise provided in subsection (5), a  
20 buyer, other than a secured party, of tangible chattel paper,  
21 documents, goods, instruments, or a security certificate takes  
22 free of a security interest or agricultural lien if the buyer  
23 gives value and receives delivery of the collateral without  
24 knowledge of the security interest or agricultural lien and  
25 before it is perfected.

26 (3) Except as otherwise provided in subsection (5), a  
27 lessee of goods takes free of a security interest or  
28 agricultural lien if the lessee gives value and receives  
29 delivery of the collateral without knowledge of the security  
30 interest or agricultural lien and before it is perfected.

31

1           (4) A licensee of a general intangible or a buyer,  
2 other than a secured party, of accounts, electronic chattel  
3 paper, general intangibles, or investment property other than  
4 a certificated security takes free of a security interest if  
5 the licensee or buyer gives value without knowledge of the  
6 security interest and before it is perfected.

7           (5) Except as otherwise provided in ss. 679.320 and  
8 679.321, if a person files a financing statement with respect  
9 to a purchase-money security interest before or within 20 days  
10 after the debtor receives delivery of the collateral, the  
11 security interest takes priority over the rights of a buyer,  
12 lessee, or lien creditor which arise between the time the  
13 security interest attaches and the time of filing.

14           679.3181 No interest retained in right to payment that  
15 is sold; rights and title of seller of account or chattel  
16 paper with respect to creditors and purchasers.--

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

20           (2) For purposes of determining the rights of  
21 creditors of, and purchasers for value of an account or  
22 chattel paper from, a debtor who has sold an account or  
23 chattel paper, while the buyer's security interest is  
24 unperfected, the debtor is deemed to have rights and title to  
25 the account or chattel paper identical to those the debtor  
26 sold.

27           679.319 Rights and title of consignee with respect to  
28 creditors and purchasers.--

29           (1) Except as otherwise provided in subsection (2),  
30 for purposes of determining the rights of creditors of, and  
31 purchasers for value of goods from, a consignee, while the

1 goods are in the possession of the consignee, the consignee is  
2 deemed to have rights and title to the goods identical to  
3 those the consignor had or had power to transfer.

4 (2) For purposes of determining the rights of a  
5 creditor of a consignee, law other than this chapter  
6 determines the rights and title of a consignee while goods are  
7 in the consignee's possession if, under this part, a perfected  
8 security interest held by the consignor would have priority  
9 over the rights of the creditor.

10 679.320 Buyer of goods.--

11 (1) Except as otherwise provided in subsection (5), a  
12 buyer in ordinary course of business, other than a person  
13 buying farm products from a person engaged in farming  
14 operations, takes free of a security interest created by the  
15 buyer's seller, even if the security interest is perfected and  
16 the buyer knows of its existence.

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

22 (a) Without knowledge of the security interest;

23 (b) For value;

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

26 (d) Before the filing of a financing statement  
27 covering the goods.

28 (3) To the extent that it affects the priority of a  
29 security interest over a buyer of goods under subsection (2),  
30 the period of effectiveness of a filing made in the  
31

1 jurisdiction in which the seller is located is governed by s.  
2 679.3161(1) and (2).

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

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

10 679.321 Licensee of general intangible and lessee of  
11 goods in ordinary course of business.--

12 (1) In this section, the term "licensee in ordinary  
13 course of business" means a person who becomes a licensee of a  
14 general intangible in good faith, without knowledge that the  
15 license violates the rights of another person in the general  
16 intangible, and in the ordinary course from a person in the  
17 business of licensing general intangibles of that kind. A  
18 person becomes a licensee in the ordinary course if the  
19 license to the person comports with the usual or customary  
20 practices in the kind of business in which the licensor is  
21 engaged or with the licensor's own usual or customary  
22 practices.

23 (2) A licensee in ordinary course of business takes  
24 its rights under a nonexclusive license free of a security  
25 interest in the general intangible created by the licensor,  
26 even if the security interest is perfected and the licensee  
27 knows of its existence.

28 (3) A lessee in ordinary course of business takes its  
29 leasehold interest free of a security interest in the goods  
30 created by the lessor, even if the security interest is  
31 perfected and the lessee knows of its existence.

1           679.322 Priorities among conflicting security  
2 interests in and agricultural liens on same collateral.--

3           (1) Except as otherwise provided in this section,  
4 priority among conflicting security interests and agricultural  
5 liens in the same collateral is determined according to the  
6 following rules:

7           (a) Conflicting perfected security interests and  
8 agricultural liens rank according to priority in time of  
9 filing or perfection. Priority dates from the earlier of the  
10 time a filing covering the collateral is first made or the  
11 security interest or agricultural lien is first perfected, if  
12 there is no period thereafter during which is neither filing  
13 nor perfection.

14           (b) A perfected security interest or agricultural lien  
15 has priority over a conflicting unperfected security interest  
16 or agricultural lien.

17           (c) The first security interest or agricultural lien  
18 to attach or become effective has priority if conflicting  
19 security interests and agricultural liens are unperfected.

20           (2) For the purposes of paragraph (1)(a):

21           (a) The time of filing or perfection as to a security  
22 interest in collateral is also the time of filing or  
23 perfection as to a security interest in proceeds; and

24           (b) The time of filing or perfection as to a security  
25 interest in collateral supported by a supporting obligation is  
26 also the time of filing or perfection as to a security  
27 interest in the supporting obligation.

28           (3) Except as otherwise provided in subsection (6), a  
29 security interest in collateral which qualifies for priority  
30 over a conflicting security interest under s. 679.327, s.  
31

1 679.328, s. 679.329, s. 679.330, or s. 679.331 also has  
2 priority over a conflicting security interest in:  
3 (a) Any supporting obligation for the collateral; and  
4 (b) Proceeds of the collateral if:  
5 1. The security interest in proceeds is perfected;  
6 2. The proceeds are cash proceeds or of the same type  
7 as the collateral; and  
8 3. In the case of proceeds that are proceeds of  
9 proceeds, all intervening proceeds are cash proceeds, proceeds  
10 of the same type as the collateral, or an account relating to  
11 the collateral.  
12 (4) Subject to subsection (5) and except as otherwise  
13 provided in subsection (6), if a security interest in chattel  
14 paper, deposit accounts, negotiable documents, instruments,  
15 investment property, or letter-of-credit rights is perfected  
16 by a method other than filing, conflicting perfected security  
17 interests in proceeds of the collateral rank according to  
18 priority in time of filing.  
19 (5) Subsection (4) applies only if the proceeds of the  
20 collateral are not cash proceeds, chattel paper, negotiable  
21 documents, instruments, investment property, or  
22 letter-of-credit rights.  
23 (6) Subsections (1) through (5) are subject to:  
24 (a) Subsection (7) and the other provisions of this  
25 part;  
26 (b) Section 674.2101 with respect to a security  
27 interest of a collecting bank;  
28 (c) Section 675.118 with respect to a security  
29 interest of an issuer or nominated person; and  
30 (d) Section 679.1101 with respect to a security  
31 interest arising under chapter 672 or chapter 680.

1           (7) A perfected agricultural lien on collateral has  
2 priority over a conflicting security interest in or  
3 agricultural lien on the same collateral if the statute  
4 creating the agricultural lien so provides.

5           679.323 Future advances.--

6           (1) Except as otherwise provided in subsection (3),  
7 for purposes of determining the priority of a perfected  
8 security interest under s. 679.322(1)(a), perfection of the  
9 security interest dates from the time an advance is made to  
10 the extent that the security interest secures an advance that:

11           (a) Is made while the security interest is perfected  
12 only:

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

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

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

18           (2) Except as otherwise provided in subsection (3), a  
19 security interest is subordinate to the rights of a person who  
20 becomes a lien creditor to the extent that the security  
21 interest secures an advance made more than 45 days after the  
22 person becomes a lien creditor unless the advance is made:

23           (a) Without knowledge of the lien; or

24           (b) Pursuant to a commitment entered into without  
25 knowledge of the lien.

26           (3) Subsections (1) and (2) do not apply to a security  
27 interest held by a secured party that is a buyer of accounts,  
28 chattel paper, payment intangibles, or promissory notes or a  
29 consignor.

30           (4) Except as otherwise provided in subsection (5), a  
31 buyer of goods other than a buyer in ordinary course of

1 business takes free of a security interest to the extent that  
2 it secures advances made after the earlier of:

3 (a) The time the secured party acquires knowledge of  
4 the buyer's purchase; or

5 (b) Forty-five days after the purchase.

6 (5) Subsection (4) does not apply if the advance is  
7 made pursuant to a commitment entered into without knowledge  
8 of the buyer's purchase and before the expiration of the  
9 45-day period.

10 (6) Except as otherwise provided in subsection (7), a  
11 lessee of goods, other than a lessee in ordinary course of  
12 business, takes the leasehold interest free of a security  
13 interest to the extent that it secures advances made after the  
14 earlier of:

15 (a) The time the secured party acquires knowledge of  
16 the lease; or

17 (b) Forty-five days after the lease contract becomes  
18 enforceable.

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

22 679.324 Priority of purchase-money security  
23 interests.--

24 (1) Except as otherwise provided in subsection (7), a  
25 perfected purchase-money security interest in goods other than  
26 inventory or livestock has priority over a conflicting  
27 security interest in the same goods, and, except as otherwise  
28 provided in s. 679.327, a perfected security interest in its  
29 identifiable proceeds also has priority, if the purchase-money  
30 security interest is perfected when the debtor receives  
31 possession of the collateral or within 20 days thereafter.



1           (2) Subject to subsection (3) and except as otherwise  
2 provided in subsection (7), a perfected purchase-money  
3 security interest in inventory has priority over a conflicting  
4 security interest in the same inventory, has priority over a  
5 conflicting security interest in chattel paper or an  
6 instrument constituting proceeds of the inventory and in  
7 proceeds of the chattel paper, if so provided in s. 679.330,  
8 and, except as otherwise provided in s. 679.327, also has  
9 priority in identifiable cash proceeds of the inventory to the  
10 extent the identifiable cash proceeds are received on or  
11 before the delivery of the inventory to a buyer, if:  
12           (a) The purchase-money security interest is perfected  
13 when the debtor receives possession of the inventory;  
14           (b) The purchase-money secured party sends an  
15 authenticated notification to the holder of the conflicting  
16 security interest;  
17           (c) The holder of the conflicting security interest  
18 receives the notification within 5 years before the debtor  
19 receives possession of the inventory; and  
20           (d) The notification states that the person sending  
21 the notification has or expects to acquire a purchase-money  
22 security interest in inventory of the debtor and describes the  
23 inventory.  
24           (3) Paragraphs (2)(b), (c), and (d) apply only if the  
25 holder of the conflicting security interest had filed a  
26 financing statement covering the same types of inventory:  
27           (a) If the purchase-money security interest is  
28 perfected by filing, before the date of the filing; or  
29           (b) If the purchase-money security interest is  
30 temporarily perfected without filing or possession under s.  
31

1 679.3121(6), before the beginning of the 20-day period  
2 thereunder.

3 (4) Subject to subsection (5) and except as otherwise  
4 provided in subsection (7), a perfected purchase-money  
5 security interest in livestock that are farm products has  
6 priority over a conflicting security interest in the same  
7 livestock, and, except as otherwise provided in s. 679.327, a  
8 perfected security interest in their identifiable proceeds and  
9 identifiable products in their unmanufactured states also has  
10 priority, if:

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

13 (b) The purchase-money secured party sends an  
14 authenticated notification to the holder of the conflicting  
15 security interest;

16 (c) The holder of the conflicting security interest  
17 receives the notification within 6 months before the debtor  
18 receives possession of the livestock; and

19 (d) The notification states that the person sending  
20 the notification has or expects to acquire a purchase-money  
21 security interest in livestock of the debtor and describes the  
22 livestock.

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

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

28 (b) If the purchase-money security interest is  
29 temporarily perfected without filing or possession under s.  
30 679.3121(6), before the beginning of the 20-day period  
31 thereunder.

1       (6) Except as otherwise provided in subsection (7), a  
2 perfected purchase-money security interest in software has  
3 priority over a conflicting security interest in the same  
4 collateral, and, except as otherwise provided in s. 679.327, a  
5 perfected security interest in its identifiable proceeds also  
6 has priority, to the extent that the purchase-money security  
7 interest in the goods in which the software was acquired for  
8 use has priority in the goods and proceeds of the goods under  
9 this section.

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

13       (a) A security interest securing an obligation  
14 incurred as all or part of the price of the collateral has  
15 priority over a security interest securing an obligation  
16 incurred for value given to enable the debtor to acquire  
17 rights in or the use of collateral; and

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

20       679.325 Priority of security interests in transferred  
21 collateral.--

22       (1) Except as otherwise provided in subsection (2), a  
23 security interest created by a debtor is subordinate to a  
24 security interest in the same collateral created by another  
25 person if:

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

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

30       (c) There is no period thereafter during which the  
31 security interest is unperfected.

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

3           (a) Otherwise would have priority solely under s.  
4 679.322(1) or s. 679.324; or

5           (b) Arose solely under s. 672.711(3) or s. 680.508(5).  
6           679.326 Priority of security interests created by new  
7 debtor.--

8           (1) Subject to subsection (2), a security interest  
9 created by a new debtor which is perfected by a filed  
10 financing statement that is effective solely under s. 679.508  
11 in collateral in which a new debtor has or acquires rights is  
12 subordinate to a security interest in the same collateral  
13 which is perfected other than by a filed financing statement  
14 that is effective solely under s. 679.508.

15           (2) The other provisions of this part determine the  
16 priority among conflicting security interests in the same  
17 collateral perfected by filed financing statements that are  
18 effective solely under s. 679.508. However, if the security  
19 agreements to which a new debtor became bound as debtor were  
20 not entered into by the same original debtor, the conflicting  
21 security interests rank according to priority in time of the  
22 new debtor's having become bound.

23           679.327 Priority of security interests in deposit  
24 account.--The following rules govern priority among  
25 conflicting security interests in the same deposit account:

26           (1) A security interest held by a secured party having  
27 control of the deposit account under s. 679.1041 has priority  
28 over a conflicting security interest held by a secured party  
29 that does not have control.

30           (2) Except as otherwise provided in subsections (3)  
31 and (4), security interests perfected by control under s.

1 679.3141 rank according to priority in time of obtaining  
2 control.

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

7 (4) A security interest perfected by control under s.  
8 679.1041(1)(c) has priority over a security interest held by  
9 the bank with which the deposit account is maintained.

10 679.328 Priority of security interests in investment  
11 property.--The following rules govern priority among  
12 conflicting security interests in the same investment  
13 property:

14 (1) A security interest held by a secured party having  
15 control of investment property under s. 679.1061 has priority  
16 over a security interest held by a secured party that does not  
17 have control of the investment property.

18 (2) Except as otherwise provided in subsections (3)  
19 and (4), conflicting security interests held by secured  
20 parties each of which has control under s. 679.1061 rank  
21 according to priority in time of:

22 (a) If the collateral is a security, obtaining  
23 control;

24 (b) If the collateral is a security entitlement  
25 carried in a securities account and:

26 1. If the secured party obtained control under s.  
27 678.1061(4)(a), the secured party's becoming the person for  
28 which the securities account is maintained;

29 2. If the secured party obtained control under s.  
30 678.1061(4)(b), the securities intermediary's agreement to  
31 comply with the secured party's entitlement orders with

1 respect to security entitlements carried or to be carried in  
2 the securities account; or

3 3. If the secured party obtained control through  
4 another person under s. 678.1061(4)(c), the time on which  
5 priority would be based under this paragraph if the other  
6 person were the secured party; or

7 (c) If the collateral is a commodity contract carried  
8 with a commodity intermediary, the satisfaction of the  
9 requirement for control specified in s. 679.1061(2)(b) with  
10 respect to commodity contracts carried or to be carried with  
11 the commodity intermediary.

12 (3) A security interest held by a securities  
13 intermediary in a security entitlement or a securities account  
14 maintained with the securities intermediary has priority over  
15 a conflicting security interest held by another secured party.

16 (4) A security interest held by a commodity  
17 intermediary in a commodity contract or a commodity account  
18 maintained with the commodity intermediary has priority over a  
19 conflicting security interest held by another secured party.

20 (5) A security interest in a certificated security in  
21 registered form which is perfected by taking delivery under s.  
22 679.3131(1) and not by control under s. 679.3141 has priority  
23 over a conflicting security interest perfected by a method  
24 other than control.

25 (6) Conflicting security interests created by a  
26 broker, securities intermediary, or commodity intermediary  
27 which are perfected without control under s. 679.1061 rank  
28 equally.

29 (7) In all other cases, priority among conflicting  
30 security interests in investment property is governed by ss.  
31 679.322 and 679.323.

1           679.329 Priority of security interests in  
2 letter-of-credit right.--The following rules govern priority  
3 among conflicting security interests in the same  
4 letter-of-credit right:

5           (1) A security interest held by a secured party having  
6 control of the letter-of-credit right under s. 679.1071 has  
7 priority to the extent of its control over a conflicting  
8 security interest held by a secured party that does not have  
9 control.

10           (2) Security interests perfected by control under s.  
11 679.3141 rank according to priority in time of obtaining  
12 control.

13           679.330 Priority of purchaser of chattel paper or  
14 instrument.--

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

18           (a) In good faith and in the ordinary course of the  
19 purchaser's business, the purchaser gives new value and takes  
20 possession of the chattel paper or obtains control of the  
21 chattel paper under s. 679.1051; and

22           (b) The chattel paper does not indicate that it has  
23 been assigned to an identified assignee other than the  
24 purchaser.

25           (2) A purchaser of chattel paper has priority over a  
26 security interest in the chattel paper which is claimed other  
27 than merely as proceeds of inventory subject to a security  
28 interest if the purchaser gives new value and takes possession  
29 of the chattel paper or obtains control of the chattel paper  
30 under s. 679.1051 in good faith, in the ordinary course of the  
31

1 purchaser's business, and without knowledge that the purchase  
2 violates the rights of the secured party.

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

7 (a) Section 679.322 provides for priority in the  
8 proceeds; or

9 (b) The proceeds consist of the specific goods covered  
10 by the chattel paper or cash proceeds of the specific goods,  
11 even if the purchaser's security interest in the proceeds is  
12 unperfected.

13 (4) Except as otherwise provided in s. 679.331(1), a  
14 purchaser of an instrument has priority over a security  
15 interest in the instrument perfected by a method other than  
16 possession if the purchaser gives value and takes possession  
17 of the instrument in good faith and without knowledge that the  
18 purchase violates the rights of the secured party.

19 (5) For purposes of subsections (1) and (2), the  
20 holder of a purchase-money security interest in inventory  
21 gives new value for chattel paper constituting proceeds of the  
22 inventory.

23 (6) For purposes of subsections (2) and (4), if  
24 chattel paper or an instrument indicates that it has been  
25 assigned to an identified secured party other than the  
26 purchaser, a purchaser of the chattel paper or instrument has  
27 knowledge that the purchase violates the rights of the secured  
28 party.

29 679.331 Priority of rights of purchasers of  
30 instruments, documents, and securities under other articles;  
31



1 priority of interests in financial assets and security  
2 entitlements under chapter 678.--

3 (1) This chapter does not limit the rights of a holder  
4 in due course of a negotiable instrument, a holder to which a  
5 negotiable document of title has been duly negotiated, or a  
6 protected purchaser of a security. These holders or  
7 purchasers take priority over an earlier security interest,  
8 even if perfected, to the extent provided in chapters 673,  
9 677, and 678.

10 (2) This chapter does not limit the rights of or  
11 impose liability on a person to the extent that the person is  
12 protected against the assertion of an adverse claim under  
13 chapter 678.

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

17 679.332 Transfer of money; transfer of funds from  
18 deposit account.--

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

22 (2) A transferee of funds from a deposit account takes  
23 the funds free of a security interest in the deposit account  
24 unless the transferee acts in collusion with the debtor in  
25 violating the rights of the secured party.

26 679.333 Priority of certain liens arising by operation  
27 of law.--

28 (1) In this section, the term "possessory lien" means  
29 an interest, other than a security interest or an agricultural  
30 lien:

31

1           (a) Which secures payment or performance of an  
2 obligation for services or materials furnished with respect to  
3 goods by a person in the ordinary course of the person's  
4 business;

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

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

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

12           679.334 Priority of security interests in fixtures and  
13 crops.--

14           (1) A security interest under this chapter may be  
15 created in goods that are fixtures or may continue in goods  
16 that become fixtures. A security interest does not exist  
17 under this chapter in ordinary building materials incorporated  
18 into an improvement on land.

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

21           (3) A security interest in goods that are or become  
22 fixtures is invalid against any person with an interest in the  
23 real property at the time the security interest in the goods  
24 is perfected or at the time the goods are affixed to the real  
25 property, whichever occurs later, unless such person has  
26 consented to the security interest or disclaimed an interest  
27 in the goods as fixtures.

28           (4) A security interest in goods that are or become  
29 fixtures takes priority as to the goods over the claims of all  
30 persons acquiring an interest in the real property subsequent  
31

1 to the perfection of such security interest or the affixing of  
2 the goods to the real property, whichever occurs later.

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

6 (a) Created in a manufactured home in a manufactured  
7 home transaction; and

8 (b) Perfected pursuant to a statute described in s.  
9 679.3111(1)(b).

10 (6) A perfected security interest in crops growing on  
11 real property has priority over a conflicting interest of an  
12 encumbrancer or owner of the real property if the debtor has  
13 an interest of record in or is in possession of the real  
14 property.

15 (7) Subsection (6) prevails over any inconsistent  
16 provisions of the statutes.

17 679.335 Accessions.--

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

20 (2) If a security interest is perfected when the  
21 collateral becomes an accession, the security interest remains  
22 perfected in the collateral.

23 (3) Except as otherwise provided in subsection (4),  
24 the other provisions of this part determine the priority of a  
25 security interest in an accession.

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

30 (5) After default, subject to part VI, a secured party  
31 may remove an accession from other goods if the security

1 interest in the accession has priority over the claims of  
2 every person having an interest in the whole.

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

15 679.336 Commingled goods.--

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

19 (2) A security interest does not exist in commingled  
20 goods as such. However, a security interest may attach to a  
21 product or mass that results when goods become commingled  
22 goods.

23 (3) If collateral becomes commingled goods, a security  
24 interest attaches to the product or mass.

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

29 (5) Except as otherwise provided in subsection (6),  
30 the other provisions of this part determine the priority of a  
31

1 security interest that attaches to the product or mass under  
2 subsection (3).

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

6 (a) A security interest that is perfected under  
7 subsection (4) has priority over a security interest that is  
8 unperfected at the time the collateral becomes commingled  
9 goods.

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

14 679.337 Priority of security interests in goods  
15 covered by certificate of title.--If, while a security  
16 interest in goods is perfected by any method under the law of  
17 another jurisdiction, this state issues a certificate of title  
18 that does not show that the goods are subject to the security  
19 interest or contain a statement that they may be subject to  
20 security interests not shown on the certificate:

21 (1) A buyer of the goods, other than a person in the  
22 business of selling goods of that kind, takes free of the  
23 security interest if the buyer gives value and receives  
24 delivery of the goods after issuance of the certificate and  
25 without knowledge of the security interest; and

26 (2) The security interest is subordinate to a  
27 conflicting security interest in the goods that attaches, and  
28 is perfected under s. 679.3111(2), after issuance of the  
29 certificate and without the conflicting secured party's  
30 knowledge of the security interest.

31

1           679.338 Priority of security interest or agricultural  
2 lien perfected by filed financing statement providing certain  
3 incorrect information.--If a security interest or agricultural  
4 lien is perfected by a filed financing statement providing  
5 information described in s. 679.516(2)(e) which is incorrect  
6 at the time the financing statement is filed:

7           (1) The security interest or agricultural lien is  
8 subordinate to a conflicting perfected security interest in  
9 the collateral to the extent that the holder of the  
10 conflicting security interest gives value in reasonable  
11 reliance upon the incorrect information; and

12           (2) A purchaser, other than a secured party, of the  
13 collateral takes free of the security interest or agricultural  
14 lien to the extent that, in reasonable reliance upon the  
15 incorrect information, the purchaser gives value and, in the  
16 case of chattel paper, documents, goods, instruments, or a  
17 security certificate, receives delivery of the collateral.

18           679.339 Priority subject to subordination.--This  
19 chapter does not preclude subordination by agreement by a  
20 person entitled to priority.

21           679.340 Effectiveness of right of recoupment or  
22 set-off against deposit account.--

23           (1) Except as otherwise provided in subsection (3), a  
24 bank with which a deposit account is maintained may exercise  
25 any right of recoupment or set-off against a secured party  
26 that holds a security interest in the deposit account.

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

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

6           679.341 Bank's rights and duties with respect to  
7 deposit account.--Except as otherwise provided in s.  
8 679.340(3), and unless the bank otherwise agrees in an  
9 authenticated record, a bank's rights and duties with respect  
10 to a deposit account maintained with the bank are not  
11 terminated, suspended, or modified by:

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

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

15           (3) The bank's receipt of instructions from the  
16 secured party.

17           679.342 Bank's right to refuse to enter into or  
18 disclose existence of control agreement.--This chapter does  
19 not require a bank to enter into an agreement of the kind  
20 described in s. 679.1041(1)(b), even if its customer so  
21 requests or directs. A bank that has entered into such an  
22 agreement is not required to confirm the existence of the  
23 agreement to another person unless requested to do so by its  
24 customer.

25           Section 4. Part IV of chapter 679, Florida Statutes,  
26 consisting of sections 679.401, 679.4011, 679.402, 679.403,  
27 679.404, 679.405, 679.406, 679.407, and 679.408, Florida  
28 Statutes, is repealed and a new part IV, consisting of  
29 sections 679.40111, 679.4021, 679.4031, 679.4041, 679.4051,  
30 679.4061, 679.4071, 679.4081, and 679.409, Florida Statutes,  
31 is created to read:

1 PART IV

2 RIGHTS OF THIRD PARTIES

3 679.40111 Alienability of debtor's rights.--

4 (1) Except as otherwise provided in subsection (2) and  
5 ss. 679.4061, 679.4071, 679.4081, and 679.409, whether a  
6 debtor's rights in collateral may be voluntarily or  
7 involuntarily transferred is governed by law other than this  
8 chapter.

9 (2) An agreement between the debtor and secured party  
10 which prohibits a transfer of the debtor's rights in  
11 collateral or makes the transfer a default does not prevent  
12 the transfer from taking effect.

13 679.4021 Secured party not obligated on contract of  
14 debtor or in tort.--The existence of a security interest,  
15 agricultural lien, or authority given to a debtor to dispose  
16 of or use collateral, without more, does not subject a secured  
17 party to liability in contract or tort for the debtor's acts  
18 or omissions.

19 679.4031 Agreement not to assert defenses against  
20 assignee.--

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

23 (2) Except as otherwise provided in this section, an  
24 agreement between an account debtor and an assignor not to  
25 assert against an assignee any claim or defense that the  
26 account debtor may have against the assignor is enforceable by  
27 an assignee that takes an assignment:

28 (a) For value;

29 (b) In good faith;

30 (c) Without notice of a claim of a property or  
31 possessory right to the property assigned; and



1           (d) Without notice of a defense or claim in recoupment  
2 of the type that may be asserted against a person entitled to  
3 enforce a negotiable instrument under s. 673.3031(1).

4           (3) Subsection (2) does not apply to defenses of a  
5 type that may be asserted against a holder in due course of a  
6 negotiable instrument under s. 673.3031(2).

7           (4) In a consumer transaction, if a record evidences  
8 the account debtor's obligation, law other than this chapter  
9 requires that the record include a statement to the effect  
10 that the rights of an assignee are subject to claims or  
11 defenses that the account debtor could assert against the  
12 original obligee, and the record does not include such a  
13 statement:

14           (a) The record has the same effect as if the record  
15 included such a statement; and

16           (b) The account debtor may assert against an assignee  
17 those claims and defenses that would have been available if  
18 the record included such a statement.

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

23           (6) Except as otherwise provided in subsection (4),  
24 this section does not displace law other than this chapter  
25 which gives effect to an agreement by an account debtor not to  
26 assert a claim or defense against an assignee.

27           679.4041 Rights acquired by assignee; claims and  
28 defenses against assignee.--

29           (1) Unless an account debtor has made an enforceable  
30 agreement not to assert defenses or claims, and subject to  
31

1 subsections (2) through (5), the rights of an assignee are  
2 subject to:  
3 (a) All terms of the agreement between the account  
4 debtor and assignor and any defense or claim in recoupment  
5 arising from the transaction that gave rise to the contract;  
6 and  
7 (b) Any other defense or claim of the account debtor  
8 against the assignor which accrues before the account debtor  
9 receives a notification of the assignment authenticated by the  
10 assignor or the assignee.  
11 (2) Subject to subsection (3) and except as otherwise  
12 provided in subsection (4), the claim of an account debtor  
13 against an assignor may be asserted against an assignee under  
14 subsection (1) only to reduce the amount the account debtor  
15 owes.  
16 (3) This section is subject to law other than this  
17 chapter which establishes a different rule for an account  
18 debtor who is an individual and who incurred the obligation  
19 primarily for personal, family, or household purposes.  
20 (4) In a consumer transaction, if a record evidences  
21 the account debtor's obligation, law other than this chapter  
22 requires that the record include a statement to the effect  
23 that the account debtor's recovery against an assignee with  
24 respect to claims and defenses against the assignor may not  
25 exceed amounts paid by the account debtor under the record,  
26 and the record does not include such a statement, the extent  
27 to which a claim of an account debtor against the assignor may  
28 be asserted against an assignee is determined as if the record  
29 included such a statement.  
30 (5) This section does not apply to an assignment of a  
31 health-care-insurance receivable.

1           679.4051 Modification of assigned contract.--  
2           (1) A modification of or substitution for an assigned  
3 contract is effective against an assignee if made in good  
4 faith. The assignee acquires corresponding rights under the  
5 modified or substituted contract. The assignment may provide  
6 that the modification or substitution is a breach of contract  
7 by the assignor. This subsection is subject to subsections  
8 (2) through (4).  
9           (2) Subsection (1) applies to the extent that:  
10           (a) The right to payment or a part thereof under an  
11 assigned contract has not been fully earned by performance; or  
12           (b) The right to payment or a part thereof has been  
13 fully earned by performance and the account debtor has not  
14 received notification of the assignment under s. 679.4061(1).  
15           (3) This section is subject to law other than this  
16 chapter which establishes a different rule for an account  
17 debtor who is an individual and who incurred the obligation  
18 primarily for personal, family, or household purposes.  
19           (4) This section does not apply to an assignment of a  
20 health-care-insurance receivable.  
21           679.4061 Discharge of account debtor; notification of  
22 assignment; identification and proof of assignment;  
23 restrictions on assignment of accounts, chattel paper, payment  
24 intangibles, and promissory notes ineffective.--  
25           (1) Subject to subsections (2) through (9), an account  
26 debtor on an account, chattel paper, or a payment intangible  
27 may discharge its obligation by paying the assignor until, but  
28 not after, the account debtor receives a notification,  
29 authenticated by the assignor or the assignee, that the amount  
30 due or to become due has been assigned and that payment is to  
31 be made to the assignee. After receipt of the notification,

1 the account debtor may discharge its obligation by paying the  
2 assignee and may not discharge the obligation by paying the  
3 assignor.

4 (2) Subject to subsection (8), notification is  
5 ineffective under subsection (1):

6 (a) If it does not reasonably identify the rights  
7 assigned;

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

12 (c) At the option of an account debtor, if the  
13 notification notifies the account debtor to make less than the  
14 full amount of any installment or other periodic payment to  
15 the assignee, even if:

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

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

19 3. The account debtor knows that the assignment to  
20 that assignee is limited.

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

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

31

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

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

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

15       (6) Except as otherwise provided in ss. 680.303 and  
16 679.4071 and subject to subsections (8) and (9), a rule of  
17 law, statute, or regulation that prohibits, restricts, or  
18 requires the consent of a government, governmental body or  
19 official, or account debtor to the assignment or transfer of,  
20 or creation of a security interest in, an account or chattel  
21 paper is ineffective to the extent that the rule of law,  
22 statute, or regulation:

23       (a) Prohibits, restricts, or requires the consent of  
24 the government, governmental body or official, or account  
25 debtor to the assignment or transfer of, or the creation,  
26 attachment, perfection, or enforcement of a security interest  
27 in the account or chattel paper; or

28       (b) Provides that the assignment or transfer or the  
29 creation, attachment, perfection, or enforcement of the  
30 security interest may give rise to a default, breach, right of  
31

1 recoupment, claim, defense, termination, right of termination,  
2 or remedy under the account or chattel paper.

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

5 (8) This section is subject to law other than this  
6 chapter which establishes a different rule for an account  
7 debtor who is an individual and who incurred the obligation  
8 primarily for personal, family, or household purposes.

9 Subsection (6) does not apply to the creation, attachment,  
10 perfection, or enforcement of a security interest in:

11 (a) A claim of a debtor who is a natural person  
12 against an employer to receive compensation for injuries or  
13 sickness while an employee.

14 (b) The interest of a debtor who is a natural person  
15 in unemployment, alimony, disability, pension, or retirement  
16 benefits or victim compensation funds.

17 (c) The interest of a debtor who is a natural person  
18 in other benefits which are designated solely for his or her  
19 maintenance, support, or education, the assignability of which  
20 is expressly prohibited or restricted by any statute.

21  
22 However, this provision shall not preclude such debtor's  
23 creation, attachment, perfection, or enforcement of a security  
24 interest in a settlement arising from a personal injury claim  
25 other than one against an employer arising out of the debtor's  
26 employment.

27 (9) This section does not apply to an assignment of a  
28 health-care-insurance receivable.

29 (10) This section prevails over any inconsistent  
30 statute, rule, or regulation.

31

1           679.4071 Restrictions on creation or enforcement of  
2 security interest in leasehold interest or in lessor's  
3 residual interest.--

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

7           (a) Prohibits, restricts, or requires the consent of a  
8 party to the lease to the assignment or transfer of, or the  
9 creation, attachment, perfection, or enforcement of a security  
10 interest in, an interest of a party under the lease contract

11 or in the lessor's residual interest in the goods; or

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

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

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

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

24           (3) The creation, attachment, perfection, or  
25 enforcement of a security interest in the lessor's interest  
26 under the lease contract or the lessor's residual interest in  
27 the goods is not a transfer that materially impairs the  
28 lessee's prospect of obtaining return performance or  
29 materially changes the duty of or materially increases the  
30 burden or risk imposed on the lessee within the purview of s.  
31 680.303(4) unless, and then only to the extent that,

1 enforcement actually results in a delegation of material  
2 performance of the lessor.

3 679.4081 Restrictions on assignment of promissory  
4 notes, health-care-insurance receivables, and certain general  
5 intangibles ineffective.--

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

17 (a) Would impair the creation, attachment, or  
18 perfection of a security interest; or

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

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

29 (3) A rule of law, statute, or regulation that  
30 prohibits, restricts, or requires the consent of a government,  
31 governmental body or official, person obligated on a



1 promissory note, or account debtor to the assignment or  
2 transfer of, or creation of a security interest in, a  
3 promissory note, health-care-insurance receivable, or general  
4 intangible, including a contract, permit, license, or  
5 franchise between an account debtor and a debtor, is  
6 ineffective to the extent that the rule of law, statute, or  
7 regulation:

8 (a) Would impair the creation, attachment, or  
9 perfection of a security interest; or

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

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

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

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

29 (c) Does not require the person obligated on the  
30 promissory note or the account debtor to recognize the  
31 security interest, pay or render performance to the secured

1 party, or accept payment or performance from the secured  
2 party;  
3 (d) Does not entitle the secured party to use or  
4 assign the debtor's rights under the promissory note,  
5 health-care-insurance receivable, or general intangible,  
6 including any related information or materials furnished to  
7 the debtor in the transaction giving rise to the promissory  
8 note, health-care-insurance receivable, or general intangible;  
9 (e) Does not entitle the secured party to use, assign,  
10 possess, or have access to any trade secrets or confidential  
11 information of the person obligated on the promissory note or  
12 the account debtor; and  
13 (f) Does not entitle the secured party to enforce the  
14 security interest in the promissory note,  
15 health-care-insurance receivable, or general intangible.  
16 (5) This section prevails over any inconsistent  
17 statute, rule, or regulation.  
18 (6) Subsection (3) does not apply to the creation,  
19 attachment, perfection, or enforcement of a security interest  
20 in:  
21 (a) A claim of a debtor who is a natural person  
22 against an employer to receive compensation for injuries or  
23 sickness while an employee.  
24 (b) The interest of a debtor who is a natural person  
25 in unemployment, alimony, disability, pension, or retirement  
26 benefits or victim compensation funds.  
27 (c) The interest of a debtor who is a natural person  
28 in other benefits which are designated solely for his or her  
29 maintenance or support, the assignability of which is  
30 expressly prohibited or restricted by any statute.  
31

1 However, this provision shall not preclude such debtor's  
2 creation, attachment, perfection, or enforcement of a security  
3 interest in a settlement arising from a personal injury claim  
4 other than one against an employer arising out of the debtor's  
5 employment.

6 679.409 Restrictions on assignment of letter-of-credit  
7 rights ineffective.--

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

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

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

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

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

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

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

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

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

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

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

22   PART V

23   FILING

24                   679.5011 Filing office.--

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

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

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

31

1           2. The financing statement is filed as a fixture  
2 filing and the collateral is goods that are or are to become  
3 fixtures; or

4           (b) The office of the Secretary of State, in  
5 accordance with ss. 679.3011-679.3071, 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. The financing statement also constitutes  
10 a fixture filing as to the collateral indicated in the  
11 financing statement which is or is to become fixtures.

12           679.5021 Contents of financing statement; record of  
13 mortgage as financing statement; time of filing financing  
14 statement.--

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

17           (a) Provides the name of the debtor;

18           (b) Provides the name of the secured party or a  
19 representative of the secured party; and

20           (c) Indicates the collateral covered by the financing  
21 statement.

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

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

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

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

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

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

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

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

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

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

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

23       679.5031 Name of debtor and secured party.--

24       (1) A financing statement sufficiently provides the  
25 name of the debtor:

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

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



1           (4) Failure to indicate the representative capacity of  
2 a secured party or representative of a secured party does not  
3 affect the sufficiency of a financing statement.

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

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

9           (1) A description of the collateral pursuant to s.  
10 679.1081; or

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

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

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

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

1 an obligation. If it is determined for another reason that the  
2 collateral secures an obligation, a security interest held by  
3 the consignor, lessor, bailor, licensor, owner, or buyer which  
4 attaches to the collateral is perfected by the filing or  
5 compliance.

6 679.5061 Effect of errors or omissions.--

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

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

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

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

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

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

31

1           (2) Except as otherwise provided in subsection (3) and  
2 s. 679.508, a financing statement is not rendered ineffective  
3 if, after the financing statement is filed, the information  
4 provided in the financing statement becomes seriously  
5 misleading under the standard set forth in s. 679.5061.

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

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

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

18           679.508 Effectiveness of financing statement if new  
19 debtor becomes bound by security agreement.--

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

26           (2) If the difference between the name of the original  
27 debtor and that of the new debtor causes a filed financing  
28 statement that is effective under subsection (1) to be  
29 seriously misleading under the standard set forth in s.  
30 679.5061:

31

1       (a) The financing statement is effective to perfect a  
2 security interest in collateral acquired by the new debtor  
3 before, and within 4 months after, the new debtor becomes  
4 bound under s. 679.2031(4); and

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

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

14       679.509 Persons entitled to file a record.--

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

19       (a) The debtor authorizes the filing in an  
20 authenticated record or pursuant to subsection (2) or  
21 subsection (3); or

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

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

30       (a) The collateral described in the security  
31 agreement; and

1           (b) Property that becomes collateral under s.  
2 679.3151(1)(b), whether or not the security agreement  
3 expressly covers proceeds.

4           (3) A person may file an amendment other than an  
5 amendment that adds collateral covered by a financing  
6 statement or an amendment that adds a debtor to a financing  
7 statement only if:

8           (a) The secured party of record authorizes the filing;  
9 or

10           (b) The amendment is a termination statement for a  
11 financing statement as to which the secured party of record  
12 has failed to file or send a termination statement as required  
13 by s. 679.5131(1) or (3).

14           (4) If there is more than one secured party of record  
15 for a financing statement, each secured party of record may  
16 authorize the filing of an amendment under subsection (3).

17           (5) By acquiring collateral in which a security  
18 interest or agricultural lien continues under s. 679.3151(1),  
19 a debtor authorizes the filing of an initial financing, and an  
20 amendment, covering the collateral and property that become  
21 collateral under s. 679.3151(1)(b).

22           679.510 Effectiveness of filed record.--

23           (1) Subject to subsection (3), a filed record is  
24 effective only to the extent that it was filed by a person who  
25 may file it under s. 679.509.

26           (2) A record authorized by one secured party of record  
27 does not affect the financing statement with respect to  
28 another secured party of record.

29           (3) If a person may file a termination statement only  
30 under s. 679.509(3)(b), the filed termination statement is  
31 effective only if the debtor authorizes the filing and the

1 termination statement indicates that the debtor authorized it  
2 to be filed.

3 (4) A continuation statement that is not filed within  
4 the 6-month period prescribed by s. 679.515(4) is ineffective.

5 679.511 Secured party of record.--

6 (1) A secured party of record with respect to a  
7 financing statement is a person whose name is provided as the  
8 name of the secured party or a representative of the secured  
9 party in an initial financing statement that has been filed.

10 If an initial financing statement is filed under s.

11 679.514(1), the assignee named in the initial financing

12 statement is the secured party of record with respect to the  
13 financing statement.

14 (2) If an amendment of a financing statement which

15 provides the name of a person as a secured party or a

16 representative of a secured party is filed, the person named

17 in the amendment is a secured party of record. If an

18 amendment is filed under s. 679.514(2), the assignee named in  
19 the amendment is a secured party of record.

20 (3) A person remains a secured party of record until

21 the filing of an amendment of the financing statement which

22 deletes the person.

23 679.512 Amendment of financing statement.--

24 (1) Subject to s. 679.509, a person may add or delete

25 collateral covered by, continue or terminate the effectiveness

26 of, or, subject to subsection (5), otherwise amend the

27 information provided in, a financing statement by filing an

28 amendment that:

29 (a) Identifies, by its correct file number, if any,

30 the initial financing statement to which the amendment

31

1 relates, and the name of the debtor and the secured party of  
2 record; and

3 (b) If the amendment relates to an initial financing  
4 statement filed or recorded in a filing office described in s.  
5 679.5011(1)(a), provides the information specified in s.  
6 679.5021(2), the official records book and page number of the  
7 initial financing statement to which the amendment relates,  
8 and the name of the debtor and secured party of record.

9 (2) Except as otherwise provided in s. 679.515, the  
10 filing of an amendment does not extend the period of  
11 effectiveness of the financing statement.

12 (3) A financing statement that is amended by an  
13 amendment that adds collateral is effective as to the added  
14 collateral only from the date of the filing of the amendment.

15 (4) A financing statement that is amended by an  
16 amendment that adds a debtor is effective as to the added  
17 debtor only from the date of the filing of the amendment.

18 (5) An amendment is ineffective to the extent it:

19 (a) Purports to delete all debtors and fails to  
20 provide the name of a debtor to be covered by the financing  
21 statement; or

22 (b) Purports to delete all secured parties of record  
23 and fails to provide the name of a new secured party of  
24 record.

25 679.513 Termination statement.--

26 (1) A secured party shall cause the secured party of  
27 record for a financing statement to file a termination  
28 statement for the financing statement if the financing  
29 statement covers consumer goods and:

30  
31

1           (a) There is no obligation secured by the collateral  
2 covered by the financing statement and no commitment to make  
3 an advance, incur an obligation, or otherwise give value; or

4           (b) The debtor did not authorize the filing of the  
5 initial financing statement.

6           (2) To comply with subsection (1), a secured party  
7 shall cause the secured party of record to file the  
8 termination statement:

9           (a) Within 1 month after there is no obligation  
10 secured by the collateral covered by the financing statement  
11 and no commitment to make an advance, incur an obligation, or  
12 otherwise give value; or

13           (b) If earlier, within 20 days after the secured party  
14 receives an authenticated demand from a debtor.

15           (3) In cases not governed by subsection (1), within 20  
16 days after a secured party receives an authenticated demand  
17 from a debtor, the secured party shall cause the secured party  
18 of record for a financing statement to send to the debtor a  
19 termination statement for the financing statement or file the  
20 termination statement in the filing office if:

21           (a) Except in the case of a financing statement  
22 covering accounts or chattel paper that has been sold or goods  
23 that are the subject of a consignment, there is no obligation  
24 secured by the collateral covered by the financing statement  
25 and no commitment to make an advance, incur an obligation, or  
26 otherwise give value;

27           (b) The financing statement covers accounts or chattel  
28 paper that has been sold but as to which the account debtor or  
29 other person obligated has discharged its obligation;

30  
31



1           (c) The financing statement covers goods that were the  
2 subject of a consignment to the debtor but are not in the  
3 debtor's possession; or

4           (d) The debtor did not authorize the filing of the  
5 initial financing statement.

6           (4) Except as otherwise provided in s. 679.510, upon  
7 the filing of a termination statement with the filing office,  
8 the financing statement to which the termination statement  
9 relates ceases to be effective. Except as otherwise provided  
10 in s. 679.510, for purposes of ss. 679.519(7) and 679.522(1),  
11 the filing with the filing office of a termination statement  
12 relating to a financing statement that indicates that the  
13 debtor is a transmitting utility also causes the effectiveness  
14 of the financing statement to lapse.

15           679.514 Assignment of powers of secured party of  
16 record.--

17           (1) Except as otherwise provided in subsection (3), an  
18 initial financing statement may reflect an assignment of all  
19 of the secured party's power to authorize an amendment to the  
20 financing statement by providing the name and mailing address  
21 of the assignee as the name and address of the secured party.

22           (2) Except as otherwise provided in subsection (3), a  
23 secured party of record may assign of record all or part of  
24 its power to authorize an amendment to a financing statement  
25 by filing in the filing office an amendment of the financing  
26 statement which:

27           (a) Identifies, by its correct file number and the  
28 secured party of record, the initial financing statement to  
29 which it relates;

30           (b) Provides the names of the assignor and debtor; and  
31

1           (c) Provides the name and mailing address of the  
2 assignee.

3           (3) An assignment of record of a security interest in  
4 a fixture covered by a real property mortgage that is  
5 effective as a fixture filing under s. 679.5021(3) may be made  
6 only by an assignment of record of the mortgage in the manner  
7 provided by s. 701.02.

8           679.515 Duration and effectiveness of financing  
9 statement; effect of lapsed financing statement.--

10           (1) Except as otherwise provided in subsections (2),  
11 (5), (6), and (7), a filed financing statement is effective  
12 for a period of 5 years after the date of filing.

13           (2) Except as otherwise provided in subsections (5),  
14 (6), and (7), an initial financing statement filed in  
15 connection with a manufactured-home transaction is effective  
16 for a period of 30 years after the date of filing if it  
17 indicates that it is filed in connection with a  
18 manufactured-home transaction.

19           (3) The effectiveness of a filed financing statement  
20 lapses on the expiration of the period of its effectiveness  
21 unless, before the lapse, a continuation statement is filed  
22 pursuant to subsection (4). Upon lapse, a financing statement  
23 ceases to be effective and any security interest or  
24 agricultural lien that was perfected by the financing  
25 statement becomes unperfected, unless the security interest is  
26 perfected without filing. If the security interest or  
27 agricultural lien becomes unperfected upon lapse, it is deemed  
28 never to have been perfected as against a purchaser of the  
29 collateral for value.

30           (4) A continuation statement may be filed only within  
31 6 months before the expiration of the 5-year period specified

1 in subsection (1) or the 30-year period specified in  
2 subsection (2), whichever is applicable.

3 (5) Except as otherwise provided in s. 679.510, upon  
4 timely filing of a continuation statement, the effectiveness  
5 of the initial financing statement continues for a period of 5  
6 years commencing on the day on which the financing statement  
7 would have become ineffective in the absence of the filing.

8 Upon the expiration of the 5-year period, the financing  
9 statement lapses in the same manner as provided in subsection  
10 (3), unless, before the lapse, another continuation statement  
11 is filed pursuant to subsection (4). Succeeding continuation  
12 statements may be filed in the same manner to continue the  
13 effectiveness of the initial financing statement.

14 (6) If a debtor is a transmitting utility and a filed  
15 financing statement so indicates, the financing statement is  
16 effective until a termination statement is filed.

17 (7) A record of a mortgage satisfying the requirements  
18 of chapter 697 that is effective as a fixture filing under s.  
19 679.5021(3) remains effective as a financing statement filed  
20 as a fixture filing until the mortgage is released or  
21 satisfied of record or its effectiveness otherwise terminates  
22 as to the real property.

23 679.516 What constitutes filing; effectiveness of  
24 filing.--

25 (1) Except as otherwise provided in subsection (2),  
26 communication of a record to a filing office, tender of the  
27 processing fee, or acceptance of the record by the filing  
28 office constitutes filing.

29 (2) Filing does not occur with respect to a record  
30 that a filing office refuses to accept because:

31

1           (a) The record is not communicated by a method or  
2 medium of communication authorized by the filing office;

3           (b) An amount equal to or greater than the applicable  
4 processing fee is not tendered;

5           (c) The record does not include the notation required  
6 by s. 201.22 indicating that the excise tax required by  
7 chapter 201 had been paid or is not required;

8           (d) The filing office is unable to index the record  
9 because:

10           1. In the case of an initial financing statement, the  
11 record does not provide an organization's name or, if an  
12 individual, the individual's last name and first name or  
13 initial;

14           2. In the case of an amendment or correction  
15 statement, the record:

16           a. Does not correctly identify the initial financing  
17 statement as required by s. 679.512 or s. 679.518, as  
18 applicable; or

19           b. Identifies an initial financing statement the  
20 effectiveness of which has lapsed under s. 679.515;

21           3. In the case of an initial financing statement that  
22 provides the name of a debtor identified as an individual or  
23 an amendment that provides a name of a debtor identified as an  
24 individual which was not previously provided in the financing  
25 statement to which the record relates, the record does not  
26 identify the debtor's last name and first name or initial; or

27           4. In the case of a record filed or recorded in the  
28 filing office described in s. 679.5011(1)(a), the record does  
29 not provide a sufficient description of the real property to  
30 which it relates;

31

1           (e) In the case of an initial financing statement or  
2 an amendment that adds a secured party of record, the record  
3 does not provide an organization's name or, if an individual,  
4 the individual's last name and first name or initial and  
5 mailing address for the secured party of record;

6           (f) In the case of an initial financing statement or  
7 an amendment that provides a name of a debtor which was not  
8 previously provided in the financing statement to which the  
9 amendment relates, the record does not:

10           1. Provide a mailing address for the debtor;

11           2. Indicate whether the debtor is an individual or an  
12 organization; or

13           3. If the financing statement indicates that the  
14 debtor is an organization, provide:

15           a. A type of organization for the debtor;

16           b. A jurisdiction of organization for the debtor; or

17           c. An organizational identification number for the  
18 debtor or indicate that the debtor has none;

19           (g) In the case of an assignment reflected in an  
20 initial financing statement under s. 679.514(1) or an  
21 amendment filed under s. 679.514(2), the record does not  
22 provide an organization's name or, if an individual, the  
23 individual's last name and first name or initial and mailing  
24 address for the assignee;

25           (h) In the case of a continuation statement, the  
26 record is not filed within the 6-month period prescribed by s.  
27 679.515(4);

28           (i) In the case of an initial financing statement or  
29 an amendment, which amendment requires the inclusion of a  
30 collateral statement but the record does not provide any, the  
31 record does not provide a statement of collateral; or

1           (3) For purposes of subsection (2):  
2           (a) A record does not provide information if the  
3 filing office is unable to read or decipher the information;  
4 and  
5           (b) A record that does not indicate that it is an  
6 amendment or identify an initial financing statement to which  
7 it relates, as required by s. 679.512, s. 679.514, or s.  
8 679.518, is an initial financing statement.  
9           (4) A record that is communicated to the filing office  
10 with tender of the filing fee, but that the filing office  
11 refuses to accept for a reason other than one set forth in  
12 subsection (2), is effective as a filed record except as  
13 against a purchaser of the collateral which gives value in  
14 reasonable reliance upon the absence of the record from the  
15 files.  
16           (5)(a) If the Secretary of State reasonably and in  
17 good faith believes that:  
18           1. A financing statement submitted for filing has been  
19 tendered to the wrong office; or  
20           2. An exhibit or attachment specifically mentioned in  
21 the record as being attached is not attached; or  
22           (b) If the filing office is unable to index the record  
23 because an amendment or correction statement was previously  
24 terminated under s. 679.513,  
25  
26 the filing office shall nevertheless conditionally accept the  
27 filing and give the financing statement a conditional filing  
28 number and record the date of filing as of the date it is  
29 received, the "conditional filing date," if it otherwise  
30 complies with this part. However, the financing statement may  
31 be rejected and the filing number and filing date purged from

1 the filing office records if the person submitting the  
2 financing statement does not provide the filing office with  
3 information or documents satisfying the requirements of this  
4 part within 20 business days after the filing office sends an  
5 authenticated record stating an objection to the financing  
6 statement as permitted herein, which objection shall be sent  
7 within 3 business days after the financing statement is  
8 received by the filing office. If not rejected in accordance  
9 with this provision, the effective date of a conditionally  
10 accepted financing statement shall be the conditional filing  
11 date.

12 (6) If the Secretary of State reasonably and in good  
13 faith believes that a financing statement submitted for filing  
14 is fraudulent, the filing office shall nevertheless  
15 conditionally accept the filing and give the financing  
16 statement a conditional filing number and record the date of  
17 filing as the date it is received, the "conditional filing  
18 date," if it otherwise complies with this part. However, the  
19 financing statement may be rejected and the filing number and  
20 filing date purged from the filing office records if the  
21 person submitting the financing statement does not provide the  
22 filing office with information or documents supporting the  
23 legitimacy of the financing statement within 20 business days  
24 after the filing office sends an authenticated record stating  
25 an objection to the financing statement as permitted herein,  
26 which objection shall be sent within 3 business days after the  
27 financing statement is received by the filing office. If not  
28 rejected in accordance with this provision, the effective date  
29 of a conditionally accepted financing statement shall be the  
30 conditional filing date.

31

1           679.517 Effect of indexing errors.--The failure of the  
2 filing office to index a record correctly does not affect the  
3 effectiveness of the filed record.

4           679.518 Claim concerning inaccurate or wrongfully  
5 filed record.--

6           (1) A person may file in the filing office a  
7 correction statement with respect to a record indexed there  
8 under the person's name if the person believes that the record  
9 is inaccurate or was wrongfully filed.

10           (2) A correction statement must:

11           (a) Identify the record to which it relates by the  
12 file number assigned to the initial financing statement, the  
13 debtor, and the secured party of record to which the record  
14 relates;

15           (b) Indicate that it is a correction statement; and

16           (c) Provide the basis for the person's belief that the  
17 record is inaccurate and indicate the manner in which the  
18 person believes the record should be amended to cure any  
19 inaccuracy or provide the basis for the person's belief that  
20 the record was wrongfully filed.

21           (3) The filing of a correction statement does not  
22 affect the effectiveness of an initial financing statement or  
23 other filed record.

24           679.519 Numbering, maintaining, and indexing records;  
25 communicating information provided in records.--

26           (1) For each record filed in a filing office, the  
27 filing office shall, in accordance with such other laws  
28 applicable to the recording of instruments by a filing office  
29 described in s. 679.5011(1)(a):

30           (a) Assign a unique number to the filed record;

31



1           (b) Create a record that bears the number assigned to  
2 the filed record and the date and time of filing;

3           (c) Maintain the filed record for public inspection;  
4 and

5           (d) Index the filed record in accordance with  
6 subsections (3), (4), and (5).

7           (2) Except as otherwise provided in subsection (9), a  
8 file number assigned after January 1, 2002, must include a  
9 digit that:

10           (a) Is mathematically derived from or related to the  
11 other digits of the file number; and

12           (b) Enables the filing office to detect whether a  
13 number communicated as the file number includes a single-digit  
14 or transpositional error.

15           (3) Except as otherwise provided in subsections (4)  
16 and (5), the filing office shall:

17           (a) Index an initial financing statement according to  
18 the name of the debtor and shall index all filed records  
19 relating to the initial financing statement in a manner that  
20 associates with one another an initial financing statement and  
21 all filed records relating to the initial financing statement;  
22 and

23           (b) Index a record that provides a name of a debtor  
24 which was not previously provided in the financing statement  
25 to which the record relates also according to the name that  
26 was not previously provided.

27           (4) If a financing statement is filed as a fixture  
28 filing or covers as-extracted collateral or timber to be cut,  
29 the filing office shall index it:

30           (a) Under the names of the debtor and of each owner of  
31 record shown on the financing statement as if they were the

1 mortgagors under a mortgage of the real property described;  
2 and

3 (b) To the extent that the law of this state provides  
4 for indexing of mortgages under the name of the mortgagee,  
5 under the name of the secured party as if the secured party  
6 were the mortgagee thereunder, or, if indexing is by  
7 description, as if the financing statement were a mortgage of  
8 the real property described.

9 (5) If a financing statement is filed as a fixture  
10 filing or covers as-extracted collateral or timber to be cut,  
11 the filing office shall index an assignment filed under s.  
12 679.514(1) or an amendment filed under s. 679.514(2):

13 (a) Under the name of the assignor as grantor; and

14 (b) To the extent that the law of this state provides  
15 for indexing the assignment of a real property mortgage under  
16 the name of the assignee, under the name of the assignee.

17 (6) The filing office shall maintain a capability for:

18 (a) Retrieving a record by the name of the debtor and  
19 by the file number assigned to the initial financing statement  
20 to which the record relates; and

21 (b) Associating and retrieving with one another an  
22 initial financing statement and each filed record relating to  
23 the initial financing statement.

24 (7) The filing office may not remove a debtor's name  
25 from the index until 1 year after the effectiveness of a  
26 financing statement naming the debtor lapses under s. 679.515  
27 with respect to all secured parties of record.

28 (8) Except as otherwise provided in subsection (9),  
29 the filing office shall perform the acts required by  
30 subsections (1) through (5) at the time and in the manner  
31 prescribed by any filing-office rule, but not later than 3

1 business days after the filing office receives the record in  
2 question, if practical.

3 (9) Subsections (1), (2), and (8) do not apply to a  
4 filing office described in s. 679.5011(1)(a).

5 679.520 Acceptance and refusal to accept record.--

6 (1) A filing office shall refuse to accept a record  
7 for filing for a reason set forth in s. 679.516(2) and may  
8 refuse to accept a record for filing only for a reason set  
9 forth in s. 679.516(2).

10 (2) If a filing office refuses to accept a record for  
11 filing, it shall communicate to the person that presented the  
12 record the fact of and reason for the refusal and the date and  
13 time the record would have been filed had the filing office  
14 accepted it. The communication must be made at the time and  
15 in the manner prescribed by any filing-office rule but, in the  
16 case of a filing office described in s. 679.5011(1)(b), in no  
17 event more than 3 business days after the filing office  
18 receives the record, if practical.

19 (3) A filed financing statement satisfying s.  
20 679.5021(1) and (2) is effective, even if the filing office is  
21 required to refuse to accept it for filing under subsection  
22 (1). However, s. 679.338 applies to a filed financing  
23 statement providing information described in s. 679.516(2)(e)  
24 which is incorrect at the time the financing statement is  
25 filed.

26 (4) If a record communicated to a filing office  
27 provides information that relates to more than one debtor,  
28 this part applies as to each debtor separately.

29 679.521 Uniform form of written financing statement  
30 and amendment.--The Secretary of State shall develop or  
31 approve mandatory forms for use in filing under this chapter.

1 Such forms must be in accord with the requirements of Florida  
2 law, including s. 201.22. The secretary may, if he or she  
3 finds that such forms meet these requirements, approve the use  
4 of a standard national form for this purpose.

5 679.522 Maintenance and destruction of records.--

6 (1) The filing office shall maintain a record of the  
7 information provided in a filed financing statement for at  
8 least 1 year after the effectiveness of the financing  
9 statement has lapsed under s. 679.515 with respect to all  
10 secured parties of record. The record must be retrievable by  
11 using the name of the debtor and by using the file number, or  
12 official records book and page number if a fixture filing,  
13 assigned to the initial financing statement to which the  
14 record relates.

15 (2) Except to the extent that chapter 119 governing  
16 disposition of public records provides otherwise, the filing  
17 office immediately may destroy any written record evidencing a  
18 financing statement. However, if the filing office destroys a  
19 written record, it shall maintain another record of the  
20 financing statement which complies with subsection (1).

21 679.523 Information from filing office; sale or  
22 license of records.--

23 (1) If a person files a written record, the filing  
24 office shall make available, on the database, an image of the  
25 record showing the number assigned to the record pursuant to  
26 s. 679.519(1)(a) and the date of the filing of the record or,  
27 if requested, send to the person a separate printed  
28 acknowledgement indicating the debtor's name, the number  
29 assigned to the record pursuant to s. 679.519(1)(a), and the  
30 date of the filing of the record.

31

1           (2) If a person files a record other than a written  
2 record, the filing office described in s. 679.5011(1)(b) shall  
3 communicate to the person an image that provides:

4           (a) The information in the record;

5           (b) The number assigned to the record pursuant to s.  
6 679.519(1)(a); and

7           (c) The date and time of the filing of the record.

8           (3) In complying with its duty under this chapter, the  
9 filing office described in s. 679.5011(1)(b) may communicate  
10 information in any medium. However, if requested, the filing  
11 office shall communicate information by issuing its written  
12 certificate or a record that can be admitted into evidence in  
13 the courts of the state without extrinsic evidence of its  
14 authenticity.

15           (4) The filing office described in s. 679.5011(1)(b)  
16 shall perform the acts required by subsections (1) and (2) at  
17 the time and in the manner prescribed by any filing-office  
18 rule, but not later than 3 business days after the filing  
19 office receives the request, if practical.

20           679.524 Delay by filing office.--Delay by the filing  
21 office beyond a time limit prescribed by this part is excused  
22 if:

23           (1) The delay is caused by interruption of  
24 communication or computer facilities, war, emergency  
25 conditions, failure of equipment, or other circumstances  
26 beyond control of the filing office; and

27           (2) The filing office exercises reasonable diligence  
28 under the circumstances.

29           679.525 Processing fees.--

30           (1) Except as otherwise provided in subsection (3),  
31 the nonrefundable processing fee for filing and indexing a

1 record under this part, other than an initial financing  
2 statement of the kind described in s. 679.5021(3), is:  
3 (a) For filing a financing statement, \$25 for the  
4 first page, which shall include the cost of filing a  
5 termination statement for the financing statement;  
6 (b) For filing an amendment, \$12 for the first page;  
7 (c) For indexing by additional debtor, secured party,  
8 or assignee, \$3 per additional name indexed;  
9 (d) For use of a nonapproved form, \$5;  
10 (e) For each additional facing page attached to a  
11 record, \$3;  
12 (f) For filing a financing statement communicated by  
13 an electronic filing process authorized by the filing office,  
14 \$15 with no additional fees for multiple names or attached  
15 pages;  
16 (g) For filing an amendment communicated by an  
17 electronic filing process authorized by the filing office, \$5  
18 with no additional fees for multiple names or attached pages;  
19 (h) For a certified copy of a financing statement and  
20 any and all associated amendments, \$30; and  
21 (i) For a photocopy of a filed record, \$1 per page.  
22 (2) Except as otherwise provided in subsection (3),  
23 the fee for filing and indexing an initial financing statement  
24 of the kind described in s. 679.5021(3) is the amount  
25 specified in chapter 28.  
26 (3) This section does not require a fee with respect  
27 to a mortgage that is effective as a financing statement filed  
28 as a fixture filing or as a financing statement covering  
29 as-extracted collateral or timber to be cut under s.  
30 679.5021(3). However, the recording and satisfaction fees  
31 that otherwise would be applicable to the mortgage apply.

1           679.526 Filing-office rules.--The Department of State  
2 may adopt and publish rules to administer this chapter. The  
3 filing-office rules must be:

4           (1) Consistent with this chapter.

5           (2) Adopted and published in accordance with the  
6 Administrative Procedure Act.

7           679.527 Authority to delegate.--

8           (1) Except as otherwise provided in this section, the  
9 Secretary of State may delegate the duties of the filing  
10 office and filing officer under this chapter to a private  
11 filing agency qualified to transact business in this state  
12 which otherwise has satisfied all other requirements of law  
13 and has entered into an approved written contract with the  
14 Department of State. Upon the effective date of such  
15 contract, the private filing agency shall, subject to the  
16 review of the Secretary of State or his or her designee, fully  
17 and diligently perform and carry out the responsibilities of  
18 the filing office and filing officer under this chapter,  
19 except as proscribed in the contract or this chapter.

20           (2) Notwithstanding any contract with the private  
21 filing agency, the Secretary of State, or his or her designee  
22 who is an employee of the Department of State, shall retain  
23 the sole authority to conditionally accept and later reject a  
24 purportedly fraudulent financing statement as permitted under  
25 s. 679.515. The decision to reject shall be made within 3  
26 business days after the financing statement is received by the  
27 filing office. However, the private filing agency may  
28 recommend to the Secretary of State or his or her designee  
29 action as to any purportedly fraudulent financing statement  
30 and shall send to the party submitting the financing statement  
31 immediately after the decision is made an authenticated record

1 of any determination of conditional acceptance or rejection  
2 made by the Secretary of State or his or her designee.

3 Further, notwithstanding any such contract, the Secretary of  
4 State or his or her designee also may review and reverse any  
5 decision by the private filing agency to reject a financing  
6 statement under this chapter.

7 (3) The Secretary of State shall immediately after the  
8 effective date of this act develop and issue a request for  
9 qualifications seeking qualified entities to perform the  
10 duties of the filing officer and filing office under this  
11 chapter which are delegable.

12 (a) The qualifications and any contract shall, at a  
13 minimum, require:

14 1. The creation and maintenance of a central filing,  
15 recording, retrieval, and response system that is capable of  
16 fully satisfying the filing officer and filing office  
17 requirements under this chapter.

18 2. Record maintenance in compliance with chapter 119.

19 3. Oversight by the Department of State, including  
20 compliance audits of the performance standards described in  
21 subsection (5).

22 4. Access by the public, including review at no charge  
23 through the Internet or such other substitute medium, of all  
24 financing statements maintained by the Department of State  
25 under chapter 679 existing as of the date of the enactment of  
26 this act, and of all financing statements filed after the  
27 effective date of this act, subject to any requirements or  
28 limitations of chapter 119 and this chapter.

29 5. Maintenance for at least 5 years of the type and  
30 amount of fees and procedures for the deposit of revenues, net  
31



1 of operating costs, prescribed by the Department of State as  
2 of the effective date of this act, consistent with chapter 15.

3 (4) Notwithstanding the requirements of chapter 287,  
4 the Secretary of State or his or her designee may determine  
5 and select the most qualified respondent to the request for  
6 qualifications as the private filing agency under this  
7 chapter.

8 (5) The Secretary of State or his or her designee  
9 shall develop performance standards to assure that the system  
10 to be used and actually used by the private filing agency is  
11 accurate, efficient, and complete and that the system  
12 satisfies the responsibilities of the filing office and filing  
13 officer under this chapter and meets the needs of various  
14 persons and entities using or affected by the filing system.

15 (6) Because of the unique role the filing office and  
16 filing officer have in administering and overseeing the system  
17 of filing, amending, terminating, and assigning financing  
18 statements, and the importance to commerce within this state  
19 of uninterrupted, consistent, and credible service to parties  
20 affected by the filing system, any contract between the  
21 Department of State and the private filing agency shall not be  
22 assignable without the express written consent of the  
23 Secretary of State, which consent may be withheld in his or  
24 her sole and absolute discretion.

25 (7) If:

26 (a) The private filing agency ceases, is unable, or  
27 fails to perform all of the duties required under this chapter  
28 required of the filing office and filing officer or as  
29 provided for in any contract, as determined by the Secretary  
30 of State in his or her sole discretion;

31

1           (b) An assignee for the benefit of creditor is  
2 appointed for the private filing agency or its assets or a  
3 receiver is appointed for the private filing agency or its  
4 assets other than by the Secretary of State;

5           (c) Bankruptcy or other insolvency proceedings are  
6 commenced by the private filing agency; or

7           (d) An involuntary bankruptcy case is commenced  
8 against the private filing agency and the case is not  
9 dismissed within 5 business days after the filing of the  
10 petition,

11  
12 the Secretary of State shall, immediately or as soon as  
13 practicable thereafter, assume the duties of the filing office  
14 and filing officer under this chapter; appoint a receiver for  
15 the private filing agency to fulfill the duties of the filing  
16 office and filing officer under this chapter and any existing  
17 contract; or redelegate such duties to a new private filing  
18 agency that meets the requirements of this section and enters  
19 into a new approved contract with the Secretary of State. Upon  
20 any assumption, appointment, or redelegation by the Secretary  
21 of State under this subsection, any rights of the private  
22 filing agency pertaining to the contract or otherwise with  
23 respect to this chapter shall immediately terminate.

24           (8) All financing statements, logs, or indices  
25 evidencing information regarding the filing, amendment,  
26 continuation, termination, or assignment of financing  
27 statements, and all other records pertaining to financing  
28 statements received or sent by the private filing agency,  
29 regardless of the form in which they are maintained, shall be  
30 and remain the property of this state, and upon demand shall  
31 be immediately turned over to the Secretary of State upon the

1 occurrence of any event described in paragraph (7)(a),  
2 paragraph (7)(b), paragraph (7)(c), or paragraph (7)(d). The  
3 Secretary of State shall be entitled to injunctive relief on  
4 an emergency basis if the private filing agency fails to turn  
5 over any of such records.

6 Section 7. Part VI of chapter 679, Florida Statutes,  
7 consisting of sections 679.601, 679.602, 679.603, 679.604,  
8 679.605, 679.606, 679.607, 679.608, 679.609, 679.610, 679.611,  
9 679.612, 679.613, 679.614, 679.615, 679.616, 679.617, 679.618,  
10 679.619, 679.620, 679.621, 679.622, 679.623, 679.624, 679.625,  
11 679.626, 679.627, and 679.628, Florida Statutes, is created to  
12 read:

13 PART VI

14 DEFAULT

15 679.601 Rights after default; judicial enforcement;  
16 consignor or buyer of accounts, chattel paper, payment  
17 intangibles, or promissory notes.--

18 (1) After default, a secured party has the rights  
19 provided in this part and, except as otherwise provided in s.  
20 679.602, those provided by agreement of the parties. A secured  
21 party:

22 (a) May reduce a claim to judgment, foreclose, or  
23 otherwise enforce the claim, security interest, or  
24 agricultural lien by any available judicial procedure; and

25 (b) If the collateral is documents, may proceed either  
26 as to the documents or as to the goods they cover.

27 (2) A secured party in possession of collateral or  
28 control of collateral under s. 679.1041, s. 679.1051, s.  
29 679.1061, or s. 679.1071 has the rights and duties provided in  
30 s. 679.2071.

31

1           (3) The rights under subsections (1) and (2) are  
2 cumulative and may be exercised simultaneously.

3           (4) Except as otherwise provided in subsection (7) and  
4 s. 679.605, after default, a debtor and an obligor have the  
5 rights provided in this part and by agreement of the parties.

6           (5) If a secured party has reduced its claim to  
7 judgment, the lien of any levy that may be made upon the  
8 collateral by virtue of an execution based upon the judgment  
9 relates back to the earliest of:

10           (a) The date of perfection of the security interest or  
11 agricultural lien in the collateral;

12           (b) The date of filing a financing statement covering  
13 the collateral; or

14           (c) Any date specified in a statute under which the  
15 agricultural lien was created.

16           (6) A sale pursuant to an execution is a foreclosure  
17 of the security interest or agricultural lien by judicial  
18 procedure within the meaning of this section. A secured party  
19 may purchase at the sale and thereafter hold the collateral  
20 free of any other requirements of this chapter.

21           (7) Except as otherwise provided in s. 679.607(3),  
22 this part imposes no duties upon a secured party that is a  
23 consignor or is a buyer of accounts, chattel paper, payment  
24 intangibles, or promissory notes.

25           679.602 Waiver and variance of rights and  
26 duties.--Except as otherwise provided in s. 679.624, to the  
27 extent that they give rights to a debtor or obligor and impose  
28 duties on a secured party, the debtor or obligor may not waive  
29 or vary the rules stated in the following listed sections:

30           (1) Section 679.2071(2)(d)3., which deals with use and  
31 operation of the collateral by the secured party;

1           (2) Section 679.210, which deals with requests for an  
2 accounting and requests concerning a list of collateral and  
3 statement of account;

4           (3) Section 679.607(3), which deals with collection  
5 and enforcement of collateral;

6           (4) Sections 679.608(1) and 679.615(3) to the extent  
7 that they deal with application or payment of noncash proceeds  
8 of collection, enforcement, or disposition;

9           (5) Sections 679.608(1) and 679.615(4) to the extent  
10 that they require accounting for or payment of surplus  
11 proceeds of collateral;

12           (6) Section 679.609 to the extent that it imposes upon  
13 a secured party that takes possession of collateral without  
14 judicial process the duty to do so without breach of the  
15 peace;

16           (7) Sections 679.610(2), 679.611, 679.613, and  
17 679.614, which deal with disposition of collateral;

18           (8) Section 679.615(6), which deals with calculation  
19 of a deficiency or surplus when a disposition is made to the  
20 secured party, a person related to the secured party, or a  
21 secondary obligor;

22           (9) Section 679.616, which deals with explanation of  
23 the calculation of a surplus or deficiency;

24           (10) Sections 679.620, 679.621, and 679.622, which  
25 deal with acceptance of collateral in satisfaction of  
26 obligation;

27           (11) Section 679.623, which deals with redemption of  
28 collateral;

29           (12) Section 679.624, which deals with permissible  
30 waivers; and

31

1           (13) Sections 679.625 and 679.626, which deal with the  
2 secured party's liability for failure to comply with this  
3 article.

4           679.603 Agreement on standards concerning rights and  
5 duties.--

6           (1) The parties may determine by agreement the  
7 standards measuring the fulfillment of the rights of a debtor  
8 or obligor and the duties of a secured party under a rule  
9 stated in s. 679.602 if the standards are not manifestly  
10 unreasonable.

11           (2) Subsection (1) does not apply to the duty under s.  
12 679.609 to refrain from breaching the peace.

13           679.604 Procedure if security agreement covers real  
14 property or fixtures.--

15           (1) If a security agreement covers both personal and  
16 real property, a secured party may proceed:

17           (a) Under this part as to the personal property  
18 without prejudicing any rights with respect to the real  
19 property; or

20           (b) As to both the personal property and the real  
21 property in accordance with the rights with respect to the  
22 real property, in which case the other provisions of this part  
23 do not apply.

24           (2) Subject to subsection (3), if a security agreement  
25 covers goods that are or become fixtures, a secured party may  
26 proceed:

27           (a) Under this part; or

28           (b) In accordance with the rights with respect to real  
29 property, in which case the other provisions of this part do  
30 not apply.

31

1           (3) Subject to the other provisions of this part, if a  
2 secured party holding a security interest in fixtures has  
3 priority over all owners and encumbrancers of the real  
4 property, the secured party, after default, may remove the  
5 collateral from the real property. The secured party shall  
6 give reasonable notification of its intent to remove the  
7 collateral to all persons entitled to reimbursement under  
8 subsection (4).

9           (4) A secured party that removes collateral shall  
10 promptly reimburse any encumbrancer or owner of the real  
11 property, other than the debtor, for the cost of repair of any  
12 physical injury caused by the removal. The secured party need  
13 not reimburse the encumbrancer or owner for any diminution in  
14 value of the real property caused by the absence of the goods  
15 removed or by any necessity of replacing them. A person  
16 entitled to reimbursement may refuse permission to remove  
17 until the secured party gives adequate assurance for the  
18 performance of the obligation to reimburse. This subsection  
19 does not prohibit a secured party and the person entitled to  
20 reimbursement from entering into an authenticated record  
21 providing for the removal of fixtures and reimbursement for  
22 any damage caused thereby.

23           679.605 Unknown debtor or secondary obligor.--A  
24 secured party does not owe a duty based on its status as  
25 secured party:

26           (1) To a person who is a debtor or obligor, unless the  
27 secured party knows:

28           (a) That the person is a debtor or obligor;

29           (b) The identity of the person; and

30           (c) How to communicate with the person; or

31

1           (2) To a secured party or lienholder that has filed a  
2 financing statement against a person, unless the secured party  
3 knows:

4           (a) That the person is a debtor; and

5           (b) The identity of the person.

6           679.606 Time of default for agricultural lien.--For  
7 purposes of this part, a default occurs in connection with an  
8 agricultural lien at the time the secured party becomes  
9 entitled to enforce the lien in accordance with the statute  
10 under which it was created.

11           679.607 Collection and enforcement by secured party.--

12           (1) If so agreed, and in any event after default, a  
13 secured party:

14           (a) May notify an account debtor or other person  
15 obligated on collateral to make payment or otherwise render  
16 performance to or for the benefit of the secured party;

17           (b) May take any proceeds to which the secured party  
18 is entitled under s. 679.3151;

19           (c) May enforce the obligations of an account debtor  
20 or other person obligated on collateral and exercise the  
21 rights of the debtor with respect to the obligation of the  
22 account debtor or other person obligated on collateral to make  
23 payment or otherwise render performance to the debtor, and  
24 with respect to any property that secures the obligations of  
25 the account debtor or other person obligated on the  
26 collateral;

27           (d) If it holds a security interest in a deposit  
28 account perfected by control under s. 679.1041(1)(a), may  
29 apply the balance of the deposit account to the obligation  
30 secured by the deposit account; and

31



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  
31

1       (5) This section does not determine whether an account  
2 debtor, bank, or other person obligated on collateral owes a  
3 duty to a secured party.

4       (6) Nothing in subsection (2) is intended to create a  
5 right of nonjudicial foreclosure in this state.

6       679.608 Application of proceeds of collection or  
7 enforcement; liability for deficiency and right to surplus.--

8       (1) If a security interest or agricultural lien  
9 secures payment or performance of an obligation, the following  
10 rules apply:

11       (a) A secured party shall apply or pay over for  
12 application the cash proceeds of collection or enforcement  
13 under s. 679.607 in the following order to:

14       1. The reasonable expenses of collection and  
15 enforcement and, to the extent provided for by agreement and  
16 not prohibited by law, reasonable attorney's fees and legal  
17 expenses incurred by the secured party;

18       2. The satisfaction of obligations secured by the  
19 security interest or agricultural lien under which the  
20 collection or enforcement is made; and

21       3. The satisfaction of obligations secured by any  
22 subordinate security interest in or other lien on the  
23 collateral subject to the security interest or agricultural  
24 lien under which the collection or enforcement is made if the  
25 secured party receives an authenticated demand for proceeds  
26 before distribution of the proceeds is completed.

27       (b) If requested by a secured party, a holder of a  
28 subordinate security interest or other lien shall furnish  
29 reasonable proof of the interest or lien within a reasonable  
30 time and agree to indemnify the secured party on reasonable  
31 terms acceptable to the secured party for damages, including

1 reasonable attorney's fees and costs, incurred or suffered by  
2 the secured party if the subordinate holder did not have the  
3 right to receive the amounts to be paid to it. Unless the  
4 holder complies, the secured party need not comply with the  
5 holder's demand under subparagraph (a)3.

6 (c) A secured party need not apply or pay over for  
7 application noncash proceeds of collection and enforcement  
8 under s. 679.607 unless the failure to do so would be  
9 commercially unreasonable. A secured party that applies or  
10 pays over for application noncash proceeds shall do so in a  
11 commercially reasonable manner.

12 (d) A secured party shall account to and pay a debtor  
13 for any surplus, and the obligor is liable for any deficiency.

14 (2) If the underlying transaction is a sale of  
15 accounts, chattel paper, payment intangibles, or promissory  
16 notes, the debtor is not entitled to any surplus, and the  
17 obligor is not liable for any deficiency.

18 (3) If the secured party in good faith cannot  
19 determine the validity, extent, or priority of a subordinate  
20 security interest or other lien or there are conflicting  
21 claims of subordinate interests or liens, the secured party  
22 may commence an interpleader action with respect to remaining  
23 proceeds in excess of \$2,500 in the circuit or county court,  
24 as applicable based upon the amount to be deposited, where the  
25 collateral was located or collected or in the county where the  
26 debtor has its chief executive office or principal residence  
27 in this state, as applicable. If authorized in an  
28 authenticated record, the interpleading secured party is  
29 entitled to be paid from the remaining proceeds the actual  
30 costs of the filing fee and an attorney's fee in the amount of  
31 \$250 incurred in connection with filing the interpleader

1 action and obtaining an order approving the interpleader of  
2 funds. The debtor in a consumer transaction may not be  
3 assessed for the attorney's fees and costs incurred in the  
4 interpleader action by the holders of subordinate security  
5 interests or other liens based upon disputes among said  
6 holders, and a debtor in a transaction other than a consumer  
7 transaction may only recover such fees and costs to the extent  
8 provided for in an authenticated record. If authorized in an  
9 authenticated record, the court in the interpleader action may  
10 award reasonable attorney's fees and costs to the prevailing  
11 party in a dispute between the debtor and a holder of a  
12 security interest or lien which claims an interest in the  
13 remaining interplead proceeds, but only if the debtor  
14 challenges the validity, priority, or extent of said security  
15 interest or lien. Except as provided in this subsection, a  
16 debtor may not be assessed attorney's fees and costs incurred  
17 by any party in an interpleader action commenced under this  
18 section.

19 679.609 Secured party's right to take possession after  
20 default.--

21 (1) After default, a secured party:

22 (a) May take possession of the collateral; and

23 (b) Without removal, may render equipment unusable and  
24 dispose of collateral on a debtor's premises under s. 679.610.

25 (2) A secured party may proceed under subsection (1):

26 (a) Pursuant to judicial process; or

27 (b) Without judicial process, if it proceeds without  
28 breach of the peace.

29 (3) If so agreed, and in any event after default, a  
30 secured party may require the debtor to assemble the  
31 collateral and make it available to the secured party at a

1 place to be designated by the secured party which is  
2 reasonably convenient to both parties.

3 679.610 Disposition of collateral after default.--

4 (1) After default, a secured party may sell, lease,  
5 license, or otherwise dispose of any or all of the collateral  
6 in its present condition or following any commercially  
7 reasonable preparation or processing.

8 (2) Every aspect of a disposition of collateral,  
9 including the method, manner, time, place, and other terms,  
10 must be commercially reasonable. If commercially reasonable,  
11 a secured party may dispose of collateral by public or private  
12 proceedings, by one or more contracts, as a unit or in  
13 parcels, and at any time and place and on any terms.

14 (3) A secured party may purchase collateral:

15 (a) At a public disposition; or

16 (b) At a private disposition only if the collateral is  
17 of a kind that is customarily sold on a recognized market or  
18 the subject of widely distributed standard price quotations.

19 (4) A contract for sale, lease, license, or other  
20 disposition includes the warranties relating to title,  
21 possession, quiet enjoyment, and the like which by operation  
22 of law accompany a voluntary disposition of property of the  
23 kind subject to the contract.

24 (5) A secured party may disclaim or modify warranties  
25 under subsection (4):

26 (a) In a manner that would be effective to disclaim or  
27 modify the warranties in a voluntary disposition of property  
28 of the kind subject to the contract of disposition; or

29 (b) By communicating to the purchaser a record  
30 evidencing the contract for disposition and including an  
31 express disclaimer or modification of the warranties.

1           (6) A record is sufficient to disclaim warranties  
2 under subsection (5) if it indicates that "there is no  
3 warranty relating to title, possession, quiet enjoyment, or  
4 the like in this disposition" or uses words of similar import.

5           679.611 Notification before disposition of  
6 collateral.--

7           (1) In this section, the term "notification date"  
8 means the earlier of the date on which:

9           (a) A secured party sends to the debtor and any  
10 secondary obligor an authenticated notification of  
11 disposition; or

12           (b) The debtor and any secondary obligor waive the  
13 right to notification.

14           (2) Except as otherwise provided in subsection (4), a  
15 secured party that disposes of collateral under s. 679.610  
16 shall send to the persons specified in subsection (3) a  
17 reasonable authenticated notification of disposition.

18           (3) To comply with subsection (2), the secured party  
19 shall send an authenticated notification of disposition to:

20           (a) The debtor;

21           (b) Any secondary obligor; and

22           (c) If the collateral is other than consumer goods:

23           1. Any other person from whom the secured party has  
24 received, before the notification date, an authenticated  
25 notification of a claim of an interest in the collateral;

26           2. Any other secured party or lienholder that, 10 days  
27 before the notification date, held a security interest in or  
28 other lien on the collateral perfected by the filing of a  
29 financing statement that:

30           a. Identified the collateral;

31

1           b. Was indexed under the debtor's name as of that  
2 date; and

3           c. Was filed in the office in which to file a  
4 financing statement against the debtor covering the collateral  
5 as of that date; and

6           3. Any other secured party that, 10 days before the  
7 notification date, held a security interest in the collateral  
8 perfected by compliance with a statute, regulation, or treaty  
9 described in s. 679.3111(1).

10           (4) Subsection (2) does not apply if the collateral is  
11 perishable or threatens to decline speedily in value or is of  
12 a type customarily sold on a recognized market.

13           (5) A secured party complies with the requirement for  
14 notification prescribed by subparagraph (3)(c)2. if:

15           (a) Not later than 20 days or earlier than 30 days  
16 before the notification date, the secured party requests, in a  
17 commercially reasonable manner, information concerning  
18 financing statements indexed under the debtor's name in the  
19 office indicated in subparagraph (3)(c)2.; and

20           (b) Before the notification date, the secured party:

21           1. Did not receive a response to the request for  
22 information; or

23           2. Received a response to the request for information  
24 and sent an authenticated notification of disposition to each  
25 secured party or other lienholder named in that response whose  
26 financing statement covered the collateral.

27           (6) For purposes of subsection (3), the secured party  
28 may send the authenticated notification as follows:

29           (a) If the collateral is other than consumer goods, to  
30 the debtor at the address in the financing statement, unless  
31 the secured party has received an authenticated record from

1 the debtor notifying the secured party of a different address  
2 for such notification purposes or the secured party has actual  
3 knowledge of the address of the debtor's chief executive  
4 office or principal residence, as applicable, at the time the  
5 notification is sent;

6 (b) If the collateral is other than consumer goods, to  
7 any secondary obligor at the address, if any, in the  
8 authenticated agreement, unless the secured party has received  
9 an authenticated record from the secondary obligor notifying  
10 the secured party of a different address for such notification  
11 purposes or the secured party has actual knowledge of the  
12 address of the secondary obligor's chief executive office or  
13 principal residence, as applicable, at the time the  
14 notification is sent; and

15 (c) If the collateral is other than consumer goods:

16 1. To the person described in subparagraph (3)(c)1.,  
17 at the address stated in the notification;

18 2. To the person described in subparagraph (3)(c)2.,  
19 at the address stated in the financing statement;

20 3. To the person described in subparagraph (3)(c)3.,  
21 at the address stated in the official records of the recording  
22 or registration agency.

23 679.612 Timeliness of notification before disposition  
24 of collateral.--

25 (1) Except as otherwise provided in subsection (2),  
26 whether a notification is sent within a reasonable time is a  
27 question of fact.

28 (2) A notification of disposition sent after default  
29 and 10 days or more before the earliest time of disposition  
30 set forth in the notification is sent within a reasonable time  
31 before the disposition.



1           679.613 Contents and form of notification before  
2 disposition of collateral; general.--Except in a  
3 consumer-goods transaction, the following rules apply:  
4           (1) The contents of a notification of disposition are  
5 sufficient if the notification:  
6           (a) Describes the debtor and the secured party;  
7           (b) Describes the collateral that is the subject of  
8 the intended disposition;  
9           (c) States the method of intended disposition;  
10           (d) States that the debtor is entitled to an  
11 accounting of the unpaid indebtedness and states the charge,  
12 if any, for an accounting; and  
13           (e) States the time and place of a public disposition  
14 or the time after which any other disposition is to be made.  
15           (2) Whether the contents of a notification that lacks  
16 any of the information specified in subsection (1) are  
17 nevertheless sufficient is a question of fact.  
18           (3) The contents of a notification providing  
19 substantially the information specified in subsection (1) are  
20 sufficient, even if the notification includes:  
21           (a) Information not specified by that paragraph; or  
22           (b) Minor errors that are not seriously misleading.  
23           (4) A particular phrasing of the notification is not  
24 required.  
25           (5) The following form of notification and the form  
26 appearing in s. 679.614(3), when completed, each provides  
27 sufficient information:  
28                   NOTIFICATION OF DISPOSITION OF COLLATERAL  
29 To:....(Name of debtor, obligor, or other person to which the  
30 notification is sent)....  
31

1 From:....(Name, address, and telephone number of secured  
2 party)....  
3 Name of Debtor(s):....(Include only if debtor(s) are not an  
4 addressee)....  
5 [For a public disposition:]  
6         We will sell [or lease or license, as applicable] the  
7 ....(describe collateral)....to the highest qualified bidder  
8 in public as follows:  
9 Day and Date:  
10 Time:  
11 Place:  
12 [For a private disposition:]  
13         We will sell [or lease or license, as applicable] the  
14 ....(describe collateral).... privately sometime after  
15 ....(day and date).....  
16         You are entitled to an accounting of the unpaid  
17 indebtedness secured by the property that we intend to sell  
18 [or lease or license, as applicable] for a charge of \$\_\_\_\_\_.  
19 You may request an accounting by calling us at ....(telephone  
20 number).....  
21         679.614 Contents and form of notification before  
22 disposition of collateral; consumer-goods transaction.--In a  
23 consumer-goods transaction, the following rules apply:  
24         (1) A notification of disposition must provide the  
25 following information:  
26             (a) The information specified in s. 679.613(1);  
27             (b) A description of any liability for a deficiency of  
28 the person to whom the notification is sent;  
29             (c) A telephone number from which the amount that must  
30 be paid to the secured party to redeem the collateral under s.  
31 679.623 is available; and

1           (d) A telephone number or mailing address from which  
2 additional information concerning the disposition and the  
3 obligation secured is available.  
4           (2) A particular phrasing of the notification is not  
5 required.  
6           (3) The following form of notification, when  
7 completed, provides sufficient information:  
8 ....(Name and address of secured party)....  
9 .... (Date)....  
10                           NOTICE OF OUR PLAN TO SELL PROPERTY  
11 .... (Name and address of any obligor who is also a  
12 debtor)....  
13 Subject:....(Identification of Transaction)....  
14 We have your ....(describe collateral)...., because you broke  
15 promises in our agreement.  
16  
17 [For a public disposition:]  
18 We will sell ....(describe collateral).... at public sale. A  
19 sale could include a lease or license. The sale will be held  
20 as follows:  
21           Date:  
22           Time:  
23           Place:  
24 You may attend the sale and bring bidders if you want.  
25 [For a private disposition:]  
26 We will sell ....(describe collateral).... at private sale  
27 sometime after ....(date)..... A sale could include a lease or  
28 license.  
29  
30 The money that we get from the sale (after paying our costs)  
31 will reduce the amount you owe. If we get less money than you

1 owe, you ....(will or will not, as applicable).... still owe  
2 us the difference. If we get more money than you owe, you will  
3 get the extra money, unless we must pay it to someone else.  
4  
5 You can get the property back at any time before we sell it by  
6 paying us the full amount you owe (not just the past due  
7 payments), including our expenses. To learn the exact amount  
8 you must pay, call us at ....(telephone number).....  
9  
10 If you want us to explain to you in writing how we have  
11 figured the amount that you owe us, you may call us at  
12 ....(telephone number).... or write us at ....(secured party's  
13 address).... and request a written explanation. We will charge  
14 you \$\_\_\_\_\_ for the explanation if we sent you another written  
15 explanation of the amount you owe us within the last 6 months.  
16  
17 If you need more information about the sale, call us at  
18 ....(telephone number).... or write us at ....(secured party's  
19 address).....  
20  
21 We are sending this notice to the following other people who  
22 have an interest in ....(describe collateral).... or who owe  
23 money under your agreement:  
24 ....(Names of all other debtors and obligors, if any)....  
25 (4) A notification in the form of subsection (3) is  
26 sufficient, even if additional information appears at the end  
27 of the form.  
28 (5) A notification in the form of subsection (3) is  
29 sufficient, even if it includes errors in information not  
30 required by subsection (1), unless the error is misleading  
31 with respect to rights arising under this chapter.

1           (6) If a notification under this section is not in the  
2 form of subsection (3), law other than this chapter determines  
3 the effect of including information not required by subsection  
4 (1).

5           679.615 Application of proceeds of disposition;  
6 liability for deficiency and right to surplus.--

7           (1) A secured party shall apply or pay over for  
8 application the cash proceeds of disposition under s. 679.610  
9 in the following order to:

10           (a) The reasonable expenses of retaking, holding,  
11 preparing for disposition, processing, and disposing, and, to  
12 the extent provided for by agreement and not prohibited by  
13 law, reasonable attorney's fees and legal expenses incurred by  
14 the secured party;

15           (b) The satisfaction of obligations secured by the  
16 security interest or agricultural lien under which the  
17 disposition is made;

18           (c) The satisfaction of obligations secured by any  
19 subordinate security interest in or other subordinate lien on  
20 the collateral if:

21           1. The secured party receives from the holder of the  
22 subordinate security interest or other lien an authenticated  
23 demand for proceeds before distribution of the proceeds is  
24 completed; and

25           2. In a case in which a consignor has an interest in  
26 the collateral, the subordinate security interest or other  
27 lien is senior to the interest of the consignor; and

28           (d) A secured party that is a consignor of the  
29 collateral if the secured party receives from the consignor an  
30 authenticated demand for proceeds before distribution of the  
31 proceeds is completed.

1           (2) If requested by a secured party, a holder of a  
2 subordinate security interest or other lien shall furnish  
3 reasonable proof of the interest or lien within a reasonable  
4 time after receipt of the request and agree to indemnify the  
5 secured party on reasonable terms acceptable to the secured  
6 party for damages, including reasonable attorney's fees and  
7 costs, incurred or suffered by the secured party if the  
8 subordinate holder did not have the right to receive the  
9 amounts to be paid to it. Unless the holder complies, the  
10 secured party need not comply with the holder's demand under  
11 paragraph (1)(c).

12           (3) A secured party need not apply or pay over for  
13 application noncash proceeds of disposition under s. 679.610  
14 unless the failure to do so would be commercially  
15 unreasonable. A secured party that applies or pays over for  
16 application noncash proceeds shall do so in a commercially  
17 reasonable manner.

18           (4) If the security interest under which a disposition  
19 is made secures payment or performance of an obligation, after  
20 making the payments and applications required by subsection  
21 (1) and permitted by subsection (3):

22           (a) Unless paragraph (1)(d) requires the secured party  
23 to apply or pay over cash proceeds to a consignor, the secured  
24 party shall account to and pay a debtor for any surplus; and

25           (b) The obligor is liable for any deficiency.

26           (5) If the underlying transaction is a sale of  
27 accounts, chattel paper, payment intangibles, or promissory  
28 notes:

29           (a) The debtor is not entitled to any surplus; and

30           (b) The obligor is not liable for any deficiency.

31

1       (6) The surplus or deficiency following a disposition  
2 is calculated based on the amount of proceeds that would have  
3 been realized in a disposition complying with this part to a  
4 transferee other than the secured party, a person related to  
5 the secured party, or a secondary obligor if:

6           (a) The transferee in the disposition is the secured  
7 party, a person related to the secured party, or a secondary  
8 obligor; and

9           (b) The amount of proceeds of the disposition is  
10 significantly below the range of proceeds that a complying  
11 disposition to a person other than the secured party, a person  
12 related to the secured party, or a secondary obligor would  
13 have brought.

14       (7) A secured party that receives cash proceeds of a  
15 disposition in good faith and without knowledge that the  
16 receipt violates the rights of the holder of a security  
17 interest or other lien that is not subordinate to the security  
18 interest or agricultural lien under which the disposition is  
19 made:

20           (a) Takes the cash proceeds free of the security  
21 interest or other lien;

22           (b) Is not obligated to apply the proceeds of the  
23 disposition to the satisfaction of obligations secured by the  
24 security interest or other lien; and

25           (c) Is not obligated to account to or pay the holder  
26 of the security interest or other lien for any surplus.

27       (8) If the secured party in good faith cannot  
28 determine the validity, extent, or priority of a subordinate  
29 security interest or other lien or there are conflicting  
30 claims of subordinate interests or liens, the secured party  
31 may commence an interpleader action with respect to remaining

1 proceeds in excess of \$2,500 in the circuit or county court,  
2 as applicable based upon the amount to be deposited, where the  
3 collateral was located or collected or in the county where the  
4 debtor's chief executive office or principal residence is  
5 located in this state, as applicable. The interpleading  
6 secured party and any other parties in the interpleader action  
7 shall only be entitled to recover attorney's fees and costs as  
8 permitted in s. 679.608(3).

9 679.616 Explanation of calculation of surplus or  
10 deficiency.--

11 (1) In this section, the term:

12 (a) "Explanation" means a writing that:

13 1. States the amount of the surplus or deficiency;

14 2. Provides an explanation in accordance with  
15 subsection (3) of how the secured party calculated the surplus  
16 or deficiency;

17 3. States, if applicable, that future debits, credits,  
18 charges, including additional credit service charges or  
19 interest, rebates, and expenses may affect the amount of the  
20 surplus or deficiency; and

21 4. Provides a telephone number or mailing address from  
22 which additional information concerning the transaction is  
23 available.

24 (b) "Request" means a record:

25 1. Authenticated by a debtor or consumer obligor;

26 2. Requesting that the recipient provide an  
27 explanation; and

28 3. Sent after disposition of the collateral under s.  
29 679.610.

30 (2) In a consumer-goods transaction in which the  
31 debtor is entitled to a surplus or a consumer obligor is



1 liable for a deficiency under s. 679.615, the secured party  
2 shall:  
3 (a) Send an explanation to the debtor or consumer  
4 obligor, as applicable, after the disposition and:  
5 1. Before or when the secured party accounts to the  
6 debtor and pays any surplus or first makes written demand on  
7 the consumer obligor after the disposition for payment of the  
8 deficiency; and  
9 2. Within 14 days after receipt of a request; or  
10 (b) In the case of a consumer obligor who is liable  
11 for a deficiency, within 14 days after receipt of a request,  
12 send to the consumer obligor a record waiving the secured  
13 party's right to a deficiency.  
14 (3) To comply with subparagraph (1)(a)2., a writing  
15 must provide the following information in the following order:  
16 (a) The aggregate amount of obligations secured by the  
17 security interest under which the disposition was made, and,  
18 if the amount reflects a rebate of unearned interest or credit  
19 service charge, an indication of that fact, calculated as of a  
20 specified date:  
21 1. If the secured party takes or receives possession  
22 of the collateral after default, not more than 35 days before  
23 the secured party takes or receives possession; or  
24 2. If the secured party takes or receives possession  
25 of the collateral before default or does not take possession  
26 of the collateral, not more than 35 days before the  
27 disposition;  
28 (b) The amount of proceeds of the disposition;  
29 (c) The aggregate amount of the obligations after  
30 deducting the amount of proceeds;  
31

1           (d) The amount, in the aggregate or by type, and types  
2 of expenses, including expenses of retaking, holding,  
3 preparing for disposition, processing, and disposing of the  
4 collateral, and attorney's fees secured by the collateral  
5 which are known to the secured party and relate to the current  
6 disposition;

7           (e) The amount, in the aggregate or by type, and types  
8 of credits, including rebates of interest or credit service  
9 charges, to which the obligor is known to be entitled and  
10 which are not reflected in the amount in paragraph (a); and

11           (f) The amount of the surplus or deficiency.

12           (4) A particular phrasing of the explanation is not  
13 required. An explanation complying substantially with the  
14 requirements of subsection (1) is sufficient, even if it  
15 includes minor errors that are not seriously misleading.

16           (5) A debtor or consumer obligor is entitled without  
17 charge to one response to a request under this section during  
18 any 6-month period in which the secured party did not send to  
19 the debtor or consumer obligor an explanation pursuant to  
20 paragraph (2)(a). The secured party may require payment of a  
21 charge not exceeding \$25 for each additional response.

22           679.617 Rights of transferee of collateral.--

23           (1) A secured party's disposition of collateral after  
24 default:

25           (a) Transfers to a transferee for value all of the  
26 debtor's rights in the collateral;

27           (b) Discharges the security interest under which the  
28 disposition is made; and

29           (c) Discharges any subordinate security interest or  
30 other subordinate lien other than liens created under statutes  
31 providing for liens, if any, that are not to be discharged.

1           (2) A transferee that acts in good faith takes free of  
2 the rights and interests described in subsection (1), even if  
3 the secured party fails to comply with this chapter or the  
4 requirements of any judicial proceeding.

5           (3) If a transferee does not take free of the rights  
6 and interests described in subsection (1), the transferee  
7 takes the collateral subject to:

8           (a) The debtor's rights in the collateral;

9           (b) The security interest or agricultural lien under  
10 which the disposition is made; and

11           (c) Any other security interest or other lien.

12           679.618 Rights and duties of certain secondary  
13 obligors.--

14           (1) A secondary obligor acquires the rights and  
15 becomes obligated to perform the duties of the secured party  
16 after the secondary obligor:

17           (a) Receives an assignment of a secured obligation  
18 from the secured party;

19           (b) Receives a transfer of collateral from the secured  
20 party and agrees to accept the rights and assume the duties of  
21 the secured party; or

22           (c) Is subrogated to the rights of a secured party  
23 with respect to collateral.

24           (2) An assignment, transfer, or subrogation described  
25 in subsection (1):

26           (a) Is not a disposition of collateral under s.  
27 679.610; and

28           (b) Relieves the secured party of further duties under  
29 this chapter.

30           679.619 Transfer of record or legal title.--

31

1           (1) In this section, the term "transfer statement"  
2 means a record authenticated by a secured party stating:

3           (a) That the debtor has defaulted in connection with  
4 an obligation secured by specified collateral;

5           (b) That the secured party has exercised its  
6 post-default remedies with respect to the collateral;

7           (c) That, by reason of the exercise, a transferee has  
8 acquired the rights of the debtor in the collateral; and

9           (d) The name and mailing address of the secured party,  
10 debtor, and transferee.

11           (2) A transfer statement entitles the transferee to  
12 the transfer of record of all rights of the debtor in the  
13 collateral specified in the statement in any official filing,  
14 recording, registration, or certificate-of-title system  
15 covering the collateral. If a transfer statement is presented  
16 with the applicable fee and request form to the official or  
17 office responsible for maintaining the system, the official or  
18 office shall:

19           (a) Accept the transfer statement;

20           (b) Promptly amend its records to reflect the  
21 transfer; and

22           (c) If applicable, issue a new appropriate certificate  
23 of title in the name of the transferee.

24           (3) A transfer of the record or legal title to  
25 collateral to a secured party under subsection (2) or  
26 otherwise is not of itself a disposition of collateral under  
27 this chapter and does not of itself relieve the secured party  
28 of its duties under this chapter.

29           679.620 Acceptance of collateral in full or partial  
30 satisfaction of obligation; compulsory disposition of  
31 collateral.--

1           (1) Except as otherwise provided in subsection (7), a  
2 secured party may accept collateral in full or partial  
3 satisfaction of the obligation it secures only if:

4           (a) The debtor consents to the acceptance under  
5 subsection (3);

6           (b) The secured party does not receive, within the  
7 time set forth in subsection (4), a notification of objection  
8 to the proposal authenticated by:

9           1. A person to whom the secured party was required to  
10 send a proposal under s. 679.621; or

11           2. Any other person, other than the debtor, holding an  
12 interest in the collateral subordinate to the security  
13 interest that is the subject of the proposal;

14           (c) If the collateral is consumer goods, the  
15 collateral is not in the possession of the debtor when the  
16 debtor consents to the acceptance; and

17           (d) Subsection (5) does not require the secured party  
18 to dispose of the collateral or the debtor waives the  
19 requirement pursuant to s. 679.624.

20           (2) A purported or apparent acceptance of collateral  
21 under this section is ineffective unless:

22           (a) The secured party consents to the acceptance in an  
23 authenticated record or sends a proposal to the debtor; and

24           (b) The conditions of subsection (1) are met.

25           (3) For purposes of this section:

26           (a) A debtor consents to an acceptance of collateral  
27 in partial satisfaction of the obligation it secures only if  
28 the debtor agrees to the terms of the acceptance in a record  
29 authenticated after default; and

30           (b) A debtor consents to an acceptance of collateral  
31 in full satisfaction of the obligation it secures only if the

1 debtor agrees to the terms of the acceptance in a record  
2 authenticated after default or the secured party:  
3       1. Sends to the debtor after default a proposal that  
4 is unconditional or subject only to a condition that  
5 collateral not in the possession of the secured party be  
6 preserved or maintained;  
7       2. In the proposal, proposes to accept collateral in  
8 full satisfaction of the obligation it secures, and, in a  
9 consumer transaction, provides notice that the proposal will  
10 be deemed accepted if it is not objected to by an  
11 authenticated notice within 30 days after the date the  
12 proposal is sent by the secured party; and  
13       3. Does not receive a notification of objection  
14 authenticated by the debtor within 30 days after the proposal  
15 is sent.  
16       (4) To be effective under paragraph (1)(b), a  
17 notification of objection must be received by the secured  
18 party:  
19       (a) In the case of a person to whom the proposal was  
20 sent pursuant to s. 679.621, within 20 days after notification  
21 was sent to that person; and  
22       (b) In other cases:  
23       1. Within 20 days after the last notification was sent  
24 pursuant to s. 679.621; or  
25       2. If a notification was not sent, before the debtor  
26 consents to the acceptance under subsection (3).  
27       (5) A secured party that has taken possession of  
28 collateral shall dispose of the collateral pursuant to s.  
29 679.610 within the time specified in subsection (6) if:  
30  
31

1       (a) Sixty percent of the cash price has been paid in  
2 the case of a purchase-money security interest in consumer  
3 goods; or

4       (b) Sixty percent of the principal amount of the  
5 obligation secured has been paid in the case of a  
6 non-purchase-money security interest in consumer goods.

7       (6) To comply with subsection (5), the secured party  
8 shall dispose of the collateral:

9           (a) Within 90 days after taking possession; or

10          (b) Within any longer period to which the debtor and  
11 all secondary obligors have agreed in an agreement to that  
12 effect entered into and authenticated after default.

13       (7) In a consumer transaction, a secured party may not  
14 accept collateral in partial satisfaction of the obligation it  
15 secures.

16       679.621 Notification of proposal to accept  
17 collateral.--

18       (1) A secured party that desires to accept collateral  
19 in full or partial satisfaction of the obligation it secures  
20 shall send its proposal to:

21           (a) Any person from whom the secured party has  
22 received, before the debtor consented to the acceptance, an  
23 authenticated notification of a claim of an interest in the  
24 collateral;

25           (b) Any other secured party or lienholder that, 10  
26 days before the debtor consented to the acceptance, held a  
27 security interest in or other lien on the collateral perfected  
28 by the filing of a financing statement that:

29               1. Identified the collateral;

30               2. Was indexed under the debtor's name as of that  
31 date; and

1           3. Was filed in the office or offices in which to file  
2 a financing statement against the debtor covering the  
3 collateral as of that date; and

4           (c) Any other secured party that, 10 days before the  
5 debtor consented to the acceptance, held a security interest  
6 in the collateral perfected by compliance with a statute,  
7 regulation, or treaty described in s. 679.3111(1).

8           (2) A secured party that desires to accept collateral  
9 in partial satisfaction of the obligation it secures shall  
10 send its proposal to any secondary obligor in addition to the  
11 persons described in subsection (1).

12           (3) A secured party shall send its proposal under s.  
13 679.621(1) or (2) to the affected party at the address  
14 prescribed in s. 679.611(6).

15           679.622 Effect of acceptance of collateral.--

16           (1) A secured party's acceptance of collateral in full  
17 or partial satisfaction of the obligation it secures:

18           (a) Discharges the obligation to the extent consented  
19 to by the debtor;

20           (b) Transfers to the secured party all of a debtor's  
21 rights in the collateral;

22           (c) Discharges the security interest or agricultural  
23 lien that is the subject of the debtor's consent and any  
24 subordinate security interest or other subordinate lien; and

25           (d) Terminates any other subordinate interest.

26           (2) A subordinate interest is discharged or terminated  
27 under subsection (1), even if the secured party fails to  
28 comply with this chapter.

29           679.623 Right to redeem collateral.--

30           (1) A debtor, any secondary obligor, or any other  
31 secured party or lienholder may redeem collateral.



1           (2) To redeem collateral, a person shall tender:  
2           (a) Fulfillment of all obligations secured by the  
3 collateral; and  
4           (b) The reasonable expenses and attorney's fees  
5 described in s. 679.615(1)(a).  
6           (3) A redemption may occur at any time before a  
7 secured party:  
8           (a) Has collected collateral under s. 679.607;  
9           (b) Has disposed of collateral or entered into a  
10 contract for its disposition under s. 679.610; or  
11           (c) Has accepted collateral in full or partial  
12 satisfaction of the obligation it secures under s. 679.622.  
13           679.624 Waiver.--  
14           (1) A debtor or secondary obligor may waive the right  
15 to notification of disposition of collateral under s. 679.611  
16 only by an agreement to that effect entered into and  
17 authenticated after default.  
18           (2) A debtor may waive the right to require  
19 disposition of collateral under s. 679.620(5) only by an  
20 agreement to that effect entered into and authenticated after  
21 default.  
22           (3) Except in a consumer-goods transaction, a debtor  
23 or secondary obligor may waive the right to redeem collateral  
24 under s. 679.623 only by an agreement to that effect entered  
25 into and authenticated after default.  
26           679.625 Remedies for failure to comply with article.--  
27           (1) If it is established that a secured party is not  
28 proceeding in accordance with this chapter, a court may order  
29 or restrain collection, enforcement, or disposition of  
30 collateral on appropriate terms and conditions. This  
31 subsection shall not preclude a debtor other than a consumer

1 and a secured party, or two or more secured parties in other  
2 than a consumer transaction, from agreeing in an authenticated  
3 record that the debtor or secured party must first provide to  
4 the alleged offending secured party notice of a violation of  
5 this chapter and opportunity to cure before commencing any  
6 legal proceeding under this section.

7 (2) Subject to subsections (3), (4), and (6), a person  
8 is liable for damages in the amount of any loss caused by a  
9 failure to comply with this chapter, including damages  
10 suffered by the debtor resulting from the debtor's inability  
11 to obtain, or increased costs of, alternative financing, but  
12 not including consequential, special, or penal damages, unless  
13 the conduct giving rise to the failure constitutes an  
14 independent claim under the laws of this state other than this  
15 chapter and then only to the extent otherwise recoverable  
16 under law.

17 (3) Except as otherwise provided in s. 671.628:

18 (a) A person who, at the time of the failure, was a  
19 debtor, was an obligor, or held a security interest in or  
20 other lien on the collateral may recover damages under  
21 subsection (2) for the person's loss; and

22 (b) If the collateral is consumer goods, a person who  
23 was a debtor or a secondary obligor at the time a secured  
24 party failed to comply with this part may recover for that  
25 failure in any event an amount not less than the credit  
26 service charge plus 10 percent of the principal amount of the  
27 obligation or the time-price differential plus 10 percent of  
28 the cash price.

29 (4) A debtor whose deficiency is eliminated under s.  
30 679.626 may recover damages for the loss of any surplus.  
31 However, a debtor or secondary obligor whose deficiency is

1 eliminated or reduced under s. 679.626 may not otherwise  
2 recover under subsection (2) for noncompliance with the  
3 provisions of this part relating to collection, enforcement,  
4 disposition, or acceptance.

5 (5) In lieu of damages recoverable under subsection  
6 (2), the debtor, consumer obligor, or person named as a debtor  
7 in a filed record, as applicable, may recover \$500 in each  
8 case from a person who:

9 (a) Fails to comply with s. 679.2081;

10 (b) Fails to comply with s. 679.209;

11 (c) Files a record that the person is not entitled to  
12 file under s. 679.509(1);

13 (d) Fails to cause the secured party of record to file  
14 or send a termination statement as required by s. 679.513(1)  
15 or (3) after receipt of an authenticated record notifying the  
16 person of such noncompliance;

17 (e) Fails to comply with s. 679.616(2)(a) and whose  
18 failure is part of a pattern, or consistent with a practice,  
19 of noncompliance; or

20 (f) Fails to comply with s. 679.616(2)(b) with respect  
21 to a consumer transaction, and with respect to a transaction  
22 other than a consumer transaction, after receipt of an  
23 authenticated record notifying the person of such  
24 noncompliance.

25 (6) A debtor or consumer obligor may recover damages  
26 under subsection (2) and, in addition, \$500 in each case from  
27 a person who, without reasonable cause, fails to comply with a  
28 request under s. 679.210. A recipient of a request under s.  
29 679.210 which never claimed an interest in the collateral or  
30 obligations that are the subject of a request under that

31

1 section has a reasonable excuse for failure to comply with the  
2 request within the meaning of this subsection.

3 (7) If a secured party fails to comply with a request  
4 regarding a list of collateral or a statement of account under  
5 S. 679.210, the secured party may claim a security interest  
6 only as shown in the list or statement included in the request  
7 as against a person who is reasonably misled by the failure.

8 679.626 Action in which deficiency or surplus is in  
9 issue.--In an action arising from a transaction in which the  
10 amount of a deficiency or surplus is in issue, the following  
11 rules apply:

12 (1) A secured party need not prove compliance with the  
13 provisions of this part relating to collection, enforcement,  
14 disposition, or acceptance unless the debtor or a secondary  
15 obligor places the secured party's compliance in issue.

16 (2) If the secured party's compliance is placed in  
17 issue, the secured party has the burden of establishing that  
18 the collection, enforcement, disposition, or acceptance was  
19 conducted in accordance with this part.

20 (3) Except as otherwise provided in s. 679.628, if a  
21 secured party fails to prove that the collection, enforcement,  
22 disposition, or acceptance was conducted in accordance with  
23 the provisions of this part relating to collection,  
24 enforcement, disposition, or acceptance, the liability of a  
25 debtor or a secondary obligor for a deficiency is limited to  
26 an amount by which the sum of the secured obligation,  
27 reasonable expenses, and, to the extent provided for by  
28 agreement and not prohibited by law, attorney's fees exceeds  
29 the greater of:

30 (a) The proceeds of the collection, enforcement,  
31 disposition, or acceptance; or

1           (b) The amount of proceeds that would have been  
2 realized had the noncomplying secured party proceeded in  
3 accordance with the provisions of this part relating to  
4 collection, enforcement, disposition, or acceptance.

5           (4) For purposes of paragraph (3)(b), the amount of  
6 proceeds that would have been realized is equal to the sum of  
7 the secured obligation, expenses, and attorney's fees unless  
8 the secured party proves that the amount is less than that  
9 sum.

10           (5) If a deficiency or surplus is calculated under s.  
11 679.615(6), the debtor or obligor has the burden of  
12 establishing that the amount of proceeds of the disposition is  
13 significantly below the range of prices that a complying  
14 disposition to a person other than the secured party, a person  
15 related to the secured party, or a secondary obligor would  
16 have brought.

17           679.627 Determination of whether conduct was  
18 commercially reasonable.--

19           (1) The fact that a greater amount could have been  
20 obtained by a collection, enforcement, disposition, or  
21 acceptance at a different time or in a different method from  
22 that selected by the secured party is not of itself sufficient  
23 to preclude the secured party from establishing that the  
24 collection, enforcement, disposition, or acceptance was made  
25 in a commercially reasonable manner.

26           (2) A disposition of collateral is made in a  
27 commercially reasonable manner if the disposition is made:

28           (a) In the usual manner on any recognized market;

29           (b) At the price current in any recognized market at  
30 the time of the disposition; or

31

1           (c) Otherwise in conformity with reasonable commercial  
2 practices among dealers in the type of property that was the  
3 subject of the disposition.

4           (3) A collection, enforcement, disposition, or  
5 acceptance is commercially reasonable if it has been approved:

6           (a) In a judicial proceeding;

7           (b) By a bona fide creditors' committee;

8           (c) By a representative of creditors; or

9           (d) By an assignee for the benefit of creditors.

10           (4) Approval under subsection (3) need not be  
11 obtained, and lack of approval does not mean that the  
12 collection, enforcement, disposition, or acceptance is not  
13 commercially reasonable.

14           679.628 Nonliability and limitation on liability of  
15 secured party; liability of secondary obligor.--

16           (1) Unless a secured party knows that a person is a  
17 debtor or obligor, knows the identity of the person, and knows  
18 how to communicate with the person:

19           (a) The secured party is not liable to the person, or  
20 to a secured party or lienholder that has filed a financing  
21 statement against the person, for failure to comply with this  
22 chapter; and

23           (b) The secured party's failure to comply with this  
24 chapter does not affect the liability of the person for a  
25 deficiency.

26           (2) A secured party is not liable because of its  
27 status as a secured party:

28           (a) To a person who is a debtor or obligor, unless the  
29 secured party knows:

30           1. That the person is a debtor or obligor;

31           2. The identity of the person; and

1           3. How to communicate with the person; or  
2           (b) To a secured party or lienholder that has filed a  
3 financing statement against a person, unless the secured party  
4 knows:

5           1. That the person is a debtor; and

6           2. The identity of the person.

7           (3) A secured party is not liable to any person, and a  
8 person's liability for a deficiency is not affected, because  
9 of any act or omission arising out of the secured party's  
10 reasonable belief that a transaction is not a consumer-goods  
11 transaction or a consumer transaction or that goods are not  
12 consumer goods, if the secured party's belief is based on its  
13 reasonable reliance on:

14           (a) A debtor's representation concerning the purpose  
15 for which collateral was to be used, acquired, or held; or

16           (b) an obligor's representation concerning the purpose  
17 for which a secured obligation was incurred.

18           (4) A secured party is not liable to any person under  
19 s. 679.625(3)(b) for its failure to comply with s. 679.616.

20           (5) A secured party is not liable under s.  
21 679.625(3)(b) more than once with respect to any one secured  
22 obligation.

23           Section 8. Part VII of chapter 679, Florida Statutes,  
24 consisting of sections 679.701, 679.702, 679.703, 679.704,  
25 679.705, 679.706, 679.707, 679.708, and 679.709, Florida  
26 Statutes, is created to read:

27                           PART VII

28                           TRANSITION

29           679.701 Effective date.--This act takes effect July 1,  
30 2001.

31           679.702 Savings clause.--

1       (1) Except as otherwise provided in this part, this  
2 act applies to a transaction or lien within its scope, even if  
3 the transaction or lien was entered into or created before  
4 this act takes effect.

5       (2) Except as otherwise provided in subsection (3) and  
6 ss. 679.703-679.709:

7       (a) Transactions and liens that were not governed by  
8 chapter 679, Florida Statutes 2000, were validly entered into  
9 or created before this act takes effect, and would be subject  
10 to this act if they had been entered into or created after  
11 this act takes effect, and the rights, duties, and interests  
12 flowing from those transactions and liens remain valid after  
13 this act takes effect; and

14       (b) The transactions and liens may be terminated,  
15 completed, consummated, and enforced as required or permitted  
16 by this act or by the law that otherwise would apply if this  
17 act had not taken effect.

18       (3) This act does not affect an action, case, or  
19 proceeding commenced before this act takes effect.

20       679.703 Security interest perfected before effective  
21 date.--

22       (1) A security interest that is enforceable  
23 immediately before this act takes effect and would have  
24 priority over the rights of a person who becomes a lien  
25 creditor at that time is a perfected security interest under  
26 this act if, when this act takes effect, the applicable  
27 requirements for enforceability and perfection under this act  
28 are satisfied without further action.

29       (2) Except as otherwise provided in s. 679.705, if,  
30 immediately before this act takes effect, a security interest  
31 is enforceable and would have priority over the rights of a



1 person who becomes a lien creditor at that time, but the  
2 applicable requirements for enforceability or perfection under  
3 this act are not satisfied when this act takes effect, the  
4 security interest:

5 (a) Is a perfected security interest for 1 year after  
6 this act takes effect;

7 (b) Remains enforceable thereafter only if the  
8 security interest becomes enforceable under s. 679.203 before  
9 the year expires; and

10 (c) Remains perfected thereafter only if the  
11 applicable requirements for perfection under this act are  
12 satisfied before the year expires.

13 679.704 Security interest unperfected before effective  
14 date.--A security interest that is enforceable immediately  
15 before this act takes effect but that would be subordinate to  
16 the rights of a person who becomes a lien creditor at that  
17 time:

18 (1) Remains an enforceable security interest for 1  
19 year after this act takes effect;

20 (2) Remains enforceable thereafter if the security  
21 interest becomes enforceable under s. 679.203 when this act  
22 takes effect or within 1 year thereafter; and

23 (3) Becomes perfected:

24 (a) Without further action when this act takes effect  
25 if the applicable requirements for perfection under this act  
26 are satisfied before or at that time; or

27 (b) When the applicable requirements for perfection  
28 are satisfied if the requirements are satisfied after that  
29 time.

30 679.705 Effectiveness of action taken before effective  
31 date.--

1       (1) If action, other than the filing of a financing  
2 statement, is taken before this act takes effect and the  
3 action would have resulted in priority of a security interest  
4 over the rights of a person who becomes a lien creditor had  
5 the security interest become enforceable before this act takes  
6 effect, the action is effective to perfect a security interest  
7 that attaches under this act within 1 year after this act  
8 takes effect. An attached security interest becomes  
9 unperfected 1 year after this act takes effect unless the  
10 security interest becomes a perfected security interest under  
11 this act before the expiration of that period.

12       (2) The filing of a financing statement before this  
13 act takes effect is effective to perfect a security interest  
14 to the extent the filing would satisfy the applicable  
15 requirements for perfection under this act.

16       (3) This act does not render ineffective an effective  
17 financing statement that, before this act takes effect, is  
18 filed and satisfies the applicable requirements for perfection  
19 under the law of the jurisdiction governing perfection as  
20 provided in s. 679.103, Florida Statutes 2000. However,  
21 except as otherwise provided in subsections (4) and (5) and s.  
22 679.706, the financing statement ceases to be effective at the  
23 earlier of:

24           (a) The time the financing statement would have ceased  
25 to be effective under the law of the jurisdiction in which it  
26 is filed; or

27           (b) June 30, 2006.

28       (4) The filing of a continuation statement after this  
29 act takes effect does not continue the effectiveness of the  
30 financing statement filed before this act takes effect.

31 However, upon the timely filing of a continuation statement

1 after this act takes effect and in accordance with the law of  
2 the jurisdiction governing perfection as provided in part III,  
3 the effectiveness of a financing statement filed in the same  
4 office in that jurisdiction before this act takes effect  
5 continues for the period provided by the law of that  
6 jurisdiction.

7 (5) Paragraph (3)(b) applies to a financing statement  
8 that, before this act takes effect, is filed against a  
9 transmitting utility and satisfies the applicable requirements  
10 for perfection under the law of the jurisdiction governing  
11 perfection as provided in s. 679.103, Florida Statutes 2000,  
12 only to the extent that part III provides that the law of a  
13 jurisdiction other than the jurisdiction in which the  
14 financing statement is filed governs perfection of a security  
15 interest in collateral covered by the financing statement.

16 (6) A financing statement that includes a financing  
17 statement filed before this act takes effect and a  
18 continuation statement filed after this act takes effect is  
19 effective only to the extent that it satisfies the  
20 requirements of part V for an initial financing statement.

21 679.706 When initial financing statement suffices to  
22 continue effectiveness of financing statement.--

23 (1) The filing of an initial financing statement in  
24 the office specified in s. 679.5011 continues the  
25 effectiveness of a financing statement filed before this act  
26 takes effect if:

27 (a) The filing of an initial financing statement in  
28 that office would be effective to perfect a security interest  
29 under this act;  
30  
31

1           (b) The pre-effective date financing statement was  
2 filed in an office in another state or another office in this  
3 state; and

4           (c) The initial financing statement satisfies  
5 subsection (3).

6           (2) The filing of an initial financing statement under  
7 subsection (1) continues the effectiveness of the  
8 pre-effective date financing statement:

9           (a) If the initial financing statement is filed before  
10 this act takes effect, for the period provided in s. 679.403,  
11 Florida Statutes 2000, with respect to a financing statement;  
12 and

13           (b) If the initial financing statement is filed after  
14 this act takes effect, for the period provided in s. 679.515  
15 with respect to an initial financing statement.

16           (3) To be effective for purposes of subsection (1), an  
17 initial financing statement must:

18           (a) Satisfy the requirements of part V for an initial  
19 financing statement;

20           (b) Identify the pre-effective date financing  
21 statement by indicating the office in which the financing  
22 statement was filed and providing the dates of filing and file  
23 numbers, if any, of the financing statement and of the most  
24 recent continuation statement filed with respect to the  
25 financing statement; and

26           (c) Indicate that the pre-effective date financing  
27 statement remains effective.

28           679.707 Amendment or pre-effective date financing  
29 statement.--

30  
31

1           (1) In this section, the term "pre-effective date  
2 financing statement" means a financing statement filed before  
3 this act takes effect.

4           (2) After this act takes effect, a person may add or  
5 delete collateral covered by, continue or terminate the  
6 effectiveness of, or otherwise amend the information provided  
7 in a pre-effective date financing statement only in accordance  
8 with the law of the jurisdiction governing perfection as  
9 provided in part III. However, the effectiveness of a  
10 pre-effective date financing statement also may be terminated  
11 in accordance with the law of the jurisdiction in which the  
12 financing statement is filed.

13           (3) Except as otherwise provided in subsection (4), if  
14 the law of this state governs perfection of a security  
15 interest, the information in a pre-effective date financing  
16 statement may be amended after this act takes effect only if:

17           (a) The pre-effective date financing statement and an  
18 amendment are filed in the office specified in s. 679.5011;

19           (b) An amendment is filed in the office specified in  
20 s. 679.5011 concurrently with, or after the filing in that  
21 office of, an initial financing statement that satisfies s.  
22 671.706(3); or

23           (c) An initial financing statement that provides the  
24 information as amended and satisfies s. 679.706(3) is filed in  
25 the office specified in s. 679.5011.

26           (4) If the law of this state governs perfection of a  
27 security interest, the effectiveness of a pre-effective date  
28 financing statement may be continued only under s. 679.705(4)  
29 and (6) or s. 679.706.

30           (5) Whether or not the law of this state governs  
31 perfection of a security interest, the effectiveness of a

1 pre-effective date financing statement filed in this state may  
2 be terminated after this act takes effect by filing a  
3 termination statement in the office in which the pre-effective  
4 date financing statement is filed, unless an initial financing  
5 statement that satisfies s. 679.706(3) has been filed in the  
6 office specified by the law of the jurisdiction governing  
7 perfection as provided in part III as the office in which to  
8 file a financing statement.

9 679.708 Persons entitled to file initial financing  
10 statement or continuation statement.--A person may file an  
11 initial financing statement or a continuation statement under  
12 this part if:

13 (1) The secured party of record authorizes the filing;  
14 and

15 (2) The filing is necessary under this part:

16 (a) To continue the effectiveness of a financing  
17 statement filed before this act takes effect; or

18 (b) To perfect or continue the perfection of a  
19 security interest.

20 679.709 Priority.--

21 (1) This act determines the priority of conflicting  
22 claims to collateral. However, if the relative priorities of  
23 the claims were established before this act takes effect,  
24 chapter 679, Florida Statutes 2000, determines priority.

25 (2) For purposes of s. 679.322(1), the priority of a  
26 security interest that becomes enforceable under s. 679.2031  
27 of this act dates from the time this act takes effect if the  
28 security interest is perfected under this act by the filing of  
29 a financing statement before this act takes effect which would  
30 not have been effective to perfect the security interest under  
31 chapter 679, Florida Statutes 2000. This subsection does not

1 apply to conflicting security interests each of which is  
2 perfected by the filing of such a financing statement.

3 Section 9. Subsection (2) of section 671.105, Florida  
4 Statutes, is amended to read:

5 671.105 Territorial application of the code; parties'  
6 power to choose applicable law.--

7 (2) When one of the following provisions of this code  
8 specifies the applicable law, that provision governs; and a  
9 contrary agreement is effective only to the extent permitted  
10 by the law (including the conflict-of-laws rules) so  
11 specified:

12 (a) Governing law in the chapter on funds transfers.  
13 (s. 670.507)

14 (b) Rights of sellers' creditors against sold goods.  
15 (s. 672.402)

16 (c) Applicability of the chapter on bank deposits and  
17 collections. (s. 674.102)

18 (d) Applicability of the chapter on letters of credit.  
19 (s. 675.116)

20 (e) Applicability of the chapter on investment  
21 securities. (s. 678.1101)

22 (f) Law governing perfection, the effect provisions of  
23 perfection or nonperfection, and the priority of security  
24 interests and agricultural liens ~~chapter on secured~~  
25 ~~transactions.~~ (ss. 679.3011-679.3071) ~~(s. 679.103)~~

26 (g) Applicability of the chapter on leases. (ss.  
27 680.1051 and 680.1061)

28 Section 10. Subsections (9), (32), and (37) of section  
29 671.201, Florida Statutes, are amended to read:

30 671.201 General definitions.--Subject to additional  
31 definitions contained in the subsequent chapters of this code

1 which are applicable to specific chapters or parts thereof,  
2 and unless the context otherwise requires, in this code:  
3 (9) "Buyer in ordinary course of business" means a  
4 person who buys goods in good faith ~~and~~ without knowledge that  
5 the sale violates ~~to him or her is in violation of the~~  
6 ownership rights or security interest of another person a  
7 third party in the goods, and buys in the ordinary course from  
8 a person, other than a pawnbroker, in the business of selling  
9 goods of that kind ~~but does not include a pawnbroker.~~ A  
10 person buys goods in the ordinary course if the sale to the  
11 person comports with the usual or customary practices in the  
12 kind of business in which the seller is engaged or with the  
13 seller's own usual or customary practices. A person who sells  
14 oil, gas, or other minerals at the wellhead or minehead is a  
15 person ~~All persons who sell minerals or the like (including~~  
16 ~~oil and gas) at wellhead or minehead shall be deemed to be~~  
17 ~~persons~~ in the business of selling goods of that kind. A buyer  
18 in the ordinary course of business ~~"Buying"~~ may buy be for  
19 cash, or by exchange of other property, or on secured or  
20 unsecured credit and may acquire ~~includes receiving~~ goods or  
21 documents of title under a preexisting contract for sale ~~but~~  
22 ~~does not include a transfer in bulk or as security for or in~~  
23 ~~total or partial satisfaction of a money debt.~~ Only a buyer  
24 who takes possession of the goods or has a right to recover  
25 the goods from the seller under chapter 672 may be a buyer in  
26 the ordinary course of business. A person who acquires goods  
27 in a transfer in bulk or as security for or in total or  
28 partial satisfaction of a money debt is not a buyer in the  
29 ordinary course of business.  
30 (32) "Purchase" includes taking by sale, discount,  
31 negotiation, mortgage, pledge, lien, security interest, issue



1 or reissue, gift or any other voluntary transaction creating  
2 an interest in property.

3 (37) "Security interest" means an interest in personal  
4 property or fixtures which secures payment or performance of  
5 an obligation. ~~The retention or reservation of title by a~~  
6 ~~seller of goods notwithstanding shipment or delivery to the~~  
7 ~~buyer (s. 672.401) is limited in effect to a reservation of a~~  
8 ~~security interest.~~The term also includes any interest of a  
9 consignor and a buyer of accounts, or chattel paper, a payment  
10 intangible, or a promissory note in a transaction which is  
11 subject to chapter 679. The special property interest of a  
12 buyer of goods on identification of those goods to a contract  
13 for sale under s. 672.401 is not a security interest, but a  
14 buyer may also acquire a security interest by complying with  
15 chapter 679. Except as otherwise provided in s. 672.505, the  
16 right of a seller or lessor of goods under chapter 672 or  
17 chapter 680 to retain or acquire possession of the goods is  
18 not a security interest, but a seller or lessor may also  
19 acquire a security interest by complying with chapter 679. The  
20 retention or reservation of title by a seller of goods,  
21 notwithstanding shipment or delivery to the buyer (s.  
22 672.401), is limited in effect to a reservation of a security  
23 interest.~~Unless a consignment is intended as security,~~  
24 ~~reservation of title thereunder is not a security interest,~~  
25 ~~but a consignment is in any event subject to the provisions on~~  
26 ~~consignment sales (s. 672.326).~~ Whether a transaction creates  
27 a lease or security interest is determined by the facts of  
28 each case; however:

29 (a) A transaction creates a security interest if the  
30 consideration the lessee is to pay the lessor for the right to  
31

1 possession and use of the goods is an obligation for the term  
2 of the lease not subject to termination by the lessee, and;  
3         1. The original term of the lease is equal to or  
4 greater than the remaining economic life of the goods;  
5         2. The lessee is bound to renew the lease for the  
6 remaining economic life of the goods or is bound to become the  
7 owner of the goods;  
8         3. The lessee has an option to renew the lease for the  
9 remaining economic life of the goods for no additional  
10 consideration or nominal additional consideration upon  
11 compliance with the lease agreement; or  
12         4. The lessee has an option to become the owner of the  
13 goods for no additional consideration or nominal additional  
14 consideration upon compliance with the lease agreement.  
15         (b) A transaction does not create a security interest  
16 merely because it provides that:  
17         1. The present value of the consideration the lessee  
18 is obligated to pay the lessor for the right to possession and  
19 use of the goods is substantially equal to or is greater than  
20 the fair market value of the goods at the time the lease is  
21 entered into;  
22         2. The lessee assumes the risk of loss of the goods or  
23 agrees to pay taxes; insurance; filing, recording, or  
24 registration fees; or service or maintenance costs with  
25 respect to the goods;  
26         3. The lessee has an option to renew the lease or to  
27 become the owner of the goods;  
28         4. The lessee has an option to renew the lease for a  
29 fixed rent that is equal to or greater than the reasonably  
30 predictable fair market rent for the use of the goods for the  
31

1 term of the renewal at the time the option is to be performed;  
2 or

3 5. The lessee has an option to become the owner of the  
4 goods for a fixed price that is equal to or greater than the  
5 reasonably predictable fair market value of the goods at the  
6 time the option is to be performed.

7 (c) For purposes of this subsection:

8 1. Additional consideration is not nominal if, when  
9 the option to renew the lease is granted to the lessee, the  
10 rent is stated to be the fair market rent for the use of the  
11 goods for the term of the renewal determined at the time the  
12 option is to be performed or if, when the option to become the  
13 owner of the goods is granted to the lessee, the price is  
14 stated to be the fair market value of the goods determined at  
15 the time the option is to be performed. Additional  
16 consideration is nominal if it is less than the lessee's  
17 reasonably predictable cost of performing under the lease  
18 agreement if the option is not exercised.

19 2. "Reasonably predictable" and "remaining economic  
20 life of the goods" are to be determined with reference to the  
21 facts and circumstances at the time the transaction is entered  
22 into.

23 3. "Present value" means the amount as of a date  
24 certain of one or more sums payable in the future, discounted  
25 to the date certain. The discount is determined by the  
26 interest rate specified by the parties if the rate is not  
27 manifestly unreasonable at the time the transaction is entered  
28 into; otherwise, the discount is determined by a commercially  
29 reasonable rate that takes into account the facts and  
30 circumstances of each case at the time the transaction was  
31 entered into.

1           Section 11. Subsection (3) of section 672.103, Florida  
2 Statutes, is amended to read:

3           672.103 Definitions and index of definitions.--

4           (3) The following definitions in other chapters apply  
5 to this chapter:

6           "Check," s. 673.1041.

7           "Consignee," s. 677.102.

8           "Consignor," s. 677.102.

9           "Consumer goods," s. 679.1021 ~~679.109~~.

10          "Dishonor," s. 673.5021.

11          "Draft," s. 673.1041.

12          Section 12. Section 672.210, Florida Statutes, is  
13 amended to read:

14          672.210 Delegation of performance; assignment of  
15 rights.--

16          (1) A party may perform her or his duty through a  
17 delegate unless otherwise agreed or unless the other party has  
18 a substantial interest in having her or his original promisor  
19 perform or control the acts required by the contract. No  
20 delegation of performance relieves the party delegating of any  
21 duty to perform or any liability for breach.

22          (2) Except as otherwise provided in s. 679.4061,  
23 unless otherwise agreed all rights of either seller or buyer  
24 can be assigned except where the assignment would materially  
25 change the duty of the other party, or increase materially the  
26 burden or risk imposed on her or him by her or his contract,  
27 or impair materially her or his chance of obtaining return  
28 performance. A right to damages for breach of the whole  
29 contract or a right arising out of the assignor's due  
30 performance of her or his entire obligation can be assigned  
31 despite agreement otherwise.

1           (3) The creation, attachment, perfection, or  
2 enforcement of a security interest in the seller's interest  
3 under a contract is not a transfer that materially changes the  
4 duty of or increases materially the burden or risk imposed on  
5 the buyer or impairs materially the buyer's chance of  
6 obtaining return performance within the purview of subsection  
7 (2) unless, and then only to the extent that, enforcement  
8 actually results in a delegation of material performance of  
9 the seller. Even in that event, the creation, attachment,  
10 perfection, and enforcement of the security interest remain  
11 effective, but the seller is liable to the buyer for damages  
12 caused by the delegation to the extent that the damages could  
13 not reasonably be prevented by the buyer. A court having  
14 jurisdiction may grant other appropriate relief, including  
15 cancellation of the contract for sale or an injunction against  
16 enforcement of the security interest or consummation of the  
17 enforcement.

18           ~~(4)(3)~~ Unless the circumstances indicate the contrary  
19 a prohibition of assignment of "the contract" is to be  
20 construed as barring only the delegation to the assignee of  
21 the assignor's performance.

22           ~~(5)(4)~~ An assignment of "the contract" or of "all my  
23 rights under the contract" or an assignment in similar general  
24 terms is an assignment of rights and unless the language or  
25 the circumstances (as in an assignment for security) indicate  
26 the contrary, it is a delegation of performance of the duties  
27 of the assignor and its acceptance by the assignee constitutes  
28 a promise by her or him to perform those duties. This promise  
29 is enforceable by either the assignor or the other party to  
30 the original contract.

31

1           (6)~~(5)~~ The other party may treat any assignment which  
2 delegates performance as creating reasonable grounds for  
3 insecurity and may without prejudice to her or his rights  
4 against the assignor demand assurances from the assignee (s.  
5 672.609).

6           Section 13. Section 672.326, Florida Statutes, is  
7 amended to read:

8           672.326 Sale on approval and sale or return;  
9 ~~consignment sales and rights of creditors.--~~

10           (1) Unless otherwise agreed, if delivered goods may be  
11 returned by the buyer even though they conform to the  
12 contract, the transaction is:

13           (a) A "sale on approval" if the goods are delivered  
14 primarily for use, and

15           (b) A "sale or return" if the goods are delivered  
16 primarily for resale.

17           (2) ~~Except as provided in subsection (3),~~ Goods held  
18 on approval are not subject to the claims of the buyer's  
19 creditors until acceptance; goods held on sale or return are  
20 subject to such claims while in the buyer's possession.

21           ~~(3) Where goods are delivered to a person for sale and  
22 such person maintains a place of business at which she or he  
23 deals in goods of the kind involved, under a name other than  
24 the name of the person making delivery, then with respect to  
25 claims of creditors of the person conducting the business the  
26 goods are deemed to be on sale or return. The provisions of  
27 this subsection are applicable even though an agreement  
28 purports to reserve title to the person making delivery until  
29 payment or resale or uses such words as "on consignment" or  
30 "on memorandum." However, this subsection is not applicable if  
31 the person making delivery:~~

1           ~~(a) Complies with an applicable law providing for a~~  
2 ~~consignor's interest or the like to be evidenced by a sign, or~~

3           ~~(b) Establishes that the person conducting the~~  
4 ~~business is generally known by her or his creditors to be~~  
5 ~~substantially engaged in selling the goods of others, or~~

6           ~~(c) Complies with the filing provisions of the chapter~~  
7 ~~on secured transactions (chapter 679).~~

8           (3)~~(4)~~ Any "or return" term of a contract for sale is  
9 to be treated as a separate contract for sale within the  
10 statute of frauds section of this chapter (s. 672.201) and as  
11 contradicting the sale aspect of the contract within the  
12 provisions of this chapter on parol or extrinsic evidence (s.  
13 672.202).

14           Section 14. Section 672.502, Florida Statutes, is  
15 amended to read:

16           672.502 Buyer's right to goods on seller's  
17 repudiation, failure to deliver, or insolvency.--

18           (1) Subject to subsections ~~subsection~~ (2) and (3), and  
19 even though the goods have not been shipped, a buyer who has  
20 paid a part or all of the price of goods in which she or he  
21 has a special property under the provisions of the immediately  
22 preceding section may on making and keeping good a tender of  
23 any unpaid portion of their price recover them from the seller  
24 if:

25           (a) In the case of goods bought for personal, family,  
26 or household purposes, the seller repudiates or fails to  
27 deliver as required by the contract; or

28           (b) In all cases, the seller becomes insolvent within  
29 ten days after receipt of the first installment on their  
30 price.

31

1           (2) The buyer's right to recover the goods under  
2 paragraph (1)(a) vests upon acquisition of a special property,  
3 even if the seller has not then repudiated or failed to  
4 deliver.

5           ~~(3)(2)~~ If the identification creating her or his  
6 special property has been made by the buyer she or he acquires  
7 the right to recover the goods only if they conform to the  
8 contract for sale.

9           Section 15. Section 672.716, Florida Statutes, is  
10 amended to read:

11           672.716 Buyer's right to specific performance or  
12 replevin.--

13           (1) Specific performance may be decreed where the  
14 goods are unique or in other proper circumstances.

15           (2) The decree for specific performance may include  
16 such terms and conditions as to payment of the price, damages,  
17 or other relief as the court may deem just.

18           (3) The buyer has a right of replevin for goods  
19 identified to the contract if after reasonable effort she or  
20 he is unable to effect cover for such goods or the  
21 circumstances reasonably indicate that such effort will be  
22 unavailing or if the goods have been shipped under reservation  
23 and satisfaction of the security interest in them has been  
24 made or tendered. In the case of goods bought for personal,  
25 family, or household purposes, the buyer's right of replevin  
26 vests upon acquisition of a special property, even if the  
27 seller had not then repudiated or failed to deliver.

28           Section 16. Subsection (3) of section 674.2101,  
29 Florida Statutes, is amended to read:

30           674.2101 Security interest of collecting bank in  
31 items, accompanying documents, and proceeds.--



1           (3) Receipt by a collecting bank of a final settlement  
2 for an item is a realization on its security interest in the  
3 item, accompanying documents, and proceeds. So long as the  
4 bank does not receive final settlement for the item or give up  
5 possession of the item or accompanying documents for purposes  
6 other than collection, the security interest continues to that  
7 extent and is subject to chapter 679, but:

8           (a) No security agreement is necessary to make the  
9 security interest enforceable (s. 679.2031(2)(c)1.

10 ~~679.203(1)(a)~~);

11           (b) No filing is required to perfect the security  
12 interest; and

13           (c) The security interest has priority over  
14 conflicting perfected security interests in the item,  
15 accompanying documents, or proceeds.

16           Section 17. Section 675.1181, Florida Statutes, is  
17 created to read:

18           675.1181 Security interest of issuer of nominated  
19 person.--

20           (1) An issuer or nominated person has a security  
21 interest in a document presented under a letter of credit to  
22 the extent that the issuer or nominated person honors or gives  
23 value for the presentation.

24           (2) As long as and to the extent that an issuer or  
25 nominated person has not been reimbursed or has not otherwise  
26 recovered the value given with respect to a security interest  
27 in a document under subsection (1), the security interest  
28 continues and is subject to chapter 679, but a security  
29 agreement is not necessary to make the security interest  
30 enforceable under s. 679.2031(2)(c):

31

1           (a) If the document is presented in a medium other  
2 than a written or other tangible medium, the security interest  
3 is perfected; and

4           (b) If the document is presented in a written or other  
5 tangible medium and is not a certificated security, chattel  
6 paper, a document of title, an instrument, or a letter of  
7 credit, the security interest is perfected and has priority  
8 over a conflicting security interest in the document so long  
9 as the debtor does not have possession of the document.

10           Section 18. Subsection (1) of section 677.503, Florida  
11 Statutes, is amended to read:

12           677.503 Document of title to goods defeated in certain  
13 cases.--

14           (1) A document of title confers no right in goods  
15 against a person who before issuance of the document had a  
16 legal interest or a perfected security interest in them and  
17 who neither:

18           (a) Delivered or entrusted them or any document of  
19 title covering them to the bailor or the bailor's nominee with  
20 actual or apparent authority to ship, store or sell or with  
21 power to obtain delivery under this chapter (s. 677.403) or  
22 with power of disposition under this code (ss. 672.403 and  
23 679.320 ~~679.307~~) or other statute or rule of law; nor

24           (b) Acquiesced in the procurement by the bailor or the  
25 bailor's nominee of any document of title.

26           Section 19. Subsection (6) of section 678.1031,  
27 Florida Statutes, is amended to read:

28           678.1031 Rules for determining whether certain  
29 obligations and interests are securities or financial  
30 assets.--

31

1           (6) A commodity contract, as defined in s.  
2 679.1021(1)(o)~~679.115~~, is not a security or a financial  
3 asset.

4           Section 20. Subsections (4) and (6) of section  
5 678.1061, Florida Statutes, are amended to read:

6           678.1061 Control.--

7           (4) A purchaser has "control" of a security  
8 entitlement if:

9           (a) The purchaser becomes the entitlement holder; ~~or~~

10           (b) The securities intermediary has agreed that it  
11 will comply with entitlement orders originated by the  
12 purchaser without further consent by the entitlement holder;  
13 or—

14           (c) Another person has control of the security  
15 entitlement on behalf of the purchaser or, having previously  
16 acquired control of the security entitlement, acknowledges  
17 that the person has control on behalf of the purchaser.

18           (6) A purchaser who has satisfied the requirements of  
19 subsection paragraph (3)~~(b)~~ or subsection paragraph (4)~~(b)~~ has  
20 control, even if the registered owner in the case of  
21 subsection paragraph (3)~~(b)~~ or the entitlement holder in the  
22 case of subsection paragraph (4)~~(b)~~ retains the right to make  
23 substitutions for the uncertificated security or security  
24 entitlement, to originate instructions or entitlement orders  
25 to the issuer or securities intermediary, or otherwise to deal  
26 with the uncertificated security or security entitlement.

27           Section 21. Subsection (5) of section 678.1101,  
28 Florida Statutes, is amended to read:

29           678.1101 Applicability; choice of law.--

30           (5) The following rules determine a "securities  
31 intermediary's jurisdiction" for purposes of this section:

1           (a) If an agreement between the securities  
2 intermediary and its entitlement holder governing the  
3 securities account expressly provides that a particular  
4 jurisdiction is the securities intermediary's jurisdiction for  
5 purposes of this part, this chapter, or this code specifies  
6 that it is governed by the law of a particular jurisdiction,  
7 that jurisdiction is the securities intermediary's  
8 jurisdiction.

9           (b) If paragraph (a) does not apply and an agreement  
10 between the securities intermediary and its entitlement holder  
11 governing the securities account expressly provides that the  
12 agreement is governed by the law of a particular jurisdiction,  
13 that jurisdiction is the securities intermediary's  
14 jurisdiction.

15           (c)~~(b)~~ If neither paragraph (a) nor paragraph (b)  
16 applies and an agreement between the securities intermediary  
17 and its entitlement holder governing the securities account  
18 does not specify the governing law as provided in paragraph  
19 ~~(a),~~ but expressly provides specifies that the securities  
20 account is maintained at an office in a particular  
21 jurisdiction, that jurisdiction is the securities  
22 intermediary's jurisdiction.

23           (d)~~(c)~~ If none of the preceding paragraphs applies an  
24 agreement between the securities intermediary and its  
25 entitlement holder does not specify a jurisdiction as provided  
26 in paragraph (a) or paragraph (b), the securities  
27 intermediary's jurisdiction is the jurisdiction in which ~~is~~  
28 ~~located~~ the office identified in an account statement as the  
29 office serving the entitlement holder's account is located.

30           (e)~~(d)~~ If none of the preceding paragraphs applies an  
31 agreement between the securities intermediary and its

1 ~~entitlement holder does not specify a jurisdiction as provided~~  
2 ~~in paragraph (a) or paragraph (b) and an account statement~~  
3 ~~does not identify an office serving the entitlement holder's~~  
4 ~~account as provided in paragraph (c), the securities~~  
5 intermediary's jurisdiction is the jurisdiction in which ~~is~~  
6 ~~located~~ the chief executive office of the securities  
7 intermediary is located.

8 Section 22. Subsection (1) of section 678.3011,  
9 Florida Statutes, is amended to read:

10 678.3011 Delivery.--

11 (1) Delivery of a certificated security to a purchaser  
12 occurs when:

13 (a) The purchaser acquires possession of the security  
14 certificate;

15 (b) Another person, other than a securities  
16 intermediary, either acquires possession of the security  
17 certificate on behalf of the purchaser or, having previously  
18 acquired possession of the certificate, acknowledges that it  
19 holds for the purchaser; or

20 (c) A securities intermediary acting on behalf of the  
21 purchaser acquires possession of the security certificate,  
22 only if the certificate is in registered form and is  
23 registered in the name of the purchaser, payable to the order  
24 of the purchaser, or has been specially indorsed to the  
25 purchaser by an effective indorsement and has not been  
26 endorsed to the securities intermediary or in blank.

27 Section 23. Section 678.3021, Florida Statutes, is  
28 amended to read:

29 678.3021 Rights of purchaser.--

30 (1) Except as otherwise provided in subsections (2)  
31 and (3), a purchaser ~~upon delivery~~ of a certificated or

1 ~~uncertificated security to a purchaser, the purchaser~~ acquires  
2 all rights in the security that the transferor had or had  
3 power to transfer.

4 (2) A purchaser of a limited interest acquires rights  
5 only to the extent of the interest purchased.

6 (3) A purchaser of a certificated security who as a  
7 previous holder had notice of an adverse claim does not  
8 improve its position by taking from a protected purchaser.

9 Section 24. Section 678.5101, Florida Statutes, is  
10 amended to read:

11 678.5101 Rights of purchaser of security entitlement  
12 from entitlement holder.--

13 (1) In a case not covered by the priority rules in  
14 chapter 679 or the rules stated in subsection (3),an action  
15 based on an adverse claim to a financial asset or security  
16 entitlement, whether framed in conversion, replevin,  
17 constructive trust, equitable lien, or other theory, may not  
18 be asserted against a person who purchases a security  
19 entitlement, or an interest therein, from an entitlement  
20 holder if the purchaser gives value, does not have notice of  
21 the adverse claim, and obtains control.

22 (2) If an adverse claim could not have been asserted  
23 against an entitlement holder under s. 678.5021, the adverse  
24 claim cannot be asserted against a person who purchases a  
25 security entitlement, or an interest therein, from the  
26 entitlement holder.

27 (3) In a case not covered by the priority rules in  
28 chapter 679, a purchaser for value of a security entitlement,  
29 or an interest therein, who obtains control has priority over  
30 a purchaser of a security entitlement, or an interest therein,  
31 who does not obtain control. Except as otherwise provided in

1 subsection (4), purchasers who have control rank according to  
2 priority in time of:

3 (a) The purchaser's becoming the person for whom the  
4 securities account, in which the security entitlement is  
5 carried, is maintained, if the purchaser obtained control  
6 under s. 678.1061(4)(a);

7 (b) The securities intermediary's agreement to comply  
8 with the purchaser's entitlement orders with respect to  
9 security entitlements carried or to be carried in the  
10 securities account in which the security entitlement is  
11 carried, if the purchaser obtained control under s.  
12 678.1061(4)(b); or

13 (c) If the purchaser obtained control through another  
14 person under s. 678.1061(4)(c), the time on which priority  
15 would be based under this subsection if the other person were  
16 the secured party equally, except that

17 (4) A securities intermediary as purchaser has  
18 priority over a conflicting purchaser who has control unless  
19 otherwise agreed by the securities intermediary.

20 Section 25. Subsection (3) of section 680.1031,  
21 Florida Statutes, is amended to read:

22 680.1031 Definitions and index of definitions.--

23 (3) The following definitions in other chapters of  
24 this code apply to this chapter:

- 25 (a) "Account," s. 679.1021(1)(b)~~679.106~~.  
26 (b) "Between merchants," s. 672.104(3).  
27 (c) "Buyer," s. 672.103(1)(a).  
28 (d) "Chattel paper," s. 679.1021(1)(k)~~679.105(1)(b)~~.  
29 (e) "Consumer goods," s. 679.1021(1)(w)~~679.109(1)~~.  
30 (f) "Document," s. 679.1021(1)(dd)~~679.105(1)(f)~~.  
31 (g) "Entrusting," s. 672.403(3).

- 1           (h) "General intangible ~~intangibles~~," s.  
2 679.1021(1)(pp)~~679.106~~.
- 3           (i) "Good faith," s. 672.103(1)(b).  
4           (j) "Instrument," s. 679.1021(1)(uu)~~679.105(1)(i)~~.  
5           (k) "Merchant," s. 672.104(1).  
6           (l) "Mortgage," s. 679.1021(1)(ccc)~~679.105(1)(j)~~.  
7           (m) "Pursuant to a commitment," s. 679.1021(1)(ppp)  
8 ~~679.105(1)(k)~~.
- 9           (n) "Receipt," s. 672.103(1)(c).  
10          (o) "Sale," s. 672.106(1).  
11          (p) "Sale on approval," s. 672.326(1).  
12          (q) "Sale or return," s. 672.326(1).  
13          (r) "Seller," s. 672.103(1)(d).

14          Section 26. Section 680.303, Florida Statutes, is  
15 amended to read:

16               680.303 Alienability of party's interest under lease  
17 contract or of lessor's residual interest in goods; delegation  
18 of performance; transfer of rights.--

19               (1) As used in this section, "creation of a security  
20 interest" includes the sale of a lease contract that is  
21 subject to chapter 679 by reason of s. 679.1091(1)(c).

22               (2) Except as provided in subsection ~~subsections~~ (3)  
23 and s. 679.4071(4)~~(4)~~, a provision in a lease agreement which:

24               (a) Prohibits the voluntary or involuntary transfer,  
25 including a transfer by sale, sublease, creation or  
26 enforcement of a security interest, or attachment, levy, or  
27 other judicial process, of an interest of a party under the  
28 lease contract or of the lessor's residual interest in the  
29 goods; or

30               (b) Makes such a transfer an event of default, gives  
31 rise to the rights and remedies provided in subsection(4)



1 ~~(5)~~, but a transfer that is prohibited or is an event of  
2 default under the lease agreement is otherwise effective.  
3 ~~(3) A provision in a lease agreement which:~~  
4 ~~(a) Prohibits the creation or enforcement of a~~  
5 ~~security interest in an interest of a party under the lease~~  
6 ~~contract or in the lessor's residual interest in the goods; or~~  
7 ~~(b) Makes such a transfer an event of default, is not~~  
8 ~~enforceable unless, and then only to the extent that, there is~~  
9 ~~an actual transfer by the lessee of the lessee's right of~~  
10 ~~possession or use of the goods in violation of the provision~~  
11 ~~or an actual delegation of a material performance of either~~  
12 ~~party to the lease contract in violation of the provision.~~  
13 ~~Neither the granting nor the enforcement of a security~~  
14 ~~interest in the lessor's interest under the lease contract or~~  
15 ~~the lessor's residual interest in the goods is a transfer that~~  
16 ~~materially impairs the prospect of obtaining return~~  
17 ~~performance by, materially changes the duty of, or materially~~  
18 ~~increases the burden or risk imposed on, the lessee within the~~  
19 ~~purview of subsection (5) unless, and then only to the extent~~  
20 ~~that, there is an actual delegation of a material performance~~  
21 ~~of the lessor.~~  
22 (3)~~(4)~~ A provision in a lease agreement which:  
23 (a) Prohibits a transfer of a right to damages for  
24 default with respect to the whole lease contract or of a right  
25 to payment arising out of the transferor's due performance of  
26 the transferor's entire obligation; or  
27 (b) Makes such a transfer an event of default, is not  
28 enforceable, and such a transfer is not a transfer that  
29 materially impairs the prospect of obtaining return  
30 performance by, materially changes the duty of, or materially  
31

1 increases the burden or risk imposed on, the other party to  
2 the lease contract within the purview of subsection~~(4)~~(5).

3 ~~(4)~~(5) Subject to subsection ~~subsections~~ (3) and s.  
4 679.4071~~(4)~~:

5 (a) If a transfer is made which is made an event of  
6 default under a lease agreement, the party to the lease  
7 contract not making the transfer, unless that party waives the  
8 default or otherwise agrees, has the rights and remedies  
9 described in s. 680.501(2);

10 (b) If paragraph (a) is not applicable and if a  
11 transfer is made that is prohibited under a lease agreement or  
12 materially impairs the prospect of obtaining return  
13 performance by, materially changes the duty of, or materially  
14 increases the burden or risk imposed on, the other party to  
15 the lease contract, unless the party not making the transfer  
16 agrees at any time to the transfer in the lease contract or  
17 otherwise, then, except as limited by contract, the transferor  
18 is liable to the party not making the transfer for damages  
19 caused by the transfer to the extent that the damages could  
20 not reasonably be prevented by the party not making the  
21 transfer and a court having jurisdiction may grant other  
22 appropriate relief, including cancellation of the lease  
23 contract or an injunction against the transfer.

24 ~~(5)~~(6) A transfer of "the lease" or of "all my rights  
25 under the lease" or a transfer in similar general terms is a  
26 transfer of rights, and unless the language or the  
27 circumstances, as in a transfer for security, indicate the  
28 contrary, the transfer is a delegation of duties by the  
29 transferor to the transferee. Acceptance by the transferee  
30 constitutes a promise by the transferee to perform those

31

1 duties. The promise is enforceable by either the transferor or  
2 the other party to the lease contract.

3 (6)~~(7)~~ Unless otherwise agreed by the lessor and the  
4 lessee, a delegation of performance does not relieve the  
5 transferor as against the other party of any duty to perform  
6 or of any liability for default.

7 (7)~~(8)~~ In a consumer lease, to prohibit the transfer  
8 of an interest of a party under the lease contract or to make  
9 a transfer an event of default, the language must be specific,  
10 by a writing, and conspicuous.

11 Section 27. Section 680.307, Florida Statutes, is  
12 amended to read:

13 680.307 Priority of liens arising by attachment or  
14 levy on, security interests in, and other claims to goods.--

15 (1) Except as otherwise provided in s. 680.306, a  
16 creditor of a lessee takes subject to the lease contract.

17 (2) Except as otherwise provided in subsection  
18 ~~subsections~~ (3) ~~and (4)~~ and in ss. 680.306 and 680.308, a  
19 creditor of a lessor takes subject to the lease contract  
20 unless:

21 ~~(a) the creditor holds a lien that attached to the~~  
22 ~~goods before the lease contract became enforceable.~~

23 ~~(b) The creditor holds a security interest in the~~  
24 ~~goods and the lessee did not give value and receive delivery~~  
25 ~~of the goods without knowledge of the security interests; or~~

26 ~~(c) The creditor holds a security interest in the~~  
27 ~~goods which was perfected (s. 679.303) before the lease~~  
28 ~~contract became enforceable.~~

29 (3) Except as otherwise provided in ss. 679.3171,  
30 679.321, and 679.323, a lessee takes a leasehold interest  
31 subject to a security interest held by a creditor or lessor.

1 ~~lessee in the ordinary course of business takes the leasehold~~  
2 ~~interest free of a security interest in the goods created by~~  
3 ~~the lessor even though the security interest is perfected (s.~~  
4 ~~679.303) and the lessee knows of its existence.~~

5 ~~(4) A lessee other than a lessee in the ordinary~~  
6 ~~course of business takes the leasehold interest free of a~~  
7 ~~security interest to the extent that it secures future~~  
8 ~~advances made after the secured party acquires knowledge of~~  
9 ~~the lease or more than 45 days after the lease contract~~  
10 ~~becomes enforceable, whichever first occurs, unless the future~~  
11 ~~advances are made pursuant to a commitment entered into~~  
12 ~~without knowledge of the lease and before the expiration of~~  
13 ~~the 45-day period.~~

14 Section 28. Paragraph (b) of subsection (1) of section  
15 680.309, Florida Statutes, is amended to read:

16 680.309 Lessor's and lessee's rights when goods become  
17 fixtures.--

18 (1) In this section:

19 (b) A "fixture filing" is the filing, in the office  
20 where a mortgage on the real estate would be filed or  
21 recorded, of a financing statement covering goods that are or  
22 are to become fixtures and conforming to the requirements of  
23 s. 679.5021(1) and (2)~~679.402(5)~~.

24 Section 29. This act shall take effect January 1,  
25 2002.

26  
27  
28  
29  
30  
31

1                   STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
2   COMMITTEE SUBSTITUTE FOR  
3   SB 386  
4       Modifies the provisions regarding fixtures to provide that  
5       fixture filings must be filed in the county's public records  
6       office rather than with the Florida Secretary of State.  
7       Clarifies that a financing statement relating to crops and  
8       fixtures must contain a legal description so that the affected  
9       real estate can be found by a title search.  
10      Restores the uniform law language that requires a creditor to  
11      provide a consumer debtor, upon request and without charge,  
12      once during any six month period, a list of collateral  
13      securing the loan. A creditor may charge up to \$25 for a  
14      second or later request from the debtor for a list of  
15      collateral.  
16      Provides for the conditional filing of a financing statement  
17      upon rejection by the Secretary of State.  
18      Provides additional procedures regarding interpleader between  
19      competing creditors. Provides that the debtor is not  
20      responsible for attorney's fees incurred in such interpleader  
21      unless the debtor intentionally intervenes in the case.  
22      Changes from two to three days the time within which the  
23      Secretary of State must examine a filing. Much of the fiscal  
24      impact is eliminated with this change.  
25      Provides that the Secretary of State may delegate the filing  
26      and recording function to an outside vendor.  
27      Maintains current law by providing that a debtor may authorize  
28      a lien against a certificate of deposit.  
29  
30  
31