

1                                   A bill to be entitled  
2       An act relating to the Uniform Commercial Code; revising  
3       and providing provisions of the Uniform Commercial Code  
4       relating to electronic documents of title, warehouse  
5       receipts, bills of lading, and other documents of title to  
6       conform to the revised Article 7 of the Uniform Commercial  
7       Code as prepared by the National Conference of  
8       Commissioners on Uniform State Laws; amending ss. 671.201,  
9       672.103, 672.104, 674.104, 677.102, and 679.1021, F.S.;  
10      revising and providing definitions; revising provisions  
11      pertaining to definitions applicable to certain provisions  
12      of the code, to conform cross-references to revisions made  
13      by this act; amending s. 672.310, F.S.; revising time when  
14      certain delivery payments are due; amending ss. 559.9232,  
15      672.323, 672.401, 672.503, 672.505, 672.506, 672.509,  
16      672.605, 672.705, 674.2101, 677.201, 677.202, 677.203,  
17      677.205, 677.206, 677.207, 677.208, 677.301, 677.302,  
18      677.304, 677.305, 677.401, 677.402, 677.403, 677.404,  
19      677.502, 677.503, 677.505, 677.506, 677.507, 677.508,  
20      677.509, 677.602, 677.603, 679.2031, 679.2071, 679.3011,  
21      679.3101, 679.3121, 679.3131, 679.3141, 679.3171, 679.338,  
22      680.1031, 680.514, and 680.526, F.S.; revising provisions  
23      to conform to changes made by this act; making editorial  
24      changes; amending s. 677.103, F.S.; revising and providing  
25      application in relation of chapter to treaty, statute,  
26      tariff, classification, or regulation; amending s.  
27      677.104, F.S.; providing when certain documents of title  
28      are nonnegotiable; amending s. 677.105, F.S.; authorizing

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29 | an issuer of the electronic document to issue a tangible  
30 | document of title as a substitute for the electronic  
31 | document under certain conditions; authorizing an issuer  
32 | of a tangible document to issue an electronic document of  
33 | title as a substitute for the tangible document under  
34 | certain conditions; creating s. 677.106, F.S.; providing  
35 | when certain persons have control of an electronic  
36 | document of title; amending s. 677.204, F.S.; revising  
37 | liability of certain damages; authorizing a warehouse  
38 | receipt or storage agreement to provide certain  
39 | requirements; amending s. 677.209, F.S.; revising  
40 | conditions for a warehouse to establish a lien against a  
41 | bailor; providing when and against whom the lien is  
42 | effective; amending s. 677.210, F.S.; revising provisions  
43 | relating to the enforcement of liens; amending s. 677.303,  
44 | F.S.; prohibiting liability for certain carriers; amending  
45 | s. 677.307, F.S.; revising conditions under which a  
46 | carrier has a lien on goods covered by a bill of lading;  
47 | amending s. 677.308, F.S.; revising provisions relating to  
48 | the enforcement of a carrier's lien; amending s. 677.309,  
49 | F.S.; revising provisions relating to the contractual  
50 | limitation of a carrier's liability; amending s. 677.501,  
51 | F.S.; providing requirements for negotiable tangible  
52 | documents of title and negotiable electronic documents of  
53 | title; amending s. 677.504, F.S.; providing condition  
54 | under which the rights of the transferee may be defeated;  
55 | amending s. 677.601, F.S.; revising provisions relating to  
56 | lost, stolen, or destroyed documents of title; amending s.

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57 | 678.1031, F.S.; providing that certain documents of title  
 58 | are not financial assets; amending s. 679.2081, F.S.;  
 59 | providing requirements for secured parties having control  
 60 | of an electronic document; providing an effective date.

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62 | Be It Enacted by the Legislature of the State of Florida:

63

64 | Section 1. Paragraph (f) of subsection (2) of section  
 65 | 559.9232, Florida Statutes, is amended to read:

66 | 559.9232 Definitions; exclusion of rental-purchase  
 67 | agreements from certain regulations.—

68 | (2) A rental-purchase agreement that complies with this  
 69 | act shall not be construed to be, nor be governed by, any of the  
 70 | following:

71 | (f) A security interest as defined in s. 671.201~~(38)~~(35).

72 | Section 2. Present subsections (25) through (43) of  
 73 | section 671.201, Florida Statutes, are renumbered as subsections  
 74 | (28) through (46), respectively, new subsections (25), (26), and  
 75 | (27) are added to that section, and present subsections (5),  
 76 | (6), (10), (15), (16), (21), and (42) are amended, to read:

77 | 671.201 General definitions.—Unless the context otherwise  
 78 | requires, words or phrases defined in this section, or in the  
 79 | additional definitions contained in other chapters of this code  
 80 | which apply to particular chapters or parts thereof, have the  
 81 | meanings stated. Subject to definitions contained in other  
 82 | chapters of this code which apply to particular chapters or  
 83 | parts thereof, the term:

84 | (5) "Bearer" means a person in control of a negotiable

85 electronic document of title or a person in possession of a  
 86 negotiable instrument, a negotiable tangible document of title,  
 87 or a certificated security that is payable to bearer or indorsed  
 88 in blank.

89 (6) "Bill of lading" means a document of title evidencing  
 90 the receipt of goods for shipment issued by a person engaged in  
 91 the business of directly or indirectly transporting or  
 92 forwarding goods. The term does not include a warehouse receipt.

93 (10) "Conspicuous," with reference to a term, means so  
 94 written, displayed, or presented that a reasonable person  
 95 against which ~~whom~~ it is to operate ought to have noticed it.  
 96 Whether a term is "conspicuous" is a decision for the court.  
 97 Conspicuous terms include the following:

98 (a) A heading in capitals ~~in a size~~ equal to or greater in  
 99 size larger than ~~that of~~ the surrounding text, or in contrasting  
 100 a type, font, or color ~~in contrast~~ to the surrounding text of  
 101 the same or lesser size; ~~and~~.

102 (b) Language in the body of a record or display in larger  
 103 type ~~larger than that of~~ the surrounding text; ~~in a type, font,~~  
 104 ~~or color in contrast to the surrounding text~~ of the same size;  
 105 or set off from surrounding text of the same size by symbols or  
 106 other marks that call attention to the language.

107 (15) "Delivery," with respect to an electronic document of  
 108 title, means voluntary transfer of control and "delivery," with  
 109 respect to instruments ~~instrument,~~ tangible document of title,  
 110 ~~or~~ chattel paper, or certificated securities, means voluntary  
 111 transfer of possession.

112 (16) "Document of title" means a record:

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113 (a) includes bill of lading, dock warrant, dock receipt,  
 114 warehouse receipt or order for the delivery of goods, and any  
 115 other document That in the regular course of business or  
 116 financing is treated as adequately evidencing that the person in  
 117 possession or control of the record ~~it~~ is entitled to receive,  
 118 control, hold, and dispose of the record ~~document~~ and the goods  
 119 the record ~~it~~ covers; and

120 (b) That purports to be issued by or addressed to a bailee  
 121 and to cover goods in the bailee's possession which are either  
 122 identified or are fungible portions of an identified mass. The  
 123 term includes a bill of lading, transport document, dock  
 124 warrant, dock receipt, warehouse receipt, and order for delivery  
 125 of goods. An electronic document of title means a document of  
 126 title evidenced by a record consisting of information stored in  
 127 an electronic medium. A tangible document of title means a  
 128 document of title evidenced by a record consisting of  
 129 information that is inscribed on a tangible medium. ~~To be a~~  
 130 ~~document of title, a document must purport to be issued by or~~  
 131 ~~addressed to a bailee and purport to cover goods in the bailee's~~  
 132 ~~possession which are either identified or are fungible portions~~  
 133 ~~of an identified mass.~~

134 (21) "Holder" means:

135 (a) The person in possession of a negotiable instrument  
 136 that is payable either to bearer or to an identified person that  
 137 is the person in possession; ~~or~~

138 (b) The person in possession of a negotiable tangible  
 139 document of title if the goods are deliverable either to bearer  
 140 or to the order of the person in possession; or-

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141 (c) The person in control of a negotiable electronic  
142 document of title.

143 (25) Subject to subsection (27), a person has "notice" of  
144 a fact if the person:

145 (a) Has actual knowledge of it;

146 (b) Has received a notice or notification of it; or

147 (c) From all the facts and circumstances known to the  
148 person at the time in question, has reason to know that it  
149 exists. A person "knows" or has "knowledge" of a fact when the  
150 person has actual knowledge of it. "Discover" or "learn" or a  
151 word or phrase of similar import refers to knowledge rather than  
152 to reason to know. The time and circumstances under which a  
153 notice or notification may cease to be effective are not  
154 determined by this section.

155 (26) A person "notifies" or "gives" a notice or  
156 notification to another person by taking such steps as may be  
157 reasonably required to inform the other person in ordinary  
158 course, whether or not the other person actually comes to know  
159 of it. Subject to subsection (27), a person "receives" a notice  
160 or notification when:

161 (a) It comes to that person's attention; or

162 (b) It is duly delivered in a form reasonable under the  
163 circumstances at the place of business through which the  
164 contract was made or at another location held out by that person  
165 as the place for receipt of such communications.

166 (27) Notice, knowledge, or a notice or notification  
167 received by an organization is effective for a particular  
168 transaction from the time when it is brought to the attention of

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169 the individual conducting that transaction, and, in any event,  
170 from the time when it would have been brought to the  
171 individual's attention if the organization had exercised due  
172 diligence. An organization exercises due diligence if it  
173 maintains reasonable routines for communicating significant  
174 information to the person conducting the transaction and there  
175 is reasonable compliance with the routines. Due diligence does  
176 not require an individual acting for the organization to  
177 communicate information unless such communication is part of the  
178 individual's regular duties or the individual has reason to know  
179 of the transaction and that the transaction would be materially  
180 affected by the information.

181 (45)-(42) "Warehouse receipt" means a document of title  
182 ~~receipt~~ issued by a person engaged in the business of storing  
183 goods for hire.

184 Section 3. Subsection (3) of section 672.103, Florida  
185 Statutes, is amended to read:

186 672.103 Definitions and index of definitions.—

187 (3) The following definitions in other chapters apply to  
188 this chapter:

189 "Check," s. 673.1041.

190 "Consignee," s. 677.102.

191 "Consignor," s. 677.102.

192 "Consumer goods," s. 679.1021.

193 "Control," s. 677.106.

194 "Dishonor," s. 673.5021.

195 "Draft," s. 673.1041.

196 Section 4. Subsection (2) of section 672.104, Florida

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197 Statutes, is amended to read:

198 672.104 Definitions: "merchant"; "between merchants";  
 199 "financing agency."—

200 (2) "Financing agency" means a bank, finance company or  
 201 other person who in the ordinary course of business makes  
 202 advances against goods or documents of title or who by  
 203 arrangement with either the seller or the buyer intervenes in  
 204 ordinary course to make or collect payment due or claimed under  
 205 the contract for sale, as by purchasing or paying the seller's  
 206 draft or making advances against it or by merely taking it for  
 207 collection whether or not documents of title accompany or are  
 208 associated with the draft. "Financing agency" includes also a  
 209 bank or other person who similarly intervenes between persons  
 210 who are in the position of seller and buyer in respect to the  
 211 goods (s. 672.707).

212 Section 5. Subsection (3) of section 672.310, Florida  
 213 Statutes, is amended to read:

214 672.310 Open time for payment or running of credit;  
 215 authority to ship under reservation.—Unless otherwise agreed:

216 (3) If delivery is authorized and made by way of documents  
 217 of title otherwise than by subsection (2) then payment is due  
 218 regardless of where the goods are to be received at the time and  
 219 place at which the buyer is to receive delivery of the tangible  
 220 documents or at the time the buyer is to receive delivery of the  
 221 electronic documents and at the seller's place of business or,  
 222 if none, the seller's residence ~~regardless of where the goods~~  
 223 ~~are to be received;~~ and



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224 Section 6. Section 672.323, Florida Statutes, is amended  
 225 to read:

226 672.323 Form of bill of lading required in overseas  
 227 shipment; "overseas."—

228 (1) Where the contract contemplates overseas shipment and  
 229 contains a term "C.I.F." or "C. & F. or F.O.B. vessel," the  
 230 seller unless otherwise agreed shall ~~must~~ obtain a negotiable  
 231 bill of lading stating that the goods have been loaded in ~~on~~  
 232 board or, in the case of a term "C.I.F." or "C. & F.," received  
 233 for shipment.

234 (2) Where in a case within subsection (1) a tangible bill  
 235 of lading has been issued in a set of parts, unless otherwise  
 236 agreed if the documents are not to be sent from abroad the buyer  
 237 may demand tender of the full set; otherwise only one part of  
 238 the bill of lading need be tendered. Even if the agreement  
 239 expressly requires a full set:

240 (a) Due tender of a single part is acceptable within the  
 241 provisions of this chapter on cure of improper delivery (s.  
 242 672.508(1)); and

243 (b) Even though the full set is demanded, if the documents  
 244 are sent from abroad the person tendering an incomplete set may  
 245 nevertheless require payment upon furnishing an indemnity which  
 246 the buyer in good faith deems adequate.

247 (3) A shipment by water or by air or a contract  
 248 contemplating such shipment is "overseas" insofar as by usage of  
 249 trade or agreement it is subject to the commercial, financing or  
 250 shipping practices characteristic of international deepwater  
 251 commerce.

252 Section 7. Subsections (2) and (3) of section 672.401,  
 253 Florida Statutes, are amended to read:

254 672.401 Passing of title; reservation for security;  
 255 limited application of this section.—Each provision of this  
 256 chapter with regard to the rights, obligations and remedies of  
 257 the seller, the buyer, purchasers or other third parties applies  
 258 irrespective of title to the goods except where the provision  
 259 refers to such title. Insofar as situations are not covered by  
 260 the other provisions of this chapter and matters concerning  
 261 title become material the following rules apply:

262 (2) Unless otherwise explicitly agreed title passes to the  
 263 buyer at the time and place at which the seller completes her or  
 264 his performance with reference to the physical delivery of the  
 265 goods, despite any reservation of a security interest and even  
 266 though a document of title is to be delivered at a different  
 267 time or place; and in particular and despite any reservation of  
 268 a security interest by the bill of lading:

269 (a) If the contract requires or authorizes the seller to  
 270 send the goods to the buyer but does not require him or her ~~the~~  
 271 ~~seller~~ to deliver them at destination, title passes to the buyer  
 272 at the time and place of shipment; but

273 (b) If the contract requires delivery at destination,  
 274 title passes on tender there.

275 (3) Unless otherwise explicitly agreed where delivery is  
 276 to be made without moving the goods:

277 (a) If the seller is to deliver a tangible document of  
 278 title, title passes at the time when and the place where he or  
 279 she ~~the seller~~ delivers such documents and if the seller is to

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280 deliver an electronic document of title, title passes when the  
 281 seller delivers the document; or

282 (b) If the goods are at the time of contracting already  
 283 identified and no documents of title are to be delivered, title  
 284 passes at the time and place of contracting.

285 Section 8. Subsections (4) and (5) of section 672.503,  
 286 Florida Statutes, are amended to read:

287 672.503 Manner of seller's tender of delivery.—

288 (4) Where goods are in the possession of a bailee and are  
 289 to be delivered without being moved:

290 (a) Tender requires that the seller either tender a  
 291 negotiable document of title covering such goods or procure  
 292 acknowledgment by the bailee of the buyer's right to possession  
 293 of the goods; but

294 (b) Tender to the buyer of a nonnegotiable document of  
 295 title or of a record directing ~~written direction~~ to the bailee  
 296 to deliver is sufficient tender unless the buyer seasonably  
 297 objects, and, except as otherwise provided in Article 9 of the  
 298 Uniform Commercial Code, receipt by the bailee of notification  
 299 of the buyer's rights fixes those rights as against the bailee  
 300 and all third persons; but risk of loss of the goods and of any  
 301 failure by the bailee to honor the nonnegotiable document of  
 302 title or to obey the direction remains on the seller until the  
 303 buyer has had a reasonable time to present the document or  
 304 direction, and a refusal by the bailee to honor the document or  
 305 to obey the direction defeats the tender.

306 (5) Where the contract requires the seller to deliver  
 307 documents:

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308 (a) He or she shall ~~must~~ tender all such documents in  
 309 correct form, except as provided in this chapter with respect to  
 310 bills of lading in a set (s. 672.323(2)); and

311 (b) Tender through customary banking channels is  
 312 sufficient and dishonor of a draft accompanying or associated  
 313 with the documents constitutes nonacceptance or rejection.

314 Section 9. Section 672.505, Florida Statutes, is amended  
 315 to read:

316 672.505 Seller's shipment under reservation.—

317 (1) Where the seller has identified goods to the contract  
 318 by or before shipment:

319 (a) His or her ~~The seller's~~ procurement of a negotiable  
 320 bill of lading to his or her own order or otherwise reserves in  
 321 him or her ~~the seller~~ a security interest in the goods. His or  
 322 her procurement of the bill to the order of a financing agency  
 323 or of the buyer indicates in addition only the seller's  
 324 expectation of transferring that interest to the person named.

325 (b) A nonnegotiable bill of lading to himself or herself  
 326 or his or her nominee reserves possession of the goods as  
 327 security but except in a case of conditional delivery (s.  
 328 672.507(2)) a nonnegotiable bill of lading naming the buyer as  
 329 consignee reserves no security interest even though the seller  
 330 retains possession or control of the bill of lading.

331 (2) When shipment by the seller with reservation of a  
 332 security interest is in violation of the contract for sale it  
 333 constitutes an improper contract for transportation within the  
 334 preceding section but impairs neither the rights given to the  
 335 buyer by shipment and identification of the goods to the

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336 contract nor the seller's powers as a holder of a negotiable  
 337 document of title.

338 Section 10. Subsection (2) of section 672.506, Florida  
 339 Statutes, is amended to read:

340 672.506 Rights of financing agency.—

341 (2) The right to reimbursement of a financing agency which  
 342 has in good faith honored or purchased the draft under  
 343 commitment to or authority from the buyer is not impaired by  
 344 subsequent discovery of defects with reference to any relevant  
 345 document which was apparently regular ~~on its face~~.

346 Section 11. Subsection (2) of section 672.509, Florida  
 347 Statutes, is amended to read:

348 672.509 Risk of loss in the absence of breach.—

349 (2) Where the goods are held by a bailee to be delivered  
 350 without being moved, the risk of loss passes to the buyer:

351 (a) On her or his receipt of possession or control of a  
 352 negotiable document of title covering the goods; or

353 (b) On acknowledgment by the bailee of the buyer's right  
 354 to possession of the goods; or

355 (c) After her or his receipt of possession or control of a  
 356 nonnegotiable document of title or other ~~written~~ direction to  
 357 deliver in a record, as provided in s. 672.503(4) (b).

358 Section 12. Subsection (2) of section 672.605, Florida  
 359 Statutes, is amended to read:

360 672.605 Waiver of buyer's objections by failure to  
 361 particularize.—

362 (2) Payment against documents made without reservation of  
 363 rights precludes recovery of the payment for defects apparent in

364 ~~on the face of~~ the documents.

365 Section 13. Subsections (2) and (3) of section 672.705,  
366 Florida Statutes, are amended to read:

367 672.705 Seller's stoppage of delivery in transit or  
368 otherwise.—

369 (2) As against such buyer the seller may stop delivery  
370 until:

371 (a) Receipt of the goods by the buyer; or

372 (b) Acknowledgment to the buyer by any bailee of the goods  
373 except a carrier that the bailee holds the goods for the buyer;  
374 or

375 (c) Such acknowledgment to the buyer by a carrier by  
376 reshipment or as a warehouse ~~warehouseman~~; or

377 (d) Negotiation to the buyer of any negotiable document of  
378 title covering the goods.

379 (3) (a) To stop delivery the seller shall ~~must~~ so notify as  
380 to enable the bailee by reasonable diligence to prevent delivery  
381 of the goods.

382 (b) After such notification the bailee shall ~~must~~ hold and  
383 deliver the goods according to the directions of the seller but  
384 the seller is liable to the bailee for any ensuing charges or  
385 damages.

386 (c) If a negotiable document of title has been issued for  
387 goods the bailee is not obliged to obey a notification to stop  
388 until surrender of possession or control of the document.

389 (d) A carrier who has issued a nonnegotiable bill of  
390 lading is not obliged to obey a notification to stop received  
391 from a person other than the consignor.

392 Section 14. Subsection (3) of section 674.104, Florida  
 393 Statutes, is amended to read:

394 674.104 Definitions and index of definitions.—

395 (3) The following definitions in other chapters apply to  
 396 this chapter:

397 "Acceptance," s. 673.4091.

398 "Alteration," s. 673.4071.

399 "Cashier's check," s. 673.1041.

400 "Certificate of deposit," s. 673.1041.

401 "Certified check," s. 673.4091.

402 "Check," s. 673.1041.

403 "Control," s. 677.106.

404 "Good faith," s. 673.1031.

405 "Holder in due course," s. 673.3021.

406 "Instrument," s. 673.1041.

407 "Notice of dishonor," s. 673.5031.

408 "Order," s. 673.1031.

409 "Ordinary care," s. 673.1031.

410 "Person entitled to enforce," s. 673.3011.

411 "Presentment," s. 673.5011.

412 "Promise," s. 673.1031.

413 "Prove," s. 673.1031.

414 "Teller's check," s. 673.1041.

415 "Unauthorized signature," s. 673.4031.

416 Section 15. Subsection (3) of section 674.2101, Florida  
 417 Statutes, is amended to read:

418 674.2101 Security interest of collecting bank in items,  
 419 accompanying documents, and proceeds.—

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420 (3) Receipt by a collecting bank of a final settlement for  
 421 an item is a realization on its security interest in the item,  
 422 accompanying documents, and proceeds. So long as the bank does  
 423 not receive final settlement for the item or give up possession  
 424 of the item or possession or control of the accompanying  
 425 documents for purposes other than collection, the security  
 426 interest continues to that extent and is subject to chapter 679,  
 427 but:

428 (a) No security agreement is necessary to make the  
 429 security interest enforceable (s. 679.2031(2)(c)1.);

430 (b) No filing is required to perfect the security  
 431 interest; and

432 (c) The security interest has priority over conflicting  
 433 perfected security interests in the item, accompanying  
 434 documents, or proceeds.

435 Section 16. Section 677.102, Florida Statutes, is amended  
 436 to read:

437 677.102 Definitions and index of definitions.—

438 (1) In this chapter, unless the context otherwise  
 439 requires:

440 (a) "Bailee" means a ~~the~~ person that ~~who~~ by a warehouse  
 441 receipt, bill of lading or other document of title acknowledges  
 442 possession of goods and contracts to deliver them.

443 (b) "Carrier" means a person that issues a bill of  
 444 lading.

445 (c) ~~(b)~~ "Consignee" means a ~~the~~ person named in a bill of  
 446 lading to which ~~whom~~ or to whose order the bill promises  
 447 delivery.



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448        (d) ~~(e)~~ "Consignor" means a ~~the~~ person named in a bill of  
449 lading as the person from which ~~whom~~ the goods have been  
450 received for shipment.

451        (e) ~~(d)~~ "Delivery order" means a record that contains an  
452 ~~written~~ order to deliver goods directed to a warehouse  
453 ~~warehouseman~~, carrier, or other person that ~~who~~ in the ordinary  
454 course of business issues warehouse receipts or bills of lading.

455        (f) "Good faith" means honesty in fact and the observance  
456 of reasonable commercial standards of fair dealing.

457        ~~(e)~~ "Document" means ~~document of title as defined in the~~  
458 ~~general definitions in chapter 671 (s. 671.201).~~

459        (g) ~~(f)~~ "Goods" means all things that ~~which~~ are treated as  
460 movable for the purposes of a contract of storage or  
461 transportation.

462        (h) ~~(g)~~ "Issuer" means a bailee who issues a document of  
463 title or, in the case of ~~except that in relation to~~ an  
464 unaccepted delivery order, it means the person who orders the  
465 possessor of goods to deliver. The term ~~Issuer~~ includes a ~~any~~  
466 person for which ~~whom~~ an agent or employee purports to act in  
467 issuing a document if the agent or employee has real or apparent  
468 authority to issue documents, notwithstanding that the issuer  
469 received no goods or that the goods were misdescribed or that in  
470 any other respect the agent or employee violated his or her  
471 instructions.

472        (i) "Person entitled under the document" means the holder,  
473 in the case of a negotiable document of title, or the person to  
474 which delivery of the goods is to be made by the terms of, or  
475 pursuant to instructions in a record under, a nonnegotiable

476 document of title.

477 (j) "Record" means information that is inscribed on a  
 478 tangible medium or that is stored in an electronic or other  
 479 medium and is retrievable in perceivable form.

480 (k) "Shipper" means a person that enters into a contract  
 481 of transportation with a carrier.

482 (l) "Sign" means, with present intent to authenticate or  
 483 adopt a record:

- 484 1. To execute or adopt a tangible symbol; or
- 485 2. To attach to or logically associate with the record an  
 486 electronic sound, symbol, or process.

487 ~~(m)-(h)~~ "Warehouse" means ~~"Warehouseman" is a person~~  
 488 engaged in the business of storing goods for hire.

489 ~~(2) Other definitions applying to this chapter or to~~  
 490 ~~specified parts thereof, and the sections in which they appear~~  
 491 ~~are:~~

492 ~~"Duly negotiate," s. 677.501.~~

493 ~~"Person entitled under the document," s. 677.403(4).~~

494 ~~(3)~~ Definitions in other chapters applying to this chapter  
 495 and the sections in which they appear are:

496 "Contract for sale," s. 672.106.

497 ~~"Overseas," s. 672.323.~~

498 "Lessee in ordinary course of business," s. 680.1031.

499 "Receipt" of goods, s. 672.103.

500 ~~(3)-(4)~~ In addition, chapter 671 contains general  
 501 definitions and principles of construction and interpretation  
 502 applicable throughout this chapter.

503 Section 17. Section 677.103, Florida Statutes, is amended

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504 to read:

505 677.103 Relation of chapter to treaty, statute, tariff,  
506 classification or regulation.—

507 (1) Except as otherwise provided in this chapter, this  
508 chapter is subject to the extent that any treaty or statute of  
509 the United States to the extent the treaty or statute,  
510 regulatory statute of this state or tariff, classification or  
511 regulation filed or issued pursuant thereto is applicable, the  
512 provisions of this chapter are subject thereto.

513 (2) This chapter does not modify or repeal any law  
514 prescribing the form or content of a document of title or the  
515 services or facilities to be afforded by a bailee, or otherwise  
516 regulating a bailee's business in respects not specifically  
517 treated in this chapter. However, a violation of such a law does  
518 not affect the status of a document of title that otherwise is  
519 within the definition of a document of title.

520 (3) This chapter modifies, limits, and supersedes the  
521 federal Electronic Signatures in Global and National Commerce  
522 Act, 15 U.S.C. ss. 7001, et seq., but does not modify, limit, or  
523 supersede s. 101(c) of that act, 15 U.S.C. s. 7001(c), or  
524 authorize electronic delivery of any of the notices described in  
525 s. 103(b) of that act, 15 U.S.C. s. 7003(b).

526 (4) To the extent that there is a conflict between any  
527 provisions of the laws of this state regarding electronic  
528 transactions and this chapter, this chapter governs.

529 Section 18. Section 677.104, Florida Statutes, is amended  
530 to read:

531 677.104 Negotiable and nonnegotiable ~~warehouse receipt,~~

532 ~~bill of lading or other~~ document of title.-

533 (1) Except as otherwise provided in subsection (3), a  
 534 ~~warehouse receipt, bill of lading or other~~ document of title is  
 535 negotiable:

536 (a) if by its terms the goods are to be delivered to  
 537 bearer or to the order of a named person; ~~or~~

538 (b) ~~Where recognized in overseas trade, if it runs to a~~  
 539 ~~named person or assigns.~~

540 (2) A document of title other than one described in  
 541 subsection (1) Any other document is nonnegotiable. A bill of  
 542 lading that states in which it is stated that the goods are  
 543 consigned to a named person is not made negotiable by a  
 544 provision that the goods are to be delivered only against an a  
 545 ~~written~~ order in a record signed by the same or another named  
 546 person.

547 (3) A document of title is nonnegotiable if, at the time  
 548 it is issued, the document has a conspicuous legend, however  
 549 expressed, that it is nonnegotiable.

550 Section 19. Section 677.105, Florida Statutes, is amended  
 551 to read:

552 677.105 Reissuance in alternative medium Construction  
 553 ~~against negative implication.-~~

554 (1) Upon request of a person entitled under an electronic  
 555 document of title, the issuer of the electronic document may  
 556 issue a tangible document of title as a substitute for the  
 557 electronic document if:

558 (a) The person entitled under the electronic document  
 559 surrenders control of the document to the issuer; and

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560        (b) The tangible document when issued contains a statement  
561 that it is issued in substitution for the electronic document.

562        (2) Upon issuance of a tangible document of title in  
563 substitution for an electronic document of title in accordance  
564 with subsection (1):

565            (a) The electronic document ceases to have any effect or  
566 validity; and

567            (b) The person that procured issuance of the tangible  
568 document warrants to all subsequent persons entitled under the  
569 tangible document that the warrantor was a person entitled under  
570 the electronic document when the warrantor surrendered control  
571 of the electronic document to the issuer.

572        (3) Upon request of a person entitled under a tangible  
573 document of title, the issuer of the tangible document may issue  
574 an electronic document of title as a substitute for the tangible  
575 document if:

576            (a) The person entitled under the tangible document  
577 surrenders possession of the document to the issuer; and

578            (b) The electronic document when issued contains a  
579 statement that it is issued in substitution for the tangible  
580 document.

581        (4) Upon issuance of an electronic document of title in  
582 substitution for a tangible document of title in accordance with  
583 subsection (3):

584            (a) The tangible document ceases to have any effect or  
585 validity; and

586            (b) The person that procured issuance of the electronic  
587 document warrants to all subsequent persons entitled under the

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588 electronic document that the warrantor was a person entitled  
589 under the tangible document when the warrantor surrendered  
590 possession of the tangible document to the issuer. ~~The omission~~  
591 ~~from either part II or part III of this chapter of a provision~~  
592 ~~corresponding to a provision made in the other part does not~~  
593 ~~imply that a corresponding rule of law is not applicable.~~

594 Section 20. Section 677.106, Florida Statutes, is created  
595 to read:

596 677.106 Control of electronic document of title.—

597 (1) A person has control of an electronic document of  
598 title if a system employed for evidencing the transfer of  
599 interests in the electronic document reliably establishes that  
600 person as the person to which the electronic document was issued  
601 or transferred.

602 (2) A system satisfies subsection (1), and a person is  
603 deemed to have control of an electronic document of title, if  
604 the document is created, stored, and assigned in a manner that:

605 (a) A single authoritative copy of the document exists  
606 which is unique, identifiable, and, except as otherwise provided  
607 in paragraphs (d), (e), and (f), unalterable;

608 (b) The authoritative copy identifies the person asserting  
609 control as:

- 610 1. The person to which the document was issued; or
- 611 2. If the authoritative copy indicates that the document  
612 has been transferred, the person to which the document was most  
613 recently transferred;

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614           (c) The authoritative copy is communicated to and  
 615 maintained by the person asserting control or its designated  
 616 custodian;

617           (d) Copies or amendments that add or change an identified  
 618 assignee of the authoritative copy can be made only with the  
 619 consent of the person asserting control;

620           (e) Each copy of the authoritative copy and any copy of a  
 621 copy is readily identifiable as a copy that is not the  
 622 authoritative copy; and

623           (f) Any amendment of the authoritative copy is readily  
 624 identifiable as authorized or unauthorized.

625           Section 21. Section 677.201, Florida Statutes, is amended  
 626 to read:

627           677.201 Persons that ~~Who~~ may issue a warehouse receipt;  
 628 storage under ~~government~~ bond.—

629           (1) A warehouse receipt may be issued by any warehouse  
 630 ~~warehouseman.~~

631           (2) If where goods, including distilled spirits and  
 632 agricultural commodities, are stored under a statute requiring a  
 633 bond against withdrawal or a license for the issuance of  
 634 receipts in the nature of warehouse receipts, a receipt issued  
 635 for the goods is deemed to be ~~has like effect as~~ a warehouse  
 636 receipt even if though issued by a person that who is the owner  
 637 of the goods and is not a warehouse ~~warehouseman.~~

638           Section 22. Section 677.202, Florida Statutes, is amended  
 639 to read:

640           677.202 Form of warehouse receipt; effect of omission  
 641 ~~essential terms; optional terms.—~~

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642 (1) A warehouse receipt need not be in any particular  
643 form.

644 (2) Unless a warehouse receipt provides for ~~embodies~~  
645 ~~within its written or printed terms~~ each of the following, the  
646 warehouse ~~warehouseman~~ is liable for damages caused to a person  
647 injured by its ~~by the omission to a person injured thereby:~~

648 (a) A statement of the location of the warehouse facility  
649 where the goods are stored;

650 (b) The date of issue of the receipt;

651 (c) The unique identification code ~~consecutive number~~ of  
652 the receipt;

653 (d) A statement whether the goods received will be  
654 delivered to the bearer, to a named ~~specified~~ person, or to a  
655 named ~~specified~~ person or its ~~his or her~~ order;

656 (e) The rate of storage and handling charges, unless  
657 ~~except that where~~ goods are stored under a field warehousing  
658 arrangement, in which case a statement of that fact is  
659 sufficient on a nonnegotiable receipt;

660 (f) A description of the goods or ~~of~~ the packages  
661 containing them;

662 (g) The signature of the warehouse or its ~~warehouseman,~~  
663 ~~which may be made by his or her authorized agent;~~

664 (h) If the receipt is issued for goods that the warehouse  
665 owns ~~of which the warehouseman is owner~~, either solely, ~~or~~  
666 jointly, or in common with others, a statement of the fact of  
667 that ~~such~~ ownership; and

668 (i) A statement of the amount of advances made and of  
669 liabilities incurred for which the warehouse ~~warehouseman~~ claims



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670 a lien or security interest, unless ~~(s. 677.209)~~. If the precise  
 671 amount of ~~such~~ advances made or ~~of such~~ liabilities incurred ~~is,~~  
 672 at the time of the issue of the receipt ~~is,~~ unknown to the  
 673 warehouse ~~warehouseman~~ or to its ~~his or her~~ agent that issued  
 674 the receipt, in which case ~~who issues it,~~ a statement of the  
 675 fact that advances have been made or liabilities incurred and  
 676 the purpose of the advances or liabilities ~~thereof~~ is  
 677 sufficient.

678 (3) A warehouse ~~warehouseman~~ may insert in its ~~his or her~~  
 679 receipt any ~~other~~ terms that ~~which~~ are not contrary to the  
 680 provisions of this code and do not impair its ~~his or her~~  
 681 obligation of delivery under s. 677.403 ~~(s. 677.403)~~ or its ~~his~~  
 682 ~~or her~~ duty of care under s. 677.204 ~~(s. 677.204)~~. Any contrary  
 683 provision is ~~provisions shall be~~ ineffective.

684 Section 23. Section 677.203, Florida Statutes, is amended  
 685 to read:

686 677.203 Liability of nonreceipt or misdescription.—A party  
 687 to or purchaser for value in good faith of a document of title,  
 688 other than a bill of lading, that relies ~~relying in either case~~  
 689 upon the description ~~therein~~ of the goods in the document may  
 690 recover from the issuer damages caused by the nonreceipt or  
 691 misdescription of the goods, except to the extent that:

692 (1) The document conspicuously indicates that the issuer  
 693 does not know whether all or any part ~~or all~~ of the goods in  
 694 fact were received or conform to the description, such as a case  
 695 in which ~~as where~~ the description is in terms of marks or labels  
 696 or kind, quantity or condition, or the receipt or description is  
 697 qualified by "contents, condition and quality unknown," "said to

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698 contain," or words of similar import ~~the like~~, if such  
 699 indication ~~is~~ be true;; or

700 (2) The party or purchaser otherwise has notice of the  
 701 nonreceipt or misdescription.

702 Section 24. Section 677.204, Florida Statutes, is amended  
 703 to read:

704 677.204 Duty of care; contractual limitation of  
 705 warehouse's ~~warehouseman's~~ liability.-

706 (1) A warehouse ~~warehouseman~~ is liable for damages for  
 707 loss of or injury to the goods caused by its ~~his or her~~ failure  
 708 to exercise ~~such~~ care with ~~in~~ regard to the goods that ~~them~~ as a  
 709 reasonably careful person would exercise under similar ~~like~~  
 710 circumstances. ~~but~~ Unless otherwise agreed, the warehouse ~~he or~~  
 711 ~~she~~ is not liable for damages that ~~which~~ could not have been  
 712 avoided by the exercise of that ~~such~~ care.

713 (2) Damages may be limited by a term in the warehouse  
 714 receipt or storage agreement limiting the amount of liability in  
 715 case of loss or damage, ~~and setting forth a specific liability~~  
 716 ~~per article or item, or value per unit of weight,~~ beyond which  
 717 the warehouse is ~~warehouseman~~ shall not be liable; ~~provided,~~  
 718 ~~however, that such liability may on written.~~ Such a limitation  
 719 is not effective with respect to the warehouse's liability for  
 720 conversion to its own use. On request of the bailor in a record  
 721 at the time of signing the ~~such~~ storage agreement or within a  
 722 reasonable time after receipt of the warehouse receipt, the  
 723 warehouse's liability may be increased on part or all of the  
 724 goods covered by the storage agreement or the warehouse receipt.  
 725 In this event, thereunder, in which event increased rates may be

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726 | charged based on an such increased valuation of the goods, ~~but~~  
 727 | ~~that no such increase shall be permitted contrary to a lawful~~  
 728 | ~~limitation of liability contained in the warehouseman's tariff,~~  
 729 | ~~if any. No such limitation is effective with respect to the~~  
 730 | ~~warehouseman's liability for conversion to his or her own use.~~

731 |       (3) Reasonable provisions as to the time and manner of  
 732 | presenting claims and commencing actions based on the bailment  
 733 | may be included in the warehouse receipt or storage agreement.

734 |       (4) ~~(3)~~ This section does not impair or repeal any statute  
 735 | which imposes a higher responsibility upon the warehouse  
 736 | ~~warehouseman~~ or invalidates contractual limitations which would  
 737 | be permissible under this chapter.

738 |       Section 25. Section 677.205, Florida Statutes, is amended  
 739 | to read:

740 |       677.205 Title under warehouse receipt defeated in certain  
 741 | cases.—A buyer in ~~the~~ ordinary course of business of fungible  
 742 | goods sold and delivered by a warehouse that ~~warehouseman who~~ is  
 743 | also in the business of buying and selling such goods takes the  
 744 | goods free of any claim under a warehouse receipt even if the  
 745 | receipt is negotiable and ~~though it~~ has been duly negotiated.

746 |       Section 26. Section 677.206, Florida Statutes, is amended  
 747 | to read:

748 |       677.206 Termination of storage at warehouse's  
 749 | ~~warehouseman's~~ option.—

750 |       (1) A warehouse, by giving notice to ~~warehouseman may on~~  
 751 | ~~notifying~~ the person on whose account the goods are held and any  
 752 | other person known to claim an interest in the goods, may  
 753 | require payment of any charges and removal of the goods from the

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754 warehouse at the termination of the period of storage fixed by  
755 the document of title, or, if a ~~no~~ period is not fixed, within a  
756 stated period not less than 30 days after the warehouse gives  
757 notice ~~notification~~. If the goods are not removed before the  
758 date specified in the notice ~~notification~~, the warehouse  
759 ~~warehouseman~~ may sell them pursuant to s. 677.210 ~~in accordance~~  
760 ~~with the provisions of the section on enforcement of a~~  
761 ~~warehouseman's lien (s. 677.210)~~.

762 (2) If a warehouse ~~warehouseman~~ in good faith believes  
763 that ~~the~~ goods are about to deteriorate or decline in value to  
764 less than the amount of its ~~his or her~~ lien within the time  
765 provided ~~prescribed~~ in subsection (1) and s. 677.210 ~~for~~  
766 ~~notification, advertisement and sale~~, the warehouse ~~warehouseman~~  
767 may specify in the notice given under subsection (1)  
768 ~~notification~~ any reasonable shorter time for removal of the  
769 goods and, if in case the goods are not removed, may sell them  
770 at public sale held not less than 1 week after a single  
771 advertisement or posting.

772 (3) If, as a result of a quality or condition of the goods  
773 of which the warehouse did not have ~~warehouseman had no~~ notice  
774 at the time of deposit, the goods are a hazard to other  
775 property, or to the warehouse facilities, or other to persons,  
776 the warehouse ~~warehouseman~~ may sell the goods at public or  
777 private sale without advertisement or posting on reasonable  
778 notification to all persons known to claim an interest in the  
779 goods. If the warehouse, warehouseman after a reasonable effort,  
780 is unable to sell the goods, it ~~he or she~~ may dispose of them in  
781 any lawful manner and does not ~~shall~~ incur ~~no~~ liability by

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782 reason of that ~~such~~ disposition.

783 (4) A warehouse shall ~~The warehouseman must~~ deliver the  
 784 goods to any person entitled to them under this chapter upon due  
 785 demand made at any time before ~~prior to~~ sale or other  
 786 disposition under this section.

787 (5) A warehouse ~~The warehouseman~~ may satisfy its ~~his or~~  
 788 ~~her~~ lien from the proceeds of any sale or disposition under this  
 789 section but shall ~~must~~ hold the balance for delivery on the  
 790 demand of any person to which the warehouse ~~whom he or she~~ would  
 791 have been bound to deliver the goods.

792 Section 27. Section 677.207, Florida Statutes, is amended  
 793 to read:

794 677.207 Goods shall ~~must~~ be kept separate; fungible  
 795 goods.—

796 (1) Unless the warehouse receipt ~~otherwise~~ provides  
 797 otherwise, a warehouse shall ~~warehouseman must~~ keep separate the  
 798 goods covered by each receipt so as to permit at all times  
 799 identification and delivery of those goods. However, ~~except that~~  
 800 different lots of fungible goods may be commingled.

801 (2) If different lots of fungible goods are ~~so~~ commingled,  
 802 the goods are owned in common by the persons entitled thereto  
 803 and the warehouse ~~warehouseman~~ is severally liable to each owner  
 804 for that owner's share. If, ~~where~~ because of overissue, a mass  
 805 of fungible goods is insufficient to meet all the receipts ~~which~~  
 806 the warehouse ~~warehouseman~~ has issued against it, the persons  
 807 entitled include all holders to whom overissued receipts have  
 808 been duly negotiated.

809 Section 28. Section 677.208, Florida Statutes, is amended

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810 to read:

811 677.208 Altered warehouse receipts.—~~If~~ where a blank in a  
 812 negotiable warehouse receipt has been filled in without  
 813 authority, a good faith purchaser for value and without notice  
 814 of the lack ~~want~~ of authority may treat the insertion as  
 815 authorized. Any other unauthorized alteration leaves any  
 816 tangible or electronic warehouse receipt enforceable against the  
 817 issuer according to its original tenor.

818 Section 29. Section 677.209, Florida Statutes, is amended  
 819 to read:

820 677.209 Lien of warehouse ~~warehouseman~~.—

821 (1) A warehouse ~~warehouseman~~ has a lien against the bailor  
 822 on the goods covered by a warehouse receipt or storage agreement  
 823 or on the proceeds thereof in its ~~his or her~~ possession for  
 824 charges for storage or transportation, including demurrage and  
 825 terminal charges ~~(including demurrage and terminal charges),~~  
 826 insurance, labor, or other charges, present or future, in  
 827 relation to the goods, and for expenses necessary for  
 828 preservation of the goods or reasonably incurred in their sale  
 829 pursuant to law. If the person on whose account the goods are  
 830 held is liable for similar ~~like~~ charges or expenses in relation  
 831 to other goods whenever deposited and it is stated in the  
 832 warehouse receipt or storage agreement that a lien is claimed  
 833 for charges and expenses in relation to other goods, the  
 834 warehouse ~~warehouseman~~ also has a lien against the goods covered  
 835 by the warehouse receipt or storage agreement or on the proceeds  
 836 thereof in its possession ~~him or her~~ for those ~~such~~ charges and  
 837 expenses, whether or not the other goods have been delivered by

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838 the warehouse ~~warehouseman~~. However, as ~~But~~ against a person to  
 839 which ~~whom~~ a negotiable warehouse receipt is duly negotiated, a  
 840 warehouse's ~~warehouseman's~~ lien is limited to charges in an  
 841 amount or at a rate specified in ~~on~~ the warehouse receipt or, if  
 842 no charges are so specified, ~~then~~ to a reasonable charge for  
 843 storage of the specific goods covered by the receipt subsequent  
 844 to the date of the receipt.

845 (2) A warehouse ~~The warehouseman~~ may also reserve a  
 846 security interest against the bailor for the ~~a~~ maximum amount  
 847 specified on the receipt for charges other than those specified  
 848 in subsection (1), such as for money advanced and interest. The  
 849 ~~Such a~~ security interest is governed by chapter 679 ~~the chapter~~  
 850 ~~on secured transactions (chapter 679)~~.

851 (3) A warehouse's ~~warehouseman's~~ lien for charges and  
 852 expenses under subsection (1) or a security interest under  
 853 subsection (2) is also effective against any person that ~~who~~ so  
 854 entrusted the bailor with possession of the goods that a pledge  
 855 of them by the bailor ~~him or her~~ to a good faith ~~good faith~~  
 856 purchaser for value would have been valid. However, the lien or  
 857 security interest ~~but~~ is not effective against a person that  
 858 before issuance of a document of title had a legal interest or a  
 859 perfected security interest in the goods and that did not:

- 860 (a) Deliver or entrust the goods or any document of title  
 861 covering the goods to the bailor or the bailor's nominee with:  
 862 1. Actual or apparent authority to ship, store, or sell;  
 863 2. Power to obtain delivery under s. 677.403; or  
 864 3. Power of disposition under s. 672.403, s. 680.304(2),  
 865 s. 680.305(2), s. 679.320, or s. 679.321(3) or other statute or

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866 rule of law; or

867 (b) Acquiesce in the procurement by the bailor or its  
 868 nominee of any document as to whom the document confers no right  
 869 in the goods covered by it under s. 677.503.

870 (4) A warehouse's lien on household goods for charges and  
 871 expenses in relation to the goods under subsection (1) is also  
 872 effective against all persons if the depositor was the legal  
 873 possessor of the goods at the time of deposit. In this  
 874 subsection, the term "household goods" means furniture,  
 875 furnishings, or personal effects used by the depositor in a  
 876 dwelling.

877 (5)~~(4)~~ A warehouse ~~warehouseman~~ loses its ~~his or her~~ lien  
 878 on any goods that it ~~which he or she~~ voluntarily delivers or  
 879 ~~which he or she~~ unjustifiably refuses to deliver.

880 Section 30. Section 677.210, Florida Statutes, is amended  
 881 to read:

882 677.210 Enforcement of warehouse's ~~warehouseman's~~ lien.—

883 (1) Except as provided in subsection (2), a warehouse's  
 884 ~~warehouseman's~~ lien may be enforced by public or private sale of  
 885 the goods, in bulk or in packages in block or in parcels, at any  
 886 time or place and on any terms that ~~which~~ are commercially  
 887 reasonable, after notifying all persons known to claim an  
 888 interest in the goods. The ~~Such~~ notification shall ~~must~~ include  
 889 a statement of the amount due, the nature of the proposed sale,  
 890 and the time and place of any public sale. The fact that a  
 891 better price could have been obtained by a sale at a different  
 892 time or in a different method from that selected by the  
 893 warehouse ~~warehouseman~~ is not of itself sufficient to establish



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894 that the sale was not made in a commercially reasonable manner.  
895 The warehouse sells in a commercially reasonable manner if the  
896 warehouse ~~If the warehouseman either~~ sells the goods in the  
897 usual manner in any recognized market therefor, ~~or if he or she~~  
898 sells at the price current in that ~~such~~ market at the time of  
899 ~~the his or her~~ sale, or ~~if he or she has~~ otherwise sells ~~sold~~ in  
900 conformity with commercially reasonable practices among dealers  
901 in the type of goods sold, ~~he or she has sold in a commercially~~  
902 ~~reasonable manner~~. A sale of more goods than apparently  
903 necessary to be offered to ensure satisfaction of the obligation  
904 is not commercially reasonable except in cases covered by the  
905 preceding sentence.

906 (2) A warehouse may enforce its ~~warehouseman's~~ lien on  
907 goods, other than goods stored by a merchant in the course of  
908 its ~~his or her~~ business, only if the following requirements are  
909 satisfied ~~may be enforced only as follows:~~

910 (a) All persons known to claim an interest in the goods  
911 shall ~~must~~ be notified.

912 ~~(b) The notification must be delivered in person or sent~~  
913 ~~by registered or certified letter to the last known address of~~  
914 ~~any person to be notified.~~

915 ~~(b)(c)~~ The notification shall ~~must~~ include an itemized  
916 statement of the claim, a description of the goods subject to  
917 the lien, a demand for payment within a specified time not less  
918 than 10 days after receipt of the notification, and a  
919 conspicuous statement that unless the claim is paid within that  
920 time the goods will be advertised for sale and sold by auction  
921 at a specified time and place.

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922            ~~(c)-(d)~~ The sale shall ~~must~~ conform to the terms of the  
 923 notification.

924            ~~(d)-(e)~~ The sale shall ~~must~~ be held at the nearest suitable  
 925 place to ~~that~~ where the goods are held or stored.

926            ~~(e)-(f)~~ After the expiration of the time given in the  
 927 notification, an advertisement of the sale shall ~~must~~ be  
 928 published once a week for 2 weeks consecutively in a newspaper  
 929 of general circulation where the sale is to be held. The  
 930 advertisement shall ~~must~~ include a description of the goods, the  
 931 name of the person on whose account they are being held, and the  
 932 time and place of the sale. The sale shall ~~must~~ take place at  
 933 least 15 days after the first publication. If there is no  
 934 newspaper of general circulation where the sale is to be held,  
 935 the advertisement shall ~~must~~ be posted at least 10 days before  
 936 the sale in not fewer ~~less~~ than 6 conspicuous places in the  
 937 neighborhood of the proposed sale.

938            (3) Before any sale pursuant to this section any person  
 939 claiming a right in the goods may pay the amount necessary to  
 940 satisfy the lien and the reasonable expenses incurred in  
 941 complying with ~~under~~ this section. In that event, the goods may  
 942 ~~must~~ not be sold, but shall ~~must~~ be retained by the warehouse  
 943 ~~warehouseman~~ subject to the terms of the receipt and this  
 944 chapter.

945            (4) A warehouse ~~The warehouseman~~ may buy at any public  
 946 sale held pursuant to this section.

947            (5) A purchaser in good faith of goods sold to enforce a  
 948 warehouse's ~~warehouseman's~~ lien takes the goods free of any  
 949 rights of persons against which ~~whom~~ the lien was valid, despite

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950 the warehouse's noncompliance ~~by the warehouseman~~ with the  
 951 ~~requirements of~~ this section.

952 (6) A warehouse ~~The warehouseman~~ may satisfy its ~~his or~~  
 953 ~~her~~ lien from the proceeds of any sale pursuant to this section  
 954 but shall ~~must~~ hold the balance, if any, for delivery on demand  
 955 to any person to which the warehouse ~~whom he or she~~ would have  
 956 been bound to deliver the goods.

957 (7) The rights provided by this section shall be in  
 958 addition to all other rights allowed by law to a creditor  
 959 against a ~~his or her~~ debtor.

960 (8) If ~~Where~~ a lien is on goods stored by a merchant in  
 961 the course of its ~~his or her~~ business, the lien may be enforced  
 962 in accordance with ~~either~~ subsection (1) or subsection (2).

963 (9) A warehouse ~~The warehouseman~~ is liable for damages  
 964 caused by failure to comply with the requirements for sale under  
 965 this section, and in case of willful violation, is liable for  
 966 conversion.

967 Section 31. Section 677.301, Florida Statutes, is amended  
 968 to read:

969 677.301 Liability for nonreceipt or misdescription; "said  
 970 to contain"; "shipper's weight, load, and count"; improper  
 971 handling.—

972 (1) A consignee of a nonnegotiable bill of lading which  
 973 ~~who~~ has given value in good faith, or a holder to which ~~whom~~ a  
 974 negotiable bill has been duly negotiated, relying in either case  
 975 upon the description ~~therein~~ of the goods in the bill, or upon  
 976 the date ~~therein~~ shown in the bill, may recover from the issuer  
 977 damages caused by the misdating of the bill or the nonreceipt or

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978 | misdescription of the goods, except to the extent that the bill  
 979 | ~~document~~ indicates that the issuer does not know whether any  
 980 | part or all of the goods in fact were received or conform to the  
 981 | description, such as in the case in which ~~where~~ the description  
 982 | is in terms of marks or labels or kind, quantity, or condition  
 983 | or the receipt or description is qualified by "contents or  
 984 | condition of contents of packages unknown," "said to contain,"  
 985 | "shipper's weight, load, and count" or words of similar import  
 986 | ~~the like, if that such~~ indication is ~~be~~ true.

987 | (2) If ~~When~~ goods are loaded by the ~~an~~ issuer of a bill of  
 988 | lading: who is a common carrier,

989 | (a) The issuer shall ~~must~~ count the packages of goods if  
 990 | shipped in packages ~~package freight~~ and ascertain the kind and  
 991 | quantity if shipped in bulk; and ~~freight.~~

992 | (b) Words ~~In~~ such as ~~eases~~ "shipper's weight, load, and  
 993 | count" or ~~other~~ words of similar import indicating that the  
 994 | description was made by the shipper are ineffective except as to  
 995 | goods ~~freight~~ concealed in ~~by~~ packages.

996 | (3) If ~~When~~ bulk goods are ~~freight is~~ loaded by a shipper  
 997 | that ~~who~~ makes available to the issuer of a bill of lading  
 998 | adequate facilities for weighing those goods, the ~~such freight,~~  
 999 | ~~an~~ issuer shall ~~who is a common carrier must~~ ascertain the kind  
 1000 | and quantity within a reasonable time after receiving the  
 1001 | shipper's ~~written~~ request ~~of the shipper~~ to do so. In that case  
 1002 | ~~such cases~~ "shipper's weight, load, and count" or ~~other~~ words of  
 1003 | similar import ~~like purport~~ are ineffective.

1004 | (4) The issuer of a bill of lading, ~~may~~ by including  
 1005 | ~~inserting~~ in the bill the words "shipper's weight, load, and

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1006 count" or ~~other~~ words of similar import, may ~~like purport~~  
 1007 indicate that the goods were loaded by the shipper,~~+~~ and if that  
 1008 ~~such~~ statement is ~~be~~ true, the issuer is ~~shall~~ not ~~be~~ liable for  
 1009 damages caused by the improper loading. However, ~~But their~~  
 1010 omission of such words does not imply liability for ~~such~~ damages  
 1011 caused by improper loading.

1012 (5) A ~~The~~ shipper guarantees ~~shall be deemed to have~~  
 1013 ~~guaranteed~~ to an ~~the~~ issuer the accuracy at the time of shipment  
 1014 of the description, marks, labels, number, kind, quantity,  
 1015 condition and weight, as furnished by the shipper, ~~him or her~~;  
 1016 and the shipper shall indemnify the issuer against damage caused  
 1017 by inaccuracies in those ~~such~~ particulars. This ~~The~~ right of ~~the~~  
 1018 ~~issuer to such~~ indemnity does not ~~shall in no way~~ limit the  
 1019 issuer's ~~his or her~~ responsibility or ~~and~~ liability under the  
 1020 contract of carriage to any person other than the shipper.

1021 Section 32. Section 677.302, Florida Statutes, is amended  
 1022 to read:

1023 677.302 Through bills of lading and similar documents of  
 1024 title.-

1025 (1) The issuer of a through bill of lading, or other  
 1026 document of title embodying an undertaking to be performed in  
 1027 part by a person ~~persons~~ acting as its agent ~~agents~~ or by a  
 1028 performing carrier, ~~connecting carriers~~ is liable to any person  
 1029 ~~anyone~~ entitled to recover on the bill or other document for any  
 1030 breach by the ~~such~~ other person ~~persons~~ or the performing ~~by a~~  
 1031 ~~connecting~~ carrier of its obligation under the bill or other  
 1032 document. However, ~~but~~ to the extent that the bill or other  
 1033 document covers an undertaking to be performed overseas or in

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1034 territory not contiguous to the continental United States or an  
 1035 undertaking including matters other than transportation, this  
 1036 liability for breach by the other person or the performing  
 1037 carrier may be varied by agreement of the parties.

1038 (2) If ~~where~~ goods covered by a through bill of lading or  
 1039 other document of title embodying an undertaking to be performed  
 1040 in part by a person ~~persons~~ other than the issuer are received  
 1041 by that ~~any such~~ person, the person ~~he or she~~ is subject, with  
 1042 respect to its ~~his or her~~ own performance while the goods are in  
 1043 its ~~his or her~~ possession, to the obligation of the issuer. The  
 1044 person's ~~His or her~~ obligation is discharged by delivery of the  
 1045 goods to another ~~such~~ person pursuant to the bill or other  
 1046 document, and does not include liability for breach by any other  
 1047 person ~~such persons~~ or by the issuer.

1048 (3) The issuer of a ~~such~~ through bill of lading or other  
 1049 document of title described in subsection (1) ~~is shall be~~  
 1050 entitled to recover from the performing ~~connecting~~ carrier, or  
 1051 ~~such~~ other person in possession of the goods when the breach of  
 1052 the obligation under the bill or other document occurred:7

1053 (a) The amount it may be required to pay to any person  
 1054 ~~anyone~~ entitled to recover on the bill or other document for the  
 1055 breach ~~therefor~~, as may be evidenced by any receipt, judgment,  
 1056 or transcript of judgment; ~~thereof~~, and

1057 (b) The amount of any expense reasonably incurred by the  
 1058 insurer ~~it~~ in defending any action commenced ~~brought~~ by any  
 1059 person ~~anyone~~ entitled to recover on the bill or other document  
 1060 for the breach ~~therefor~~.

1061 Section 33. Section 677.303, Florida Statutes, is amended

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1062 to read:

1063 677.303 Diversion; reconsignment; change of instructions.—

1064 (1) Unless the bill of lading otherwise provides, a ~~the~~  
 1065 carrier may deliver the goods to a person or destination other  
 1066 than that stated in the bill or may otherwise dispose of the  
 1067 goods, without liability for misdelivery, on instructions from:

1068 (a) The holder of a negotiable bill; ~~or~~

1069 (b) The consignor on a nonnegotiable bill, even if the  
 1070 consignee has given notwithstanding contrary instructions ~~from~~  
 1071 ~~the consignee; or~~

1072 (c) The consignee on a nonnegotiable bill in the absence  
 1073 of contrary instructions from the consignor, if the goods have  
 1074 arrived at the billed destination or if the consignee is in  
 1075 possession of the tangible bill or in control of the electronic  
 1076 bill; or

1077 (d) The consignee on a nonnegotiable bill, if the  
 1078 consignee ~~he or she~~ is entitled as against the consignor to  
 1079 dispose of the goods ~~them~~.

1080 (2) Unless ~~such~~ instructions described in subsection (1)  
 1081 are included in ~~noted on~~ a negotiable bill of lading, a person  
 1082 to which ~~whom~~ the bill is duly negotiated may ~~can~~ hold the  
 1083 bailee according to the original terms.

1084 Section 34. Section 677.304, Florida Statutes, is amended  
 1085 to read:

1086 677.304 Tangible bills of lading in a set.—

1087 (1) Except as ~~where~~ customary in international ~~overseas~~  
 1088 transportation, a tangible bill of lading may ~~must~~ not be issued  
 1089 in a set of parts. The issuer is liable for damages caused by

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1090 violation of this subsection.

1091 (2) If ~~Where~~ a tangible bill of lading is lawfully issued  
 1092 ~~drawn~~ in a set of parts, each of which contains an  
 1093 identification code ~~is numbered~~ and is expressed to be valid  
 1094 only if the goods have not been delivered against any other  
 1095 part, the whole of the parts constitutes ~~constitute~~ one bill.

1096 (3) If ~~Where~~ a tangible negotiable bill of lading is  
 1097 lawfully issued in a set of parts and different parts are  
 1098 negotiated to different persons, the title of the holder to  
 1099 which ~~whom~~ the first due negotiation is made prevails as to both  
 1100 the document of title and the goods even if ~~though~~ any later  
 1101 holder may have received the goods from the carrier in good  
 1102 faith and discharged the carrier's obligation by surrendering  
 1103 its ~~surrender of his or her~~ part.

1104 (4) A ~~Any~~ person that ~~who~~ negotiates or transfers a single  
 1105 part of a tangible bill of lading issued ~~drawn~~ in a set is  
 1106 liable to holders of that part as if it were the whole set.

1107 (5) The bailee shall ~~is obliged to~~ deliver in accordance  
 1108 with part IV of this chapter against the first presented part of  
 1109 a tangible bill of lading lawfully drawn in a set. ~~Such~~ Delivery  
 1110 in this manner discharges the bailee's obligation on the whole  
 1111 bill.

1112 Section 35. Section 677.305, Florida Statutes, is amended  
 1113 to read:

1114 677.305 Destination bills.—

1115 (1) Instead of issuing a bill of lading to the consignor  
 1116 at the place of shipment, a carrier, ~~may~~ at the request of the  
 1117 consignor, may procure the bill to be issued at destination or



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1118 at any other place designated in the request.

1119 (2) Upon request of any person ~~anyone~~ entitled as against  
 1120 the carrier to control the goods while in transit and on  
 1121 surrender of possession or control of any outstanding bill of  
 1122 lading or other receipt covering such goods, the issuer, subject  
 1123 to s. 677.105, may procure a substitute bill to be issued at any  
 1124 place designated in the request.

1125 Section 36. Section 677.307, Florida Statutes, is amended  
 1126 to read:

1127 677.307 Lien of carrier.—

1128 (1) A carrier has a lien on the goods covered by a bill of  
 1129 lading or on the proceeds thereof in its possession for charges  
 1130 after subsequent to the date of the carrier's ~~its~~ receipt of the  
 1131 goods for storage or transportation, including demurrage and  
 1132 terminal charges, ~~(including demurrage and terminal charges)~~ and  
 1133 for expenses necessary for preservation of the goods incident to  
 1134 their transportation or reasonably incurred in their sale  
 1135 pursuant to law. However, ~~But~~ against a purchaser for value of a  
 1136 negotiable bill of lading, a carrier's lien is limited to  
 1137 charges stated in the bill or the applicable tariffs, ~~or,~~ or, if no  
 1138 charges are stated, ~~then to~~ a reasonable charge.

1139 (2) A lien for charges and expenses under subsection (1)  
 1140 on goods that ~~which~~ the carrier was required by law to receive  
 1141 for transportation is effective against the consignor or any  
 1142 person entitled to the goods unless the carrier had notice that  
 1143 the consignor lacked authority to subject the goods to those  
 1144 ~~such~~ charges and expenses. Any other lien under subsection (1)  
 1145 is effective against the consignor and any person that ~~who~~

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1146 | permitted the bailor to have control or possession of the goods  
 1147 | unless the carrier had notice that the bailor lacked ~~such~~  
 1148 | authority.

1149 | (3) A carrier loses its ~~his or her~~ lien on any goods that  
 1150 | it ~~which the carrier~~ voluntarily delivers or ~~which he or she~~  
 1151 | unjustifiably refuses to deliver.

1152 | Section 37. Section 677.308, Florida Statutes, is amended  
 1153 | to read:

1154 | 677.308 Enforcement of carrier's lien.—

1155 | (1) A carrier's lien on goods may be enforced by public or  
 1156 | private sale of the goods, in bulk ~~block~~ or in packages ~~parcels~~,  
 1157 | at any time or place and on any terms that ~~which~~ are  
 1158 | commercially reasonable, after notifying all persons known to  
 1159 | claim an interest in the goods. The ~~Such~~ notification shall ~~must~~  
 1160 | include a statement of the amount due, the nature of the  
 1161 | proposed sale, and the time and place of any public sale. The  
 1162 | fact that a better price could have been obtained by a sale at a  
 1163 | different time or in a method ~~method~~ different from that  
 1164 | selected by the carrier is not of itself sufficient to establish  
 1165 | that the sale was not made in a commercially reasonable manner.  
 1166 | ~~If~~ The carrier ~~either~~ sells ~~the~~ goods in a commercially  
 1167 | reasonable ~~the usual manner in any recognized market therefor or~~  
 1168 | if the carrier ~~he or she~~ sells the goods in the usual manner in  
 1169 | any recognized market therefor, sells at the price current in  
 1170 | that ~~such~~ market at the time of the ~~his or her~~ sale, or ~~if the~~  
 1171 | ~~carrier has~~ otherwise sells ~~sold~~ in conformity with commercially  
 1172 | reasonable practices among dealers in the type of goods sold ~~he~~  
 1173 | ~~or she has sold in a commercially reasonable manner.~~ A sale of

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1174 more goods than apparently necessary to be offered to ensure  
1175 satisfaction of the obligation is not commercially reasonable,  
1176 except in cases covered by the preceding sentence.

1177 (2) Before any sale pursuant to this section, any person  
1178 claiming a right in the goods may pay the amount necessary to  
1179 satisfy the lien and the reasonable expenses incurred in  
1180 complying with ~~under~~ this section. In that event, the goods may  
1181 ~~must~~ not be sold, but shall ~~must~~ be retained by the carrier,  
1182 subject to the terms of the bill of lading and this chapter.

1183 (3) The carrier may buy at any public sale pursuant to  
1184 this section.

1185 (4) A purchaser in good faith of goods sold to enforce a  
1186 carrier's lien takes the goods free of any rights of persons  
1187 against which ~~whom~~ the lien was valid, despite the carrier's  
1188 noncompliance ~~by the carrier~~ with ~~the requirements of~~ this  
1189 section.

1190 (5) A ~~The~~ carrier may satisfy its ~~his or her~~ lien from the  
1191 proceeds of any sale pursuant to this section but shall ~~must~~  
1192 hold the balance, if any, for delivery on demand to any person  
1193 to which ~~whom~~ the carrier would have been bound to deliver the  
1194 goods.

1195 (6) The rights provided by this section are ~~shall be~~ in  
1196 addition to all other rights allowed by law to a creditor  
1197 against a ~~his or her~~ debtor.

1198 (7) A carrier's lien may be enforced pursuant to ~~in~~  
1199 ~~accordance with~~ either subsection (1) or the procedure set forth  
1200 in s. 677.210(2).

1201 (8) A ~~The~~ carrier is liable for damages caused by failure

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1202 to comply with the requirements for sale under this section and,  
 1203 in case of willful violation, is liable for conversion.

1204 Section 38. Section 677.309, Florida Statutes, is amended  
 1205 to read:

1206 677.309 Duty of care; contractual limitation of carrier's  
 1207 liability.-

1208 (1) A carrier that ~~who~~ issues a bill of lading, whether  
 1209 negotiable or nonnegotiable, shall ~~must~~ exercise the degree of  
 1210 care in relation to the goods which a reasonably careful person  
 1211 would exercise under similar ~~like~~ circumstances. This subsection  
 1212 does not affect ~~repeal or change~~ any statute, regulation, law or  
 1213 rule of law that ~~which~~ imposes liability upon a common carrier  
 1214 for damages not caused by its negligence.

1215 (2) Damages may be limited by a term in the bill of lading  
 1216 or in a transportation agreement ~~provision~~ that the carrier's  
 1217 liability may ~~shall~~ not exceed a value stated in the bill or  
 1218 transportation agreement ~~document~~ if the carrier's rates are  
 1219 dependent upon value and the consignor ~~by the carrier's tariff~~  
 1220 is afforded an opportunity to declare a higher value and the  
 1221 consignor ~~or a value as lawfully provided in the tariff, or~~  
 1222 ~~where no tariff is filed he or she is otherwise~~ advised of the  
 1223 ~~such~~ opportunity. However,; ~~but no~~ such a limitation is not  
 1224 effective with respect to the carrier's liability for conversion  
 1225 to its own use.

1226 (3) Reasonable provisions as to the time and manner of  
 1227 presenting claims and commencing ~~instituting~~ actions based on  
 1228 the shipment may be included in the bill of lading or a  
 1229 transportation agreement ~~tariff~~.

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1230 Section 39. Section 677.401, Florida Statutes, is amended  
 1231 to read:

1232 677.401 Irregularities in issue of receipt or bill or  
 1233 conduct of issuer.—The obligations imposed by this chapter on an  
 1234 issuer apply to a document of title even if ~~regardless of the~~  
 1235 ~~fact that~~:

1236 (1) The document does ~~may~~ not comply with the requirements  
 1237 of this chapter or of any other statute, rule of law, ~~law~~ or  
 1238 regulation regarding its issuance ~~issue~~, form, or content; ~~or~~

1239 (2) The issuer ~~may have~~ violated laws regulating the  
 1240 conduct of its ~~his or her~~ business; ~~or~~

1241 (3) The goods covered by the document were owned by the  
 1242 bailee when ~~at the time~~ the document was issued; or

1243 (4) The person issuing the document is not a warehouse but  
 1244 the document ~~does not come within the definition of warehouseman~~  
 1245 ~~if it~~ purports to be a warehouse receipt.

1246 Section 40. Section 677.402, Florida Statutes, is amended  
 1247 to read:

1248 677.402 Duplicate document of title ~~receipt or bill~~;  
 1249 overissue.—~~Neither~~ A duplicate or ~~nor~~ any other document of  
 1250 title purporting to cover goods already represented by an  
 1251 outstanding document of the same issuer does not confer ~~confers~~  
 1252 any right in the goods, except as provided in the case of  
 1253 tangible bills of lading in a set of parts, overissue of  
 1254 documents for fungible goods, and substitutes for lost, stolen  
 1255 or destroyed documents, or substitute documents issued pursuant  
 1256 to s. 677.105. ~~But~~ The issuer is liable for damages caused by  
 1257 its ~~his or her~~ overissue or failure to identify a duplicate

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1258 document ~~as such~~ by a conspicuous notation ~~on its face~~.

1259 Section 41. Section 677.403, Florida Statutes, is amended  
1260 to read:

1261 677.403 Obligation of bailee ~~warehouseman or carrier~~ to  
1262 deliver; excuse.—

1263 (1) A ~~The~~ bailee shall ~~must~~ deliver the goods to a person  
1264 entitled under a ~~the~~ document of title if the person ~~who~~  
1265 complies with subsections (2) and (3), unless and to the extent  
1266 that the bailee establishes any of the following:

1267 (a) Delivery of the goods to a person whose receipt was  
1268 rightful as against the claimant;

1269 (b) Damage to or delay, loss or destruction of the goods  
1270 for which the bailee is not liable, but the burden of  
1271 establishing negligence in such cases when value of such damage,  
1272 delay, loss, or destruction exceeds \$10,000 is on the person  
1273 entitled under the document;~~—~~

1274 (c) Previous sale or other disposition of the goods in  
1275 lawful enforcement of a lien or on a warehouse's ~~warehouseman's~~  
1276 lawful termination of storage;

1277 (d) The exercise by a seller of its ~~his or her~~ right to  
1278 stop delivery pursuant to s. 672.705 or by a lessor of its right  
1279 to stop delivery pursuant to s. 680.526 ~~the provisions of the~~  
1280 ~~chapter on sales (s. 672.705);~~

1281 (e) A diversion, reconsignment, or other disposition  
1282 pursuant to s. 677.303 ~~the provisions of this chapter (s.~~  
1283 ~~677.303) or tariff regulating such right;~~

1284 (f) Release, satisfaction, or any other ~~fact~~ ~~affording a~~  
1285 personal defense against the claimant; or

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1286 (g) Any other lawful excuse.

1287 (2) A person claiming goods covered by a document of title  
 1288 shall ~~must~~ satisfy the bailee's lien if ~~where~~ the bailee so  
 1289 requests or if ~~where~~ the bailee is prohibited by law from  
 1290 delivering the goods until the charges are paid.

1291 (3) Unless a ~~the~~ person claiming the goods is a person ~~one~~  
 1292 against which ~~whom~~ the document of title does not confer a  
 1293 ~~confers no~~ right under s. 677.503(1):r

1294 (a) The person claiming under a document shall ~~he or she~~  
 1295 ~~must~~ surrender possession or control of any outstanding  
 1296 negotiable document covering the goods for cancellation or  
 1297 indication of partial deliveries; and

1298 (b) ~~for cancellation or notation of partial deliveries any~~  
 1299 ~~outstanding negotiable document covering the goods, and The~~  
 1300 bailee shall ~~must~~ cancel the document or conspicuously indicate  
 1301 in the document ~~note~~ the partial delivery ~~thereon~~ or the bailee  
 1302 is ~~be~~ liable to any person to which ~~whom~~ the document is duly  
 1303 negotiated.

1304 (4) ~~"Person entitled under the document" means holder in~~  
 1305 ~~the case of a negotiable document, or the person to whom~~  
 1306 ~~delivery is to be made by the terms of or pursuant to written~~  
 1307 ~~instructions under a nonnegotiable document.~~

1308 Section 42. Section 677.404, Florida Statutes, is amended  
 1309 to read:

1310 677.404 No liability for good faith delivery pursuant to  
 1311 document of title ~~receipt or bill.~~-A bailee that ~~who~~ in good  
 1312 faith ~~including observance of reasonable commercial standards~~  
 1313 has received goods and delivered or otherwise disposed of the

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1314 goods ~~them~~ according to the terms of the document of title or  
 1315 pursuant to this chapter is not liable for the goods ~~therefor~~.  
 1316 ~~This rule applies~~ even if:

1317 (1) ~~though~~ The person from which the bailee ~~whom he or she~~  
 1318 received the goods did not have ~~had no~~ authority to procure the  
 1319 document or to dispose of the goods; or

1320 (2) ~~The and even though~~ the person to which the bailee  
 1321 ~~whom he or she~~ delivered the goods did not have ~~had no~~ authority  
 1322 to receive the goods ~~them~~.

1323 Section 43. Section 677.501, Florida Statutes, is amended  
 1324 to read:

1325 677.501 Form of negotiation and requirements of "due  
 1326 negotiation."~~—~~

1327 (1) The following rules apply to a negotiable tangible  
 1328 document of title:

1329 (a) If the document's original terms run ~~running~~ to the  
 1330 order of a named person, the document is negotiated by the named  
 1331 person's indorsement and delivery. After the named person's ~~his~~  
 1332 ~~or her~~ indorsement in blank or to bearer, any person may ~~can~~  
 1333 negotiate the document ~~it~~ by delivery alone.

1334 (b) If the document's original  
 1335 ~~(2)(a)~~ ~~A negotiable document of title is also negotiated~~  
 1336 ~~by delivery alone when by its original terms~~ run ~~it runs~~ to  
 1337 bearer, it is negotiated by delivery alone.

1338 (c) If the document's original terms run  
 1339 ~~(b)~~ ~~When a document running~~ to the order of a named person  
 1340 and it is delivered to the named person, ~~him or her~~ the effect  
 1341 is the same as if the document had been negotiated.



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1342        ~~(d)(3)~~ Negotiation of the ~~a negotiable~~ document ~~of title~~  
1343 after it has been indorsed to a named ~~specified~~ person requires  
1344 indorsement by the named person and ~~special indorsee as well as~~  
1345 delivery.

1346        ~~(e)(4)~~ A ~~negotiable~~ document ~~of title~~ is duly negotiated  
1347 if ~~"duly negotiated"~~ when it is negotiated in the manner stated  
1348 in this subsection ~~section~~ to a holder that ~~who~~ purchases it in  
1349 good faith, without notice of any defense against or claim to it  
1350 on the part of any person, and for value, unless it is  
1351 established that the negotiation is not in the regular course of  
1352 business or financing or involves receiving the document in  
1353 settlement or payment of a money obligation.

1354        (2) The following rules apply to a negotiable electronic  
1355 document of title:

1356        (a) If the document's original terms run to the order of a  
1357 named person or to bearer, the document is negotiated by  
1358 delivery of the document to another person. Indorsement by the  
1359 named person is not required to negotiate the document.

1360        (b) If the document's original terms run to the order of a  
1361 named person and the named person has control of the document,  
1362 the effect is the same as if the document had been negotiated.

1363        (c) A document is duly negotiated if it is negotiated in  
1364 the manner stated in this subsection to a holder that purchases  
1365 it in good faith, without notice of any defense against or claim  
1366 to it on the part of any person, and for value, unless it is  
1367 established that the negotiation is not in the regular course of  
1368 business or financing or involves taking delivery of the  
1369 document in settlement or payment of a monetary obligation.

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1370           ~~(3)-(5)~~ Indorsement of a nonnegotiable document of title  
 1371 neither makes it negotiable nor adds to the transferee's rights.

1372           ~~(4)-(6)~~ The naming in a negotiable bill of lading of a  
 1373 person to be notified of the arrival of the goods does not limit  
 1374 the negotiability of the bill or ~~nor~~ constitute notice to a  
 1375 purchaser of the bill ~~thereof~~ of any interest of that ~~such~~  
 1376 person in the goods.

1377           Section 44. Section 677.502, Florida Statutes, is amended  
 1378 to read:

1379           677.502 Rights acquired by due negotiation.—

1380           (1) Subject to ss. ~~the following section and to the~~  
 1381 ~~provisions of s. 677.205 and 677.503 on fungible goods~~, a holder  
 1382 to which ~~whom~~ a negotiable document of title has been duly  
 1383 negotiated acquires thereby:

1384           (a) Title to the document;

1385           (b) Title to the goods;

1386           (c) All rights accruing under the law of agency or  
 1387 estoppel, including rights to goods delivered to the bailee  
 1388 after the document was issued; and

1389           (d) The direct obligation of the issuer to hold or deliver  
 1390 the goods according to the terms of the document free of any  
 1391 defense or claim by the issuer ~~him or her~~ except those arising  
 1392 under the terms of the document or under this chapter, but ~~in~~  
 1393 the case of a delivery order, the bailee's obligation accrues  
 1394 only upon the bailee's acceptance of the delivery order and the  
 1395 obligation acquired by the holder is that the issuer and any  
 1396 indorser will procure the acceptance of the bailee.

1397           (2) Subject to the following section, title and rights so

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1398 | acquired by due negotiation are not defeated by any stoppage of  
 1399 | the goods represented by the document of title or by surrender  
 1400 | of ~~the such~~ goods by the bailee, and are not impaired even if:

1401 |       (a) ~~though~~ The due negotiation or any prior due  
 1402 | negotiation constituted a breach of duty; ~~or even though~~

1403 |       (b) Any person has been deprived of possession of a  
 1404 | negotiable tangible ~~the~~ document or control of a negotiable  
 1405 | electronic document by misrepresentation, fraud, accident,  
 1406 | mistake, duress, loss, theft, or conversion; ~~or even though~~

1407 |       (c) A previous sale or other transfer of the goods or  
 1408 | document has been made to a third person.

1409 |       Section 45. Section 677.503, Florida Statutes, is amended  
 1410 | to read:

1411 |       677.503 Document of title to goods defeated in certain  
 1412 | cases.—

1413 |       (1) A document of title confers no right in goods against  
 1414 | a person that ~~who~~ before issuance of the document had a legal  
 1415 | interest or a perfected security interest in the goods ~~them~~ and  
 1416 | that did not ~~who~~ neither:

1417 |       (a) Deliver or entrust the goods ~~Delivered or entrusted~~  
 1418 | ~~them~~ or any document of title covering the goods ~~them~~ to the  
 1419 | bailor or the bailor's nominee with:

1420 |       1. Actual or apparent authority to ship, store, or sell;  
 1421 | ~~or with~~

1422 |       2. Power to obtain delivery under s. 677.403; ~~this chapter~~  
 1423 | ~~(s. 677.403)~~ or with

1424 |       3. Power of disposition under s. 672.403, s. 680.304(2),  
 1425 | s. 680.305(2), s. 679.320, or s. 679.321(3) ~~this code (ss.~~

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1426 ~~672.403 and 679.320~~ or other statute or rule of law; or ~~nor~~  
 1427 (b) (b) Acquiesce ~~Acquiesced~~ in the procurement by the  
 1428 bailor or its ~~the bailor's~~ nominee of any document ~~of title~~.

1429 (2) Title to goods based upon an unaccepted delivery order  
 1430 is subject to the rights of any person ~~anyone~~ to which ~~whom~~ a  
 1431 negotiable warehouse receipt or bill of lading covering the  
 1432 goods has been duly negotiated. That ~~Such a~~ title may be  
 1433 defeated under the next section to the same extent as the rights  
 1434 of the issuer or a transferee from the issuer.

1435 (3) Title to goods based upon a bill of lading issued to a  
 1436 freight forwarder is subject to the rights of any person ~~anyone~~  
 1437 to which ~~whom~~ a bill issued by the freight forwarder is duly  
 1438 negotiated. However, ~~but~~ delivery by the carrier in accordance  
 1439 with part IV of this chapter pursuant to its own bill of lading  
 1440 discharges the carrier's obligation to deliver.

1441 Section 46. Section 677.504, Florida Statutes, is amended  
 1442 to read:

1443 677.504 Rights acquired in the absence of due negotiation;  
 1444 effect of diversion; ~~seller's~~ stoppage of delivery.-

1445 (1) A transferee of a document of title, whether  
 1446 negotiable or nonnegotiable, to which ~~whom~~ the document has been  
 1447 delivered but not duly negotiated, acquires the title and rights  
 1448 that its ~~which his or her~~ transferor had or had actual authority  
 1449 to convey.

1450 (2) In the case of a transfer of a nonnegotiable document  
 1451 of title, until but not after the bailee receives notice  
 1452 ~~notification~~ of the transfer, the rights of the transferee may  
 1453 be defeated:

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1454 (a) By those creditors of the transferor which ~~who~~ could  
 1455 treat the transfer sale as void under s. 672.402 or s. 680.308;  
 1456 ~~or~~

1457 (b) By a buyer from the transferor in ordinary course of  
 1458 business if the bailee has delivered the goods to the buyer or  
 1459 received notification of the buyer's ~~his or her~~ rights; ~~or~~

1460 (c) By a lessee from the transferor in ordinary course of  
 1461 business if the bailee has delivered the goods to the lessee or  
 1462 received notification of the lessee's rights; or

1463 (d)(e) As against the bailee, by good-faith ~~good-faith~~  
 1464 dealings of the bailee with the transferor.

1465 (3) A diversion or other change of shipping instructions  
 1466 by the consignor in a nonnegotiable bill of lading which causes  
 1467 the bailee not to deliver to the consignee defeats the  
 1468 consignee's title to the goods if the goods ~~they~~ have been  
 1469 delivered to a buyer or a lessee in ordinary course of business  
 1470 and, in any event, defeats the consignee's rights against the  
 1471 bailee.

1472 (4) Delivery of the goods pursuant to a nonnegotiable  
 1473 document of title may be stopped by a seller under s. 672.705 or  
 1474 by a lessor under s. 680.526, ~~and~~ subject to the requirements  
 1475 ~~requirement~~ of due notification ~~there provided~~. A bailee that  
 1476 honors honoring the seller's or lessor's instructions is  
 1477 entitled to be indemnified by the seller or lessor against any  
 1478 resulting loss or expense.

1479 Section 47. Section 677.505, Florida Statutes, is amended  
 1480 to read:

1481 677.505 Indorser not a guarantor for other parties.—The

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1482 indorsement of a tangible document of title issued by a bailee  
 1483 does not make the indorser liable for any default by the bailee  
 1484 or ~~by~~ previous indorsers.

1485 Section 48. Section 677.506, Florida Statutes, is amended  
 1486 to read:

1487 677.506 Delivery without indorsement; right to compel  
 1488 indorsement.—The transferee of a negotiable tangible document of  
 1489 title has a specifically enforceable right to have its ~~his or~~  
 1490 ~~her~~ transferor supply any necessary indorsement but the transfer  
 1491 becomes a negotiation only as of the time the indorsement is  
 1492 supplied.

1493 Section 49. Section 677.507, Florida Statutes, is amended  
 1494 to read:

1495 677.507 Warranties on negotiation or delivery of document  
 1496 of title ~~transfer of receipt or bill.~~—~~If~~ Where a person  
 1497 negotiates or delivers ~~transfers~~ a document of title for value,  
 1498 otherwise than as a mere intermediary under the next following  
 1499 section, ~~then~~ unless otherwise agreed, the transferor, in  
 1500 addition to any warranty made in selling or leasing the goods,  
 1501 ~~person~~ warrants to its ~~his or her~~ immediate purchaser only that  
 1502 ~~in addition to any warranty made in selling the goods:~~

- 1503 (1) ~~That~~ The document is genuine; ~~and~~
- 1504 (2) The transferor does not have ~~That he or she has no~~  
 1505 knowledge of any fact that ~~which~~ would impair the document's ~~its~~  
 1506 validity or worth; and
- 1507 (3) The ~~That his or her~~ negotiation or delivery ~~transfer~~  
 1508 is rightful and fully effective with respect to the title to the  
 1509 document and the goods it represents.

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1510 Section 50. Section 677.508, Florida Statutes, is amended  
 1511 to read:

1512 677.508 Warranties of collecting bank as to documents of  
 1513 title.—A collecting bank or other intermediary known to be  
 1514 entrusted with documents of title on behalf of another or with  
 1515 collection of a draft or other claim against delivery of  
 1516 documents warrants by the ~~such~~ delivery of the documents only  
 1517 its own good faith and authority. ~~This rule applies even if~~  
 1518 ~~though~~ the collecting bank or other intermediary has purchased  
 1519 or made advances against the claim or draft to be collected.

1520 Section 51. Section 677.509, Florida Statutes, is amended  
 1521 to read:

1522 677.509 ~~Receipt or bill; when~~ Adequate compliance with  
 1523 commercial contract. ~~The question~~ Whether a document of title is  
 1524 adequate to fulfill the obligations of a contract for sale, ~~or~~  
 1525 the conditions of a letter of credit, or a contract for lease is  
 1526 determined governed by chapter 672, chapter 675, or chapter 680  
 1527 ~~the chapters on sales (chapter 672) and on letters of credit~~  
 1528 ~~(chapter 675).~~

1529 Section 52. Section 677.601, Florida Statutes, is amended  
 1530 to read:

1531 677.601 Lost, stolen, or destroyed ~~and missing~~ documents  
 1532 of title.—

1533 (1) If a document of title is ~~has been~~ lost, stolen, or  
 1534 destroyed, a court may order delivery of the goods or issuance  
 1535 of a substitute document and the bailee may without liability to  
 1536 any person comply with the ~~such~~ order. If the document was  
 1537 negotiable, a court may not order delivery of the goods or the

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1538 issuance of a substitute document without the claimant's posting  
 1539 ~~claimant must post security unless it finds that approved by the~~  
 1540 ~~court to indemnify any person that who~~ may suffer loss as a  
 1541 result of nonsurrender of possession or control of the document  
 1542 is adequately protected against the loss. If the document was  
 1543 nonnegotiable not negotiable, the court such security may  
 1544 require security be required at the discretion of the court. The  
 1545 court may also ~~in its discretion~~ order payment of the bailee's  
 1546 reasonable costs and attorney's counsel fees in any action under  
 1547 this subsection.

1548 (2) A bailee that, who without a court order, delivers  
 1549 goods to a person claiming under a missing negotiable document  
 1550 of title is liable to any person injured thereby, ~~and~~ If the  
 1551 delivery is not in good faith, the bailee is becomes liable for  
 1552 conversion. Delivery in good faith is not conversion if ~~made in~~  
 1553 ~~accordance with a filed classification or tariff or, where no~~  
 1554 ~~classification or tariff is filed,~~ if the claimant posts  
 1555 security with the bailee in an amount at least double the value  
 1556 of the goods at the time of posting to indemnify any person  
 1557 injured by the delivery which who files a notice of claim within  
 1558 1 year after the delivery.

1559 Section 53. Section 677.602, Florida Statutes, is amended  
 1560 to read:

1561 677.602 Judicial process against Attachment of goods  
 1562 covered by a negotiable document of title. ~~Unless a Except where~~  
 1563 ~~the document of title~~ was originally issued upon delivery of the  
 1564 goods by a person that did not have who had no power to dispose  
 1565 of them, a no lien does not attach attaches by virtue of any



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1566 judicial process to goods in the possession of a bailee for  
 1567 which a negotiable document of title is outstanding unless  
 1568 possession or control of the document is ~~be~~ first surrendered to  
 1569 the bailee or the document's ~~its~~ negotiation is enjoined, ~~and~~  
 1570 The bailee may ~~shall~~ not be compelled to deliver the goods  
 1571 pursuant to process until possession or control of the document  
 1572 is surrendered to the bailee or to ~~him or her or impounded by~~  
 1573 the court. A purchaser of ~~One who purchases~~ the document for  
 1574 value without notice of the process or injunction takes free of  
 1575 the lien imposed by judicial process.

1576 Section 54. Section 677.603, Florida Statutes, is amended  
 1577 to read:

1578 677.603 Conflicting claims; interpleader.—If more than one  
 1579 person claims title to or possession of the goods, the bailee is  
 1580 excused from delivery until the bailee ~~he or she~~ has had a  
 1581 reasonable time to ascertain the validity of the adverse claims  
 1582 or to commence ~~bring~~ an action for ~~to compel all claimants to~~  
 1583 ~~interplead and may compel such interpleader.~~ The bailee may  
 1584 assert an interpleader, either in defending an action for  
 1585 nondelivery of the goods, or by original action, ~~whichever is~~  
 1586 ~~appropriate.~~

1587 Section 55. Subsection (7) is added to section 678.1031,  
 1588 Florida Statutes, to read:

1589 678.1031 Rules for determining whether certain obligations  
 1590 and interests are securities or financial assets.—

1591 (7) A document of title is not a financial asset unless s.  
 1592 678.1021(1)(i)2. applies.

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1593 Section 56. Subsection (2) of section 679.1021, Florida  
 1594 Statutes, is amended to read:

1595 679.1021 Definitions and index of definitions.—

1596 (2) The following definitions in other chapters apply to  
 1597 this chapter:

1598 "Applicant" s. 675.103.

1599 "Beneficiary" s. 675.103.

1600 "Broker" s. 678.1021.

1601 "Certificated security" s. 678.1021.

1602 "Check" s. 673.1041.

1603 "Clearing corporation" s. 678.1021.

1604 "Contract for sale" s. 672.106.

1605 "Control" s. 677.106.

1606 "Customer" s. 674.104.

1607 "Entitlement holder" s. 678.1021.

1608 "Financial asset" s. 678.1021.

1609 "Holder in due course" s. 673.3021.

1610 "Issuer" (with respect to a letter of credit  
 1611 or letter-of-credit right) s. 675.103.

1612 "Issuer" (with respect to a security) s. 678.2011.

1613 "Issuer" (with respect to documents of title) s.  
 1614 677.102.

1615 "Lease" s. 680.1031.

1616 "Lease agreement" s. 680.1031.

1617 "Lease contract" s. 680.1031.

1618 "Leasehold interest" s. 680.1031.

1619 "Lessee" s. 680.1031.

1620 "Lessee in ordinary course of

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1621 business" s. 680.1031.  
 1622 "Lessor" s. 680.1031.  
 1623 "Lessor's residual interest" s. 680.1031.  
 1624 "Letter of credit" s. 675.103.  
 1625 "Merchant" s. 672.104.  
 1626 "Negotiable instrument" s. 673.1041.  
 1627 "Nominated person" s. 675.103.  
 1628 "Note" s. 673.1041.  
 1629 "Proceeds of a letter of credit" s. 675.114.  
 1630 "Prove" s. 673.1031.  
 1631 "Sale" s. 672.106.  
 1632 "Securities account" s. 678.5011.  
 1633 "Securities intermediary" s. 678.1021.  
 1634 "Security" s. 678.1021.  
 1635 "Security certificate" s. 678.1021.  
 1636 "Security entitlement" s. 678.1021.  
 1637 "Uncertificated security" s. 678.1021.  
 1638 Section 57. Subsection (2) of section 679.2031, Florida  
 1639 Statutes, is amended to read:  
 1640 679.2031 Attachment and enforceability of security  
 1641 interest; proceeds; supporting obligations; formal requisites.-  
 1642 (2) Except as otherwise provided in subsections (3)  
 1643 through (10), a security interest is enforceable against the  
 1644 debtor and third parties with respect to the collateral only if:  
 1645 (a) Value has been given;  
 1646 (b) The debtor has rights in the collateral or the power  
 1647 to transfer rights in the collateral to a secured party; and  
 1648 (c) One of the following conditions is met:

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1649 1. The debtor has authenticated a security agreement that  
 1650 provides a description of the collateral and, if the security  
 1651 interest covers timber to be cut, a description of the land  
 1652 concerned;

1653 2. The collateral is not a certificated security and is in  
 1654 the possession of the secured party under s. 679.3131 pursuant  
 1655 to the debtor's security agreement;

1656 3. The collateral is a certificated security in registered  
 1657 form and the security certificate has been delivered to the  
 1658 secured party under s. 678.3011 pursuant to the debtor's  
 1659 security agreement; or

1660 4. The collateral is deposit accounts, electronic chattel  
 1661 paper, investment property, ~~or~~ letter-of-credit rights, or  
 1662 electronic documents, and the secured party has control under s.  
 1663 677.106, s. 679.1041, s. 679.1051, s. 679.1061, or s. 679.1071  
 1664 pursuant to the debtor's security agreement.

1665 Section 58. Subsection (3) of section 679.2071, Florida  
 1666 Statutes, is amended to read:

1667 679.2071 Rights and duties of secured party having  
 1668 possession or control of collateral.—

1669 (3) Except as otherwise provided in subsection (4), a  
 1670 secured party having possession of collateral or control of  
 1671 collateral under s. 677.106, s. 679.1041, s. 679.1051, s.  
 1672 679.1061, or s. 679.1071:

1673 (a) May hold as additional security any proceeds, except  
 1674 money or funds, received from the collateral;

1675 (b) Shall apply money or funds received from the  
 1676 collateral to reduce the secured obligation, unless remitted to

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1677 the debtor; and  
 1678 (c) May create a security interest in the collateral.  
 1679 Section 59. Subsection (2) of section 679.2081, Florida  
 1680 Statutes, is amended to read:  
 1681 679.2081 Additional duties of secured party having control  
 1682 of collateral.—  
 1683 (2) Within 10 days after receiving an authenticated demand  
 1684 by the debtor:  
 1685 (a) A secured party having control of a deposit account  
 1686 under s. 679.1041(1)(b) shall send to the bank with which the  
 1687 deposit account is maintained an authenticated statement that  
 1688 releases the bank from any further obligation to comply with  
 1689 instructions originated by the secured party;  
 1690 (b) A secured party having control of a deposit account  
 1691 under s. 679.1041(1)(c) shall:  
 1692 1. Pay the debtor the balance on deposit in the deposit  
 1693 account; or  
 1694 2. Transfer the balance on deposit into a deposit account  
 1695 in the debtor's name;  
 1696 (c) A secured party, other than a buyer, having control of  
 1697 electronic chattel paper under s. 679.1051 shall:  
 1698 1. Communicate the authoritative copy of the electronic  
 1699 chattel paper to the debtor or its designated custodian;  
 1700 2. If the debtor designates a custodian that is the  
 1701 designated custodian with which the authoritative copy of the  
 1702 electronic chattel paper is maintained for the secured party,  
 1703 communicate to the custodian an authenticated record releasing  
 1704 the designated custodian from any further obligation to comply

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1705 with instructions originated by the secured party and  
 1706 instructing the custodian to comply with instructions originated  
 1707 by the debtor; and

1708 3. Take appropriate action to enable the debtor or the  
 1709 debtor's designated custodian to make copies of or revisions to  
 1710 the authoritative copy which add or change an identified  
 1711 assignee of the authoritative copy without the consent of the  
 1712 secured party;

1713 (d) A secured party having control of investment property  
 1714 under s. 678.1061(4)(b) or s. 679.1061(2) shall send to the  
 1715 securities intermediary or commodity intermediary with which the  
 1716 security entitlement or commodity contract is maintained an  
 1717 authenticated record that releases the securities intermediary  
 1718 or commodity intermediary from any further obligation to comply  
 1719 with entitlement orders or directions originated by the secured  
 1720 party; ~~and~~

1721 (e) A secured party having control of a letter-of-credit  
 1722 right under s. 679.1071 shall send to each person having an  
 1723 unfulfilled obligation to pay or deliver proceeds of the letter  
 1724 of credit to the secured party an authenticated release from any  
 1725 further obligation to pay or deliver proceeds of the letter of  
 1726 credit to the secured party; ~~and-~~

1727 (f) A secured party having control of an electronic  
 1728 document shall:

1729 1. Give control of the electronic document to the debtor  
 1730 or its designated custodian;

1731 2. If the debtor designates a custodian that is the  
 1732 designated custodian with which the authoritative copy of the

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1733 electronic document is maintained for the secured party,  
1734 communicate to the custodian an authenticated record releasing  
1735 the designated custodian from any further obligation to comply  
1736 with instructions originated by the secured party and  
1737 instructing the custodian to comply with instructions originated  
1738 by the debtor; and

1739 3. Take appropriate action to enable the debtor or its  
1740 designated custodian to make copies of or revisions to the  
1741 authenticated copy which add or change an identified assignee of  
1742 the authoritative copy without the consent of the secured party.

1743 Section 60. Subsection (3) of section 679.3011, Florida  
1744 Statutes, is amended to read:

1745 679.3011 Law governing perfection and priority of security  
1746 interests.—Except as otherwise provided in ss. 679.1091,  
1747 679.3031, 679.3041, 679.3051, and 679.3061, the following rules  
1748 determine the law governing perfection, the effect of perfection  
1749 or nonperfection, and the priority of a security interest in  
1750 collateral:

1751 (3) Except as otherwise provided in subsections (4) and  
1752 (5), while tangible negotiable documents, goods, instruments,  
1753 money, or tangible chattel paper is located in a jurisdiction,  
1754 the local law of that jurisdiction governs:

1755 (a) Perfection of a security interest in the goods by  
1756 filing a fixture filing;

1757 (b) Perfection of a security interest in timber to be cut;  
1758 and

1759 (c) The effect of perfection or nonperfection and the  
1760 priority of a nonpossessory security interest in the collateral.

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1761           Section 61. Subsection (2) of section 679.3101, Florida  
 1762 Statutes, is amended to read:  
 1763           679.3101 When filing required to perfect security interest  
 1764 or agricultural lien; security interests and agricultural liens  
 1765 to which filing provisions do not apply.—  
 1766           (2) The filing of a financing statement is not necessary  
 1767 to perfect a security interest:  
 1768           (a) That is perfected under s. 679.3081(4), (5), (6), or  
 1769 (7);  
 1770           (b) That is perfected under s. 679.3091 when it attaches;  
 1771           (c) In property subject to a statute, regulation, or  
 1772 treaty described in s. 679.3111(1);  
 1773           (d) In goods in possession of a bailee which is perfected  
 1774 under s. 679.3121(4) (a) or (b);  
 1775           (e) In certificated securities, documents, goods, or  
 1776 instruments which is perfected without filing, control, or  
 1777 possession under s. 679.3121(5), (6), or (7);  
 1778           (f) In collateral in the secured party's possession under  
 1779 s. 679.3131;  
 1780           (g) In a certificated security which is perfected by  
 1781 delivery of the security certificate to the secured party under  
 1782 s. 679.3131;  
 1783           (h) In deposit accounts, electronic chattel paper,  
 1784 electronic documents, investment property, or letter-of-credit  
 1785 rights which is perfected by control under s. 679.3141;  
 1786           (i) In proceeds which is perfected under s. 679.3151; or  
 1787           (j) That is perfected under s. 679.3161.



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1788 Section 62. Subsection (5) of section 679.3121, Florida  
 1789 Statutes, is amended to read:

1790 679.3121 Perfection of security interests in chattel  
 1791 paper, deposit accounts, documents, goods covered by documents,  
 1792 instruments, investment property, letter-of-credit rights, and  
 1793 money; perfection by permissive filing; temporary perfection  
 1794 without filing or transfer of possession.—

1795 (5) A security interest in certificated securities,  
 1796 negotiable documents, or instruments is perfected without filing  
 1797 or the taking of possession or control for a period of 20 days  
 1798 from the time it attaches to the extent that it arises for new  
 1799 value given under an authenticated security agreement.

1800 Section 63. Subsection (1) of section 679.3131, Florida  
 1801 Statutes, is amended to read:

1802 679.3131 When possession by or delivery to secured party  
 1803 perfects security interest without filing.—

1804 (1) Except as otherwise provided in subsection (2), a  
 1805 secured party may perfect a security interest in tangible  
 1806 negotiable documents, goods, instruments, money, or tangible  
 1807 chattel paper by taking possession of the collateral. A secured  
 1808 party may perfect a security interest in certificated securities  
 1809 by taking delivery of the certificated securities under s.  
 1810 678.3011.

1811 Section 64. Subsections (1) and (2) of section 679.3141,  
 1812 Florida Statutes, are amended to read:

1813 679.3141 Perfection by control.—

1814 (1) A security interest in investment property, deposit  
 1815 accounts, letter-of-credit rights, ~~or~~ electronic chattel paper,

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1816 or electronic documents may be perfected by control of the  
 1817 collateral under s. 677.106, s. 679.1041, s. 679.1051, s.  
 1818 679.1061, or s. 679.1071.

1819 (2) A security interest in deposit accounts, electronic  
 1820 chattel paper, ~~or~~ letter-of-credit rights, or electronic  
 1821 documents is perfected by control under s. 677.106, s. 679.1041,  
 1822 s. 679.1051, or s. 679.1071 when the secured party obtains  
 1823 control and remains perfected by control only while the secured  
 1824 party retains control.

1825 Section 65. Subsections (2) and (4) of section 679.3171,  
 1826 Florida Statutes, are amended to read:

1827 679.3171 Interests that take priority over or take free of  
 1828 security interest or agricultural lien.—

1829 (2) Except as otherwise provided in subsection (5), a  
 1830 buyer, other than a secured party, of tangible chattel paper,  
 1831 tangible documents, goods, instruments, or a security  
 1832 certificate takes free of a security interest or agricultural  
 1833 lien if the buyer gives value and receives delivery of the  
 1834 collateral without knowledge of the security interest or  
 1835 agricultural lien and before it is perfected.

1836 (4) A licensee of a general intangible or a buyer, other  
 1837 than a secured party, of accounts, electronic chattel paper,  
 1838 electronic documents, general intangibles, or investment  
 1839 property other than a certificated security takes free of a  
 1840 security interest if the licensee or buyer gives value without  
 1841 knowledge of the security interest and before it is perfected.

1842 Section 66. Subsection (2) of section 679.338, Florida  
 1843 Statutes, is amended to read:

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1844           679.338 Priority of security interest or agricultural lien  
 1845 perfected by filed financing statement providing certain  
 1846 incorrect information.—If a security interest or agricultural  
 1847 lien is perfected by a filed financing statement providing  
 1848 information described in s. 679.516(2)(d) which is incorrect at  
 1849 the time the financing statement is filed:

1850           (2) A purchaser, other than a secured party, of the  
 1851 collateral takes free of the security interest or agricultural  
 1852 lien to the extent that, in reasonable reliance upon the  
 1853 incorrect information, the purchaser gives value and, in the  
 1854 case of tangible chattel paper, tangible documents, goods,  
 1855 instruments, or a security certificate, receives delivery of the  
 1856 collateral.

1857           Section 67. Paragraphs (a) and (o) of subsection (1) of  
 1858 section 680.1031, Florida Statutes, are amended to read:

1859           680.1031 Definitions and index of definitions.—

1860           (1) In this chapter, unless the context otherwise  
 1861 requires:

1862           (a) "Buyer in ordinary course of business" means a person  
 1863 who in good faith and without knowledge that the sale to him or  
 1864 her is in violation of the ownership rights or security interest  
 1865 or leasehold interest of a third party in the goods buys in  
 1866 ordinary course from a person in the business of selling goods  
 1867 of that kind but does not include a pawnbroker. Buying may be  
 1868 for cash or by exchange of other property or on secured or  
 1869 unsecured credit and includes acquiring ~~receiving~~ goods or  
 1870 documents of title under a preexisting contract for sale but  
 1871 does not include a transfer in bulk or as security for or in

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1872 total or partial satisfaction of a money debt.

1873 (o) "Lessee in ordinary course of business" means a person  
 1874 who in good faith and without knowledge that the lease to him or  
 1875 her is in violation of the ownership rights or security interest  
 1876 or leasehold interest of a third party in the goods leases in  
 1877 ordinary course from a person in the business of selling or  
 1878 leasing goods of that kind but does not include a pawnbroker.  
 1879 Leasing may be for cash or by exchange of other property or on  
 1880 secured or unsecured credit and includes acquiring ~~receiving~~  
 1881 goods or documents of title under a preexisting lease contract  
 1882 but does not include a transfer in bulk or as security for or in  
 1883 total or partial satisfaction of a money debt.

1884 Section 68. Subsection (2) of section 680.514, Florida  
 1885 Statutes, is amended to read:

1886 680.514 Waiver of lessee's objections.—

1887 (2) A lessee's failure to reserve rights when paying rent  
 1888 or other consideration against documents precludes recovery of  
 1889 the payment for defects apparent in ~~on the face of~~ the  
 1890 documents.

1891 Section 69. Subsection (2) of section 680.526, Florida  
 1892 Statutes, is amended to read:

1893 680.526 Lessor's stoppage of delivery in transit or  
 1894 otherwise.—

1895 (2) In pursuing her or his remedies under subsection (1),  
 1896 the lessor may stop delivery until:

1897 (a) Receipt of the goods by the lessee;

1898 (b) Acknowledgment to the lessee by any bailee of the  
 1899 goods, except a carrier, that the bailee holds the goods for the

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1900 lessee; or

1901           (c) Such an acknowledgment to the lessee by a carrier via  
1902 reshipment or as a warehouse ~~warehouseman~~.

1903           Section 70. This act shall take effect July 1, 2010.