

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. 668.50  
9       and 671.304, F.S.; correcting cross-references; amending  
10      ss. 671.201, 672.103, 672.104, 674.104, 677.102, and  
11      679.1021, F.S.; revising and providing definitions;  
12      revising provisions pertaining to definitions applicable  
13      to certain provisions of the code, to conform cross-  
14      references to revisions made by this act; amending s.  
15      672.310, F.S.; revising time when certain delivery  
16      payments are due; amending ss. 559.9232, 672.323, 672.401,  
17      672.503, 672.505, 672.506, 672.509, 672.605, 672.705,  
18      674.2101, 677.201, 677.202, 677.203, 677.205, 677.206,  
19      677.207, 677.208, 677.301, 677.302, 677.304, 677.305,  
20      677.401, 677.402, 677.403, 677.404, 677.502, 677.503,  
21      677.505, 677.506, 677.507, 677.508, 677.509, 677.602,  
22      677.603, 679.2031, 679.2071, 679.3011, 679.3101, 679.3121,  
23      679.3131, 679.3141, 679.3171, 679.338, 680.1031, 680.514,  
24      and 680.526, F.S.; revising provisions to conform to  
25      changes made by this act; making editorial changes;  
26      amending s. 677.103, F.S.; revising and providing  
27      application in relation of chapter to treaty, statute,  
28      classification, or regulation; amending s. 677.104, F.S.;

29 providing when certain documents of title are  
30 nonnegotiable; amending s. 677.105, F.S.; authorizing an  
31 issuer of the electronic document to issue a tangible  
32 document of title as a substitute for the electronic  
33 document under certain conditions; authorizing an issuer  
34 of a tangible document to issue an electronic document of  
35 title as a substitute for the tangible document under  
36 certain conditions; creating s. 677.106, F.S.; providing  
37 when certain persons have control of an electronic  
38 document of title; amending s. 677.204, F.S.; revising  
39 liability of certain damages; authorizing a warehouse  
40 receipt or storage agreement to provide certain  
41 requirements; amending s. 677.209, F.S.; revising  
42 conditions for a warehouse to establish a lien against a  
43 bailor; providing when and against whom the lien is  
44 effective; amending s. 677.210, F.S.; revising provisions  
45 relating to the enforcement of warehouse's liens; amending  
46 s. 677.303, F.S.; prohibiting liability for certain  
47 carriers; amending s. 677.307, F.S.; revising conditions  
48 under which a carrier has a lien on goods covered by a  
49 bill of lading; amending s. 677.308, F.S.; revising  
50 provisions relating to the enforcement of a carrier's  
51 lien; amending s. 677.309, F.S.; revising provisions  
52 relating to the contractual limitation of a carrier's  
53 liability; amending s. 677.501, F.S.; providing  
54 requirements for negotiable tangible documents of title  
55 and negotiable electronic documents of title; amending s.  
56 677.504, F.S.; providing condition under which the rights

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57 of the transferee may be defeated; amending s. 677.601,  
 58 F.S.; revising provisions relating to lost, stolen, or  
 59 destroyed documents of title; amending s. 678.1031, F.S.;  
 60 providing that certain documents of title are not  
 61 financial assets; amending s. 679.2081, F.S.; providing  
 62 requirements for secured parties having control of an  
 63 electronic document; providing an effective date.  
 64

65 Be It Enacted by the Legislature of the State of Florida:  
 66

67 Section 1. Paragraph (f) of subsection (2) of section  
 68 559.9232, Florida Statutes, is amended to read:

69 559.9232 Definitions; exclusion of rental-purchase  
 70 agreements from certain regulations.—

71 (2) A rental-purchase agreement that complies with this  
 72 act shall not be construed to be, nor be governed by, any of the  
 73 following:

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

75 Section 2. Paragraph (d) of subsection (16) of section  
 76 668.50, Florida Statutes, is amended to read:

77 668.50 Uniform Electronic Transaction Act.—

78 (16) TRANSFERABLE RECORDS.—

79 (d) Except as otherwise agreed, a person having control of  
 80 a transferable record is the holder, as defined in s.

81 671.201(21), of the transferable record and has the same rights  
 82 and defenses as a holder of an equivalent record or writing  
 83 under the Uniform Commercial Code, including, if the applicable  
 84 statutory requirements under s. 673.3021, s. 677.501, or s.

85 679.330 ~~679.308~~ are satisfied, the rights and defenses of a  
 86 holder in due course, a holder to which a negotiable document of  
 87 title has been duly negotiated, or a purchaser, respectively.  
 88 Delivery, possession, and indorsement are not required to obtain  
 89 or exercise any of the rights under this paragraph.

90 Section 3. Present subsections (25) through (43) of  
 91 section 671.201, Florida Statutes, are renumbered as subsections  
 92 (28) through (46), respectively, new subsections (25), (26), and  
 93 (27) are added to that section, and present subsections (5),  
 94 (6), (10), (15), (16), (21), and (42) are amended, to read:

95 671.201 General definitions.—Unless the context otherwise  
 96 requires, words or phrases defined in this section, or in the  
 97 additional definitions contained in other chapters of this code  
 98 which apply to particular chapters or parts thereof, have the  
 99 meanings stated. Subject to definitions contained in other  
 100 chapters of this code which apply to particular chapters or  
 101 parts thereof, the term:

102 (5) "Bearer" means a person in control of a negotiable  
 103 electronic document of title or a person in possession of a  
 104 negotiable instrument, a negotiable tangible document of title,  
 105 or a certificated security that is payable to bearer or indorsed  
 106 in blank.

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

111 (10) "Conspicuous," with reference to a term, means so  
 112 written, displayed, or presented that a reasonable person

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113 against which ~~whom~~ it is to operate ought to have noticed it.  
114 Whether a term is "conspicuous" is a decision for the court.  
115 Conspicuous terms include the following:

116 (a) A heading in capitals ~~in a size~~ equal to or greater in  
117 size larger than ~~that of~~ the surrounding text, or in contrasting  
118 a type, font, or color ~~in contrast~~ to the surrounding text of  
119 the same or lesser size; and.

120 (b) Language in the body of a record or display in larger  
121 type ~~larger~~ than ~~that of~~ the surrounding text; ~~in a type, font,~~  
122 ~~or color in contrast to the surrounding text of the same size;~~  
123 or set off from surrounding text of the same size by symbols or  
124 other marks that call attention to the language.

125 (15) "Delivery," with respect to an electronic document of  
126 title, means voluntary transfer of control and "delivery," with  
127 respect to instruments instrument, tangible document of title,  
128 ~~or chattel paper, or certificated securities,~~ means voluntary  
129 transfer of possession.

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

131 (a) includes bill of lading, dock warrant, dock receipt,  
132 ~~warehouse receipt or order for the delivery of goods, and any~~  
133 ~~other document~~ That in the regular course of business or  
134 financing is treated as adequately evidencing that the person in  
135 possession or control of the record ~~it~~ is entitled to receive,  
136 control, hold, and dispose of the record ~~document~~ and the goods  
137 the record ~~it~~ covers; and

138 (b) That purports to be issued by or addressed to a bailee  
139 and to cover goods in the bailee's possession which are either  
140 identified or are fungible portions of an identified mass. The

141 term includes a bill of lading, transport document, dock  
 142 warrant, dock receipt, warehouse receipt, and order for delivery  
 143 of goods. An electronic document of title means a document of  
 144 title evidenced by a record consisting of information stored in  
 145 an electronic medium. A tangible document of title means a  
 146 document of title evidenced by a record consisting of  
 147 information that is inscribed on a tangible medium. ~~To be a~~  
 148 ~~document of title, a document must purport to be issued by or~~  
 149 ~~addressed to a bailee and purport to cover goods in the bailee's~~  
 150 ~~possession which are either identified or are fungible portions~~  
 151 ~~of an identified mass.~~

152 (21) "Holder" means:

153 (a) The person in possession of a negotiable instrument  
 154 that is payable either to bearer or to an identified person that  
 155 is the person in possession; ~~or~~

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

159 (c) The person in control of a negotiable electronic  
 160 document of title.

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

163 (a) Has actual knowledge of it;

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

165 (c) From all the facts and circumstances known to the  
 166 person at the time in question, has reason to know that it  
 167 exists. A person "knows" or has "knowledge" of a fact when the  
 168 person has actual knowledge of it. "Discover" or "learn" or a

169 word or phrase of similar import refers to knowledge rather than  
170 to reason to know. The time and circumstances under which a  
171 notice or notification may cease to be effective are not  
172 determined by this section.

173 (26) A person "notifies" or "gives" a notice or  
174 notification to another person by taking such steps as may be  
175 reasonably required to inform the other person in ordinary  
176 course, whether or not the other person actually comes to know  
177 of it. Subject to subsection (27), a person "receives" a notice  
178 or notification when:

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

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

184 (27) Notice, knowledge, or a notice or notification  
185 received by an organization is effective for a particular  
186 transaction from the time when it is brought to the attention of  
187 the individual conducting that transaction, and, in any event,  
188 from the time when it would have been brought to the  
189 individual's attention if the organization had exercised due  
190 diligence. An organization exercises due diligence if it  
191 maintains reasonable routines for communicating significant  
192 information to the person conducting the transaction and there  
193 is reasonable compliance with the routines. Due diligence does  
194 not require an individual acting for the organization to  
195 communicate information unless such communication is part of the  
196 individual's regular duties or the individual has reason to know

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197 of the transaction and that the transaction would be materially  
 198 affected by the information.

199 (45)-(42) "Warehouse receipt" means a document of title  
 200 ~~receipt~~ issued by a person engaged in the business of storing  
 201 goods for hire.

202 Section 4. Subsection (5) of section 671.304, Florida  
 203 Statutes, is amended to read:

204 671.304 Laws not repealed; precedence where code  
 205 provisions in conflict with other laws; certain statutory  
 206 remedies retained.—

207 (5) The effectiveness of any financing statement or  
 208 continuation statement filed prior to January 1, 1980, or any  
 209 continuation statement filed on or after October 1, 1984, which  
 210 states that the debtor is a transmitting utility as provided in  
 211 s. 679.515(6) ~~679.403(6)~~ shall continue until a termination  
 212 statement is filed, except that if this act requires a filing in  
 213 an office where there was no previous financing statement, a new  
 214 financing statement conforming to s. 680.109(4), Florida  
 215 Statutes 1979, shall be filed in that office.

216 Section 5. Subsection (3) of section 672.103, Florida  
 217 Statutes, is amended to read:

218 672.103 Definitions and index of definitions.—

219 (3) The following definitions in other chapters apply to  
 220 this chapter:

221 "Check," s. 673.1041.

222 "Consignee," s. 677.102.

223 "Consignor," s. 677.102.

224 "Consumer goods," s. 679.1021.



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225 "Control," s. 677.106.

226 "Dishonor," s. 673.5021.

227 "Draft," s. 673.1041.

228 Section 6. Subsection (2) of section 672.104, Florida  
229 Statutes, is amended to read:

230 672.104 Definitions: "merchant"; "between merchants";  
231 "financing agency."—

232 (2) "Financing agency" means a bank, finance company or  
233 other person who in the ordinary course of business makes  
234 advances against goods or documents of title or who by  
235 arrangement with either the seller or the buyer intervenes in  
236 ordinary course to make or collect payment due or claimed under  
237 the contract for sale, as by purchasing or paying the seller's  
238 draft or making advances against it or by merely taking it for  
239 collection whether or not documents of title accompany or are  
240 associated with the draft. "Financing agency" includes also a  
241 bank or other person who similarly intervenes between persons  
242 who are in the position of seller and buyer in respect to the  
243 goods (s. 672.707).

244 Section 7. Subsection (3) of section 672.310, Florida  
245 Statutes, is amended to read:

246 672.310 Open time for payment or running of credit;  
247 authority to ship under reservation.—Unless otherwise agreed:

248 (3) If delivery is authorized and made by way of documents  
249 of title otherwise than by subsection (2) then payment is due  
250 regardless of where the goods are to be received at the time and  
251 place at which the buyer is to receive delivery of the tangible  
252 documents or at the time the buyer is to receive delivery of the

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253 electronic documents and at the seller's place of business or,  
 254 if none, the seller's residence ~~regardless of where the goods~~  
 255 ~~are to be received;~~ and

256 Section 8. Section 672.323, Florida Statutes, is amended  
 257 to read:

258 672.323 Form of bill of lading required in overseas  
 259 shipment; "overseas."—

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

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

272 (a) Due tender of a single part is acceptable within the  
 273 provisions of this chapter on cure of improper delivery (s.  
 274 672.508(1)); and

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

279 (3) A shipment by water or by air or a contract  
 280 contemplating such shipment is "overseas" insofar as by usage of

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281 trade or agreement it is subject to the commercial, financing or  
282 shipping practices characteristic of international deepwater  
283 commerce.

284 Section 9. Subsections (2) and (3) of section 672.401,  
285 Florida Statutes, are amended to read:

286 672.401 Passing of title; reservation for security;  
287 limited application of this section.—Each provision of this  
288 chapter with regard to the rights, obligations and remedies of  
289 the seller, the buyer, purchasers or other third parties applies  
290 irrespective of title to the goods except where the provision  
291 refers to such title. Insofar as situations are not covered by  
292 the other provisions of this chapter and matters concerning  
293 title become material the following rules apply:

294 (2) Unless otherwise explicitly agreed title passes to the  
295 buyer at the time and place at which the seller completes her or  
296 his performance with reference to the physical delivery of the  
297 goods, despite any reservation of a security interest and even  
298 though a document of title is to be delivered at a different  
299 time or place; and in particular and despite any reservation of  
300 a security interest by the bill of lading:

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

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

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

309 (a) If the seller is to deliver a tangible document of  
310 title, title passes at the time when and the place where he or  
311 she ~~the seller~~ delivers such documents and if the seller is to  
312 deliver an electronic document of title, title passes when the  
313 seller delivers the document; or

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

317 Section 10. Subsections (4) and (5) of section 672.503,  
318 Florida Statutes, are amended to read:

319 672.503 Manner of seller's tender of delivery.-

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

322 (a) Tender requires that the seller either tender a  
323 negotiable document of title covering such goods or procure  
324 acknowledgment by the bailee of the buyer's right to possession  
325 of the goods; but

326 (b) Tender to the buyer of a nonnegotiable document of  
327 title or of a record directing ~~written direction~~ to the bailee  
328 to deliver is sufficient tender unless the buyer seasonably  
329 objects, and, except as otherwise provided in chapter 679,  
330 receipt by the bailee of notification of the buyer's rights  
331 fixes those rights as against the bailee and all third persons;  
332 but risk of loss of the goods and of any failure by the bailee  
333 to honor the nonnegotiable document of title or to obey the  
334 direction remains on the seller until the buyer has had a  
335 reasonable time to present the document or direction, and a  
336 refusal by the bailee to honor the document or to obey the

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337 direction defeats the tender.

338 (5) Where the contract requires the seller to deliver  
339 documents:

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

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

346 Section 11. Section 672.505, Florida Statutes, is amended  
347 to read:

348 672.505 Seller's shipment under reservation.—

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

351 (a) His or her ~~The seller's~~ procurement of a negotiable  
352 bill of lading to his or her own order or otherwise reserves in  
353 him or her ~~the seller~~ a security interest in the goods. His or  
354 her procurement of the bill to the order of a financing agency  
355 or of the buyer indicates in addition only the seller's  
356 expectation of transferring that interest to the person named.

357 (b) A nonnegotiable bill of lading to himself or herself  
358 or his or her nominee reserves possession of the goods as  
359 security but except in a case of conditional delivery (s.  
360 672.507(2)) a nonnegotiable bill of lading naming the buyer as  
361 consignee reserves no security interest even though the seller  
362 retains possession or control of the bill of lading.

363 (2) When shipment by the seller with reservation of a  
364 security interest is in violation of the contract for sale it

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365 | constitutes an improper contract for transportation within the  
 366 | preceding section but impairs neither the rights given to the  
 367 | buyer by shipment and identification of the goods to the  
 368 | contract nor the seller's powers as a holder of a negotiable  
 369 | document of title.

370 |       Section 12. Subsection (2) of section 672.506, Florida  
 371 | Statutes, is amended to read:

372 |           672.506 Rights of financing agency.—

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

378 |       Section 13. Subsection (2) of section 672.509, Florida  
 379 | Statutes, is amended to read:

380 |           672.509 Risk of loss in the absence of breach.—

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

383 |       (a) On her or his receipt of possession or control of a  
 384 | negotiable document of title covering the goods; or

385 |       (b) On acknowledgment by the bailee of the buyer's right  
 386 | to possession of the goods; or

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

390 |       Section 14. Subsection (2) of section 672.605, Florida  
 391 | Statutes, is amended to read:

392 |           672.605 Waiver of buyer's objections by failure to

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393 particularize.—

394 (2) Payment against documents made without reservation of  
 395 rights precludes recovery of the payment for defects apparent in  
 396 ~~on the face of~~ the documents.

397 Section 15. Subsections (2) and (3) of section 672.705,  
 398 Florida Statutes, are amended to read:

399 672.705 Seller's stoppage of delivery in transit or  
 400 otherwise.—

401 (2) As against such buyer the seller may stop delivery  
 402 until:

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

404 (b) Acknowledgment to the buyer by any bailee of the goods  
 405 except a carrier that the bailee holds the goods for the buyer;  
 406 or

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

409 (d) Negotiation to the buyer of any negotiable document of  
 410 title covering the goods.

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

414 (b) After such notification the bailee shall ~~must~~ hold and  
 415 deliver the goods according to the directions of the seller but  
 416 the seller is liable to the bailee for any ensuing charges or  
 417 damages.

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

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

424 Section 16. Subsection (3) of section 674.104, Florida  
 425 Statutes, is amended to read:

426 674.104 Definitions and index of definitions.—

427 (3) The following definitions in other chapters apply to  
 428 this chapter:

429 "Acceptance," s. 673.4091.

430 "Alteration," s. 673.4071.

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

432 "Certificate of deposit," s. 673.1041.

433 "Certified check," s. 673.4091.

434 "Check," s. 673.1041.

435 "Control," s. 677.106.

436 "Good faith," s. 673.1031.

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

438 "Instrument," s. 673.1041.

439 "Notice of dishonor," s. 673.5031.

440 "Order," s. 673.1031.

441 "Ordinary care," s. 673.1031.

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

443 "Presentment," s. 673.5011.

444 "Promise," s. 673.1031.

445 "Prove," s. 673.1031.

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

447 "Unauthorized signature," s. 673.4031.

448 Section 17. Subsection (3) of section 674.2101, Florida



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449 Statutes, is amended to read:

450 674.2101 Security interest of collecting bank in items,  
451 accompanying documents, and proceeds.—

452 (3) Receipt by a collecting bank of a final settlement for  
453 an item is a realization on its security interest in the item,  
454 accompanying documents, and proceeds. So long as the bank does  
455 not receive final settlement for the item or give up possession  
456 of the item or possession or control of the accompanying or  
457 associated documents for purposes other than collection, the  
458 security interest continues to that extent and is subject to  
459 chapter 679, but:

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

462 (b) No filing is required to perfect the security  
463 interest; and

464 (c) The security interest has priority over conflicting  
465 perfected security interests in the item, accompanying  
466 documents, or proceeds.

467 Section 18. Section 677.102, Florida Statutes, is amended  
468 to read:

469 677.102 Definitions and index of definitions.—

470 (1) In this chapter, unless the context otherwise  
471 requires:

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

475 (b) "Carrier" means a person that issues a bill of  
476 lading.

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

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

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

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

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

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

494 (h)~~(g)~~ "Issuer" means a bailee who issues a document of  
 495 title or, in the case of ~~except that in relation to an~~  
 496 ~~unaccepted delivery order,~~ it means the person who orders the  
 497 possessor of goods to deliver. The term ~~Issuer~~ includes a ~~any~~  
 498 person for which ~~whom~~ an agent or employee purports to act in  
 499 issuing a document if the agent or employee has real or apparent  
 500 authority to issue documents, notwithstanding that the issuer  
 501 received no goods or that the goods were misdescribed or that in  
 502 any other respect the agent or employee violated his or her  
 503 instructions.

504 (i) "Person entitled under the document" means the holder,

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505 in the case of a negotiable document of title, or the person to  
506 which delivery of the goods is to be made by the terms of, or  
507 pursuant to instructions in a record under, a nonnegotiable  
508 document of title.

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

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

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

516 1. To execute or adopt a tangible symbol; or  
517 2. To attach to or logically associate with the record an  
518 electronic sound, symbol, or process.

519 (m)~~(h)~~ "Warehouse" means ~~"warehouseman" is~~ a person  
520 engaged in the business of storing goods for hire.

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

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

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

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

528 "Contract for sale," s. 672.106.

529 ~~"Overseas," s. 672.323.~~

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

531 "Receipt" of goods, s. 672.103.

532 (3)~~(4)~~ In addition, chapter 671 contains general

533 definitions and principles of construction and interpretation  
534 applicable throughout this chapter.

535 Section 19. Section 677.103, Florida Statutes, is amended  
536 to read:

537 677.103 Relation of chapter to treaty, statute, ~~tariff,~~  
538 ~~classification,~~ or regulation.-

539 (1) Except as otherwise provided in this chapter, this  
540 chapter is subject to the extent that any treaty or statute of  
541 the United States to the extent the treaty or statute,  
542 regulatory statute of this state or tariff, classification or  
543 regulation filed or issued pursuant thereto is applicable, the  
544 provisions of this chapter are subject thereto.

545 (2) This chapter does not modify or repeal any law  
546 prescribing the form or content of a document of title or the  
547 services or facilities to be afforded by a bailee, or otherwise  
548 regulating a bailee's business in respects not specifically  
549 treated in this chapter. However, a violation of such a law does  
550 not affect the status of a document of title that otherwise is  
551 within the definition of a document of title.

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

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

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561 Section 20. Section 677.104, Florida Statutes, is amended  
562 to read:

563 677.104 Negotiable and nonnegotiable ~~warehouse receipt,~~  
564 ~~bill of lading or other~~ document of title.—

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

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

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

572 (2) A document of title other than one described in  
573 subsection (1) Any other document is nonnegotiable. A bill of  
574 lading that states ~~in which it is stated~~ that the goods are  
575 consigned to a named person is not made negotiable by a  
576 provision that the goods are to be delivered only against an a  
577 ~~written~~ order in a record signed by the same or another named  
578 person.

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

582 Section 21. Section 677.105, Florida Statutes, is amended  
583 to read:

584 677.105 Reissuance in alternative medium ~~Construction~~  
585 ~~against negative implication.—~~

586 (1) Upon request of a person entitled under an electronic  
587 document of title, the issuer of the electronic document may  
588 issue a tangible document of title as a substitute for the

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589 electronic document if:

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

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

594 (2) Upon issuance of a tangible document of title in  
595 substitution for an electronic document of title in accordance  
596 with subsection (1):

597 (a) The electronic document ceases to have any effect or  
598 validity; and

599 (b) The person that procured issuance of the tangible  
600 document warrants to all subsequent persons entitled under the  
601 tangible document that the warrantor was a person entitled under  
602 the electronic document when the warrantor surrendered control  
603 of the electronic document to the issuer.

604 (3) Upon request of a person entitled under a tangible  
605 document of title, the issuer of the tangible document may issue  
606 an electronic document of title as a substitute for the tangible  
607 document if:

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

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

613 (4) Upon issuance of an electronic document of title in  
614 substitution for a tangible document of title in accordance with  
615 subsection (3):

616 (a) The tangible document ceases to have any effect or

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617 validity; and

618 (b) The person that procured issuance of the electronic  
619 document warrants to all subsequent persons entitled under the  
620 electronic document that the warrantor was a person entitled  
621 under the tangible document when the warrantor surrendered  
622 possession of the tangible document to the issuer. ~~The omission~~  
623 from either part II or part III of this chapter of a provision  
624 corresponding to a provision made in the other part does not  
625 imply that a corresponding rule of law is not applicable.

626 Section 22. Section 677.106, Florida Statutes, is created  
627 to read:

628 677.106 Control of electronic document of title.—

629 (1) A person has control of an electronic document of  
630 title if a system employed for evidencing the transfer of  
631 interests in the electronic document reliably establishes that  
632 person as the person to which the electronic document was issued  
633 or transferred.

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

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

640 (b) The authoritative copy identifies the person asserting  
641 control as:

642 1. The person to which the document was issued; or

643 2. If the authoritative copy indicates that the document  
 644 has been transferred, the person to which the document was most  
 645 recently transferred;

646 (c) The authoritative copy is communicated to and  
 647 maintained by the person asserting control or its designated  
 648 custodian;

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

652 (e) Each copy of the authoritative copy and any copy of a  
 653 copy is readily identifiable as a copy that is not the  
 654 authoritative copy; and

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

657 Section 23. Section 677.201, Florida Statutes, is amended  
 658 to read:

659 677.201 Persons that ~~Who~~ may issue a warehouse receipt;  
 660 storage under ~~government~~ bond.—

661 (1) A warehouse receipt may be issued by any warehouse  
 662 ~~warehouseman~~.

663 (2) ~~If where~~ goods, including distilled spirits and  
 664 agricultural commodities, are stored under a statute requiring a  
 665 bond against withdrawal or a license for the issuance of  
 666 receipts in the nature of warehouse receipts, a receipt issued  
 667 for the goods is deemed to be ~~has like effect as~~ a warehouse  
 668 receipt even ~~if though~~ issued by a person ~~that who~~ is the owner  
 669 of the goods and is not a warehouse ~~warehouseman~~.

670 Section 24. Section 677.202, Florida Statutes, is amended



671 to read:

672 677.202 Form of warehouse receipt; effect of omission  
 673 ~~essential terms; optional terms.-~~

674 (1) A warehouse receipt need not be in any particular  
 675 form.

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

680 (a) A statement of the location of the warehouse facility  
 681 where the goods are stored;

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

683 (c) The unique identification code ~~consecutive number~~ of  
 684 the receipt;

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

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

692 (f) A description of the goods or ~~of~~ the packages  
 693 containing them;

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

696 (h) If the receipt is issued for goods that the warehouse  
 697 owns ~~of which the warehouseman is owner~~, either solely, ~~or~~  
 698 jointly, or in common with others, a statement of the fact of

699 that ~~such~~ ownership; and

700 (i) A statement of the amount of advances made and of  
 701 liabilities incurred for which the warehouse ~~warehouseman~~ claims  
 702 a lien or security interest, unless ~~(s. 677.209)~~. If the precise  
 703 amount of ~~such~~ advances made or ~~of such~~ liabilities incurred ~~is,~~  
 704 at the time of the issue of the receipt is, unknown to the  
 705 warehouse ~~warehouseman~~ or to its ~~his or her~~ agent that issued  
 706 the receipt, in which case ~~who issues it,~~ a statement of the  
 707 fact that advances have been made or liabilities incurred and  
 708 the purpose of the advances or liabilities ~~thereof~~ is  
 709 sufficient.

710 (3) A warehouse ~~warehouseman~~ may insert in its ~~his or her~~  
 711 receipt any ~~other~~ terms that ~~which~~ are not contrary to the  
 712 provisions of this code and do not impair its ~~his or her~~  
 713 obligation of delivery under s. 677.403 ~~(s. 677.403)~~ or its ~~his~~  
 714 ~~or her~~ duty of care under s. 677.204 ~~(s. 677.204)~~. Any contrary  
 715 provision is ~~provisions shall be~~ ineffective.

716 Section 25. Section 677.203, Florida Statutes, is amended  
 717 to read:

718 677.203 Liability of nonreceipt or misdescription.—A party  
 719 to or purchaser for value in good faith of a document of title,  
 720 other than a bill of lading, that relies ~~relying in either case~~  
 721 upon the description ~~therein~~ of the goods in the document may  
 722 recover from the issuer damages caused by the nonreceipt or  
 723 misdescription of the goods, except to the extent that:

724 (1) The document conspicuously indicates that the issuer  
 725 does not know whether all or any part ~~or all~~ of the goods in  
 726 fact were received or conform to the description, such as a case

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727 in which ~~as where~~ the description is in terms of marks or labels  
 728 or kind, quantity or condition, or the receipt or description is  
 729 qualified by "contents, condition and quality unknown," "said to  
 730 contain," or words of similar import ~~the like~~, if such  
 731 indication is ~~be~~ true;; or

732 (2) The party or purchaser otherwise has notice of the  
 733 nonreceipt or misdescription.

734 Section 26. Section 677.204, Florida Statutes, is amended  
 735 to read:

736 677.204 Duty of care; contractual limitation of  
 737 warehouse's ~~warehouseman's~~ liability.-

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

745 (2) Damages may be limited by a term in the warehouse  
 746 receipt or storage agreement limiting the amount of liability in  
 747 case of loss or damage, ~~and~~ setting forth a specific liability  
 748 per article or item, ~~or~~ value per unit of weight, or any other  
 749 negotiated limitation of damages as agreed upon between the  
 750 parties beyond which the warehouse is ~~warehouseman shall~~ not be  
 751 liable. Such a limitation is not effective with respect to the  
 752 warehouse's liability for conversion to its own use. On;  
 753 ~~provided, however, that such liability may on written request of~~  
 754 the bailor in a record at the time of signing the ~~such~~ storage

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755 agreement or within a reasonable time after receipt of the  
 756 warehouse receipt, the warehouse's liability may be increased on  
 757 part or all of the goods covered by the storage agreement or the  
 758 warehouse receipt. In this event, thereunder, in which event  
 759 increased rates may be charged based on an ~~such~~ increased  
 760 valuation of the goods, but that no such increase shall be  
 761 permitted contrary to a lawful limitation of liability contained  
 762 in the warehouseman's tariff, if any. No such limitation is  
 763 effective with respect to the warehouseman's liability for  
 764 conversion to his or her own use.

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

768 (4) ~~(3)~~ This section does not impair or repeal any statute  
 769 which imposes a higher responsibility upon the warehouse  
 770 ~~warehouseman~~ or invalidates contractual limitations which would  
 771 be permissible under this chapter.

772 Section 27. Section 677.205, Florida Statutes, is amended  
 773 to read:

774 677.205 Title under warehouse receipt defeated in certain  
 775 cases.—A buyer in ~~the~~ ordinary course of business of fungible  
 776 goods sold and delivered by a warehouse that ~~warehouseman who~~ is  
 777 also in the business of buying and selling such goods takes the  
 778 goods free of any claim under a warehouse receipt even if the  
 779 receipt is negotiable and ~~though it~~ has been duly negotiated.

780 Section 28. Section 677.206, Florida Statutes, is amended  
 781 to read:

782 677.206 Termination of storage at warehouse's

783 ~~warehouseman's~~ option.-

784 (1) A warehouse, by giving notice to ~~warehouseman may on~~  
 785 ~~notifying~~ the person on whose account the goods are held and any  
 786 other person known to claim an interest in the goods, may  
 787 require payment of any charges and removal of the goods from the  
 788 warehouse at the termination of the period of storage fixed by  
 789 the document of title or by a nonnegotiable warehouse receipt,  
 790 or, if a ~~no~~ period is not fixed, within a stated period not less  
 791 than 30 days after the warehouse gives notice ~~notification~~. If  
 792 the goods are not removed before the date specified in the  
 793 notice ~~notification~~, the warehouse ~~warehouseman~~ may sell them  
 794 pursuant to s. 677.210 ~~in accordance with the provisions of the~~  
 795 ~~section on enforcement of a warehouseman's lien (s. 677.210).~~

796 (2) If a warehouse ~~warehouseman~~ in good faith believes  
 797 that ~~the~~ goods are about to deteriorate or decline in value to  
 798 less than the amount of its ~~his or her~~ lien within the time  
 799 provided ~~prescribed~~ in subsection (1) and s. 677.210 ~~for~~  
 800 ~~notification, advertisement and sale,~~ the warehouse ~~warehouseman~~  
 801 may specify in the notice given under subsection (1)  
 802 ~~notification~~ any reasonable shorter time for removal of the  
 803 goods and, if ~~in case~~ the goods are not removed, may sell them  
 804 at public sale held not less than 1 week after a single  
 805 advertisement or posting.

806 (3) If, as a result of a quality or condition of the goods  
 807 of which the warehouse did not have ~~warehouseman had no~~ notice  
 808 at the time of deposit, the goods are a hazard to other  
 809 property, ~~or to~~ the warehouse facilities, or other ~~to~~ persons,  
 810 the warehouse ~~warehouseman~~ may sell the goods at public or

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811 private sale without advertisement or posting on reasonable  
 812 notification to all persons known to claim an interest in the  
 813 goods. If the warehouse, ~~warehouseman~~ after a reasonable effort,  
 814 is unable to sell the goods, it ~~he or she~~ may dispose of them in  
 815 any lawful manner and does not ~~shall~~ incur ~~no~~ liability by  
 816 reason of that ~~such~~ disposition.

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

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

826 Section 29. Section 677.207, Florida Statutes, is amended  
 827 to read:

828 677.207 Goods shall ~~must~~ be kept separate; fungible  
 829 goods.—

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

835 (2) If different lots of fungible goods are ~~so~~ commingled,  
 836 the goods are owned in common by the persons entitled thereto  
 837 and the warehouse ~~warehouseman~~ is severally liable to each owner  
 838 for that owner's share. If, ~~Where~~ because of overissue, a mass

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839 of fungible goods is insufficient to meet all the receipts ~~which~~  
 840 the warehouse ~~warehouseman~~ has issued against it, the persons  
 841 entitled include all holders to whom overissued receipts have  
 842 been duly negotiated.

843 Section 30. Section 677.208, Florida Statutes, is amended  
 844 to read:

845 677.208 Altered warehouse receipts.—If ~~Where~~ a blank in a  
 846 negotiable warehouse receipt has been filled in without  
 847 authority, a good faith purchaser for value and without notice  
 848 of the lack ~~want~~ of authority may treat the insertion as  
 849 authorized. Any other unauthorized alteration leaves any  
 850 tangible or electronic warehouse receipt enforceable against the  
 851 issuer according to its original tenor.

852 Section 31. Section 677.209, Florida Statutes, is amended  
 853 to read:

854 677.209 Lien of warehouse ~~warehouseman~~.—

855 (1) A warehouse ~~warehouseman~~ has a lien against the bailor  
 856 on the goods covered by a warehouse receipt or storage agreement  
 857 or on the proceeds thereof in its ~~his or her~~ possession for  
 858 charges for storage or transportation, including demurrage and  
 859 terminal charges ~~(including demurrage and terminal charges),~~  
 860 insurance, labor, or other charges, present or future, in  
 861 relation to the goods, and for expenses necessary for  
 862 preservation of the goods or reasonably incurred in their sale  
 863 pursuant to law. If the person on whose account the goods are  
 864 held is liable for similar ~~like~~ charges or expenses in relation  
 865 to other goods whenever deposited and it is stated in the  
 866 warehouse receipt or storage agreement that a lien is claimed

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867 for charges and expenses in relation to other goods, the  
 868 warehouse ~~warehouseman~~ also has a lien against the goods covered  
 869 by the warehouse receipt or storage agreement or on the proceeds  
 870 thereof in its possession ~~him or her~~ for those ~~such~~ charges and  
 871 expenses, whether or not the other goods have been delivered by  
 872 the warehouse ~~warehouseman~~. However, as ~~But~~ against a person to  
 873 which ~~whom~~ a negotiable warehouse receipt is duly negotiated, a  
 874 warehouse's ~~warehouseman's~~ lien is limited to charges in an  
 875 amount or at a rate specified in ~~on~~ the warehouse receipt or, if  
 876 no charges are so specified, ~~then~~ to a reasonable charge for  
 877 storage of the specific goods covered by the receipt subsequent  
 878 to the date of the receipt.

879 (2) A warehouse ~~The warehouseman~~ may also reserve a  
 880 security interest against the bailor for the ~~a~~ maximum amount  
 881 specified on the receipt for charges other than those specified  
 882 in subsection (1), such as for money advanced and interest. The  
 883 ~~Such a~~ security interest is governed by chapter 679 ~~the chapter~~  
 884 ~~on secured transactions (chapter 679).~~

885 (3) A warehouse's ~~warehouseman's~~ lien for charges and  
 886 expenses under subsection (1) or a security interest under  
 887 subsection (2) is also effective against any person that ~~who~~ so  
 888 entrusted the bailor with possession of the goods that a pledge  
 889 of them by the bailor ~~him or her~~ to a good faith ~~good faith~~  
 890 purchaser for value would have been valid. However, the lien or  
 891 security interest ~~but~~ is not effective against a person that  
 892 before issuance of a document of title had a legal interest or a  
 893 perfected security interest in the goods and that did not:

894 (a) Deliver or entrust the goods or any document of title



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895 covering the goods to the bailor or the bailor's nominee with:  
 896 1. Actual or apparent authority to ship, store, or sell;  
 897 2. Power to obtain delivery under s. 677.403; or  
 898 3. Power of disposition under s. 672.403, s. 680.304(2),  
 899 s. 680.305(2), s. 679.320, or s. 679.321(3) or other statute or  
 900 rule of law; or

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

904 (4) A warehouse's lien on household goods for charges and  
 905 expenses in relation to the goods under subsection (1) is also  
 906 effective against all persons if the depositor was the legal  
 907 possessor of the goods at the time of deposit. In this  
 908 subsection, the term "household goods" means furniture,  
 909 furnishings, or personal effects used by the depositor in a  
 910 dwelling.

911 (5)-(4) A warehouse warehouseman loses its his or her lien  
 912 on any goods that it which he or she voluntarily delivers or  
 913 which he or she unjustifiably refuses to deliver.

914 Section 32. Section 677.210, Florida Statutes, is amended  
 915 to read:

916 677.210 Enforcement of warehouse's ~~warehouseman's~~ lien.—

917 (1) Except as provided in subsection (2), a warehouse's  
 918 ~~warehouseman's~~ lien may be enforced by public or private sale of  
 919 the goods, in bulk or in packages ~~in block or in parcels~~, at any  
 920 time or place and on any terms that ~~which~~ are commercially  
 921 reasonable, after notifying all persons known to claim an  
 922 interest in the goods. The ~~Such~~ notification shall ~~must~~ include

923 a statement of the amount due, the nature of the proposed sale,  
 924 and the time and place of any public sale. The fact that a  
 925 better price could have been obtained by a sale at a different  
 926 time or in a different method from that selected by the  
 927 warehouse ~~warehouseman~~ is not of itself sufficient to establish  
 928 that the sale was not made in a commercially reasonable manner.  
 929 The warehouse sells in a commercially reasonable manner if the  
 930 warehouse ~~If the warehouseman either~~ sells the goods in the  
 931 usual manner in any recognized market therefor, ~~or if he or she~~  
 932 sells at the price current in that ~~such~~ market at the time of  
 933 the ~~his or her~~ sale, or ~~if he or she has~~ otherwise sells ~~sold~~ in  
 934 conformity with commercially reasonable practices among dealers  
 935 in the type of goods sold, ~~he or she has sold in a commercially~~  
 936 ~~reasonable manner~~. A sale of more goods than apparently  
 937 necessary to be offered to ensure satisfaction of the obligation  
 938 is not commercially reasonable except in cases covered by the  
 939 preceding sentence.

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

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

946 (b) The notification must be delivered in person or sent  
 947 by registered or certified letter to the last known address of  
 948 any person to be notified.

949 (c) The notification shall ~~must~~ include an itemized  
 950 statement of the claim, a description of the goods subject to

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951 the lien, a demand for payment within a specified time not less  
 952 than 10 days after receipt of the notification, and a  
 953 conspicuous statement that unless the claim is paid within that  
 954 time the goods will be advertised for sale and sold by auction  
 955 at a specified time and place.

956 (d) The sale shall ~~must~~ conform to the terms of the  
 957 notification.

958 (e) The sale shall ~~must~~ be held at the nearest suitable  
 959 place to ~~that~~ where the goods are held or stored.

960 (f) After the expiration of the time given in the  
 961 notification, an advertisement of the sale shall ~~must~~ be  
 962 published once a week for 2 weeks consecutively in a newspaper  
 963 of general circulation where the sale is to be held. The  
 964 advertisement shall ~~must~~ include a description of the goods, the  
 965 name of the person on whose account they are being held, and the  
 966 time and place of the sale. The sale shall ~~must~~ take place at  
 967 least 15 days after the first publication. If there is no  
 968 newspaper of general circulation where the sale is to be held,  
 969 the advertisement shall ~~must~~ be posted at least 10 days before  
 970 the sale in not fewer ~~less~~ than 6 conspicuous places in the  
 971 neighborhood of the proposed sale.

972 (3) Before any sale pursuant to this section any person  
 973 claiming a right in the goods may pay the amount necessary to  
 974 satisfy the lien and the reasonable expenses incurred in  
 975 complying with ~~under~~ this section. In that event, the goods may  
 976 ~~must~~ not be sold, but shall ~~must~~ be retained by the warehouse  
 977 ~~warehouseman~~ subject to the terms of the receipt and this  
 978 chapter.

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

981           (5) A purchaser in good faith of goods sold to enforce a  
982 warehouse's ~~warehouseman's~~ lien takes the goods free of any  
983 rights of persons against which ~~whom~~ the lien was valid, despite  
984 the warehouse's noncompliance by the warehouseman with ~~the~~  
985 ~~requirements of~~ this section.

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

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

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

997           (9) A warehouse ~~The warehouseman~~ is liable for damages  
998 caused by failure to comply with the requirements for sale under  
999 this section, and in case of willful violation, is liable for  
1000 conversion.

1001           Section 33. Section 677.301, Florida Statutes, is amended  
1002 to read:

1003           677.301 Liability for nonreceipt or misdescription; "said  
1004 to contain"; "shipper's weight, load, and count"; improper  
1005 handling.—

1006           (1) A consignee of a nonnegotiable bill of lading which

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1007 ~~who~~ has given value in good faith, or a holder to which ~~whom~~ a  
 1008 negotiable bill has been duly negotiated, relying in either case  
 1009 upon the description ~~therein~~ of the goods in the bill, ~~or upon~~  
 1010 the date ~~therein~~ shown in the bill, may recover from the issuer  
 1011 damages caused by the misdating of the bill or the nonreceipt or  
 1012 misdescription of the goods, except to the extent that the bill  
 1013 ~~document~~ indicates that the issuer does not know whether any  
 1014 part or all of the goods in fact were received or conform to the  
 1015 description, such as in the case in which ~~where~~ the description  
 1016 is in terms of marks or labels or kind, quantity, or condition  
 1017 or the receipt or description is qualified by "contents or  
 1018 condition of contents of packages unknown," "said to contain,"  
 1019 "shipper's weight, load, and count" or words of similar import  
 1020 ~~the like~~, if that ~~such~~ indication is ~~be~~ true.

1021 (2) If ~~When~~ goods are loaded by the ~~an~~ issuer of a bill of  
 1022 lading: who is a common carrier,

1023 (a) The issuer shall ~~must~~ count the packages of goods if  
 1024 shipped in packages ~~package freight~~ and ascertain the kind and  
 1025 quantity if shipped in bulk; and ~~freight.~~

1026 (b) Words ~~In~~ such as ~~eases~~ "shipper's weight, load, and  
 1027 count" or ~~other~~ words of similar import indicating that the  
 1028 description was made by the shipper are ineffective except as to  
 1029 goods ~~freight~~ concealed in ~~by~~ packages.

1030 (3) If ~~When~~ bulk goods are ~~freight is~~ loaded by a shipper  
 1031 that ~~who~~ makes available to the issuer of a bill of lading  
 1032 adequate facilities for weighing those goods, the ~~such freight,~~  
 1033 an issuer shall ~~who is a common carrier~~ ~~must~~ ascertain the kind  
 1034 and quantity within a reasonable time after receiving the

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1035 ~~shipper's written request of the shipper~~ to do so. In that case  
 1036 ~~such cases~~ "shipper's weight, load, and count" or ~~other~~ words of  
 1037 similar import like purport are ineffective.

1038 (4) The issuer of a bill of lading, ~~may~~ by including  
 1039 ~~inserting~~ in the bill the words "shipper's weight, load, and  
 1040 count" or ~~other~~ words of similar import, ~~may like purport~~  
 1041 indicate that the goods were loaded by the shipper,~~;~~ and if that  
 1042 ~~such~~ statement is ~~be~~ true, the issuer is ~~shall~~ not ~~be~~ liable for  
 1043 damages caused by the improper loading. However, ~~But their~~  
 1044 omission of such words does not imply liability for ~~such~~ damages  
 1045 caused by improper loading.

1046 (5) A ~~The~~ shipper guarantees ~~shall be deemed to have~~  
 1047 ~~guaranteed to an~~ the issuer the accuracy at the time of shipment  
 1048 of the description, marks, labels, number, kind, quantity,  
 1049 condition and weight, as furnished by the shipper, ~~him or her;~~  
 1050 and the shipper shall indemnify the issuer against damage caused  
 1051 by inaccuracies in those ~~such~~ particulars. This ~~The~~ right of ~~the~~  
 1052 ~~issuer to such~~ indemnity does not ~~shall in no way~~ limit the  
 1053 issuer's ~~his or her~~ responsibility or ~~and~~ liability under the  
 1054 contract of carriage to any person other than the shipper.

1055 Section 34. Section 677.302, Florida Statutes, is amended  
 1056 to read:

1057 677.302 Through bills of lading and similar documents of  
 1058 title.-

1059 (1) The issuer of a through bill of lading, or other  
 1060 document of title embodying an undertaking to be performed in  
 1061 part by a person ~~persons~~ acting as its agent ~~agents~~ or by a  
 1062 performing carrier, ~~connecting carriers~~ is liable to any person

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1063 ~~anyone~~ entitled to recover on the bill or other document for any  
 1064 breach by ~~the such~~ other person ~~persons~~ or ~~the performing~~ ~~by a~~  
 1065 ~~connecting~~ carrier of its obligation under the bill or other  
 1066 document. However, ~~but~~ to the extent that the bill or other  
 1067 document covers an undertaking to be performed overseas or in  
 1068 territory not contiguous to the continental United States or an  
 1069 undertaking including matters other than transportation, this  
 1070 liability for breach by the other person or the performing  
 1071 carrier may be varied by agreement of the parties.

1072 (2) If ~~where~~ goods covered by a through bill of lading or  
 1073 other document of title embodying an undertaking to be performed  
 1074 in part by a person ~~persons~~ other than the issuer are received  
 1075 by that any such person, the person ~~he or she~~ is subject, with  
 1076 respect to its ~~his or her~~ own performance while the goods are in  
 1077 its ~~his or her~~ possession, to the obligation of the issuer. The  
 1078 person's ~~His or her~~ obligation is discharged by delivery of the  
 1079 goods to another ~~such~~ person pursuant to the bill or other  
 1080 document, ~~and~~ and does not include liability for breach by any other  
 1081 person ~~such persons~~ or by the issuer.

1082 (3) The issuer of a ~~such~~ through bill of lading or other  
 1083 document of title described in subsection (1) ~~is shall be~~  
 1084 entitled to recover from the performing ~~connecting~~ carrier, or  
 1085 ~~such~~ other person in possession of the goods when the breach of  
 1086 the obligation under the bill or other document occurred: ~~and~~

1087 (a) The amount it may be required to pay to any person  
 1088 ~~anyone~~ entitled to recover on the bill or other document for the  
 1089 breach ~~therefor~~, as may be evidenced by any receipt, judgment,  
 1090 or transcript of judgment; ~~thereof,~~ and

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1091           **(b)** The amount of any expense reasonably incurred by the  
 1092 insurer ~~it~~ in defending any action commenced ~~brought~~ by any  
 1093 person ~~anyone~~ entitled to recover on the bill or other document  
 1094 for the breach ~~therefor~~.

1095           Section 35. Section 677.303, Florida Statutes, is amended  
 1096 to read:

1097           677.303 Diversion; reconsignment; change of instructions.—

1098           (1) Unless the bill of lading otherwise provides, a ~~the~~  
 1099 carrier may deliver the goods to a person or destination other  
 1100 than that stated in the bill or may otherwise dispose of the  
 1101 goods, without liability for misdelivery, on instructions from:

1102           (a) The holder of a negotiable bill; ~~or~~

1103           (b) The consignor on a nonnegotiable bill, even if the  
 1104 consignee has given ~~notwithstanding~~ contrary instructions ~~from~~  
 1105 ~~the consignee; or~~

1106           (c) The consignee on a nonnegotiable bill in the absence  
 1107 of contrary instructions from the consignor, if the goods have  
 1108 arrived at the billed destination or if the consignee is in  
 1109 possession of the tangible bill or in control of the electronic  
 1110 bill; or

1111           (d) The consignee on a nonnegotiable bill, if the  
 1112 consignee ~~he or she~~ is entitled as against the consignor to  
 1113 dispose of the goods ~~them~~.

1114           (2) Unless ~~such~~ instructions described in subsection (1)  
 1115 are included in ~~noted on~~ a negotiable bill of lading, a person  
 1116 to which ~~whom~~ the bill is duly negotiated may ~~can~~ hold the  
 1117 bailee according to the original terms.

1118           Section 36. Section 677.304, Florida Statutes, is amended



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1119 to read:

1120 677.304 Tangible bills of lading in a set.—

1121 (1) Except as ~~where~~ customary in international ~~overseas~~  
 1122 transportation, a tangible bill of lading may ~~must~~ not be issued  
 1123 in a set of parts. The issuer is liable for damages caused by  
 1124 violation of this subsection.

1125 (2) If ~~Where~~ a tangible bill of lading is lawfully issued  
 1126 ~~drawn~~ in a set of parts, each of which contains an  
 1127 identification code ~~is numbered~~ and is expressed to be valid  
 1128 only if the goods have not been delivered against any other  
 1129 part, the whole of the parts constitutes ~~constitute~~ one bill.

1130 (3) If ~~Where~~ a tangible negotiable bill of lading is  
 1131 lawfully issued in a set of parts and different parts are  
 1132 negotiated to different persons, the title of the holder to  
 1133 which ~~whom~~ the first due negotiation is made prevails as to both  
 1134 the document of title and the goods even if ~~though~~ any later  
 1135 holder may have received the goods from the carrier in good  
 1136 faith and discharged the carrier's obligation by surrendering  
 1137 its ~~surrender of his or her~~ part.

1138 (4) A ~~Any~~ person that ~~who~~ negotiates or transfers a single  
 1139 part of a tangible bill of lading issued ~~drawn~~ in a set is  
 1140 liable to holders of that part as if it were the whole set.

1141 (5) The bailee shall ~~is obliged to~~ deliver in accordance  
 1142 with part IV of this chapter against the first presented part of  
 1143 a tangible bill of lading lawfully drawn in a set. ~~Such~~ Delivery  
 1144 in this manner discharges the bailee's obligation on the whole  
 1145 bill.

1146 Section 37. Section 677.305, Florida Statutes, is amended

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1147 to read:

1148 677.305 Destination bills.—

1149 (1) Instead of issuing a bill of lading to the consignor  
 1150 at the place of shipment, a carrier, ~~may~~ at the request of the  
 1151 consignor, may procure the bill to be issued at destination or  
 1152 at any other place designated in the request.

1153 (2) Upon request of any person ~~anyone~~ entitled as against  
 1154 the carrier to control the goods while in transit and on  
 1155 surrender of possession or control of any outstanding bill of  
 1156 lading or other receipt covering such goods, the issuer, subject  
 1157 to s. 677.105, may procure a substitute bill to be issued at any  
 1158 place designated in the request.

1159 Section 38. Section 677.307, Florida Statutes, is amended  
 1160 to read:

1161 677.307 Lien of carrier.—

1162 (1) A carrier has a lien on the goods covered by a bill of  
 1163 lading or on the proceeds thereof in its possession for charges  
 1164 after ~~subsequent to~~ the date of the carrier's ~~its~~ receipt of the  
 1165 goods for storage or transportation, including demurrage and  
 1166 terminal charges, ~~(including demurrage and terminal charges)~~ and  
 1167 for expenses necessary for preservation of the goods incident to  
 1168 their transportation or reasonably incurred in their sale  
 1169 pursuant to law. However, ~~But~~ against a purchaser for value of a  
 1170 negotiable bill of lading, a carrier's lien is limited to  
 1171 charges stated in the bill or the applicable tariffs, ~~or,~~ if no  
 1172 charges are stated, ~~then to~~ a reasonable charge.

1173 (2) A lien for charges and expenses under subsection (1)  
 1174 on goods that ~~which~~ the carrier was required by law to receive

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1175 for transportation is effective against the consignor or any  
 1176 person entitled to the goods unless the carrier had notice that  
 1177 the consignor lacked authority to subject the goods to those  
 1178 ~~such~~ charges and expenses. Any other lien under subsection (1)  
 1179 is effective against the consignor and any person that ~~who~~  
 1180 permitted the bailor to have control or possession of the goods  
 1181 unless the carrier had notice that the bailor lacked ~~such~~  
 1182 authority.

1183 (3) A carrier loses its ~~his or her~~ lien on any goods that  
 1184 it ~~which the carrier~~ voluntarily delivers or ~~which he or she~~  
 1185 unjustifiably refuses to deliver.

1186 Section 39. Section 677.308, Florida Statutes, is amended  
 1187 to read:

1188 677.308 Enforcement of carrier's lien.—

1189 (1) A carrier's lien on goods may be enforced by public or  
 1190 private sale of the goods, in bulk ~~block~~ or in packages ~~parcels~~,  
 1191 at any time or place and on any terms that ~~which~~ are  
 1192 commercially reasonable, after notifying all persons known to  
 1193 claim an interest in the goods. The ~~Such~~ notification shall ~~must~~  
 1194 include a statement of the amount due, the nature of the  
 1195 proposed sale, and the time and place of any public sale. The  
 1196 fact that a better price could have been obtained by a sale at a  
 1197 different time or in a method different ~~method~~ from that  
 1198 selected by the carrier is not of itself sufficient to establish  
 1199 that the sale was not made in a commercially reasonable manner.  
 1200 ~~If~~ The carrier ~~either~~ sells ~~the~~ goods in a commercially  
 1201 reasonable ~~the usual manner in any recognized market therefor or~~  
 1202 if the carrier ~~he or she~~ sells the goods in the usual manner in

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1203 any recognized market therefor, sells at the price current in  
 1204 that ~~such~~ market at the time of the ~~his or her~~ sale, or if ~~the~~  
 1205 ~~carrier has~~ otherwise sells ~~sold~~ in conformity with commercially  
 1206 reasonable practices among dealers in the type of goods sold ~~he~~  
 1207 ~~or she has sold in a commercially reasonable manner.~~ A sale of  
 1208 more goods than apparently necessary to be offered to ensure  
 1209 satisfaction of the obligation is not commercially reasonable,  
 1210 except in cases covered by the preceding sentence.

1211 (2) Before any sale pursuant to this section, any person  
 1212 claiming a right in the goods may pay the amount necessary to  
 1213 satisfy the lien and the reasonable expenses incurred in  
 1214 complying with ~~under~~ this section. In that event, the goods may  
 1215 ~~must~~ not be sold, but shall ~~must~~ be retained by the carrier,  
 1216 subject to the terms of the bill of lading and this chapter.

1217 (3) The carrier may buy at any public sale pursuant to  
 1218 this section.

1219 (4) A purchaser in good faith of goods sold to enforce a  
 1220 carrier's lien takes the goods free of any rights of persons  
 1221 against which ~~whom~~ the lien was valid, despite the carrier's  
 1222 noncompliance ~~by the carrier~~ with ~~the requirements of~~ this  
 1223 section.

1224 (5) A ~~The~~ carrier may satisfy its ~~his or her~~ lien from the  
 1225 proceeds of any sale pursuant to this section but shall ~~must~~  
 1226 hold the balance, if any, for delivery on demand to any person  
 1227 to which ~~whom~~ the carrier would have been bound to deliver the  
 1228 goods.

1229 (6) The rights provided by this section are ~~shall be~~ in  
 1230 addition to all other rights allowed by law to a creditor

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1231 against a ~~his or her~~ debtor.

1232 (7) A carrier's lien may be enforced pursuant to ~~in~~  
 1233 ~~accordance with~~ either subsection (1) or the procedure set forth  
 1234 in s. 677.210(2).

1235 (8) A ~~The~~ carrier is liable for damages caused by failure  
 1236 to comply with the requirements for sale under this section and,  
 1237 in case of willful violation, is liable for conversion.

1238 Section 40. Section 677.309, Florida Statutes, is amended  
 1239 to read:

1240 677.309 Duty of care; contractual limitation of carrier's  
 1241 liability.—

1242 (1) A carrier that ~~who~~ issues a bill of lading, whether  
 1243 negotiable or nonnegotiable, shall ~~must~~ exercise the degree of  
 1244 care in relation to the goods which a reasonably careful person  
 1245 would exercise under similar ~~like~~ circumstances. This subsection  
 1246 does not affect ~~repeal or change~~ any statute, regulation, law or  
 1247 rule of law that ~~which~~ imposes liability upon a common carrier  
 1248 for damages not caused by its negligence.

1249 (2) Damages may be limited by a term in the bill of lading  
 1250 or in a transportation agreement ~~provision~~ that the carrier's  
 1251 liability may ~~shall~~ not exceed a value stated in the bill or  
 1252 transportation agreement ~~document~~ if the carrier's rates are  
 1253 dependent upon value and the consignor ~~by the carrier's tariff~~  
 1254 is afforded an opportunity to declare a higher value and the  
 1255 consignor ~~or a value as lawfully provided in the tariff, or~~  
 1256 ~~where no tariff is filed he or she is otherwise advised of the~~  
 1257 ~~such~~ opportunity. However,; ~~but no~~ such a limitation is not  
 1258 effective with respect to the carrier's liability for conversion

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1259 to its own use.

1260 (3) Reasonable provisions as to the time and manner of  
 1261 presenting claims and commencing ~~instituting~~ actions based on  
 1262 the shipment may be included in the bill of lading or a  
 1263 transportation agreement tariff.

1264 Section 41. Section 677.401, Florida Statutes, is amended  
 1265 to read:

1266 677.401 Irregularities in issue of receipt or bill or  
 1267 conduct of issuer.—The obligations imposed by this chapter on an  
 1268 issuer apply to a document of title even if ~~regardless of the~~  
 1269 ~~fact that~~:

1270 (1) The document does ~~may~~ not comply with the requirements  
 1271 of this chapter or of any other statute, rule of law, law or  
 1272 regulation regarding its issuance ~~issue~~, form, or content; ~~or~~

1273 (2) The issuer ~~may have~~ violated laws regulating the  
 1274 conduct of its ~~his or her~~ business; ~~or~~

1275 (3) The goods covered by the document were owned by the  
 1276 bailee when ~~at the time~~ the document was issued; or

1277 (4) The person issuing the document is not a warehouse but  
 1278 the document ~~does not come within the definition of warehouseman~~  
 1279 ~~if it~~ purports to be a warehouse receipt.

1280 Section 42. Section 677.402, Florida Statutes, is amended  
 1281 to read:

1282 677.402 Duplicate document of title ~~receipt or bill~~;  
 1283 overissue.—~~Neither~~ A duplicate or ~~nor~~ any other document of  
 1284 title purporting to cover goods already represented by an  
 1285 outstanding document of the same issuer does not confer ~~confers~~  
 1286 any right in the goods, except as provided in the case of

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1287 tangible bills of lading in a set of parts, overissue of  
 1288 documents for fungible goods, ~~and~~ substitutes for lost, stolen  
 1289 or destroyed documents, or substitute documents issued pursuant  
 1290 to s. 677.105. ~~But~~ The issuer is liable for damages caused by  
 1291 its ~~his or her~~ overissue or failure to identify a duplicate  
 1292 document ~~as such~~ by a conspicuous notation ~~on its face~~.

1293 Section 43. Section 677.403, Florida Statutes, is amended  
 1294 to read:

1295 677.403 Obligation of bailee ~~warehouseman or carrier~~ to  
 1296 deliver; excuse.—

1297 (1) A ~~The~~ bailee shall ~~must~~ deliver the goods to a person  
 1298 entitled under a ~~the~~ document of title if the person ~~who~~  
 1299 complies with subsections (2) and (3), unless and to the extent  
 1300 that the bailee establishes any of the following:

1301 (a) Delivery of the goods to a person whose receipt was  
 1302 rightful as against the claimant;

1303 (b) Damage to or delay, loss or destruction of the goods  
 1304 for which the bailee is not liable, but the burden of  
 1305 establishing negligence in such cases when value of such damage,  
 1306 delay, loss, or destruction exceeds \$10,000 is on the person  
 1307 entitled under the document;—

1308 (c) Previous sale or other disposition of the goods in  
 1309 lawful enforcement of a lien or on a warehouse's ~~warehouseman's~~  
 1310 lawful termination of storage;

1311 (d) The exercise by a seller of its ~~his or her~~ right to  
 1312 stop delivery pursuant to s. 672.705 or by a lessor of its right  
 1313 to stop delivery pursuant to s. 680.526 ~~the provisions of the~~  
 1314 ~~chapter on sales (s. 672.705);~~

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1315 (e) A diversion, reconsignment, or other disposition  
 1316 pursuant to s. 677.303 ~~the provisions of this chapter (s.~~  
 1317 ~~677.303) or tariff regulating such right;~~

1318 (f) Release, satisfaction, or any other ~~fact affording a~~  
 1319 personal defense against the claimant; or

1320 (g) Any other lawful excuse.

1321 (2) A person claiming goods covered by a document of title  
 1322 shall ~~must~~ satisfy the bailee's lien if ~~where~~ the bailee so  
 1323 requests or if ~~where~~ the bailee is prohibited by law from  
 1324 delivering the goods until the charges are paid.

1325 (3) Unless a ~~the~~ person claiming the goods is a person ~~one~~  
 1326 against which ~~whom~~ the document of title does not confer a  
 1327 ~~confers no~~ right under s. 677.503(1):r

1328 (a) The person claiming under a document shall ~~he or she~~  
 1329 ~~must~~ surrender possession or control of any outstanding  
 1330 negotiable document covering the goods for cancellation or  
 1331 indication of partial deliveries; and

1332 (b) ~~for cancellation or notation of partial deliveries any~~  
 1333 ~~outstanding negotiable document covering the goods, and The~~  
 1334 bailee shall ~~must~~ cancel the document or conspicuously indicate  
 1335 in the document ~~note~~ the partial delivery ~~thereon~~ or the bailee  
 1336 is ~~be~~ liable to any person to which ~~whom~~ the document is duly  
 1337 negotiated.

1338 (4) ~~"Person entitled under the document" means holder in~~  
 1339 ~~the case of a negotiable document, or the person to whom~~  
 1340 ~~delivery is to be made by the terms of or pursuant to written~~  
 1341 ~~instructions under a nonnegotiable document.~~

1342 Section 44. Section 677.404, Florida Statutes, is amended



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1343 to read:

1344 677.404 No liability for good faith delivery pursuant to  
 1345 document of title ~~receipt or bill~~.—A bailee that ~~who~~ in good  
 1346 faith ~~including observance of reasonable commercial standards~~  
 1347 has received goods and delivered or otherwise disposed of the  
 1348 goods ~~them~~ according to the terms of the document of title or  
 1349 pursuant to this chapter is not liable for the goods ~~therefor~~.  
 1350 ~~This rule applies even if:~~

1351 (1) ~~though~~ The person from which the bailee ~~whom he or she~~  
 1352 received the goods did not have ~~had no~~ authority to procure the  
 1353 document or to dispose of the goods; or

1354 (2) ~~The and even though~~ the person to which the bailee  
 1355 ~~whom he or she~~ delivered the goods did not have ~~had no~~ authority  
 1356 to receive the goods ~~them~~.

1357 Section 45. Section 677.501, Florida Statutes, is amended  
 1358 to read:

1359 677.501 Form of negotiation and requirements of "due  
 1360 negotiation."—

1361 (1) The following rules apply to a negotiable tangible  
 1362 document of title:

1363 (a) If the document's original terms run ~~running~~ to the  
 1364 order of a named person, the document is negotiated by the named  
 1365 person's indorsement and delivery. After the named person's ~~his~~  
 1366 ~~or her~~ indorsement in blank or to bearer, any person may ~~can~~  
 1367 negotiate the document ~~it~~ by delivery alone.

1368 (b) If the document's original

1369 (2) (a) ~~A negotiable document of title is also negotiated~~  
 1370 ~~by delivery alone when by its original terms~~ run ~~it runs~~ to

1371 bearer, it is negotiated by delivery alone.

1372 (c) If the document's original terms run

1373 ~~(b) When a document running~~ to the order of a named person  
 1374 and it is delivered to the named person, ~~him or her~~ the effect  
 1375 is the same as if the document had been negotiated.

1376 (d) ~~(3)~~ Negotiation of the a negotiable document of title  
 1377 after it has been indorsed to a named ~~specified~~ person requires  
 1378 indorsement by the named person and ~~special indorsee as well as~~  
 1379 delivery.

1380 (e) ~~(4)~~ A negotiable document ~~of title~~ is duly negotiated  
 1381 if "duly negotiated" ~~when~~ it is negotiated in the manner stated  
 1382 in this subsection ~~section~~ to a holder that ~~who~~ purchases it in  
 1383 good faith, without notice of any defense against or claim to it  
 1384 on the part of any person, and for value, unless it is  
 1385 established that the negotiation is not in the regular course of  
 1386 business or financing or involves receiving the document in  
 1387 settlement or payment of a money obligation.

1388 (2) The following rules apply to a negotiable electronic  
 1389 document of title:

1390 (a) If the document's original terms run to the order of a  
 1391 named person or to bearer, the document is negotiated by  
 1392 delivery of the document to another person. Indorsement by the  
 1393 named person is not required to negotiate the document.

1394 (b) If the document's original terms run to the order of a  
 1395 named person and the named person has control of the document,  
 1396 the effect is the same as if the document had been negotiated.

1397 (c) A document is duly negotiated if it is negotiated in  
 1398 the manner stated in this subsection to a holder that purchases

1399 it in good faith, without notice of any defense against or claim  
 1400 to it on the part of any person, and for value, unless it is  
 1401 established that the negotiation is not in the regular course of  
 1402 business or financing or involves taking delivery of the  
 1403 document in settlement or payment of a monetary obligation.

1404 (3)-(5) Indorsement of a nonnegotiable document of title  
 1405 neither makes it negotiable nor adds to the transferee's rights.

1406 (4)-(6) The naming in a negotiable bill of lading of a  
 1407 person to be notified of the arrival of the goods does not limit  
 1408 the negotiability of the bill or ~~nor~~ constitute notice to a  
 1409 purchaser of the bill ~~thereof~~ of any interest of that ~~such~~  
 1410 person in the goods.

1411 Section 46. Section 677.502, Florida Statutes, is amended  
 1412 to read:

1413 677.502 Rights acquired by due negotiation.—

1414 (1) Subject to ss. ~~the following section and to the~~  
 1415 ~~provisions of s. 677.205 and 677.503 on fungible goods,~~ a holder  
 1416 to which ~~whom~~ a negotiable document of title has been duly  
 1417 negotiated acquires thereby:

1418 (a) Title to the document;

1419 (b) Title to the goods;

1420 (c) All rights accruing under the law of agency or  
 1421 estoppel, including rights to goods delivered to the bailee  
 1422 after the document was issued; and

1423 (d) The direct obligation of the issuer to hold or deliver  
 1424 the goods according to the terms of the document free of any  
 1425 defense or claim by the issuer ~~him or her~~ except those arising  
 1426 under the terms of the document or under this chapter, but ~~in~~

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1427 the case of a delivery order, the bailee's obligation accrues  
 1428 only upon the bailee's acceptance of the delivery order and the  
 1429 obligation acquired by the holder is that the issuer and any  
 1430 indorser will procure the acceptance of the bailee.

1431 (2) Subject to the following section, title and rights so  
 1432 acquired by due negotiation are not defeated by any stoppage of  
 1433 the goods represented by the document of title or by surrender  
 1434 of ~~the such~~ goods by the bailee, and are not impaired even if:

1435 (a) ~~though~~ The due negotiation or any prior due  
 1436 negotiation constituted a breach of duty; ~~or even though~~

1437 (b) Any person has been deprived of possession of a  
 1438 negotiable tangible ~~the~~ document or control of a negotiable  
 1439 electronic document by misrepresentation, fraud, accident,  
 1440 mistake, duress, loss, theft, or conversion; ~~or even though~~

1441 (c) A previous sale or other transfer of the goods or  
 1442 document has been made to a third person.

1443 Section 47. Section 677.503, Florida Statutes, is amended  
 1444 to read:

1445 677.503 Document of title to goods defeated in certain  
 1446 cases.—

1447 (1) A document of title confers no right in goods against  
 1448 a person that ~~who~~ before issuance of the document had a legal  
 1449 interest or a perfected security interest in the goods ~~them~~ and  
 1450 that did not ~~who neither~~:

1451 (a) Deliver or entrust the goods ~~Delivered or entrusted~~  
 1452 ~~them~~ or any document of title covering the goods ~~them~~ to the  
 1453 bailor or the bailor's nominee with:

1454 1. Actual or apparent authority to ship, store, or sell;

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1455 ~~or with~~  
 1456 2. Power to obtain delivery under s. 677.403; ~~this chapter~~  
 1457 ~~(s. 677.403)~~ or with

1458 3. Power of disposition under s. 672.403, s. 680.304(2),  
 1459 s. 680.305(2), s. 679.320, or s. 679.321(3) ~~this code (ss.~~  
 1460 ~~672.403 and 679.320)~~ or other statute or rule of law; or nor

1461 (b)(b) Acquiesce ~~Acquiesced~~ in the procurement by the  
 1462 bailor or its ~~the bailor's~~ nominee of any document ~~of title.~~

1463 (2) Title to goods based upon an unaccepted delivery order  
 1464 is subject to the rights of any person ~~anyone~~ to which ~~whom~~ a  
 1465 negotiable warehouse receipt or bill of lading covering the  
 1466 goods has been duly negotiated. That ~~Such a~~ title may be  
 1467 defeated under the next section to the same extent as the rights  
 1468 of the issuer or a transferee from the issuer.

1469 (3) Title to goods based upon a bill of lading issued to a  
 1470 freight forwarder is subject to the rights of any person ~~anyone~~  
 1471 to which ~~whom~~ a bill issued by the freight forwarder is duly  
 1472 negotiated. However, ~~but~~ delivery by the carrier in accordance  
 1473 with part IV of this chapter pursuant to its own bill of lading  
 1474 discharges the carrier's obligation to deliver.

1475 Section 48. Section 677.504, Florida Statutes, is amended  
 1476 to read:

1477 677.504 Rights acquired in the absence of due negotiation;  
 1478 effect of diversion; ~~seller's~~ stoppage of delivery.—

1479 (1) A transferee of a document of title, whether  
 1480 negotiable or nonnegotiable, to which ~~whom~~ the document has been  
 1481 delivered but not duly negotiated, acquires the title and rights  
 1482 that its ~~which his or her~~ transferor had or had actual authority

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1483 to convey.

1484 (2) In the case of a transfer of a nonnegotiable document  
 1485 of title, until but not after the bailee receives notice  
 1486 ~~notification~~ of the transfer, the rights of the transferee may  
 1487 be defeated:

1488 (a) By those creditors of the transferor which ~~who~~ could  
 1489 treat the transfer sale as void under s. 672.402 or s. 680.308;  
 1490 ~~or~~

1491 (b) By a buyer from the transferor in ordinary course of  
 1492 business if the bailee has delivered the goods to the buyer or  
 1493 received notification of the buyer's ~~his or her~~ rights; ~~or~~

1494 (c) By a lessee from the transferor in ordinary course of  
 1495 business if the bailee has delivered the goods to the lessee or  
 1496 received notification of the lessee's rights; or

1497 ~~(d)(e)~~ As against the bailee, by good-faith ~~good-faith~~  
 1498 dealings of the bailee with the transferor.

1499 (3) A diversion or other change of shipping instructions  
 1500 by the consignor in a nonnegotiable bill of lading which causes  
 1501 the bailee not to deliver to the consignee defeats the  
 1502 consignee's title to the goods if the goods ~~they~~ have been  
 1503 delivered to a buyer or a lessee in ordinary course of business  
 1504 and, in any event, defeats the consignee's rights against the  
 1505 bailee.

1506 (4) Delivery of the goods pursuant to a nonnegotiable  
 1507 document of title may be stopped by a seller under s. 672.705 or  
 1508 by a lessor under s. 680.526, ~~and~~ subject to the requirements  
 1509 ~~requirement~~ of due notification ~~there provided~~. A bailee that  
 1510 honors ~~honoring~~ the seller's or lessor's instructions is

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1511 entitled to be indemnified by the seller or lessor against any  
 1512 resulting loss or expense.

1513 Section 49. Section 677.505, Florida Statutes, is amended  
 1514 to read:

1515 677.505 Indorser not a guarantor for other parties.—The  
 1516 indorsement of a tangible document of title issued by a bailee  
 1517 does not make the indorser liable for any default by the bailee  
 1518 or ~~by~~ previous indorsers.

1519 Section 50. Section 677.506, Florida Statutes, is amended  
 1520 to read:

1521 677.506 Delivery without indorsement; right to compel  
 1522 indorsement.—The transferee of a negotiable tangible document of  
 1523 title has a specifically enforceable right to have its ~~his or~~  
 1524 ~~her~~ transferor supply any necessary indorsement but the transfer  
 1525 becomes a negotiation only as of the time the indorsement is  
 1526 supplied.

1527 Section 51. Section 677.507, Florida Statutes, is amended  
 1528 to read:

1529 677.507 Warranties on negotiation or delivery of document  
 1530 of title ~~transfer of receipt or bill.~~—Where a person  
 1531 negotiates or delivers ~~transfers~~ a document of title for value,  
 1532 otherwise than as a mere intermediary under the next following  
 1533 section, ~~then~~ unless otherwise agreed, the transferor, in  
 1534 addition to any warranty made in selling or leasing the goods,  
 1535 ~~person~~ warrants to its ~~his or her~~ immediate purchaser only that  
 1536 ~~in addition to any warranty made in selling the goods:~~

- 1537 (1) ~~That~~ The document is genuine; ~~and~~
- 1538 (2) The transferor does not have ~~That he or she has no~~

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1539 knowledge of any fact that ~~which~~ would impair the document's ~~its~~  
 1540 validity or worth; and

1541 (3) The ~~That his or her~~ negotiation or delivery ~~transfer~~  
 1542 is rightful and fully effective with respect to the title to the  
 1543 document and the goods it represents.

1544 Section 52. Section 677.508, Florida Statutes, is amended  
 1545 to read:

1546 677.508 Warranties of collecting bank as to documents of  
 1547 title.—A collecting bank or other intermediary known to be  
 1548 entrusted with documents of title on behalf of another or with  
 1549 collection of a draft or other claim against delivery of  
 1550 documents warrants by the ~~such~~ delivery of the documents only  
 1551 its own good faith and authority. ~~This rule applies even if~~  
 1552 ~~though~~ the collecting bank or other intermediary has purchased  
 1553 or made advances against the claim or draft to be collected.

1554 Section 53. Section 677.509, Florida Statutes, is amended  
 1555 to read:

1556 677.509 ~~Receipt or bill; when~~ Adequate compliance with  
 1557 commercial contract. ~~The question~~ Whether a document of title is  
 1558 adequate to fulfill the obligations of a contract for sale, ~~or~~  
 1559 the conditions of a letter of credit, or a contract for lease is  
 1560 determined ~~governed~~ by chapter 672, chapter 675, or chapter 680  
 1561 ~~the chapters on sales (chapter 672) and on letters of credit~~  
 1562 ~~(chapter 675)~~.

1563 Section 54. Section 677.601, Florida Statutes, is amended  
 1564 to read:

1565 677.601 Lost, stolen, or destroyed ~~and missing~~ documents  
 1566 of title.—



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1567           (1) If a document of title is ~~has been~~ lost, stolen, or  
 1568 destroyed, a court may order delivery of the goods or issuance  
 1569 of a substitute document and the bailee may without liability to  
 1570 any person comply with the ~~such~~ order. If the document was  
 1571 negotiable, a court may not order delivery of the goods or the  
 1572 issuance of a substitute document without the claimant's posting  
 1573 claimant must post security unless it finds that approved by the  
 1574 court to indemnify any person that ~~who~~ may suffer loss as a  
 1575 result of nonsurrender of possession or control of the document  
 1576 is adequately protected against the loss. If the document was  
 1577 nonnegotiable ~~not negotiable~~, the court ~~such security~~ may  
 1578 require security ~~be required at the discretion of the court.~~ The  
 1579 court may also ~~in its discretion~~ order payment of the bailee's  
 1580 reasonable costs and attorney's counsel ~~fees~~ in any action under  
 1581 this subsection.

1582           (2) A bailee that, ~~who~~ without a court order, delivers  
 1583 goods to a person claiming under a missing negotiable document  
 1584 of title is liable to any person injured thereby, ~~and~~ If the  
 1585 delivery is not in good faith, the bailee is ~~becomes~~ liable for  
 1586 conversion. Delivery in good faith is not conversion if ~~made in~~  
 1587 ~~accordance with a filed classification or tariff or, where no~~  
 1588 ~~classification or tariff is filed,~~ if the claimant posts  
 1589 security with the bailee in an amount at least double the value  
 1590 of the goods at the time of posting to indemnify any person  
 1591 injured by the delivery which ~~who~~ files a notice of claim within  
 1592 1 year after the delivery.

1593           Section 55. Section 677.602, Florida Statutes, is amended  
 1594 to read:

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1595           677.602 Judicial process against ~~Attachment of~~ goods  
 1596 covered by a negotiable document of title. ~~Unless a~~ ~~Except where~~  
 1597 ~~the~~ document of title was originally issued upon delivery of the  
 1598 goods by a person that did not have ~~who had no~~ power to dispose  
 1599 of them, a ~~no~~ lien does not attach ~~attaches~~ by virtue of any  
 1600 judicial process to goods in the possession of a bailee for  
 1601 which a negotiable document of title is outstanding unless  
 1602 possession or control of the document is ~~be~~ first surrendered to  
 1603 the bailee or the document's ~~its~~ negotiation is enjoined, ~~and~~  
 1604 The bailee may ~~shall~~ not be compelled to deliver the goods  
 1605 pursuant to process until possession or control of the document  
 1606 is surrendered to the bailee or to ~~him or her or impounded by~~  
 1607 the court. A purchaser of ~~One who purchases~~ the document for  
 1608 value without notice of the process or injunction takes free of  
 1609 the lien imposed by judicial process.

1610           Section 56. Section 677.603, Florida Statutes, is amended  
 1611 to read:

1612           677.603 Conflicting claims; interpleader.—If more than one  
 1613 person claims title to or possession of the goods, the bailee is  
 1614 excused from delivery until the bailee ~~he or she~~ has had a  
 1615 reasonable time to ascertain the validity of the adverse claims  
 1616 or to commence ~~bring~~ an action for ~~to compel all claimants to~~  
 1617 ~~interplead and may compel such~~ interpleader. The bailee may  
 1618 assert an interpleader, either in defending an action for  
 1619 nondelivery of the goods, ~~or by original action,~~ ~~whichever is~~  
 1620 ~~appropriate.~~

1621           Section 57. Subsection (7) is added to section 678.1031,  
 1622 Florida Statutes, to read:

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1623 678.1031 Rules for determining whether certain obligations  
 1624 and interests are securities or financial assets.—

1625 (7) A document of title is not a financial asset unless s.  
 1626 678.1021(1)(i)2. applies.

1627 Section 58. Subsection (2) of section 679.1021, Florida  
 1628 Statutes, is amended to read:

1629 679.1021 Definitions and index of definitions.—

1630 (2) The following definitions in other chapters apply to  
 1631 this chapter:

1632 "Applicant" s. 675.103.

1633 "Beneficiary" s. 675.103.

1634 "Broker" s. 678.1021.

1635 "Certificated security" s. 678.1021.

1636 "Check" s. 673.1041.

1637 "Clearing corporation" s. 678.1021.

1638 "Contract for sale" s. 672.106.

1639 "Control" s. 677.106.

1640 "Customer" s. 674.104.

1641 "Entitlement holder" s. 678.1021.

1642 "Financial asset" s. 678.1021.

1643 "Holder in due course" s. 673.3021.

1644 "Issuer" (with respect to a letter of credit  
 1645 or letter-of-credit right) s. 675.103.

1646 "Issuer" (with respect to a security) s. 678.2011.

1647 "Issuer" (with respect to documents of title) s.  
 1648 677.102.

1649 "Lease" s. 680.1031.

1650 "Lease agreement" s. 680.1031.

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1651 "Lease contract" s. 680.1031.  
 1652 "Leasehold interest" s. 680.1031.  
 1653 "Lessee" s. 680.1031.  
 1654 "Lessee in ordinary course of  
 1655 business" s. 680.1031.  
 1656 "Lessor" s. 680.1031.  
 1657 "Lessor's residual interest" s. 680.1031.  
 1658 "Letter of credit" s. 675.103.  
 1659 "Merchant" s. 672.104.  
 1660 "Negotiable instrument" s. 673.1041.  
 1661 "Nominated person" s. 675.103.  
 1662 "Note" s. 673.1041.  
 1663 "Proceeds of a letter of credit" s. 675.114.  
 1664 "Prove" s. 673.1031.  
 1665 "Sale" s. 672.106.  
 1666 "Securities account" s. 678.5011.  
 1667 "Securities intermediary" s. 678.1021.  
 1668 "Security" s. 678.1021.  
 1669 "Security certificate" s. 678.1021.  
 1670 "Security entitlement" s. 678.1021.  
 1671 "Uncertificated security" s. 678.1021.  
 1672 Section 59. Subsection (2) of section 679.2031, Florida  
 1673 Statutes, is amended to read:  
 1674 679.2031 Attachment and enforceability of security  
 1675 interest; proceeds; supporting obligations; formal requisites.-  
 1676 (2) Except as otherwise provided in subsections (3)  
 1677 through (10), a security interest is enforceable against the  
 1678 debtor and third parties with respect to the collateral only if:

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1679 (a) Value has been given;

1680 (b) The debtor has rights in the collateral or the power

1681 to transfer rights in the collateral to a secured party; and

1682 (c) One of the following conditions is met:

1683 1. The debtor has authenticated a security agreement that

1684 provides a description of the collateral and, if the security

1685 interest covers timber to be cut, a description of the land

1686 concerned;

1687 2. The collateral is not a certificated security and is in

1688 the possession of the secured party under s. 679.3131 pursuant

1689 to the debtor's security agreement;

1690 3. The collateral is a certificated security in registered

1691 form and the security certificate has been delivered to the

1692 secured party under s. 678.3011 pursuant to the debtor's

1693 security agreement; or

1694 4. The collateral is deposit accounts, electronic chattel

1695 paper, investment property, ~~or~~ letter-of-credit rights, or

1696 electronic documents, and the secured party has control under s.

1697 677.106, s. 679.1041, s. 679.1051, s. 679.1061, or s. 679.1071

1698 pursuant to the debtor's security agreement.

1699 Section 60. Subsection (3) of section 679.2071, Florida

1700 Statutes, is amended to read:

1701 679.2071 Rights and duties of secured party having

1702 possession or control of collateral.—

1703 (3) Except as otherwise provided in subsection (4), a

1704 secured party having possession of collateral or control of

1705 collateral under s. 677.106, s. 679.1041, s. 679.1051, s.

1706 679.1061, or s. 679.1071:

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1707 (a) May hold as additional security any proceeds, except  
 1708 money or funds, received from the collateral;

1709 (b) Shall apply money or funds received from the  
 1710 collateral to reduce the secured obligation, unless remitted to  
 1711 the debtor; and

1712 (c) May create a security interest in the collateral.

1713 Section 61. Subsection (2) of section 679.2081, Florida  
 1714 Statutes, is amended to read:

1715 679.2081 Additional duties of secured party having control  
 1716 of collateral.—

1717 (2) Within 10 days after receiving an authenticated demand  
 1718 by the debtor:

1719 (a) A secured party having control of a deposit account  
 1720 under s. 679.1041(1)(b) shall send to the bank with which the  
 1721 deposit account is maintained an authenticated statement that  
 1722 releases the bank from any further obligation to comply with  
 1723 instructions originated by the secured party;

1724 (b) A secured party having control of a deposit account  
 1725 under s. 679.1041(1)(c) shall:

1726 1. Pay the debtor the balance on deposit in the deposit  
 1727 account; or

1728 2. Transfer the balance on deposit into a deposit account  
 1729 in the debtor's name;

1730 (c) A secured party, other than a buyer, having control of  
 1731 electronic chattel paper under s. 679.1051 shall:

1732 1. Communicate the authoritative copy of the electronic  
 1733 chattel paper to the debtor or its designated custodian;

1734 2. If the debtor designates a custodian that is the

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1735 designated custodian with which the authoritative copy of the  
1736 electronic chattel paper is maintained for the secured party,  
1737 communicate to the custodian an authenticated record releasing  
1738 the designated custodian from any further obligation to comply  
1739 with instructions originated by the secured party and  
1740 instructing the custodian to comply with instructions originated  
1741 by the debtor; and

1742 3. Take appropriate action to enable the debtor or the  
1743 debtor's designated custodian to make copies of or revisions to  
1744 the authoritative copy which add or change an identified  
1745 assignee of the authoritative copy without the consent of the  
1746 secured party;

1747 (d) A secured party having control of investment property  
1748 under s. 678.1061(4)(b) or s. 679.1061(2) shall send to the  
1749 securities intermediary or commodity intermediary with which the  
1750 security entitlement or commodity contract is maintained an  
1751 authenticated record that releases the securities intermediary  
1752 or commodity intermediary from any further obligation to comply  
1753 with entitlement orders or directions originated by the secured  
1754 party; ~~and~~

1755 (e) A secured party having control of a letter-of-credit  
1756 right under s. 679.1071 shall send to each person having an  
1757 unfulfilled obligation to pay or deliver proceeds of the letter  
1758 of credit to the secured party an authenticated release from any  
1759 further obligation to pay or deliver proceeds of the letter of  
1760 credit to the secured party; and-

1761 (f) A secured party having control of an electronic  
1762 document shall:

1763           1. Give control of the electronic document to the debtor  
 1764 or its designated custodian;

1765           2. If the debtor designates a custodian that is the  
 1766 designated custodian with which the authoritative copy of the  
 1767 electronic document is maintained for the secured party,  
 1768 communicate to the custodian an authenticated record releasing  
 1769 the designated custodian from any further obligation to comply  
 1770 with instructions originated by the secured party and  
 1771 instructing the custodian to comply with instructions originated  
 1772 by the debtor; and

1773           3. Take appropriate action to enable the debtor or its  
 1774 designated custodian to make copies of or revisions to the  
 1775 authenticated copy which add or change an identified assignee of  
 1776 the authoritative copy without the consent of the secured party.

1777           Section 62. Subsection (3) of section 679.3011, Florida  
 1778 Statutes, is amended to read:

1779           679.3011 Law governing perfection and priority of security  
 1780 interests.—Except as otherwise provided in ss. 679.1091,  
 1781 679.3031, 679.3041, 679.3051, and 679.3061, the following rules  
 1782 determine the law governing perfection, the effect of perfection  
 1783 or nonperfection, and the priority of a security interest in  
 1784 collateral:

1785           (3) Except as otherwise provided in subsections (4) and  
 1786 (5), while tangible negotiable documents, goods, instruments,  
 1787 money, or tangible chattel paper is located in a jurisdiction,  
 1788 the local law of that jurisdiction governs:

1789           (a) Perfection of a security interest in the goods by  
 1790 filing a fixture filing;



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1791 (b) Perfection of a security interest in timber to be cut;  
 1792 and

1793 (c) The effect of perfection or nonperfection and the  
 1794 priority of a nonpossessory security interest in the collateral.

1795 Section 63. Subsection (2) of section 679.3101, Florida  
 1796 Statutes, is amended to read:

1797 679.3101 When filing required to perfect security interest  
 1798 or agricultural lien; security interests and agricultural liens  
 1799 to which filing provisions do not apply.—

1800 (2) The filing of a financing statement is not necessary  
 1801 to perfect a security interest:

1802 (a) That is perfected under s. 679.3081(4), (5), (6), or  
 1803 (7);

1804 (b) That is perfected under s. 679.3091 when it attaches;

1805 (c) In property subject to a statute, regulation, or  
 1806 treaty described in s. 679.3111(1);

1807 (d) In goods in possession of a bailee which is perfected  
 1808 under s. 679.3121(4) (a) or (b);

1809 (e) In certificated securities, documents, goods, or  
 1810 instruments which is perfected without filing, control, or  
 1811 possession under s. 679.3121(5), (6), or (7);

1812 (f) In collateral in the secured party's possession under  
 1813 s. 679.3131;

1814 (g) In a certificated security which is perfected by  
 1815 delivery of the security certificate to the secured party under  
 1816 s. 679.3131;

1817 (h) In deposit accounts, electronic chattel paper,  
 1818 electronic documents, investment property, or letter-of-credit

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1819 rights which is perfected by control under s. 679.3141;  
 1820 (i) In proceeds which is perfected under s. 679.3151; or  
 1821 (j) That is perfected under s. 679.3161.

1822 Section 64. Subsection (5) of section 679.3121, Florida  
 1823 Statutes, is amended to read:

1824 679.3121 Perfection of security interests in chattel  
 1825 paper, deposit accounts, documents, goods covered by documents,  
 1826 instruments, investment property, letter-of-credit rights, and  
 1827 money; perfection by permissive filing; temporary perfection  
 1828 without filing or transfer of possession.—

1829 (5) A security interest in certificated securities,  
 1830 negotiable documents, or instruments is perfected without filing  
 1831 or the taking of possession or control for a period of 20 days  
 1832 from the time it attaches to the extent that it arises for new  
 1833 value given under an authenticated security agreement.

1834 Section 65. Subsection (1) of section 679.3131, Florida  
 1835 Statutes, is amended to read:

1836 679.3131 When possession by or delivery to secured party  
 1837 perfects security interest without filing.—

1838 (1) Except as otherwise provided in subsection (2), a  
 1839 secured party may perfect a security interest in tangible  
 1840 negotiable documents, goods, instruments, money, or tangible  
 1841 chattel paper by taking possession of the collateral. A secured  
 1842 party may perfect a security interest in certificated securities  
 1843 by taking delivery of the certificated securities under s.  
 1844 678.3011.

1845 Section 66. Subsections (1) and (2) of section 679.3141,  
 1846 Florida Statutes, are amended to read:

1847 679.3141 Perfection by control.—

1848 (1) A security interest in investment property, deposit  
 1849 accounts, letter-of-credit rights, ~~or~~ electronic chattel paper,  
 1850 or electronic documents may be perfected by control of the  
 1851 collateral under s. 677.106, s. 679.1041, s. 679.1051, s.  
 1852 679.1061, or s. 679.1071.

1853 (2) A security interest in deposit accounts, electronic  
 1854 chattel paper, ~~or~~ letter-of-credit rights, or electronic  
 1855 documents is perfected by control under s. 677.106, s. 679.1041,  
 1856 s. 679.1051, or s. 679.1071 when the secured party obtains  
 1857 control and remains perfected by control only while the secured  
 1858 party retains control.

1859 Section 67. Subsections (2) and (4) of section 679.3171,  
 1860 Florida Statutes, are amended to read:

1861 679.3171 Interests that take priority over or take free of  
 1862 security interest or agricultural lien.—

1863 (2) Except as otherwise provided in subsection (5), a  
 1864 buyer, other than a secured party, of tangible chattel paper,  
 1865 tangible documents, goods, instruments, or a security  
 1866 certificate takes free of a security interest or agricultural  
 1867 lien if the buyer gives value and receives delivery of the  
 1868 collateral without knowledge of the security interest or  
 1869 agricultural lien and before it is perfected.

1870 (4) A licensee of a general intangible or a buyer, other  
 1871 than a secured party, of accounts, electronic chattel paper,  
 1872 electronic documents, general intangibles, or investment  
 1873 property other than a certificated security takes free of a  
 1874 security interest if the licensee or buyer gives value without

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1875 knowledge of the security interest and before it is perfected.

1876 Section 68. Subsection (2) of section 679.338, Florida  
 1877 Statutes, is amended to read:

1878 679.338 Priority of security interest or agricultural lien  
 1879 perfected by filed financing statement providing certain  
 1880 incorrect information.—If a security interest or agricultural  
 1881 lien is perfected by a filed financing statement providing  
 1882 information described in s. 679.516(2)(d) which is incorrect at  
 1883 the time the financing statement is filed:

1884 (2) A purchaser, other than a secured party, of the  
 1885 collateral takes free of the security interest or agricultural  
 1886 lien to the extent that, in reasonable reliance upon the  
 1887 incorrect information, the purchaser gives value and, in the  
 1888 case of tangible chattel paper, tangible documents, goods,  
 1889 instruments, or a security certificate, receives delivery of the  
 1890 collateral.

1891 Section 69. Paragraphs (a) and (o) of subsection (1) of  
 1892 section 680.1031, Florida Statutes, are amended to read:

1893 680.1031 Definitions and index of definitions.—

1894 (1) In this chapter, unless the context otherwise  
 1895 requires:

1896 (a) "Buyer in ordinary course of business" means a person  
 1897 who in good faith and without knowledge that the sale to him or  
 1898 her is in violation of the ownership rights or security interest  
 1899 or leasehold interest of a third party in the goods buys in  
 1900 ordinary course from a person in the business of selling goods  
 1901 of that kind but does not include a pawnbroker. Buying may be  
 1902 for cash or by exchange of other property or on secured or

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1903 unsecured credit and includes acquiring ~~receiving~~ goods or  
 1904 documents of title under a preexisting contract for sale but  
 1905 does not include a transfer in bulk or as security for or in  
 1906 total or partial satisfaction of a money debt.

1907 (o) "Lessee in ordinary course of business" means a person  
 1908 who in good faith and without knowledge that the lease to him or  
 1909 her is in violation of the ownership rights or security interest  
 1910 or leasehold interest of a third party in the goods leases in  
 1911 ordinary course from a person in the business of selling or  
 1912 leasing goods of that kind but does not include a pawnbroker.  
 1913 Leasing may be for cash or by exchange of other property or on  
 1914 secured or unsecured credit and includes acquiring ~~receiving~~  
 1915 goods or documents of title under a preexisting lease contract  
 1916 but does not include a transfer in bulk or as security for or in  
 1917 total or partial satisfaction of a money debt.

1918 Section 70. Subsection (2) of section 680.514, Florida  
 1919 Statutes, is amended to read:

1920 680.514 Waiver of lessee's objections.—

1921 (2) A lessee's failure to reserve rights when paying rent  
 1922 or other consideration against documents precludes recovery of  
 1923 the payment for defects apparent in ~~on the face of~~ the  
 1924 documents.

1925 Section 71. Subsection (2) of section 680.526, Florida  
 1926 Statutes, is amended to read:

1927 680.526 Lessor's stoppage of delivery in transit or  
 1928 otherwise.—

1929 (2) In pursuing her or his remedies under subsection (1),  
 1930 the lessor may stop delivery until:

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1931 (a) Receipt of the goods by the lessee;  
1932 (b) Acknowledgment to the lessee by any bailee of the  
1933 goods, except a carrier, that the bailee holds the goods for the  
1934 lessee; or  
1935 (c) Such an acknowledgment to the lessee by a carrier via  
1936 reshipment or as a warehouse ~~warehouseman~~.  
1937 Section 72. This act shall take effect July 1, 2010.