

1 A bill to be entitled
2 An act relating to commercial transactions; amending s.
3 627.7295, F.S.; revising application of certain provisions
4 relating to motor vehicle insurance contracts; revising
5 and providing provisions of the Uniform Commercial Code
6 relating to electronic documents of title, warehouse
7 receipts, bills of lading, and other documents of title to
8 conform to the revised Article 7 of the Uniform Commercial
9 Code as prepared by the National Conference of
10 Commissioners on Uniform State Laws; amending ss. 668.50
11 and 671.304, F.S.; correcting cross-references; amending
12 ss. 671.201, 672.103, 672.104, 674.104, 677.102, and
13 679.1021, F.S.; revising and providing definitions;
14 revising provisions pertaining to definitions applicable
15 to certain provisions of the code, to conform cross-
16 references to revisions made by this act; amending s.
17 672.310, F.S.; revising time when certain delivery
18 payments are due; amending ss. 559.9232, 672.323, 672.401,
19 672.503, 672.505, 672.506, 672.509, 672.605, 672.705,
20 674.2101, 677.201, 677.202, 677.203, 677.205, 677.206,
21 677.207, 677.208, 677.301, 677.302, 677.304, 677.305,
22 677.401, 677.402, 677.403, 677.404, 677.502, 677.503,
23 677.505, 677.506, 677.507, 677.508, 677.509, 677.602,
24 677.603, 679.2031, 679.2071, 679.3011, 679.3101, 679.3121,
25 679.3131, 679.3141, 679.3171, 679.338, 680.1031, 680.514,
26 and 680.526, F.S.; revising provisions to conform to
27 changes made by this act; making editorial changes;
28 amending s. 677.103, F.S.; revising and providing

29 application in relation of chapter to treaty, statute,
30 classification, or regulation; amending s. 677.104, F.S.;
31 providing when certain documents of title are
32 nonnegotiable; amending s. 677.105, F.S.; authorizing an
33 issuer of the electronic document to issue a tangible
34 document of title as a substitute for the electronic
35 document under certain conditions; authorizing an issuer
36 of a tangible document to issue an electronic document of
37 title as a substitute for the tangible document under
38 certain conditions; creating s. 677.106, F.S.; providing
39 when certain persons have control of an electronic
40 document of title; amending s. 677.204, F.S.; revising
41 liability of certain damages; authorizing a warehouse
42 receipt or storage agreement to provide certain
43 requirements; amending s. 677.209, F.S.; revising
44 conditions for a warehouse to establish a lien against a
45 bailor; providing when and against whom the lien is
46 effective; amending s. 677.210, F.S.; revising provisions
47 relating to the enforcement of warehouse's liens; amending
48 s. 677.303, F.S.; prohibiting liability for certain
49 carriers; amending s. 677.307, F.S.; revising conditions
50 under which a carrier has a lien on goods covered by a
51 bill of lading; amending s. 677.308, F.S.; revising
52 provisions relating to the enforcement of a carrier's
53 lien; amending s. 677.309, F.S.; revising provisions
54 relating to the contractual limitation of a carrier's
55 liability; amending s. 677.501, F.S.; providing
56 requirements for negotiable tangible documents of title

57 | and negotiable electronic documents of title; amending s.
58 | 677.504, F.S.; providing condition under which the rights
59 | of the transferee may be defeated; amending s. 677.601,
60 | F.S.; revising provisions relating to lost, stolen, or
61 | destroyed documents of title; amending s. 678.1031, F.S.;
62 | providing that certain documents of title are not
63 | financial assets; amending s. 679.2081, F.S.; providing
64 | requirements for secured parties having control of an
65 | electronic document; providing an effective date.

66 |
67 | Be It Enacted by the Legislature of the State of Florida:

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69 | Section 1. Subsection (7) of section 627.7295, Florida
70 | Statutes, is amended to read:

71 | 627.7295 Motor vehicle insurance contracts.—

72 | (7) A policy of private passenger motor vehicle insurance
73 | or a binder for such a policy may be initially issued in this
74 | state only if the insurer or agent has collected from the
75 | insured an amount equal to 2 months' premium. An insurer, agent,
76 | or premium finance company may not directly or indirectly take
77 | any action resulting in the insured having paid from the
78 | insured's own funds an amount less than the 2 months' premium
79 | required by this subsection. This subsection applies without
80 | regard to whether the premium is financed by a premium finance
81 | company or is paid pursuant to a periodic payment plan of an
82 | insurer or an insurance agent. This subsection does not apply if
83 | an insured or member of the insured's family is renewing or
84 | replacing a policy or a binder for such policy written by the

85 same insurer or a member of the same insurer group. This
86 subsection does not apply to an insurer that issues private
87 passenger motor vehicle coverage primarily to active duty or
88 former military personnel or their dependents. This subsection
89 does not apply if all policy payments are paid pursuant to a
90 payroll deduction plan or an automatic electronic funds transfer
91 payment plan from the policyholder, provided that the first
92 policy payment is made by cash, cashier's check, check, or a
93 money order. This subsection and subsection (4) do not apply if
94 all policy payments to an insurer are paid pursuant to an
95 automatic electronic funds transfer payment plan from an agent
96 or a managing general agent, or a premium finance company, and
97 if the policy includes, at a minimum, personal injury protection
98 pursuant to ss. 627.730-627.7405; motor vehicle property damage
99 liability pursuant to s. 627.7275; and bodily injury liability
100 in at least the amount of \$10,000 because of bodily injury to,
101 or death of, one person in any one accident and in the amount of
102 \$20,000 because of bodily injury to, or death of, two or more
103 persons in any one accident. This subsection and subsection (4)
104 do not apply if an insured has had a policy in effect for at
105 least 6 months, the insured's agent is terminated by the insurer
106 that issued the policy, and the insured obtains coverage on the
107 policy's renewal date with a new company through the terminated
108 agent.

109 Section 2. Paragraph (f) of subsection (2) of section
110 559.9232, Florida Statutes, is amended to read:

111 559.9232 Definitions; exclusion of rental-purchase
112 agreements from certain regulations.-

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

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

117 Section 3. Paragraph (d) of subsection (16) of section
 118 668.50, Florida Statutes, is amended to read:

119 668.50 Uniform Electronic Transaction Act.—

120 (16) TRANSFERABLE RECORDS.—

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

123 671.201(21), of the transferable record and has the same rights
 124 and defenses as a holder of an equivalent record or writing

125 under the Uniform Commercial Code, including, if the applicable
 126 statutory requirements under s. 673.3021, s. 677.501, or s.

127 679.330 ~~679.308~~ are satisfied, the rights and defenses of a

128 holder in due course, a holder to which a negotiable document of
 129 title has been duly negotiated, or a purchaser, respectively.

130 Delivery, possession, and indorsement are not required to obtain
 131 or exercise any of the rights under this paragraph.

132 Section 4. Present subsections (25) through (43) of
 133 section 671.201, Florida Statutes, are renumbered as subsections

134 (28) through (46), respectively, new subsections (25), (26), and
 135 (27) are added to that section, and present subsections (5),

136 (6), (10), (15), (16), (21), and (42) are amended, to read:

137 671.201 General definitions.—Unless the context otherwise
 138 requires, words or phrases defined in this section, or in the

139 additional definitions contained in other chapters of this code
 140 which apply to particular chapters or parts thereof, have the

141 meanings stated. Subject to definitions contained in other
142 chapters of this code which apply to particular chapters or
143 parts thereof, the term:

144 (5) "Bearer" means a person in control of a negotiable
145 electronic document of title or a person in possession of a
146 negotiable instrument, a negotiable tangible document of title,
147 or a certificated security that is payable to bearer or indorsed
148 in blank.

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

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

158 (a) A heading in capitals ~~in a size~~ equal to or greater in
159 size larger than ~~that of~~ the surrounding text, or in contrasting
160 a type, font, or color in contrast to the surrounding text of
161 the same or lesser size; and-

162 (b) Language in the body of a record or display in larger
163 type larger than ~~that of~~ the surrounding text; ~~in a type, font,~~
164 ~~or color in contrast to the surrounding text of the same size;~~
165 or set off from surrounding text of the same size by symbols or
166 other marks that call attention to the language.

167 (15) "Delivery," with respect to an electronic document of
168 title, means voluntary transfer of control and "delivery," with

169 respect to instruments ~~instrument~~, tangible document of title,
170 ~~or~~ chattel paper, or certificated securities, means voluntary
171 transfer of possession.

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

173 (a) includes bill of lading, dock warrant, dock receipt,
174 warehouse receipt or order for the delivery of goods, and any
175 other document That in the regular course of business or
176 financing is treated as adequately evidencing that the person in
177 possession or control of the record ~~it~~ is entitled to receive,
178 control, hold, and dispose of the record ~~document~~ and the goods
179 the record ~~it~~ covers; and

180 (b) That purports to be issued by or addressed to a bailee
181 and to cover goods in the bailee's possession which are either
182 identified or are fungible portions of an identified mass. The
183 term includes a bill of lading, transport document, dock
184 warrant, dock receipt, warehouse receipt, and order for delivery
185 of goods. An electronic document of title means a document of
186 title evidenced by a record consisting of information stored in
187 an electronic medium. A tangible document of title means a
188 document of title evidenced by a record consisting of
189 information that is inscribed on a tangible medium. ~~To be a~~
190 ~~document of title, a document must purport to be issued by or~~
191 ~~addressed to a bailee and purport to cover goods in the bailee's~~
192 ~~possession which are either identified or are fungible portions~~
193 ~~of an identified mass.~~

194 (21) "Holder" means:

195 (a) The person in possession of a negotiable instrument
196 that is payable either to bearer or to an identified person that

197 is the person in possession; ~~or~~

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

201 (c) The person in control of a negotiable electronic
202 document of title.

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

205 (a) Has actual knowledge of it;

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

207 (c) From all the facts and circumstances known to the
208 person at the time in question, has reason to know that it
209 exists. A person "knows" or has "knowledge" of a fact when the
210 person has actual knowledge of it. "Discover" or "learn" or a
211 word or phrase of similar import refers to knowledge rather than
212 to reason to know. The time and circumstances under which a
213 notice or notification may cease to be effective are not
214 determined by this section.

215 (26) A person "notifies" or "gives" a notice or
216 notification to another person by taking such steps as may be
217 reasonably required to inform the other person in ordinary
218 course, whether or not the other person actually comes to know
219 of it. Subject to subsection (27), a person "receives" a notice
220 or notification when:

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

222 (b) It is duly delivered in a form reasonable under the
223 circumstances at the place of business through which the
224 contract was made or at another location held out by that person

225 as the place for receipt of such communications.

226 (27) Notice, knowledge, or a notice or notification
 227 received by an organization is effective for a particular
 228 transaction from the time when it is brought to the attention of
 229 the individual conducting that transaction, and, in any event,
 230 from the time when it would have been brought to the
 231 individual's attention if the organization had exercised due
 232 diligence. An organization exercises due diligence if it
 233 maintains reasonable routines for communicating significant
 234 information to the person conducting the transaction and there
 235 is reasonable compliance with the routines. Due diligence does
 236 not require an individual acting for the organization to
 237 communicate information unless such communication is part of the
 238 individual's regular duties or the individual has reason to know
 239 of the transaction and that the transaction would be materially
 240 affected by the information.

241 (45)-(42) "Warehouse receipt" means a document of title
 242 ~~receipt~~ issued by a person engaged in the business of storing
 243 goods for hire.

244 Section 5. Subsection (5) of section 671.304, Florida
 245 Statutes, is amended to read:

246 671.304 Laws not repealed; precedence where code
 247 provisions in conflict with other laws; certain statutory
 248 remedies retained.—

249 (5) The effectiveness of any financing statement or
 250 continuation statement filed prior to January 1, 1980, or any
 251 continuation statement filed on or after October 1, 1984, which
 252 states that the debtor is a transmitting utility as provided in

253 s. 679.515(6) ~~679.403(6)~~ shall continue until a termination
 254 statement is filed, except that if this act requires a filing in
 255 an office where there was no previous financing statement, a new
 256 financing statement conforming to s. 680.109(4), Florida
 257 Statutes 1979, shall be filed in that office.

258 Section 6. Subsection (3) of section 672.103, Florida
 259 Statutes, is amended to read:

260 672.103 Definitions and index of definitions.—

261 (3) The following definitions in other chapters apply to
 262 this chapter:

- 263 "Check," s. 673.1041.
- 264 "Consignee," s. 677.102.
- 265 "Consignor," s. 677.102.
- 266 "Consumer goods," s. 679.1021.
- 267 "Control," s. 677.106.
- 268 "Dishonor," s. 673.5021.
- 269 "Draft," s. 673.1041.

270 Section 7. Subsection (2) of section 672.104, Florida
 271 Statutes, is amended to read:

272 672.104 Definitions: "merchant"; "between merchants";
 273 "financing agency."—

274 (2) "Financing agency" means a bank, finance company or
 275 other person who in the ordinary course of business makes
 276 advances against goods or documents of title or who by
 277 arrangement with either the seller or the buyer intervenes in
 278 ordinary course to make or collect payment due or claimed under
 279 the contract for sale, as by purchasing or paying the seller's
 280 draft or making advances against it or by merely taking it for

281 collection whether or not documents of title accompany or are
 282 associated with the draft. "Financing agency" includes also a
 283 bank or other person who similarly intervenes between persons
 284 who are in the position of seller and buyer in respect to the
 285 goods (s. 672.707).

286 Section 8. Subsection (3) of section 672.310, Florida
 287 Statutes, is amended to read:

288 672.310 Open time for payment or running of credit;
 289 authority to ship under reservation.—Unless otherwise agreed:

290 (3) If delivery is authorized and made by way of documents
 291 of title otherwise than by subsection (2) then payment is due
 292 regardless of where the goods are to be received at the time and
 293 place at which the buyer is to receive delivery of the tangible
 294 documents or at the time the buyer is to receive delivery of the
 295 electronic documents and at the seller's place of business or,
 296 if none, the seller's residence ~~regardless of where the goods~~
 297 ~~are to be received;~~ and

298 Section 9. Section 672.323, Florida Statutes, is amended
 299 to read:

300 672.323 Form of bill of lading required in overseas
 301 shipment; "overseas."—

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

308 (2) Where in a case within subsection (1) a tangible bill

309 of lading has been issued in a set of parts, unless otherwise
310 agreed if the documents are not to be sent from abroad the buyer
311 may demand tender of the full set; otherwise only one part of
312 the bill of lading need be tendered. Even if the agreement
313 expressly requires a full set:

314 (a) Due tender of a single part is acceptable within the
315 provisions of this chapter on cure of improper delivery (s.
316 672.508(1)); and

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

321 (3) A shipment by water or by air or a contract
322 contemplating such shipment is "overseas" insofar as by usage of
323 trade or agreement it is subject to the commercial, financing or
324 shipping practices characteristic of international deepwater
325 commerce.

326 Section 10. Subsections (2) and (3) of section 672.401,
327 Florida Statutes, are amended to read:

328 672.401 Passing of title; reservation for security;
329 limited application of this section.—Each provision of this
330 chapter with regard to the rights, obligations and remedies of
331 the seller, the buyer, purchasers or other third parties applies
332 irrespective of title to the goods except where the provision
333 refers to such title. Insofar as situations are not covered by
334 the other provisions of this chapter and matters concerning
335 title become material the following rules apply:

336 (2) Unless otherwise explicitly agreed title passes to the

337 buyer at the time and place at which the seller completes her or
 338 his performance with reference to the physical delivery of the
 339 goods, despite any reservation of a security interest and even
 340 though a document of title is to be delivered at a different
 341 time or place; and in particular and despite any reservation of
 342 a security interest by the bill of lading:

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

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

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

351 (a) If the seller is to deliver a tangible document of
 352 title, title passes at the time when and the place where he or
 353 she ~~the seller~~ delivers such documents and if the seller is to
 354 deliver an electronic document of title, title passes when the
 355 seller delivers the document; or

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

359 Section 11. Subsections (4) and (5) of section 672.503,
 360 Florida Statutes, are amended to read:

361 672.503 Manner of seller's tender of delivery.—

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

364 (a) Tender requires that the seller either tender a

365 negotiable document of title covering such goods or procure
 366 acknowledgment by the bailee of the buyer's right to possession
 367 of the goods; but

368 (b) Tender to the buyer of a nonnegotiable document of
 369 title or of a record directing ~~written direction~~ to the bailee
 370 to deliver is sufficient tender unless the buyer seasonably
 371 objects, and, except as otherwise provided in chapter 679,
 372 receipt by the bailee of notification of the buyer's rights
 373 fixes those rights as against the bailee and all third persons;
 374 but risk of loss of the goods and of any failure by the bailee
 375 to honor the nonnegotiable document of title or to obey the
 376 direction remains on the seller until the buyer has had a
 377 reasonable time to present the document or direction, and a
 378 refusal by the bailee to honor the document or to obey the
 379 direction defeats the tender.

380 (5) Where the contract requires the seller to deliver
 381 documents:

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

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

388 Section 12. Section 672.505, Florida Statutes, is amended
 389 to read:

390 672.505 Seller's shipment under reservation.—

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

393 (a) His or her ~~The seller's~~ procurement of a negotiable
394 bill of lading to his or her own order or otherwise reserves in
395 him or her ~~the seller~~ a security interest in the goods. His or
396 her procurement of the bill to the order of a financing agency
397 or of the buyer indicates in addition only the seller's
398 expectation of transferring that interest to the person named.

399 (b) A nonnegotiable bill of lading to himself or herself
400 or his or her nominee reserves possession of the goods as
401 security but except in a case of conditional delivery (s.
402 672.507(2)) a nonnegotiable bill of lading naming the buyer as
403 consignee reserves no security interest even though the seller
404 retains possession or control of the bill of lading.

405 (2) When shipment by the seller with reservation of a
406 security interest is in violation of the contract for sale it
407 constitutes an improper contract for transportation within the
408 preceding section but impairs neither the rights given to the
409 buyer by shipment and identification of the goods to the
410 contract nor the seller's powers as a holder of a negotiable
411 document of title.

412 Section 13. Subsection (2) of section 672.506, Florida
413 Statutes, is amended to read:

414 672.506 Rights of financing agency.—

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

420 Section 14. Subsection (2) of section 672.509, Florida

421 Statutes, is amended to read:

422 672.509 Risk of loss in the absence of breach.—

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

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

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

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

432 Section 15. Subsection (2) of section 672.605, Florida
433 Statutes, is amended to read:

434 672.605 Waiver of buyer's objections by failure to
435 particularize.—

436 (2) Payment against documents made without reservation of
437 rights precludes recovery of the payment for defects apparent in
438 ~~on the face of~~ the documents.

439 Section 16. Subsections (2) and (3) of section 672.705,
440 Florida Statutes, are amended to read:

441 672.705 Seller's stoppage of delivery in transit or
442 otherwise.—

443 (2) As against such buyer the seller may stop delivery
444 until:

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

446 (b) Acknowledgment to the buyer by any bailee of the goods
447 except a carrier that the bailee holds the goods for the buyer;
448 or

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

451 (d) Negotiation to the buyer of any negotiable document of
 452 title covering the goods.

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

456 (b) After such notification the bailee shall ~~must~~ hold and
 457 deliver the goods according to the directions of the seller but
 458 the seller is liable to the bailee for any ensuing charges or
 459 damages.

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

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

466 Section 17. Subsection (3) of section 674.104, Florida
 467 Statutes, is amended to read:

468 674.104 Definitions and index of definitions.—

469 (3) The following definitions in other chapters apply to
 470 this chapter:

471 "Acceptance," s. 673.4091.

472 "Alteration," s. 673.4071.

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

474 "Certificate of deposit," s. 673.1041.

475 "Certified check," s. 673.4091.

476 "Check," s. 673.1041.

- 477 "Control," s. 677.106.
- 478 "Good faith," s. 673.1031.
- 479 "Holder in due course," s. 673.3021.
- 480 "Instrument," s. 673.1041.
- 481 "Notice of dishonor," s. 673.5031.
- 482 "Order," s. 673.1031.
- 483 "Ordinary care," s. 673.1031.
- 484 "Person entitled to enforce," s. 673.3011.
- 485 "Presentment," s. 673.5011.
- 486 "Promise," s. 673.1031.
- 487 "Prove," s. 673.1031.
- 488 "Teller's check," s. 673.1041.
- 489 "Unauthorized signature," s. 673.4031.

490 Section 18. Subsection (3) of section 674.2101, Florida
 491 Statutes, is amended to read:

492 674.2101 Security interest of collecting bank in items,
 493 accompanying documents, and proceeds.—

494 (3) Receipt by a collecting bank of a final settlement for
 495 an item is a realization on its security interest in the item,
 496 accompanying documents, and proceeds. So long as the bank does
 497 not receive final settlement for the item or give up possession
 498 of the item or possession or control of the accompanying or
 499 associated documents for purposes other than collection, the
 500 security interest continues to that extent and is subject to
 501 chapter 679, but:

- 502 (a) No security agreement is necessary to make the
- 503 security interest enforceable (s. 679.2031(2)(c)1.);
- 504 (b) No filing is required to perfect the security

505 interest; and

506 (c) The security interest has priority over conflicting
 507 perfected security interests in the item, accompanying
 508 documents, or proceeds.

509 Section 19. Section 677.102, Florida Statutes, is amended
 510 to read:

511 677.102 Definitions and index of definitions.—

512 (1) In this chapter, unless the context otherwise
 513 requires:

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

517 (b) "Carrier" means a person that issues a bill of
 518 lading.

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

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

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

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

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

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

536 (h) ~~(g)~~ "Issuer" means a bailee who issues a document of
537 title or, in the case of ~~except that in relation to~~ an
538 unaccepted delivery order, it means the person who orders the
539 possessor of goods to deliver. The term Issuer includes a any
540 person for which ~~whom~~ an agent or employee purports to act in
541 issuing a document if the agent or employee has real or apparent
542 authority to issue documents, notwithstanding that the issuer
543 received no goods or that the goods were misdescribed or that in
544 any other respect the agent or employee violated his or her
545 instructions.

546 (i) "Person entitled under the document" means the holder,
547 in the case of a negotiable document of title, or the person to
548 which delivery of the goods is to be made by the terms of, or
549 pursuant to instructions in a record under, a nonnegotiable
550 document of title.

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

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

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

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

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

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

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

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

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

570 "Contract for sale," s. 672.106.

571 ~~"Overseas," s. 672.323.~~

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

573 "Receipt" of goods, s. 672.103.

574 ~~(3)~~ (4) In addition, chapter 671 contains general
 575 definitions and principles of construction and interpretation
 576 applicable throughout this chapter.

577 Section 20. Section 677.103, Florida Statutes, is amended
 578 to read:

579 677.103 Relation of chapter to treaty, statute, ~~tariff,~~
 580 classification, or regulation.—

581 (1) Except as otherwise provided in this chapter, this
 582 chapter is subject to the extent that any treaty or statute of
 583 the United States to the extent the treaty or statute,
 584 ~~regulatory statute of this state or tariff, classification or~~
 585 ~~regulation filed or issued pursuant thereto is applicable, the~~
 586 ~~provisions of this chapter are subject thereto.~~

587 (2) This chapter does not modify or repeal any law
 588 prescribing the form or content of a document of title or the

589 services or facilities to be afforded by a bailee, or otherwise
 590 regulating a bailee's business in respects not specifically
 591 treated in this chapter. However, a violation of such a law does
 592 not affect the status of a document of title that otherwise is
 593 within the definition of a document of title.

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

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

603 Section 21. Section 677.104, Florida Statutes, is amended
 604 to read:

605 677.104 Negotiable and nonnegotiable ~~warehouse receipt,~~
 606 ~~bill of lading or other~~ document of title.-

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

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

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

614 (2) A document of title other than one described in
 615 subsection (1) Any other document is nonnegotiable. A bill of
 616 lading that states in which it is stated that the goods are

617 | consigned to a named person is not made negotiable by a
618 | provision that the goods are to be delivered only against an a
619 | ~~written~~ order in a record signed by the same or another named
620 | person.

621 | (3) A document of title is nonnegotiable if, at the time
622 | it is issued, the document has a conspicuous legend, however
623 | expressed, that it is nonnegotiable.

624 | Section 22. Section 677.105, Florida Statutes, is amended
625 | to read:

626 | 677.105 Reissuance in alternative medium Construction
627 | ~~against negative implication.~~-

628 | (1) Upon request of a person entitled under an electronic
629 | document of title, the issuer of the electronic document may
630 | issue a tangible document of title as a substitute for the
631 | electronic document if:

632 | (a) The person entitled under the electronic document
633 | surrenders control of the document to the issuer; and

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

636 | (2) Upon issuance of a tangible document of title in
637 | substitution for an electronic document of title in accordance
638 | with subsection (1):

639 | (a) The electronic document ceases to have any effect or
640 | validity; and

641 | (b) The person that procured issuance of the tangible
642 | document warrants to all subsequent persons entitled under the
643 | tangible document that the warrantor was a person entitled under
644 | the electronic document when the warrantor surrendered control

645 of the electronic document to the issuer.

646 (3) Upon request of a person entitled under a tangible
 647 document of title, the issuer of the tangible document may issue
 648 an electronic document of title as a substitute for the tangible
 649 document if:

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

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

655 (4) Upon issuance of an electronic document of title in
 656 substitution for a tangible document of title is accordance with
 657 subsection (3):

658 (a) The tangible document ceases to have any effect or
 659 validity; and

660 (b) The person that procured issuance of the electronic
 661 document warrants to all subsequent persons entitled under the
 662 electronic document that the warrantor was a person entitled
 663 under the tangible document when the warrantor surrendered
 664 possession of the tangible document to the issuer. ~~The omission~~
 665 ~~from either part II or part III of this chapter of a provision~~
 666 ~~corresponding to a provision made in the other part does not~~
 667 ~~imply that a corresponding rule of law is not applicable.~~

668 Section 23. Section 677.106, Florida Statutes, is created
 669 to read:

670 677.106 Control of electronic document of title.—

671 (1) A person has control of an electronic document of
 672 title if a system employed for evidencing the transfer of

673 interests in the electronic document reliably establishes that
674 person as the person to which the electronic document was issued
675 or transferred.

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

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

682 (b) The authoritative copy identifies the person asserting
683 control as:

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

685 2. If the authoritative copy indicates that the document
686 has been transferred, the person to which the document was most
687 recently transferred;

688 (c) The authoritative copy is communicated to and
689 maintained by the person asserting control or its designated
690 custodian;

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

694 (e) Each copy of the authoritative copy and any copy of a
695 copy is readily identifiable as a copy that is not the
696 authoritative copy; and

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

699 Section 24. Section 677.201, Florida Statutes, is amended
700 to read:

701 677.201 Persons that ~~Who~~ may issue a warehouse receipt;
 702 storage under ~~government~~ bond.—

703 (1) A warehouse receipt may be issued by any warehouse
 704 ~~warehouseman~~.

705 (2) If ~~Where~~ goods, including distilled spirits and
 706 agricultural commodities, are stored under a statute requiring a
 707 bond against withdrawal or a license for the issuance of
 708 receipts in the nature of warehouse receipts, a receipt issued
 709 for the goods is deemed to be ~~has like effect as~~ a warehouse
 710 receipt even if ~~though~~ issued by a person that ~~who~~ is the owner
 711 of the goods and is not a warehouse ~~warehouseman~~.

712 Section 25. Section 677.202, Florida Statutes, is amended
 713 to read:

714 677.202 Form of warehouse receipt; effect of omission
 715 ~~essential terms; optional terms~~.—

716 (1) A warehouse receipt need not be in any particular
 717 form.

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

722 (a) A statement of the location of the warehouse facility
 723 where the goods are stored;

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

725 (c) The unique identification code ~~consecutive number~~ of
 726 the receipt;

727 (d) A statement whether the goods received will be
 728 delivered to the bearer, to a named ~~specified~~ person, or to a

729 named ~~specified~~ person or its ~~his or her~~ order;

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

734 (f) A description of the goods or ~~of~~ the packages
 735 containing them;

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

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

742 (i) A statement of the amount of advances made and of
 743 liabilities incurred for which the warehouse ~~warehouseman~~ claims
 744 a lien or security interest, unless ~~(s. 677.209)~~. If the precise
 745 amount of ~~such~~ advances made or ~~of such~~ liabilities incurred ~~is~~,
 746 at the time of the issue of the receipt ~~is~~, unknown to the
 747 warehouse ~~warehouseman~~ or to its ~~his or her~~ agent that issued
 748 the receipt, in which case ~~who issues it~~, a statement of the
 749 fact that advances have been made or liabilities incurred and
 750 the purpose of the advances or liabilities ~~thereof~~ is
 751 sufficient.

752 (3) A warehouse ~~warehouseman~~ may insert in its ~~his or her~~
 753 receipt any ~~other~~ terms that ~~which~~ are not contrary to the
 754 provisions of this code and do not impair its ~~his or her~~
 755 obligation of delivery under s. 677.403 ~~(s. 677.403)~~ or its ~~his~~
 756 ~~or her~~ duty of care under s. 677.204 ~~(s. 677.204)~~. Any contrary

757 provision is ~~provisions shall be~~ ineffective.

758 Section 26. Section 677.203, Florida Statutes, is amended
759 to read:

760 677.203 Liability of nonreceipt or misdescription.—A party
761 to or purchaser for value in good faith of a document of title,
762 other than a bill of lading, that relies ~~relying in either case~~
763 upon the description ~~therein~~ of the goods in the document may
764 recover from the issuer damages caused by the nonreceipt or
765 misdescription of the goods, except to the extent that:

766 (1) The document conspicuously indicates that the issuer
767 does not know whether all or any part ~~or all~~ of the goods in
768 fact were received or conform to the description, such as a case
769 in which ~~as where~~ the description is in terms of marks or labels
770 or kind, quantity or condition, or the receipt or description is
771 qualified by "contents, condition and quality unknown," "said to
772 contain," or words of similar import ~~the like~~, if such
773 indication ~~is~~ be true;⁷ or

774 (2) The party or purchaser otherwise has notice of the
775 nonreceipt or misdescription.

776 Section 27. Section 677.204, Florida Statutes, is amended
777 to read:

778 677.204 Duty of care; contractual limitation of
779 warehouse's ~~warehouseman's~~ liability.—

780 (1) A warehouse ~~warehouseman~~ is liable for damages for
781 loss of or injury to the goods caused by its ~~his or her~~ failure
782 to exercise ~~such~~ care with ~~in~~ regard to the goods that ~~them as~~ a
783 reasonably careful person would exercise under similar ~~like~~
784 circumstances. ~~but~~ Unless otherwise agreed, the warehouse ~~he or~~

785 ~~she~~ is not liable for damages that ~~which~~ could not have been
 786 avoided by the exercise of that ~~such~~ care.

787 (2) Damages may be limited by a term in the warehouse
 788 receipt or storage agreement limiting the amount of liability in
 789 case of loss or damage, ~~and~~ setting forth a specific liability
 790 per article or item, ~~or~~ value per unit of weight, or any other
 791 negotiated limitation of damages as agreed upon between the
 792 parties beyond which the warehouse is ~~warehouseman shall not be~~
 793 liable. Such a limitation is not effective with respect to the
 794 warehouse's liability for conversion to its own use. On
 795 ~~provided, however, that such liability may on written~~ request of
 796 the bailor in a record at the time of signing the ~~such~~ storage
 797 agreement or within a reasonable time after receipt of the
 798 warehouse receipt, the warehouse's liability may be increased on
 799 part or all of the goods covered by the storage agreement or the
 800 warehouse receipt. In this event, thereunder, in which event
 801 increased rates may be charged based on an ~~such~~ increased
 802 valuation of the goods, ~~but that no such increase shall be~~
 803 ~~permitted contrary to a lawful limitation of liability contained~~
 804 ~~in the warehouseman's tariff, if any. No such limitation is~~
 805 ~~effective with respect to the warehouseman's liability for~~
 806 ~~conversion to his or her own use.~~

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

810 (4) ~~(3)~~ This section does not impair or repeal any statute
 811 which imposes a higher responsibility upon the warehouse
 812 ~~warehouseman~~ or invalidates contractual limitations which would

813 be permissible under this chapter.

814 Section 28. Section 677.205, Florida Statutes, is amended
815 to read:

816 677.205 Title under warehouse receipt defeated in certain
817 cases.—A buyer in ~~the~~ ordinary course of business of fungible
818 goods sold and delivered by a warehouse that ~~warehouseman who~~ is
819 also in the business of buying and selling such goods takes the
820 goods free of any claim under a warehouse receipt even if the
821 receipt is negotiable and ~~though it~~ has been duly negotiated.

822 Section 29. Section 677.206, Florida Statutes, is amended
823 to read:

824 677.206 Termination of storage at warehouse's
825 ~~warehouseman's~~ option.—

826 (1) A warehouse, by giving notice to ~~warehouseman may on~~
827 ~~notifying~~ the person on whose account the goods are held and any
828 other person known to claim an interest in the goods, may
829 require payment of any charges and removal of the goods from the
830 warehouse at the termination of the period of storage fixed by
831 the document of title or by a nonnegotiable warehouse receipt,
832 or, if a ~~no~~ period is not fixed, within a stated period not less
833 than 30 days after the warehouse gives notice ~~notification~~. If
834 the goods are not removed before the date specified in the
835 notice ~~notification~~, the warehouse ~~warehouseman~~ may sell them
836 pursuant to s. 677.210 ~~in accordance with the provisions of the~~
837 ~~section on enforcement of a warehouseman's lien (s. 677.210).~~

838 (2) If a warehouse ~~warehouseman~~ in good faith believes
839 that ~~the~~ goods are about to deteriorate or decline in value to
840 less than the amount of its ~~his or her~~ lien within the time

841 provided ~~prescribed~~ in subsection (1) and s. 677.210 ~~for~~
 842 ~~notification, advertisement and sale,~~ the warehouse ~~warehouseman~~
 843 may specify in the notice given under subsection (1)
 844 ~~notification~~ any reasonable shorter time for removal of the
 845 goods and, if ~~in case~~ the goods are not removed, may sell them
 846 at public sale held not less than 1 week after a single
 847 advertisement or posting.

848 (3) If, as a result of a quality or condition of the goods
 849 of which the warehouse did not have ~~warehouseman had no~~ notice
 850 at the time of deposit, the goods are a hazard to other
 851 property, ~~or to~~ the warehouse facilities, or other ~~to~~ persons,
 852 the warehouse ~~warehouseman~~ may sell the goods at public or
 853 private sale without advertisement or posting on reasonable
 854 notification to all persons known to claim an interest in the
 855 goods. If the warehouse, ~~warehouseman~~ after a reasonable effort,
 856 is unable to sell the goods, it ~~he or she~~ may dispose of them in
 857 any lawful manner and does not ~~shall~~ incur ~~no~~ liability by
 858 reason of that ~~such~~ disposition.

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

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

868 Section 30. Section 677.207, Florida Statutes, is amended

869 to read:

870 677.207 Goods shall ~~must~~ be kept separate; fungible
871 goods.—

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

877 (2) If different lots of fungible goods are ~~se~~ commingled,
878 the goods are owned in common by the persons entitled thereto
879 and the warehouse ~~warehouseman~~ is severally liable to each owner
880 for that owner's share. If, ~~Where~~ because of overissue, a mass
881 of fungible goods is insufficient to meet all the receipts ~~which~~
882 the warehouse ~~warehouseman~~ has issued against it, the persons
883 entitled include all holders to whom overissued receipts have
884 been duly negotiated.

885 Section 31. Section 677.208, Florida Statutes, is amended
886 to read:

887 677.208 Altered warehouse receipts.—If ~~Where~~ a blank in a
888 negotiable warehouse receipt has been filled in without
889 authority, a good faith purchaser for value and without notice
890 of the lack ~~want~~ of authority may treat the insertion as
891 authorized. Any other unauthorized alteration leaves any
892 tangible or electronic warehouse receipt enforceable against the
893 issuer according to its original tenor.

894 Section 32. Section 677.209, Florida Statutes, is amended
895 to read:

896 677.209 Lien of warehouse ~~warehouseman~~.—

897 (1) A warehouse ~~warehouseman~~ has a lien against the bailor
 898 on the goods covered by a warehouse receipt or storage agreement
 899 or on the proceeds thereof in its ~~his or her~~ possession for
 900 charges for storage or transportation, including demurrage and
 901 terminal charges ~~(including demurrage and terminal charges),~~
 902 insurance, labor, or other charges, present or future, in
 903 relation to the goods, and for expenses necessary for
 904 preservation of the goods or reasonably incurred in their sale
 905 pursuant to law. If the person on whose account the goods are
 906 held is liable for similar ~~like~~ charges or expenses in relation
 907 to other goods whenever deposited and it is stated in the
 908 warehouse receipt or storage agreement that a lien is claimed
 909 for charges and expenses in relation to other goods, the
 910 warehouse ~~warehouseman~~ also has a lien against the goods covered
 911 by the warehouse receipt or storage agreement or on the proceeds
 912 thereof in its possession ~~him or her~~ for those ~~such~~ charges and
 913 expenses, whether or not the other goods have been delivered by
 914 the warehouse ~~warehouseman~~. However, as ~~But~~ against a person to
 915 which ~~whom~~ a negotiable warehouse receipt is duly negotiated, a
 916 warehouse's ~~warehouseman's~~ lien is limited to charges in an
 917 amount or at a rate specified in ~~on~~ the warehouse receipt or, if
 918 no charges are so specified, then to a reasonable charge for
 919 storage of the specific goods covered by the receipt subsequent
 920 to the date of the receipt.

921 (2) A warehouse ~~The warehouseman~~ may also reserve a
 922 security interest against the bailor for the ~~a~~ maximum amount
 923 specified on the receipt for charges other than those specified
 924 in subsection (1), such as for money advanced and interest. The

925 ~~Such a security interest is governed by chapter 679 the chapter~~
 926 ~~on secured transactions (chapter 679).~~

927 (3) A warehouse's ~~warehouseman's~~ lien for charges and
 928 expenses under subsection (1) or a security interest under
 929 subsection (2) is also effective against any person that ~~who~~ so
 930 entrusted the bailor with possession of the goods that a pledge
 931 of them by the bailor ~~him or her~~ to a good faith ~~good faith~~
 932 purchaser for value would have been valid. However, the lien or
 933 security interest ~~but~~ is not effective against a person that
 934 before issuance of a document of title had a legal interest or a
 935 perfected security interest in the goods and that did not:

936 (a) Deliver or entrust the goods or any document of title
 937 covering the goods to the bailor or the bailor's nominee with:

- 938 1. Actual or apparent authority to ship, store, or sell;
- 939 2. Power to obtain delivery under s. 677.403; or
- 940 3. Power of disposition under s. 672.403, s. 680.304(2),
 941 s. 680.305(2), s. 679.320, or s. 679.321(3) or other statute or
 942 rule of law; or

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

946 (4) A warehouse's lien on household goods for charges and
 947 expenses in relation to the goods under subsection (1) is also
 948 effective against all persons if the depositor was the legal
 949 possessor of the goods at the time of deposit. In this
 950 subsection, the term "household goods" means furniture,
 951 furnishings, or personal effects used by the depositor in a
 952 dwelling.

953 ~~(5)-(4)~~ A warehouse ~~warehouseman~~ loses its ~~his or her~~ lien
 954 on any goods that it ~~which he or she~~ voluntarily delivers or
 955 ~~which he or she~~ unjustifiably refuses to deliver.

956 Section 33. Section 677.210, Florida Statutes, is amended
 957 to read:

958 677.210 Enforcement of warehouse's ~~warehouseman's~~ lien.-

959 (1) Except as provided in subsection (2), a warehouse's
 960 ~~warehouseman's~~ lien may be enforced by public or private sale of
 961 the goods, in bulk or in packages ~~in block or in parcels~~, at any
 962 time or place and on any terms that ~~which~~ are commercially
 963 reasonable, after notifying all persons known to claim an
 964 interest in the goods. The ~~Such~~ notification shall ~~must~~ include
 965 a statement of the amount due, the nature of the proposed sale,
 966 and the time and place of any public sale. The fact that a
 967 better price could have been obtained by a sale at a different
 968 time or in a different method from that selected by the
 969 warehouse ~~warehouseman~~ is not of itself sufficient to establish
 970 that the sale was not made in a commercially reasonable manner.
 971 The warehouse sells in a commercially reasonable manner if the
 972 warehouse ~~If the warehouseman either~~ sells the goods in the
 973 usual manner in any recognized market therefor, ~~or if he or she~~
 974 sells at the price current in that ~~such~~ market at the time of
 975 the ~~his or her~~ sale, ~~or if he or she has~~ sells ~~sold~~ in
 976 conformity with commercially reasonable practices among dealers
 977 in the type of goods sold, ~~he or she has sold in a commercially~~
 978 ~~reasonable manner~~. A sale of more goods than apparently
 979 necessary to be offered to ensure satisfaction of the obligation
 980 is not commercially reasonable except in cases covered by the

981 preceding sentence.

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

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

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

991 (c) The notification shall ~~must~~ include an itemized
992 statement of the claim, a description of the goods subject to
993 the lien, a demand for payment within a specified time not less
994 than 10 days after receipt of the notification, and a
995 conspicuous statement that unless the claim is paid within that
996 time the goods will be advertised for sale and sold by auction
997 at a specified time and place.

998 (d) The sale shall ~~must~~ conform to the terms of the
999 notification.

1000 (e) The sale shall ~~must~~ be held at the nearest suitable
1001 place to ~~that~~ where the goods are held or stored.

1002 (f) After the expiration of the time given in the
1003 notification, an advertisement of the sale shall ~~must~~ be
1004 published once a week for 2 weeks consecutively in a newspaper
1005 of general circulation where the sale is to be held. The
1006 advertisement shall ~~must~~ include a description of the goods, the
1007 name of the person on whose account they are being held, and the
1008 time and place of the sale. The sale shall ~~must~~ take place at

1009 | least 15 days after the first publication. If there is no
 1010 | newspaper of general circulation where the sale is to be held,
 1011 | the advertisement shall ~~must~~ be posted at least 10 days before
 1012 | the sale in not fewer ~~less~~ than 6 conspicuous places in the
 1013 | neighborhood of the proposed sale.

1014 | (3) Before any sale pursuant to this section any person
 1015 | claiming a right in the goods may pay the amount necessary to
 1016 | satisfy the lien and the reasonable expenses incurred in
 1017 | complying with ~~under~~ this section. In that event, the goods may
 1018 | ~~must~~ not be sold, but shall ~~must~~ be retained by the warehouse
 1019 | ~~warehouseman~~ subject to the terms of the receipt and this
 1020 | chapter.

1021 | (4) A warehouse ~~The warehouseman~~ may buy at any public
 1022 | sale held pursuant to this section.

1023 | (5) A purchaser in good faith of goods sold to enforce a
 1024 | warehouse's ~~warehouseman's~~ lien takes the goods free of any
 1025 | rights of persons against which ~~whom~~ the lien was valid, despite
 1026 | the warehouse's noncompliance ~~by the warehouseman~~ with ~~the~~
 1027 | ~~requirements of~~ this section.

1028 | (6) A warehouse ~~The warehouseman~~ may satisfy its ~~his or~~
 1029 | ~~her~~ lien from the proceeds of any sale pursuant to this section
 1030 | but shall ~~must~~ hold the balance, if any, for delivery on demand
 1031 | to any person to which the warehouse ~~whom he or she~~ would have
 1032 | been bound to deliver the goods.

1033 | (7) The rights provided by this section shall be in
 1034 | addition to all other rights allowed by law to a creditor
 1035 | against a ~~his or her~~ debtor.

1036 | (8) If ~~Where~~ a lien is on goods stored by a merchant in

1037 the course of its ~~his or her~~ business, the lien may be enforced
 1038 in accordance with ~~either~~ subsection (1) or subsection (2).

1039 (9) A warehouse ~~The warehouseman~~ is liable for damages
 1040 caused by failure to comply with the requirements for sale under
 1041 this section, and in case of willful violation, is liable for
 1042 conversion.

1043 Section 34. Section 677.301, Florida Statutes, is amended
 1044 to read:

1045 677.301 Liability for nonreceipt or misdescription; "said
 1046 to contain"; "shipper's weight, load, and count"; improper
 1047 handling.—

1048 (1) A consignee of a nonnegotiable bill of lading which
 1049 ~~who~~ has given value in good faith, or a holder to which ~~whom~~ a
 1050 negotiable bill has been duly negotiated, relying ~~in either case~~
 1051 upon the description ~~therein~~ of the goods in the bill, or upon
 1052 the date ~~therein~~ shown in the bill, may recover from the issuer
 1053 damages caused by the misdating of the bill or the nonreceipt or
 1054 misdescription of the goods, except to the extent that the bill
 1055 ~~document~~ indicates that the issuer does not know whether any
 1056 part or all of the goods in fact were received or conform to the
 1057 description, such as in the case in which ~~where~~ the description
 1058 is in terms of marks or labels or kind, quantity, or condition
 1059 or the receipt or description is qualified by "contents or
 1060 condition of contents of packages unknown," "said to contain,"
 1061 "shipper's weight, load, and count" or words of similar import
 1062 ~~the like~~, if that such indication ~~is~~ true.

1063 (2) If ~~When~~ goods are loaded by the ~~an~~ issuer of a bill of
 1064 lading: who is a common carrier,

1065 (a) The issuer shall ~~must~~ count the packages of goods if
 1066 shipped in packages ~~package freight~~ and ascertain the kind and
 1067 quantity if shipped in bulk; and ~~freight.~~

1068 (b) Words ~~In~~ such as ~~cases~~ "shipper's weight, load, and
 1069 count" or ~~other~~ words of similar import indicating that the
 1070 description was made by the shipper are ineffective except as to
 1071 goods freight concealed in ~~by~~ packages.

1072 (3) ~~If when~~ bulk goods are ~~freight is~~ loaded by a shipper
 1073 that ~~who~~ makes available to the issuer of a bill of lading
 1074 adequate facilities for weighing those goods, ~~the such freight,~~
 1075 ~~an~~ issuer shall ~~who is a common carrier~~ ~~must~~ ascertain the kind
 1076 and quantity within a reasonable time after receiving the
 1077 shipper's written request of the shipper to do so. In that case
 1078 ~~such cases~~ "shipper's weight, load, and count" or ~~other~~ words of
 1079 similar import ~~like purport~~ are ineffective.

1080 (4) The issuer of a bill of lading, ~~may~~ by including
 1081 inserting in the bill the words "shipper's weight, load, and
 1082 count" or ~~other~~ words of similar import, ~~may like purport~~
 1083 indicate that the goods were loaded by the shipper,^r and if that
 1084 ~~such~~ statement is ~~be~~ true, the issuer is ~~shall~~ not ~~be~~ liable for
 1085 damages caused by the improper loading. However, ~~But their~~
 1086 omission of such words does not imply liability for ~~such~~ damages
 1087 caused by improper loading.

1088 (5) ~~A~~ The shipper guarantees ~~shall be deemed to have~~
 1089 ~~guaranteed to~~ an the issuer the accuracy at the time of shipment
 1090 of the description, marks, labels, number, kind, quantity,
 1091 condition and weight, as furnished by the shipper, ~~him or her;~~
 1092 and the shipper shall indemnify the issuer against damage caused

1093 by inaccuracies in those ~~such~~ particulars. This ~~The~~ right of ~~the~~
 1094 ~~issuer to such~~ indemnity does not ~~shall in no way~~ limit the
 1095 issuer's ~~his or her~~ responsibility or ~~and~~ liability under the
 1096 contract of carriage to any person other than the shipper.

1097 Section 35. Section 677.302, Florida Statutes, is amended
 1098 to read:

1099 677.302 Through bills of lading and similar documents of
 1100 title.-

1101 (1) The issuer of a through bill of lading, or other
 1102 document of title embodying an undertaking to be performed in
 1103 part by a person ~~persons~~ acting as its agent ~~agents~~ or by a
 1104 performing carrier, ~~connecting carriers~~ is liable to any person
 1105 ~~anyone~~ entitled to recover on the bill or other document for any
 1106 breach by the ~~such~~ other person ~~persons~~ or the performing ~~by a~~
 1107 ~~connecting~~ carrier of its obligation under the bill or other
 1108 document. However, ~~but~~ to the extent that the bill or other
 1109 document covers an undertaking to be performed overseas or in
 1110 territory not contiguous to the continental United States or an
 1111 undertaking including matters other than transportation, this
 1112 liability for breach by the other person or the performing
 1113 carrier may be varied by agreement of the parties.

1114 (2) If ~~Where~~ goods covered by a through bill of lading or
 1115 other document of title embodying an undertaking to be performed
 1116 in part by a person ~~persons~~ other than the issuer are received
 1117 by that ~~any such~~ person, the person ~~he or she~~ is subject, with
 1118 respect to its ~~his or her~~ own performance while the goods are in
 1119 its ~~his or her~~ possession, to the obligation of the issuer. The
 1120 person's ~~His or her~~ obligation is discharged by delivery of the

1121 goods to another ~~such~~ person pursuant to the bill or other
 1122 document, and does not include liability for breach by any other
 1123 person ~~such persons~~ or by the issuer.

1124 (3) The issuer of a a ~~such~~ through bill of lading or other
 1125 document of title described in subsection (1) ~~is shall be~~
 1126 entitled to recover from the performing ~~connecting~~ carrier, or
 1127 ~~such~~ other person in possession of the goods when the breach of
 1128 the obligation under the bill or other document occurred:

1129 (a) The amount it may be required to pay to any person
 1130 ~~anyone~~ entitled to recover on the bill or other document for the
 1131 breach therefor, as may be evidenced by any receipt, judgment,
 1132 or transcript of judgment; ~~thereof~~, and

1133 (b) The amount of any expense reasonably incurred by the
 1134 insurer ~~it~~ in defending any action commenced ~~brought~~ by any
 1135 person ~~anyone~~ entitled to recover on the bill or other document
 1136 for the breach therefor.

1137 Section 36. Section 677.303, Florida Statutes, is amended
 1138 to read:

1139 677.303 Diversion; reconsignment; change of instructions.—

1140 (1) Unless the bill of lading otherwise provides, a ~~the~~
 1141 carrier may deliver the goods to a person or destination other
 1142 than that stated in the bill or may otherwise dispose of the
 1143 goods, without liability for misdelivery, on instructions from:

1144 (a) The holder of a negotiable bill; ~~or~~

1145 (b) The consignor on a nonnegotiable bill, even if the
 1146 consignee has given notwithstanding contrary instructions ~~from~~
 1147 ~~the consignee~~; ~~or~~

1148 (c) The consignee on a nonnegotiable bill in the absence

1149 of contrary instructions from the consignor, if the goods have
 1150 arrived at the billed destination or if the consignee is in
 1151 possession of the tangible bill or in control of the electronic
 1152 bill; or

1153 (d) The consignee on a nonnegotiable bill, if the
 1154 consignee ~~he or she~~ is entitled as against the consignor to
 1155 dispose of the goods ~~them~~.

1156 (2) Unless ~~such~~ instructions described in subsection (1)
 1157 are included in ~~noted on~~ a negotiable bill of lading, a person
 1158 to which ~~whom~~ the bill is duly negotiated may ~~can~~ hold the
 1159 bailee according to the original terms.

1160 Section 37. Section 677.304, Florida Statutes, is amended
 1161 to read:

1162 677.304 Tangible bills of lading in a set.—

1163 (1) Except as ~~where~~ customary in international ~~overseas~~
 1164 transportation, a tangible bill of lading may ~~must~~ not be issued
 1165 in a set of parts. The issuer is liable for damages caused by
 1166 violation of this subsection.

1167 (2) If ~~Where~~ a tangible bill of lading is lawfully issued
 1168 ~~drawn~~ in a set of parts, each of which contains an
 1169 identification code ~~is numbered~~ and is expressed to be valid
 1170 only if the goods have not been delivered against any other
 1171 part, the whole of the parts constitutes ~~constitute~~ one bill.

1172 (3) If ~~Where~~ a tangible negotiable bill of lading is
 1173 lawfully issued in a set of parts and different parts are
 1174 negotiated to different persons, the title of the holder to
 1175 which ~~whom~~ the first due negotiation is made prevails as to both
 1176 the document of title and the goods even if ~~though~~ any later

1177 holder may have received the goods from the carrier in good
 1178 faith and discharged the carrier's obligation by surrendering
 1179 its ~~surrender of his or her~~ part.

1180 (4) A ~~Any~~ person that ~~who~~ negotiates or transfers a single
 1181 part of a tangible bill of lading issued ~~drawn~~ in a set is
 1182 liable to holders of that part as if it were the whole set.

1183 (5) The bailee shall ~~is obliged to~~ deliver in accordance
 1184 with part IV of this chapter against the first presented part of
 1185 a tangible bill of lading lawfully drawn in a set. ~~Such~~ Delivery
 1186 in this manner discharges the bailee's obligation on the whole
 1187 bill.

1188 Section 38. Section 677.305, Florida Statutes, is amended
 1189 to read:

1190 677.305 Destination bills.—

1191 (1) Instead of issuing a bill of lading to the consignor
 1192 at the place of shipment, a carrier, ~~may~~ at the request of the
 1193 consignor, may procure the bill to be issued at destination or
 1194 at any other place designated in the request.

1195 (2) Upon request of any person ~~anyone~~ entitled as against
 1196 the carrier to control the goods while in transit and on
 1197 surrender of possession or control of any outstanding bill of
 1198 lading or other receipt covering such goods, the issuer, subject
 1199 to s. 677.105, may procure a substitute bill to be issued at any
 1200 place designated in the request.

1201 Section 39. Section 677.307, Florida Statutes, is amended
 1202 to read:

1203 677.307 Lien of carrier.—

1204 (1) A carrier has a lien on the goods covered by a bill of

1205 lading or on the proceeds thereof in its possession for charges
 1206 after ~~subsequent to~~ the date of the carrier's ~~its~~ receipt of the
 1207 goods for storage or transportation, including demurrage and
 1208 terminal charges, ~~(including demurrage and terminal charges)~~ and
 1209 for expenses necessary for preservation of the goods incident to
 1210 their transportation or reasonably incurred in their sale
 1211 pursuant to law. However, ~~But~~ against a purchaser for value of a
 1212 negotiable bill of lading, a carrier's lien is limited to
 1213 charges stated in the bill or the applicable tariffs, ~~or,~~ if no
 1214 charges are stated, ~~then to~~ a reasonable charge.

1215 (2) A lien for charges and expenses under subsection (1)
 1216 on goods that ~~which~~ the carrier was required by law to receive
 1217 for transportation is effective against the consignor or any
 1218 person entitled to the goods unless the carrier had notice that
 1219 the consignor lacked authority to subject the goods to those
 1220 ~~such~~ charges and expenses. Any other lien under subsection (1)
 1221 is effective against the consignor and any person that ~~who~~
 1222 permitted the bailor to have control or possession of the goods
 1223 unless the carrier had notice that the bailor lacked ~~such~~
 1224 authority.

1225 (3) A carrier loses its ~~his or her~~ lien on any goods that
 1226 it ~~which the carrier~~ voluntarily delivers or ~~which he or she~~
 1227 unjustifiably refuses to deliver.

1228 Section 40. Section 677.308, Florida Statutes, is amended
 1229 to read:

1230 677.308 Enforcement of carrier's lien.—

1231 (1) A carrier's lien on goods may be enforced by public or
 1232 private sale of the goods, in bulk ~~block~~ or in packages ~~parcels,~~

1233 at any time or place and on any terms that ~~which~~ are
 1234 commercially reasonable, after notifying all persons known to
 1235 claim an interest in the goods. The ~~Such~~ notification shall ~~must~~
 1236 include a statement of the amount due, the nature of the
 1237 proposed sale, and the time and place of any public sale. The
 1238 fact that a better price could have been obtained by a sale at a
 1239 different time or in a method different ~~method~~ from that
 1240 selected by the carrier is not of itself sufficient to establish
 1241 that the sale was not made in a commercially reasonable manner.
 1242 ~~If~~ The carrier ~~either~~ sells ~~the~~ goods in a commercially
 1243 reasonable ~~the usual~~ manner ~~in any recognized market therefor~~ or
 1244 if the carrier ~~he or she~~ sells the goods in the usual manner in
 1245 any recognized market therefor, sells at the price current in
 1246 that ~~such~~ market at the time of the ~~his or her~~ sale, or ~~if the~~
 1247 ~~carrier has~~ otherwise sells ~~sold~~ in conformity with commercially
 1248 reasonable practices among dealers in the type of goods sold ~~he~~
 1249 ~~or she has sold in a commercially reasonable manner.~~ A sale of
 1250 more goods than apparently necessary to be offered to ensure
 1251 satisfaction of the obligation is not commercially reasonable,
 1252 except in cases covered by the preceding sentence.

1253 (2) Before any sale pursuant to this section, any person
 1254 claiming a right in the goods may pay the amount necessary to
 1255 satisfy the lien and the reasonable expenses incurred in
 1256 complying with ~~under~~ this section. In that event, the goods may
 1257 ~~must~~ not be sold, but shall ~~must~~ be retained by the carrier,
 1258 subject to the terms of the bill of lading and this chapter.

1259 (3) The carrier may buy at any public sale pursuant to
 1260 this section.

1261 (4) A purchaser in good faith of goods sold to enforce a
 1262 carrier's lien takes the goods free of any rights of persons
 1263 against which ~~whom~~ the lien was valid, despite the carrier's
 1264 noncompliance ~~by the carrier~~ with ~~the requirements of~~ this
 1265 section.

1266 (5) A ~~The~~ carrier may satisfy its ~~his or her~~ lien from the
 1267 proceeds of any sale pursuant to this section but shall ~~must~~
 1268 hold the balance, if any, for delivery on demand to any person
 1269 to which ~~whom~~ the carrier would have been bound to deliver the
 1270 goods.

1271 (6) The rights provided by this section are ~~shall be~~ in
 1272 addition to all other rights allowed by law to a creditor
 1273 against a ~~his or her~~ debtor.

1274 (7) A carrier's lien may be enforced pursuant to ~~in~~
 1275 ~~accordance with~~ either subsection (1) or the procedure set forth
 1276 in s. 677.210(2).

1277 (8) A ~~The~~ carrier is liable for damages caused by failure
 1278 to comply with the requirements for sale under this section and,
 1279 in case of willful violation, is liable for conversion.

1280 Section 41. Section 677.309, Florida Statutes, is amended
 1281 to read:

1282 677.309 Duty of care; contractual limitation of carrier's
 1283 liability.—

1284 (1) A carrier that ~~who~~ issues a bill of lading, whether
 1285 negotiable or nonnegotiable, shall ~~must~~ exercise the degree of
 1286 care in relation to the goods which a reasonably careful person
 1287 would exercise under similar ~~like~~ circumstances. This subsection
 1288 does not affect ~~repeal or change~~ any statute, regulation, law or

1289 rule of law that ~~which~~ imposes liability upon a common carrier
 1290 for damages not caused by its negligence.

1291 (2) Damages may be limited by a term in the bill of lading
 1292 or in a transportation agreement ~~provision~~ that the carrier's
 1293 liability may ~~shall~~ not exceed a value stated in the bill or
 1294 transportation agreement ~~document~~ if the carrier's rates are
 1295 dependent upon value and the consignor ~~by the carrier's tariff~~
 1296 is afforded an opportunity to declare a higher value and the
 1297 consignor ~~or a value as lawfully provided in the tariff, or~~
 1298 ~~where no tariff is filed he or she is otherwise advised of the~~
 1299 ~~such~~ opportunity. However, ; ~~but no~~ such a limitation is not
 1300 effective with respect to the carrier's liability for conversion
 1301 to its own use.

1302 (3) Reasonable provisions as to the time and manner of
 1303 presenting claims and commencing ~~instituting~~ actions based on
 1304 the shipment may be included in the bill of lading or a
 1305 transportation agreement ~~tariff~~.

1306 Section 42. Section 677.401, Florida Statutes, is amended
 1307 to read:

1308 677.401 Irregularities in issue of receipt or bill or
 1309 conduct of issuer.—The obligations imposed by this chapter on an
 1310 issuer apply to a document of title even if ~~regardless of the~~
 1311 ~~fact that~~:

1312 (1) The document does ~~may~~ not comply with the requirements
 1313 of this chapter or of any other statute, rule of law, law or
 1314 regulation regarding its issuance ~~issue~~, form, or content; ~~or~~

1315 (2) The issuer ~~may have~~ violated laws regulating the
 1316 conduct of its ~~his or her~~ business; ~~or~~

1317 (3) The goods covered by the document were owned by the
 1318 bailee when ~~at the time~~ the document was issued; or

1319 (4) The person issuing the document is not a warehouse but
 1320 the document does not come within the definition of warehouseman
 1321 ~~if it~~ purports to be a warehouse receipt.

1322 Section 43. Section 677.402, Florida Statutes, is amended
 1323 to read:

1324 677.402 Duplicate document of title ~~receipt or bill~~;
 1325 overissue. ~~Neither~~ A duplicate or ~~nor~~ any other document of
 1326 title purporting to cover goods already represented by an
 1327 outstanding document of the same issuer does not confer ~~confers~~
 1328 any right in the goods, except as provided in the case of
 1329 tangible bills of lading in a set of parts, overissue of
 1330 documents for fungible goods, and substitutes for lost, stolen
 1331 or destroyed documents, or substitute documents issued pursuant
 1332 to s. 677.105. ~~But~~ The issuer is liable for damages caused by
 1333 its ~~his or her~~ overissue or failure to identify a duplicate
 1334 document ~~as such~~ by a conspicuous notation ~~on its face~~.

1335 Section 44. Section 677.403, Florida Statutes, is amended
 1336 to read:

1337 677.403 Obligation of bailee ~~warehouseman or carrier~~ to
 1338 deliver; excuse.—

1339 (1) A ~~The~~ bailee shall ~~must~~ deliver the goods to a person
 1340 entitled under a ~~the~~ document of title if the person ~~who~~
 1341 complies with subsections (2) and (3), unless and to the extent
 1342 that the bailee establishes any of the following:

1343 (a) Delivery of the goods to a person whose receipt was
 1344 rightful as against the claimant;

1345 (b) Damage to or delay, loss or destruction of the goods
 1346 for which the bailee is not liable, but the burden of
 1347 establishing negligence in such cases when value of such damage,
 1348 delay, loss, or destruction exceeds \$10,000 is on the person
 1349 entitled under the document;~~;~~

1350 (c) Previous sale or other disposition of the goods in
 1351 lawful enforcement of a lien or on a warehouse's ~~warehouseman's~~
 1352 lawful termination of storage;

1353 (d) The exercise by a seller of its ~~his or her~~ right to
 1354 stop delivery pursuant to s. 672.705 or by a lessor of its right
 1355 to stop delivery pursuant to s. 680.526 ~~the provisions of the~~
 1356 ~~chapter on sales (s. 672.705);~~

1357 (e) A diversion, reconsignment, or other disposition
 1358 pursuant to s. 677.303 ~~the provisions of this chapter (s.~~
 1359 ~~677.303) or tariff regulating such right;~~

1360 (f) Release, satisfaction, or any other ~~fact affording a~~
 1361 personal defense against the claimant; or

1362 (g) Any other lawful excuse.

1363 (2) A person claiming goods covered by a document of title
 1364 shall ~~must~~ satisfy the bailee's lien if ~~where~~ the bailee so
 1365 requests or if ~~where~~ the bailee is prohibited by law from
 1366 delivering the goods until the charges are paid.

1367 (3) Unless a ~~the~~ person claiming the goods is a person ~~one~~
 1368 against which ~~whom~~ the document of title does not confer a
 1369 ~~confers no~~ right under s. 677.503(1) ~~;~~

1370 (a) The person claiming under a document shall ~~he or she~~
 1371 ~~must~~ surrender possession or control of any outstanding
 1372 negotiable document covering the goods for cancellation or

1373 indication of partial deliveries; and
 1374 ~~(b) for cancellation or notation of partial deliveries any~~
 1375 ~~outstanding negotiable document covering the goods, and The~~
 1376 bailee shall ~~must~~ cancel the document or conspicuously indicate
 1377 in the document ~~note~~ the partial delivery ~~thereon~~ or the bailee
 1378 is ~~be~~ liable to any person to which ~~whom~~ the document is duly
 1379 negotiated.

1380 ~~(4) "Person entitled under the document" means holder in~~
 1381 ~~the case of a negotiable document, or the person to whom~~
 1382 ~~delivery is to be made by the terms of or pursuant to written~~
 1383 ~~instructions under a nonnegotiable document.~~

1384 Section 45. Section 677.404, Florida Statutes, is amended
 1385 to read:

1386 677.404 No liability for good faith delivery pursuant to
 1387 document of title receipt or bill.—A bailee that ~~who~~ in good
 1388 faith ~~including observance of reasonable commercial standards~~
 1389 has received goods and delivered or otherwise disposed of the
 1390 goods ~~them~~ according to the terms of the document of title or
 1391 pursuant to this chapter is not liable for the goods ~~therefor.~~
 1392 ~~This rule applies even if:~~

1393 (1) ~~though~~ The person from which ~~whom~~ the bailee ~~whom he or she~~
 1394 received the goods did not have ~~had no~~ authority to procure the
 1395 document or to dispose of the goods; or

1396 (2) ~~The and even though~~ the person to which ~~whom~~ the bailee
 1397 ~~whom he or she~~ delivered the goods did not have ~~had no~~ authority
 1398 to receive the goods ~~them~~.

1399 Section 46. Section 677.501, Florida Statutes, is amended
 1400 to read:

1401 677.501 Form of negotiation and requirements of "due
1402 negotiation."~~—~~

1403 (1) The following rules apply to a negotiable tangible
1404 document of title:

1405 (a) If the document's original terms run ~~running~~ to the
1406 order of a named person, the document is negotiated by the named
1407 person's indorsement and delivery. After the named person's his
1408 ~~or her~~ indorsement in blank or to bearer, any person may ~~can~~
1409 negotiate the document ~~it~~ by delivery alone.

1410 (b) If the document's original

1411 ~~(2) (a) A negotiable document of title is also negotiated~~
1412 ~~by delivery alone when by its original terms~~ run ~~it runs~~ to
1413 bearer, it is negotiated by delivery alone.

1414 (c) If the document's original terms run

1415 ~~(b) When a document running~~ to the order of a named person
1416 and it is delivered to the named person, ~~him or her~~ the effect
1417 is the same as if the document had been negotiated.

1418 (d) (3) Negotiation of the ~~a negotiable~~ document ~~of title~~
1419 after it has been indorsed to a named ~~specified~~ person requires
1420 indorsement by the named person and ~~special indorsee as well as~~
1421 delivery.

1422 (e) (4) A negotiable document ~~of title~~ is duly negotiated
1423 if "duly negotiated" ~~when~~ it is negotiated in the manner stated
1424 in this subsection ~~section~~ to a holder that ~~who~~ purchases it in
1425 good faith, without notice of any defense against or claim to it
1426 on the part of any person, and for value, unless it is
1427 established that the negotiation is not in the regular course of
1428 business or financing or involves receiving the document in

1429 settlement or payment of a money obligation.

1430 (2) The following rules apply to a negotiable electronic
 1431 document of title:

1432 (a) If the document's original terms run to the order of a
 1433 named person or to bearer, the document is negotiated by
 1434 delivery of the document to another person. Indorsement by the
 1435 named person is not required to negotiate the document.

1436 (b) If the document's original terms run to the order of a
 1437 named person and the named person has control of the document,
 1438 the effect is the same as if the document had been negotiated.

1439 (c) A document is duly negotiated if it is negotiated in
 1440 the manner stated in this subsection to a holder that purchases
 1441 it in good faith, without notice of any defense against or claim
 1442 to it on the part of any person, and for value, unless it is
 1443 established that the negotiation is not in the regular course of
 1444 business or financing or involves taking delivery of the
 1445 document in settlement or payment of a monetary obligation.

1446 (3)-(5) Indorsement of a nonnegotiable document of title
 1447 neither makes it negotiable nor adds to the transferee's rights.

1448 (4)-(6) The naming in a negotiable bill of lading of a
 1449 person to be notified of the arrival of the goods does not limit
 1450 the negotiability of the bill or ~~nor~~ constitute notice to a
 1451 purchaser of the bill ~~thereof~~ of any interest of that ~~such~~
 1452 person in the goods.

1453 Section 47. Section 677.502, Florida Statutes, is amended
 1454 to read:

1455 677.502 Rights acquired by due negotiation.—

1456 (1) Subject to ss. ~~the following section and to the~~

1457 ~~provisions of s. 677.205 and 677.503 on fungible goods~~, a holder
 1458 to which ~~whom~~ a negotiable document of title has been duly
 1459 negotiated acquires thereby:

1460 (a) Title to the document;

1461 (b) Title to the goods;

1462 (c) All rights accruing under the law of agency or
 1463 estoppel, including rights to goods delivered to the bailee
 1464 after the document was issued; and

1465 (d) The direct obligation of the issuer to hold or deliver
 1466 the goods according to the terms of the document free of any
 1467 defense or claim by the issuer ~~him or her~~ except those arising
 1468 under the terms of the document or under this chapter, but ~~in~~
 1469 the case of a delivery order, the bailee's obligation accrues
 1470 only upon the bailee's acceptance of the delivery order and the
 1471 obligation acquired by the holder is that the issuer and any
 1472 indorser will procure the acceptance of the bailee.

1473 (2) Subject to the following section, title and rights so
 1474 acquired by due negotiation are not defeated by any stoppage of
 1475 the goods represented by the document of title or by surrender
 1476 of the ~~such~~ goods by the bailee, and are not impaired even if:

1477 (a) ~~though~~ The due negotiation or any prior due
 1478 negotiation constituted a breach of duty; ~~or even though~~

1479 (b) Any person has been deprived of possession of a
 1480 negotiable tangible ~~the~~ document or control of a negotiable
 1481 electronic document by misrepresentation, fraud, accident,
 1482 mistake, duress, loss, theft, or conversion; ~~or even though~~

1483 (c) A previous sale or other transfer of the goods or
 1484 document has been made to a third person.

1485 Section 48. Section 677.503, Florida Statutes, is amended
 1486 to read:

1487 677.503 Document of title to goods defeated in certain
 1488 cases.—

1489 (1) A document of title confers no right in goods against
 1490 a person that ~~who~~ before issuance of the document had a legal
 1491 interest or a perfected security interest in the goods ~~them~~ and
 1492 that did not ~~who~~ ~~neither~~:

1493 (a) Deliver or entrust the goods ~~Delivered or entrusted~~
 1494 ~~them~~ or any document of title covering the goods ~~them~~ to the
 1495 bailor or the bailor's nominee with:

1496 1. Actual or apparent authority to ship, store, or sell;
 1497 ~~or with~~

1498 2. Power to obtain delivery under s. 677.403; ~~this chapter~~
 1499 ~~(s. 677.403)~~ or with

1500 3. Power of disposition under s. 672.403, s. 680.304(2),
 1501 s. 680.305(2), s. 679.320, or s. 679.321(3) ~~this code (ss.~~
 1502 ~~672.403 and 679.320)~~ or other statute or rule of law; or ~~or~~

1503 (b) ~~(b)~~ Acquiesce ~~Acquiesced~~ in the procurement by the
 1504 bailor or its ~~the bailor's~~ nominee of any document ~~of title~~.

1505 (2) Title to goods based upon an unaccepted delivery order
 1506 is subject to the rights of any person ~~anyone~~ to which ~~whom~~ a
 1507 negotiable warehouse receipt or bill of lading covering the
 1508 goods has been duly negotiated. That ~~Such a~~ title may be
 1509 defeated under the next section to the same extent as the rights
 1510 of the issuer or a transferee from the issuer.

1511 (3) Title to goods based upon a bill of lading issued to a
 1512 freight forwarder is subject to the rights of any person ~~anyone~~

1513 to which ~~whom~~ a bill issued by the freight forwarder is duly
 1514 negotiated. ~~However, but~~ delivery by the carrier in accordance
 1515 with part IV of this chapter pursuant to its own bill of lading
 1516 discharges the carrier's obligation to deliver.

1517 Section 49. Section 677.504, Florida Statutes, is amended
 1518 to read:

1519 677.504 Rights acquired in the absence of due negotiation;
 1520 effect of diversion; ~~seller's~~ stoppage of delivery.—

1521 (1) A transferee of a document of title, whether
 1522 negotiable or nonnegotiable, to which ~~whom~~ the document has been
 1523 delivered but not duly negotiated, acquires the title and rights
 1524 that its ~~which his or her~~ transferor had or had actual authority
 1525 to convey.

1526 (2) In the case of a transfer of a nonnegotiable document
 1527 of title, until but not after the bailee receives notice
 1528 ~~notification~~ of the transfer, the rights of the transferee may
 1529 be defeated:

1530 (a) By those creditors of the transferor which ~~who~~ could
 1531 treat the transfer ~~sale~~ as void under s. 672.402 or s. 680.308;
 1532 ~~or~~

1533 (b) By a buyer from the transferor in ordinary course of
 1534 business if the bailee has delivered the goods to the buyer or
 1535 received notification of the buyer's ~~his or her~~ rights; ~~or~~

1536 (c) By a lessee from the transferor in ordinary course of
 1537 business if the bailee has delivered the goods to the lessee or
 1538 received notification of the lessee's rights; or

1539 (d) ~~(e)~~ As against the bailee, by good-faith ~~good-faith~~
 1540 dealings of the bailee with the transferor.

1541 (3) A diversion or other change of shipping instructions
1542 by the consignor in a nonnegotiable bill of lading which causes
1543 the bailee not to deliver to the consignee defeats the
1544 consignee's title to the goods if the goods ~~they~~ have been
1545 delivered to a buyer or a lessee in ordinary course of business
1546 and, in any event, defeats the consignee's rights against the
1547 bailee.

1548 (4) Delivery of the goods pursuant to a nonnegotiable
1549 document of title may be stopped by a seller under s. 672.705 or
1550 by a lessor under s. 680.526, ~~and~~ subject to the requirements
1551 ~~requirement~~ of due notification ~~there provided~~. A bailee that
1552 honors ~~honoring~~ the seller's or lessor's instructions is
1553 entitled to be indemnified by the seller or lessor against any
1554 resulting loss or expense.

1555 Section 50. Section 677.505, Florida Statutes, is amended
1556 to read:

1557 677.505 Indorser not a guarantor for other parties.—The
1558 indorsement of a tangible document of title issued by a bailee
1559 does not make the indorser liable for any default by the bailee
1560 or ~~by~~ previous indorsers.

1561 Section 51. Section 677.506, Florida Statutes, is amended
1562 to read:

1563 677.506 Delivery without indorsement; right to compel
1564 indorsement.—The transferee of a negotiable tangible document of
1565 title has a specifically enforceable right to have its ~~his or~~
1566 ~~her~~ transferor supply any necessary indorsement but the transfer
1567 becomes a negotiation only as of the time the indorsement is
1568 supplied.

1569 Section 52. Section 677.507, Florida Statutes, is amended
 1570 to read:

1571 677.507 Warranties on negotiation or delivery of document
 1572 of title ~~transfer of receipt or bill.~~ ~~If~~ ~~Where~~ a person
 1573 negotiates or delivers ~~transfers~~ a document of title for value,
 1574 otherwise than as a mere intermediary under the next following
 1575 section, ~~then~~ unless otherwise agreed, the transferor, in
 1576 addition to any warranty made in selling or leasing the goods,
 1577 ~~person~~ warrants to its ~~his or her~~ immediate purchaser only that
 1578 ~~in addition to any warranty made in selling the goods:~~

- 1579 (1) ~~That~~ The document is genuine; ~~and~~
- 1580 (2) The transferor does not have ~~That he or she has no~~
 1581 knowledge of any fact that ~~which~~ would impair the document's ~~its~~
 1582 validity or worth; and
- 1583 (3) The ~~That his or her~~ negotiation or delivery ~~transfer~~
 1584 is rightful and fully effective with respect to the title to the
 1585 document and the goods it represents.

1586 Section 53. Section 677.508, Florida Statutes, is amended
 1587 to read:

1588 677.508 Warranties of collecting bank as to documents of
 1589 title. ~~A~~ collecting bank or other intermediary known to be
 1590 entrusted with documents of title on behalf of another or with
 1591 collection of a draft or other claim against delivery of
 1592 documents warrants by the ~~such~~ delivery of the documents only
 1593 its own good faith and authority. ~~This rule applies even if~~
 1594 ~~though~~ the collecting bank or other intermediary has purchased
 1595 or made advances against the claim or draft to be collected.

1596 Section 54. Section 677.509, Florida Statutes, is amended

1597 to read:

1598 677.509 ~~Receipt or bill; when~~ Adequate compliance with
 1599 commercial contract.—~~The question~~ Whether a document of title is
 1600 adequate to fulfill the obligations of a contract for sale, ~~or~~
 1601 the conditions of a letter of credit, or a contract for lease is
 1602 determined governed by chapter 672, chapter 675, or chapter 680
 1603 ~~the chapters on sales (chapter 672) and on letters of credit~~
 1604 ~~(chapter 675).~~

1605 Section 55. Section 677.601, Florida Statutes, is amended
 1606 to read:

1607 677.601 Lost, stolen, or destroyed ~~and missing~~ documents
 1608 of title.—

1609 (1) If a document of title ~~is has been~~ lost, stolen, or
 1610 destroyed, a court may order delivery of the goods or issuance
 1611 of a substitute document and the bailee may without liability to
 1612 any person comply with the such order. If the document was
 1613 negotiable, a court may not order delivery of the goods or the
 1614 issuance of a substitute document without the claimant's posting
 1615 ~~claimant must post~~ security unless it finds that approved by the
 1616 ~~court to indemnify~~ any person that who may suffer loss as a
 1617 result of nonsurrender of possession or control of the document
 1618 is adequately protected against the loss. If the document was
 1619 nonnegotiable not negotiable, the court such security may
 1620 require security ~~be required at the discretion of the court.~~ The
 1621 court may also ~~in its discretion~~ order payment of the bailee's
 1622 reasonable costs and attorney's counsel fees in any action under
 1623 this subsection.

1624 (2) A bailee that, who without a court order, delivers

1625 goods to a person claiming under a missing negotiable document
1626 of title is liable to any person injured thereby, ~~and~~ If the
1627 delivery is not in good faith, the bailee is ~~becomes~~ liable for
1628 conversion. Delivery in good faith is not conversion if ~~made in~~
1629 ~~accordance with a filed classification or tariff or, where no~~
1630 ~~classification or tariff is filed,~~ if the claimant posts
1631 security with the bailee in an amount at least double the value
1632 of the goods at the time of posting to indemnify any person
1633 injured by the delivery which ~~who~~ files a notice of claim within
1634 1 year after the delivery.

1635 Section 56. Section 677.602, Florida Statutes, is amended
1636 to read:

1637 677.602 Judicial process against ~~Attachment of~~ goods
1638 covered by a negotiable document of title. ~~Unless a~~ ~~Except where~~
1639 ~~the document~~ of title was originally issued upon delivery of the
1640 goods by a person that did not have ~~who had no~~ power to dispose
1641 of them, a ~~no~~ lien does not attach ~~attaches~~ by virtue of any
1642 judicial process to goods in the possession of a bailee for
1643 which a negotiable document of title is outstanding unless
1644 possession or control of the document is ~~be~~ first surrendered to
1645 the bailee or the document's ~~its~~ negotiation is enjoined, ~~and~~
1646 The bailee may ~~shall~~ not be compelled to deliver the goods
1647 pursuant to process until possession or control of the document
1648 is surrendered to the bailee or to ~~him or her or impounded by~~
1649 the court. A purchaser of ~~One who purchases~~ the document for
1650 value without notice of the process or injunction takes free of
1651 the lien imposed by judicial process.

1652 Section 57. Section 677.603, Florida Statutes, is amended

1653 to read:

1654 677.603 Conflicting claims; interpleader.—If more than one
 1655 person claims title to or possession of the goods, the bailee is
 1656 excused from delivery until the bailee ~~he or she~~ has had a
 1657 reasonable time to ascertain the validity of the adverse claims
 1658 or to commence ~~bring~~ an action for ~~to compel all claimants to~~
 1659 ~~interplead and may compel such~~ interpleader. The bailee may
 1660 assert an interpleader, either in defending an action for
 1661 nondelivery of the goods, or by original action, ~~whichever is~~
 1662 appropriate.

1663 Section 58. Subsection (7) is added to section 678.1031,
 1664 Florida Statutes, to read:

1665 678.1031 Rules for determining whether certain obligations
 1666 and interests are securities or financial assets.—

1667 (7) A document of title is not a financial asset unless s.
 1668 678.1021(1)(i)2. applies.

1669 Section 59. Subsection (2) of section 679.1021, Florida
 1670 Statutes, is amended to read:

1671 679.1021 Definitions and index of definitions.—

1672 (2) The following definitions in other chapters apply to
 1673 this chapter:

1674 "Applicant" s. 675.103.

1675 "Beneficiary" s. 675.103.

1676 "Broker" s. 678.1021.

1677 "Certificated security" s. 678.1021.

1678 "Check" s. 673.1041.

1679 "Clearing corporation" s. 678.1021.

1680 "Contract for sale" s. 672.106.

1681 "Control" s. 677.106.
 1682 "Customer" s. 674.104.
 1683 "Entitlement holder" s. 678.1021.
 1684 "Financial asset" s. 678.1021.
 1685 "Holder in due course" s. 673.3021.
 1686 "Issuer" (with respect to a letter of credit
 1687 or letter-of-credit right) s. 675.103.
 1688 "Issuer" (with respect to a security) s. 678.2011.
 1689 "Issuer" (with respect to documents of title) s.
 1690 677.102.
 1691 "Lease" s. 680.1031.
 1692 "Lease agreement" s. 680.1031.
 1693 "Lease contract" s. 680.1031.
 1694 "Leasehold interest" s. 680.1031.
 1695 "Lessee" s. 680.1031.
 1696 "Lessee in ordinary course of
 1697 business" s. 680.1031.
 1698 "Lessor" s. 680.1031.
 1699 "Lessor's residual interest" s. 680.1031.
 1700 "Letter of credit" s. 675.103.
 1701 "Merchant" s. 672.104.
 1702 "Negotiable instrument" s. 673.1041.
 1703 "Nominated person" s. 675.103.
 1704 >Note" s. 673.1041.
 1705 "Proceeds of a letter of credit" s. 675.114.
 1706 "Prove" s. 673.1031.
 1707 "Sale" s. 672.106.
 1708 "Securities account" s. 678.5011.

1709 "Securities intermediary" s. 678.1021.
 1710 "Security" s. 678.1021.
 1711 "Security certificate" s. 678.1021.
 1712 "Security entitlement" s. 678.1021.
 1713 "Uncertificated security" s. 678.1021.
 1714 Section 60. Subsection (2) of section 679.2031, Florida
 1715 Statutes, is amended to read:
 1716 679.2031 Attachment and enforceability of security
 1717 interest; proceeds; supporting obligations; formal requisites.—
 1718 (2) Except as otherwise provided in subsections (3)
 1719 through (10), a security interest is enforceable against the
 1720 debtor and third parties with respect to the collateral only if:
 1721 (a) Value has been given;
 1722 (b) The debtor has rights in the collateral or the power
 1723 to transfer rights in the collateral to a secured party; and
 1724 (c) One of the following conditions is met:
 1725 1. The debtor has authenticated a security agreement that
 1726 provides a description of the collateral and, if the security
 1727 interest covers timber to be cut, a description of the land
 1728 concerned;
 1729 2. The collateral is not a certificated security and is in
 1730 the possession of the secured party under s. 679.3131 pursuant
 1731 to the debtor's security agreement;
 1732 3. The collateral is a certificated security in registered
 1733 form and the security certificate has been delivered to the
 1734 secured party under s. 678.3011 pursuant to the debtor's
 1735 security agreement; or
 1736 4. The collateral is deposit accounts, electronic chattel

1737 paper, investment property, ~~or~~ letter-of-credit rights, or
 1738 electronic documents, and the secured party has control under s.
 1739 677.106, s. 679.1041, s. 679.1051, s. 679.1061, or s. 679.1071
 1740 pursuant to the debtor's security agreement.

1741 Section 61. Subsection (3) of section 679.2071, Florida
 1742 Statutes, is amended to read:

1743 679.2071 Rights and duties of secured party having
 1744 possession or control of collateral.—

1745 (3) Except as otherwise provided in subsection (4), a
 1746 secured party having possession of collateral or control of
 1747 collateral under s. 677.106, s. 679.1041, s. 679.1051, s.
 1748 679.1061, or s. 679.1071:

1749 (a) May hold as additional security any proceeds, except
 1750 money or funds, received from the collateral;

1751 (b) Shall apply money or funds received from the
 1752 collateral to reduce the secured obligation, unless remitted to
 1753 the debtor; and

1754 (c) May create a security interest in the collateral.

1755 Section 62. Subsection (2) of section 679.2081, Florida
 1756 Statutes, is amended to read:

1757 679.2081 Additional duties of secured party having control
 1758 of collateral.—

1759 (2) Within 10 days after receiving an authenticated demand
 1760 by the debtor:

1761 (a) A secured party having control of a deposit account
 1762 under s. 679.1041(1)(b) shall send to the bank with which the
 1763 deposit account is maintained an authenticated statement that
 1764 releases the bank from any further obligation to comply with

1765 instructions originated by the secured party;

1766 (b) A secured party having control of a deposit account

1767 under s. 679.1041(1)(c) shall:

1768 1. Pay the debtor the balance on deposit in the deposit

1769 account; or

1770 2. Transfer the balance on deposit into a deposit account

1771 in the debtor's name;

1772 (c) A secured party, other than a buyer, having control of

1773 electronic chattel paper under s. 679.1051 shall:

1774 1. Communicate the authoritative copy of the electronic

1775 chattel paper to the debtor or its designated custodian;

1776 2. If the debtor designates a custodian that is the

1777 designated custodian with which the authoritative copy of the

1778 electronic chattel paper is maintained for the secured party,

1779 communicate to the custodian an authenticated record releasing

1780 the designated custodian from any further obligation to comply

1781 with instructions originated by the secured party and

1782 instructing the custodian to comply with instructions originated

1783 by the debtor; and

1784 3. Take appropriate action to enable the debtor or the

1785 debtor's designated custodian to make copies of or revisions to

1786 the authoritative copy which add or change an identified

1787 assignee of the authoritative copy without the consent of the

1788 secured party;

1789 (d) A secured party having control of investment property

1790 under s. 678.1061(4)(b) or s. 679.1061(2) shall send to the

1791 securities intermediary or commodity intermediary with which the

1792 security entitlement or commodity contract is maintained an

1793 authenticated record that releases the securities intermediary
 1794 or commodity intermediary from any further obligation to comply
 1795 with entitlement orders or directions originated by the secured
 1796 party; ~~and~~

1797 (e) A secured party having control of a letter-of-credit
 1798 right under s. 679.1071 shall send to each person having an
 1799 unfulfilled obligation to pay or deliver proceeds of the letter
 1800 of credit to the secured party an authenticated release from any
 1801 further obligation to pay or deliver proceeds of the letter of
 1802 credit to the secured party; ~~and-~~

1803 (f) A secured party having control of an electronic
 1804 document shall:

1805 1. Give control of the electronic document to the debtor
 1806 or its designated custodian;

1807 2. If the debtor designates a custodian that is the
 1808 designated custodian with which the authoritative copy of the
 1809 electronic document is maintained for the secured party,
 1810 communicate to the custodian an authenticated record releasing
 1811 the designated custodian from any further obligation to comply
 1812 with instructions originated by the secured party and
 1813 instructing the custodian to comply with instructions originated
 1814 by the debtor; and

1815 3. Take appropriate action to enable the debtor or its
 1816 designated custodian to make copies of or revisions to the
 1817 authenticated copy which add or change an identified assignee of
 1818 the authoritative copy without the consent of the secured party.

1819 Section 63. Subsection (3) of section 679.3011, Florida
 1820 Statutes, is amended to read:

1821 679.3011 Law governing perfection and priority of security
 1822 interests.—Except as otherwise provided in ss. 679.1091,
 1823 679.3031, 679.3041, 679.3051, and 679.3061, the following rules
 1824 determine the law governing perfection, the effect of perfection
 1825 or nonperfection, and the priority of a security interest in
 1826 collateral:

1827 (3) Except as otherwise provided in subsections (4) and
 1828 (5), while tangible negotiable documents, goods, instruments,
 1829 money, or tangible chattel paper is located in a jurisdiction,
 1830 the local law of that jurisdiction governs:

1831 (a) Perfection of a security interest in the goods by
 1832 filing a fixture filing;

1833 (b) Perfection of a security interest in timber to be cut;
 1834 and

1835 (c) The effect of perfection or nonperfection and the
 1836 priority of a nonpossessory security interest in the collateral.

1837 Section 64. Subsection (2) of section 679.3101, Florida
 1838 Statutes, is amended to read:

1839 679.3101 When filing required to perfect security interest
 1840 or agricultural lien; security interests and agricultural liens
 1841 to which filing provisions do not apply.—

1842 (2) The filing of a financing statement is not necessary
 1843 to perfect a security interest:

1844 (a) That is perfected under s. 679.3081(4), (5), (6), or
 1845 (7);

1846 (b) That is perfected under s. 679.3091 when it attaches;

1847 (c) In property subject to a statute, regulation, or
 1848 treaty described in s. 679.3111(1);

1849 (d) In goods in possession of a bailee which is perfected
1850 under s. 679.3121(4) (a) or (b);

1851 (e) In certificated securities, documents, goods, or
1852 instruments which is perfected without filing, control, or
1853 possession under s. 679.3121(5), (6), or (7);

1854 (f) In collateral in the secured party's possession under
1855 s. 679.3131;

1856 (g) In a certificated security which is perfected by
1857 delivery of the security certificate to the secured party under
1858 s. 679.3131;

1859 (h) In deposit accounts, electronic chattel paper,
1860 electronic documents, investment property, or letter-of-credit
1861 rights which is perfected by control under s. 679.3141;

1862 (i) In proceeds which is perfected under s. 679.3151; or

1863 (j) That is perfected under s. 679.3161.

1864 Section 65. Subsection (5) of section 679.3121, Florida
1865 Statutes, is amended to read:

1866 679.3121 Perfection of security interests in chattel
1867 paper, deposit accounts, documents, goods covered by documents,
1868 instruments, investment property, letter-of-credit rights, and
1869 money; perfection by permissive filing; temporary perfection
1870 without filing or transfer of possession.—

1871 (5) A security interest in certificated securities,
1872 negotiable documents, or instruments is perfected without filing
1873 or the taking of possession or control for a period of 20 days
1874 from the time it attaches to the extent that it arises for new
1875 value given under an authenticated security agreement.

1876 Section 66. Subsection (1) of section 679.3131, Florida
 1877 Statutes, is amended to read:

1878 679.3131 When possession by or delivery to secured party
 1879 perfects security interest without filing.—

1880 (1) Except as otherwise provided in subsection (2), a
 1881 secured party may perfect a security interest in tangible
 1882 negotiable documents, goods, instruments, money, or tangible
 1883 chattel paper by taking possession of the collateral. A secured
 1884 party may perfect a security interest in certificated securities
 1885 by taking delivery of the certificated securities under s.
 1886 678.3011.

1887 Section 67. Subsections (1) and (2) of section 679.3141,
 1888 Florida Statutes, are amended to read:

1889 679.3141 Perfection by control.—

1890 (1) A security interest in investment property, deposit
 1891 accounts, letter-of-credit rights, ~~or~~ electronic chattel paper,
 1892 or electronic documents may be perfected by control of the
 1893 collateral under s. 677.106, s. 679.1041, s. 679.1051, s.
 1894 679.1061, or s. 679.1071.

1895 (2) A security interest in deposit accounts, electronic
 1896 chattel paper, ~~or~~ letter-of-credit rights, or electronic
 1897 documents is perfected by control under s. 677.106, s. 679.1041,
 1898 s. 679.1051, or s. 679.1071 when the secured party obtains
 1899 control and remains perfected by control only while the secured
 1900 party retains control.

1901 Section 68. Subsections (2) and (4) of section 679.3171,
 1902 Florida Statutes, are amended to read:

1903 679.3171 Interests that take priority over or take free of

1904 security interest or agricultural lien.—

1905 (2) Except as otherwise provided in subsection (5), a
 1906 buyer, other than a secured party, of tangible chattel paper,
 1907 tangible documents, goods, instruments, or a security
 1908 certificate takes free of a security interest or agricultural
 1909 lien if the buyer gives value and receives delivery of the
 1910 collateral without knowledge of the security interest or
 1911 agricultural lien and before it is perfected.

1912 (4) A licensee of a general intangible or a buyer, other
 1913 than a secured party, of accounts, electronic chattel paper,
 1914 electronic documents, general intangibles, or investment
 1915 property other than a certificated security takes free of a
 1916 security interest if the licensee or buyer gives value without
 1917 knowledge of the security interest and before it is perfected.

1918 Section 69. Subsection (2) of section 679.338, Florida
 1919 Statutes, is amended to read:

1920 679.338 Priority of security interest or agricultural lien
 1921 perfected by filed financing statement providing certain
 1922 incorrect information.—If a security interest or agricultural
 1923 lien is perfected by a filed financing statement providing
 1924 information described in s. 679.516(2)(d) which is incorrect at
 1925 the time the financing statement is filed:

1926 (2) A purchaser, other than a secured party, of the
 1927 collateral takes free of the security interest or agricultural
 1928 lien to the extent that, in reasonable reliance upon the
 1929 incorrect information, the purchaser gives value and, in the
 1930 case of tangible chattel paper, tangible documents, goods,

1931 instruments, or a security certificate, receives delivery of the
 1932 collateral.

1933 Section 70. Paragraphs (a) and (o) of subsection (1) of
 1934 section 680.1031, Florida Statutes, are amended to read:

1935 680.1031 Definitions and index of definitions.—

1936 (1) In this chapter, unless the context otherwise
 1937 requires:

1938 (a) "Buyer in ordinary course of business" means a person
 1939 who in good faith and without knowledge that the sale to him or
 1940 her is in violation of the ownership rights or security interest
 1941 or leasehold interest of a third party in the goods buys in
 1942 ordinary course from a person in the business of selling goods
 1943 of that kind but does not include a pawnbroker. Buying may be
 1944 for cash or by exchange of other property or on secured or
 1945 unsecured credit and includes acquiring ~~receiving~~ goods or
 1946 documents of title under a preexisting contract for sale but
 1947 does not include a transfer in bulk or as security for or in
 1948 total or partial satisfaction of a money debt.

1949 (o) "Lessee in ordinary course of business" means a person
 1950 who in good faith and without knowledge that the lease to him or
 1951 her is in violation of the ownership rights or security interest
 1952 or leasehold interest of a third party in the goods leases in
 1953 ordinary course from a person in the business of selling or
 1954 leasing goods of that kind but does not include a pawnbroker.
 1955 Leasing may be for cash or by exchange of other property or on
 1956 secured or unsecured credit and includes acquiring ~~receiving~~
 1957 goods or documents of title under a preexisting lease contract
 1958 but does not include a transfer in bulk or as security for or in

1959 total or partial satisfaction of a money debt.

1960 Section 71. Subsection (2) of section 680.514, Florida
 1961 Statutes, is amended to read:

1962 680.514 Waiver of lessee's objections.—

1963 (2) A lessee's failure to reserve rights when paying rent
 1964 or other consideration against documents precludes recovery of
 1965 the payment for defects apparent in ~~on the face of~~ the
 1966 documents.

1967 Section 72. Subsection (2) of section 680.526, Florida
 1968 Statutes, is amended to read:

1969 680.526 Lessor's stoppage of delivery in transit or
 1970 otherwise.—

1971 (2) In pursuing her or his remedies under subsection (1),
 1972 the lessor may stop delivery until:

1973 (a) Receipt of the goods by the lessee;

1974 (b) Acknowledgment to the lessee by any bailee of the
 1975 goods, except a carrier, that the bailee holds the goods for the
 1976 lessee; or

1977 (c) Such an acknowledgment to the lessee by a carrier via
 1978 reshipment or as a warehouse ~~warehouseman~~.

1979 Section 73. This act shall take effect July 1, 2010.