

By the Committee on Commerce and Tourism; and Senator Grall

577-02477-25

20251666c1

1 A bill to be entitled
2 An act relating to the Uniform Commercial Code;
3 providing a directive to the Division of Law Revision;
4 creating part I of ch. 669, F.S., relating to
5 controllable electronic records; creating s. 669.101,
6 F.S.; providing a short title; creating s. 669.102,
7 F.S.; defining terms; providing construction; creating
8 s. 669.103, F.S.; providing construction; creating s.
9 669.104, F.S.; providing applicability; specifying
10 when a purchaser of a controllable account or
11 controllable payment intangible is a qualifying
12 purchaser; specifying rights acquired relating to
13 controllable electronic records; prohibiting actions
14 from being asserted against qualifying purchasers
15 under certain circumstances; specifying that filing a
16 certain financial statement is not notice of a claim
17 of a property right in a controllable electronic
18 record; creating s. 669.105, F.S.; specifying when a
19 person has control of a controllable electronic
20 record; providing when a person's power relating to
21 controllable electronic records is or is not
22 exclusive; providing that a person who has control of
23 a controllable electronic record is not required to
24 acknowledge such control; specifying that a person
25 that acknowledges control of a controllable electronic
26 record does not owe any duty to the other person and
27 is not required to confirm the acknowledgment to any
28 other person; creating s. 669.106, F.S.; authorizing
29 account debtors on a controllable account or

577-02477-25

20251666c1

30 controllable payment intangible to discharge
31 obligations under certain circumstances; providing
32 requirements for such discharge; prohibiting account
33 debtors from waiving or varying certain rights and
34 options; providing construction; creating s. 669.107,
35 F.S.; specifying the governing laws and jurisdictions
36 relating to controllable electronic records; creating
37 part II of ch. 669, F.S., relating to transitional
38 provisions; creating s. 669.501, F.S.; providing a
39 short title; creating s. 669.502, F.S.; defining
40 terms; creating ss. 669.601 and 669.701, F.S.;
41 providing saving clauses for certain transactions;
42 providing applicability; providing construction;
43 creating s. 669.702, F.S.; specifying requirements for
44 perfecting security interests that are enforceable and
45 perfected before a specified date; creating s.
46 669.703, F.S.; specifying requirements for security
47 interests that were unperfected before a specified
48 date; creating s. 669.704, F.S.; specifying the
49 effectiveness of certain actions relating to security
50 interests taken before a specified date; creating ss.
51 669.705 and 669.706, F.S.; providing priority for
52 conflicting claims to collateral; amending s. 670.103,
53 F.S.; revising the definition of the term "payment
54 order"; amending s. 670.201, F.S.; revising
55 authorizations and requirements relating to security
56 procedures; amending s. 670.202, F.S.; revising the
57 circumstances under which payment orders received by
58 banks are effective as the order of a customer; making

577-02477-25

20251666c1

59 technical changes; amending s. 670.203, F.S.; revising
60 rules that apply to payment orders that are not
61 authorized orders of certain customers; amending ss.
62 670.207, 670.208, 670.21, and 670.211, F.S.; making
63 technical changes; amending s. 670.305, F.S.; revising
64 liability requirements relating to payment orders;
65 creating part VI of ch. 670, F.S., relating to
66 transitional provisions; creating s. 670.601, F.S.;
67 providing applicability; amending s. 671.101, F.S.;
68 making technical changes; amending s. 671.105, F.S.;
69 revising applicability; amending s. 671.107, F.S.;
70 making a technical change; amending s. 671.201, F.S.;
71 revising definitions; defining terms; amending s.
72 671.211, F.S.; conforming a cross-reference; creating
73 part IV of ch. 671, F.S., relating to transitional
74 provisions; creating s. 671.401, F.S.; providing
75 applicability; amending s. 672.102, F.S.; revising
76 applicability; amending s. 672.106, F.S.; defining the
77 term "hybrid transaction"; making technical changes;
78 amending ss. 672.201, 672.202, 672.203, and 672.205,
79 F.S.; making technical changes; amending s. 672.209,
80 F.S.; revising a prohibition on modifying or
81 rescinding a signed agreement that excludes
82 modification or rescission; creating part VIII of ch.
83 672, F.S., relating to transitional provisions;
84 creating s. 672.801, F.S.; providing applicability;
85 amending s. 673.1041, F.S.; revising the definition of
86 the term "negotiable instrument"; amending s.
87 673.1051, F.S.; revising the definition of the term

577-02477-25

20251666c1

88 "issue"; amending s. 673.4011, F.S.; conforming
89 provisions to changes made by the act; amending s.
90 673.6041, F.S.; specifying that the obligation of a
91 party to pay a check is not discharged solely by
92 destruction of the check in connection with a
93 specified process; creating part VII of ch. 673, F.S.,
94 relating to transitional provisions; creating s.
95 673.702, F.S.; providing applicability; amending s.
96 675.104, F.S.; conforming provisions to changes made
97 by the act; amending s. 675.116, F.S.; providing that
98 a branch of a bank is considered to be located at the
99 address indicated in the branch's undertaking or, if
100 more than one address is indicated, the address from
101 which the undertaking was issued; making technical
102 changes; creating s. 675.119, F.S.; providing
103 applicability; amending s. 677.102, F.S.; deleting
104 definitions of the terms "record" and "sign"; amending
105 s. 677.106, F.S.; specifying when a system satisfies
106 certain requirements and a person has control of an
107 electronic document of title; specifying when certain
108 powers are or are not exclusive; providing that a
109 person that has control of an electronic document or
110 title does not need to acknowledge that it has control
111 on behalf of another person; specifying that a person
112 does not owe any duty to another person under certain
113 circumstances; creating part VII of ch. 677, F.S.,
114 related to transitional provisions; creating s.
115 677.701, F.S.; providing applicability; amending s.
116 678.1021, F.S.; revising definitions; revising the

577-02477-25

20251666c1

117 applicability of definitions; amending s. 678.1031,
118 F.S.; specifying that a controllable account,
119 controllable electronic record, or controllable
120 payment intangible is not a financial asset under
121 certain circumstances; conforming a cross-reference;
122 amending s. 678.1061, F.S.; revising the circumstances
123 under which purchasers have control of security
124 entitlements; specifying that a person that has such
125 control is not required to acknowledge such control on
126 behalf of a purchaser; specifying that certain persons
127 do not owe any duty to purchasers and are not required
128 to confirm certain acknowledgment under certain
129 circumstances; amending s. 678.1101, F.S.; providing
130 applicability; amending s. 678.3031, F.S.; specifying
131 that protected purchasers acquire interest in a
132 security free of any adverse claim; creating part VI
133 of ch. 678, F.S., relating to transitional provisions;
134 creating s. 678.601, F.S.; providing applicability;
135 amending s. 679.1021, F.S.; defining terms; revising
136 and deleting definitions; revising the applicability
137 of definitions; amending s. 679.1041, F.S.; revising
138 the circumstances under which a secured party has
139 control of a deposit account; making a technical
140 change; amending s. 679.1051, F.S.; revising when a
141 person has control of electronic chattel paper;
142 specifying when power of such control is or is not
143 exclusive; creating s. 679.1052, F.S.; specifying when
144 a person has control of electronic money; specifying
145 when power of such control is or is not exclusive;

577-02477-25

20251666c1

146 creating s. 679.1053, F.S.; specifying when a person
147 has control of controllable electronic records,
148 controllable accounts, or controllable payment
149 intangibles; creating s. 679.1054, F.S.; providing
150 that specified persons with certain control are not
151 required to acknowledge such control; specifying that
152 such persons do not owe any duty to certain persons
153 and are not required to confirm acknowledgment to any
154 other person; amending s. 679.2031, F.S.; revising the
155 circumstances under which a security interest is
156 enforceable against a debtor and third parties;
157 conforming provisions to changes made by the act;
158 amending s. 679.2041, F.S.; revising the circumstances
159 under which a security interest does not attach under
160 a term constituting an after-acquired property clause;
161 amending s. 679.2071, F.S.; conforming a provision to
162 changes made by the act; amending s. 679.2081, F.S.;
163 revising duties relating to secured parties having
164 control of collateral; amending s. 679.209, F.S.;
165 revising duties relating to secured parties if an
166 account debtor has been notified of an assignment;
167 revising cross-references; amending s. 679.210, F.S.;
168 conforming provisions to changes made by the act;
169 amending s. 679.3011, F.S.; revising requirements
170 relating to laws governing perfection and priority of
171 security interests; revising a cross-reference;
172 amending s. 679.3041, F.S.; specifying that the local
173 law of a bank's jurisdiction governs even if a
174 transaction does not bear any relation to the bank's

577-02477-25

20251666c1

175 jurisdiction; amending s. 679.3051, F.S.; revising
176 applicability; creating s. 679.3062, F.S.; specifying
177 which laws govern the perfection and priority of
178 security interests in chattel paper; creating s.
179 679.3063, F.S.; specifying which laws govern the
180 perfection and priority of security interests in
181 controllable accounts, controllable electronic
182 records, and controllable payment intangibles;
183 amending s. 679.3101, F.S.; revising the circumstances
184 under which the filing of a financing statement is not
185 necessary to perfect a security interest; amending s.
186 679.3121, F.S.; providing requirements for perfecting
187 a security interest in controllable accounts,
188 controllable electronic records, and controllable
189 payment intangibles; amending s. 679.3131, F.S.;
190 conforming provisions to changes made by the act;
191 amending s. 679.3141, F.S.; revising requirements for
192 perfection by control; creating s. 679.3152, F.S.;
193 providing requirements for perfecting a security
194 interest in chattel paper by possession and control;
195 amending s. 679.3161, F.S.; revising requirements
196 relating to maintaining perfection of security
197 interests following a change in governing law;
198 revising cross-references; amending s. 679.3171, F.S.;
199 revising the circumstances under which persons take
200 free of a security interest or agricultural lien;
201 amending s. 679.323, F.S.; revising the circumstances
202 under which a buyer or lessee of goods takes free of a
203 security interest or leasehold; amending s. 679.324,

577-02477-25

20251666c1

204 F.S.; conforming provisions to changes made by the
205 act; creating s. 679.3251, F.S.; specifying that
206 certain security interests in controllable accounts,
207 controllable electronic records, or controllable
208 payment intangibles have priority over conflicting
209 security interests; amending s. 679.330, F.S.;
210 revising the circumstances under which purchasers of
211 chattel paper have priority over certain security
212 interests in the chattel paper; revising
213 applicability; making a technical change; amending s.
214 679.331, F.S.; revising construction; amending s.
215 679.332, F.S.; revising the circumstances under which
216 a transferee takes money or funds free of a security
217 interest; amending ss. 679.341 and 679.4041, F.S.;
218 conforming provisions to changes made by the act;
219 amending s. 679.4061, F.S.; defining the term
220 "promissory note"; conforming provisions to changes
221 made by the act; revising applicability; amending s.
222 679.4081, F.S.; defining the term "promissory note";
223 amending ss. 679.509, 679.513, 679.601, and 679.604,
224 F.S.; conforming provisions to changes made by the
225 act; amending s. 679.605, F.S.; specifying when a
226 secured party owes a duty to a person based on the
227 party's status as a secured party; amending ss.
228 679.608 and 679.611, F.S.; conforming provisions to
229 changes made by the act; making technical changes;
230 amending s. 679.613, F.S.; revising the form for
231 notification of the disposition of collateral;
232 providing requirements relating to such form; amending

577-02477-25

20251666c1

233 s. 679.614, F.S.; revising form requirements for
234 notice of a plan to sell property; providing
235 requirements relating to such form; amending ss.
236 679.615, 679.616, 679.619, 679.620, 679.621, 679.624,
237 and 679.625, F.S.; conforming provisions to changes
238 made by the act; amending s. 679.628, F.S.; providing
239 applicability; creating part IX of ch. 679, F.S.,
240 relating to transitional provisions; creating ss.
241 679.901 and 679.902, F.S.; providing construction;
242 amending s. 680.1021, F.S.; revising applicability;
243 amending s. 680.1031, F.S.; defining the term "hybrid
244 lease"; conforming cross-references; amending ss.
245 680.1071, 680.201, 680.202, 680.203, 680.205, and
246 680.208, F.S.; conforming provisions to changes made
247 by the act; creating part VI of ch. 680, F.S.,
248 relating to transitional provisions; creating s.
249 680.601, F.S.; providing applicability; amending ss.
250 55.205, 319.27, 328.0015, 517.061, 559.9232, 563.022,
251 and 668.50, F.S.; conforming cross-references;
252 reenacting ss. 655.55(1) and (2) and 685.101(2), F.S.,
253 relating to law applicable to deposits in and
254 contracts relating to extensions of credit by a
255 deposit or lending institution located in this state
256 and choice of law, respectively, to incorporate the
257 amendment made to s. 671.105, F.S., in references
258 thereto; reenacting ss. 90.953(1), 673.1061(1), (3),
259 and (4), and 673.1151(2), F.S., relating to
260 admissibility of duplicates, unconditional promise or
261 order, and incomplete instruments, respectively, to

577-02477-25

20251666c1

262 incorporate the amendment made to s. 673.1041, F.S.,
263 in references thereto; reenacting s. 673.6051(2),
264 F.S., relating to discharge of indorsers and
265 accommodation parties, to incorporate the amendment
266 made to s. 673.6041, F.S., in a reference thereto;
267 reenacting s. 673.1031(2), F.S., relating to
268 definitions, to incorporate the amendments made to ss.
269 673.1041 and 673.1051, F.S., in references thereto;
270 reenacting s. 675.103(1)(j), F.S., relating to
271 definitions, to incorporate the amendment made to s.
272 675.104, F.S., in a reference thereto; reenacting s.
273 679.3061(2), F.S., relating to law governing
274 perfection and priority of security interests in
275 letter-of-credit rights, to incorporate the amendment
276 made to s. 675.116, F.S., in a reference thereto;
277 reenacting ss. 672.103(3) and 674.104(3), F.S.,
278 relating to definitions and index of definitions, to
279 incorporate the amendment made to s. 677.106, F.S., in
280 references thereto; reenacting ss. 678.5101(3) and
281 679.1061(1), F.S., relating to rights of purchaser of
282 security entitlement from entitlement holder and
283 control of investment property, respectively, to
284 incorporate the amendment made to s. 678.1061, F.S.,
285 in references thereto; reenacting ss. 674.2101(3),
286 675.1181(2), and 679.1101, F.S., relating to security
287 interest of collecting bank in items, accompanying
288 documents, and proceeds; security interest of issuer
289 or nominated person; and security interests arising
290 under ch. 672, F.S., or ch. 680, F.S., respectively,

577-02477-25

20251666c1

291 to incorporate the amendment made to s. 679.2031,
292 F.S., in references thereto; reenacting s. 679.709(2),
293 F.S., relating to priority, to incorporate the
294 amendment made to s. 679.2031, F.S., in a reference
295 thereto; reenacting s. 679.602(2), F.S., relating to
296 waiver and variance of rights and duties, to
297 incorporate the amendment made to s. 679.210, F.S., in
298 a reference thereto; reenacting s. 679.329(2), F.S.,
299 relating to priority of security interests in deposit
300 account and priority of security interests in letter-
301 of-credit right, respectively, to incorporate the
302 amendment made to s. 679.3141, F.S., in a reference
303 thereto; reenacting s. 679.320(3), F.S., relating to
304 buyer of goods, to incorporate the amendment made to
305 s. 679.3161, F.S., in a reference thereto; reenacting
306 s. 727.109(8)(b), F.S., relating to power of the
307 court, to incorporate the amendment made to s.
308 679.3171, F.S., in a reference thereto; reenacting s.
309 680.307(3), F.S., relating to priority of liens
310 arising by attachment or levy on, security interests
311 in, and other claims to goods, to incorporate the
312 amendments made to ss. 679.3171 and 679.323, F.S., in
313 references thereto; reenacting s. 679.328(2), (5), and
314 (7), F.S., relating to priority of security interests
315 in investment property, to incorporate the amendments
316 made to ss. 678.1061, 679.3131, 679.3141, and 679.323,
317 F.S., in references thereto; reenacting s. 679.327(1)
318 and (2), F.S., relating to priority of security
319 interests in deposit account, to incorporate the

577-02477-25

20251666c1

320 amendments made to ss. 679.1041 and 679.3141, F.S., in
321 references thereto; reenacting s. 679.1091(4), F.S.,
322 relating to scope, to incorporate the amendments made
323 to ss. 679.2031 and 679.4041, F.S., in references
324 thereto; reenacting s. 679.626(3), F.S., relating to
325 action in which deficiency or surplus is in issue, to
326 incorporate the amendment made to s. 679.628, F.S., in
327 a reference thereto; providing an effective date.
328

329 Be It Enacted by the Legislature of the State of Florida:
330

331 Section 1. The Division of Law Revision is directed to
332 create chapter 669, Florida Statutes, to be entitled "Uniform
333 Commercial Code: Controllable Electronic Records and
334 Transitional Provisions."

335 Section 2. Part I of chapter 669, Florida Statutes,
336 consisting of ss. 669.101-669.107, Florida Statutes, is created
337 and entitled "Controllable Electronic Records."

338 Section 3. Section 669.101, Florida Statutes, is created to
339 read:

340 669.101 Short title.—This part may be cited as "Uniform
341 Commercial Code—Controllable Electronic Records."

342 Section 4. Section 669.102, Florida Statutes, is created to
343 read:

344 669.102 Definitions.—

345 (1) As used in this part, the term:

346 (a) "Controllable electronic record" means a record in an
347 electronic medium, subject to control under s. 669.105. The term
348 does not include a controllable account, a controllable payment

577-02477-25

20251666c1

349 intangible, a deposit account, an electronic chattel paper, an
350 electronic document of title, electronic money, investment
351 property, or a transferable record.

352 (b) "Qualifying purchaser" means a purchaser of a
353 controllable electronic record or an interest in a controllable
354 electronic record which obtains control of the controllable
355 electronic record for value, in good faith, and without notice
356 of a claim of a property right in the controllable electronic
357 record.

358 (c) "Transferable record" has the same meaning as provided
359 in:

360 1. Section 201(a)(1) of the Electronic Signatures in Global
361 and National Commerce Act, 15 U.S.C. s. 7021(a)(1); or

362 2. Section 668.50(16)(a).

363 (d) "Value" has the meaning provided in s. 673.3031(1), as
364 if references in that subsection to an "instrument" were
365 references to a controllable account, controllable electronic
366 record, or controllable payment intangible. A controllable
367 electronic record is subject to control as specified in s.
368 669.105.

369 (2) The definitions in s. 679.1021 for the terms "account
370 debtor," "chattel paper," "controllable account," "controllable
371 payment intangible," "deposit account," "electronic money," and
372 "investment property" apply to this part.

373 (3) Chapter 671 contains general definitions and principles
374 of construction and interpretation applicable throughout this
375 part.

376 Section 5. Section 669.103, Florida Statutes, is created to
377 read:

577-02477-25

20251666c1

378 669.103 Relation to chapter 679 and consumer laws.—

379 (1) If there is conflict between this part and chapter 679,
380 chapter 679 governs.

381 (2) A transaction subject to this part is subject to any
382 applicable rule of law that establishes a different rule for
383 consumers; any other law or regulation that regulates the rates,
384 charges, agreements, and practices for loans, credit sales, or
385 other extensions of credit; and chapter 501.

386 Section 6. Section 669.104, Florida Statutes, is created to
387 read:

388 669.104 Rights in controllable account, controllable
389 electronic record, and controllable payment intangible.—

390 (1) This section applies to the acquisition and purchase of
391 rights in a controllable account or controllable payment
392 intangible, including the rights and benefits under subsections
393 (3), (4), (5), (7), and (8) of a purchaser and qualifying
394 purchaser, in the same manner in which this section applies to a
395 controllable electronic record.

396 (2) In determining whether a purchaser of a controllable
397 account or a controllable payment intangible is a qualifying
398 purchaser, the purchaser obtains control of the account or
399 payment intangible if it obtains control of the controllable
400 electronic record that evidences the account or payment
401 intangible.

402 (3) Except as provided in this section, law other than this
403 part determines whether a person acquires a right in a
404 controllable electronic record and the right that the person
405 acquires.

406 (4) A purchaser of a controllable electronic record

577-02477-25

20251666c1

407 acquires all rights in the controllable electronic record which
408 the transferor had, or had power to transfer, except that a
409 purchaser of a limited interest in a controllable electronic
410 record acquires rights only to the extent of the interest
411 purchased.

412 (5) A qualifying purchaser acquires its rights in the
413 controllable electronic record free of a claim of a property
414 right in the controllable electronic record.

415 (6) Except as provided in subsections (1) and (5) for a
416 controllable account and a controllable payment intangible or in
417 law other than this part, a qualifying purchaser takes a right
418 to payment, right to performance, or other interest in property
419 evidenced by the controllable electronic record subject to a
420 claim of a property right in the right to payment, right to
421 performance, or other interest in property.

422 (7) An action may not be asserted against a qualifying
423 purchaser based on both a purchase by the qualifying purchaser
424 of a controllable electronic record and a claim of a property
425 right in another controllable electronic record, regardless of
426 whether the action is framed in conversion, replevin,
427 constructive trust, equitable lien, or other theory.

428 (8) Filing of a financing statement under chapter 679 is
429 not notice of a claim of a property right in a controllable
430 electronic record.

431 Section 7. Section 669.105, Florida Statutes, is created to
432 read:

433 669.105 Control of controllable electronic record.—

434 (1) A person has control of a controllable electronic
435 record if the electronic record, a record attached to or

577-02477-25

20251666c1

436 logically associated with the electronic record, or a system in
437 which the electronic record is recorded:

438 (a) Gives the person:

439 1. Power to avail itself of substantially all of the
440 benefit from the electronic record; and

441 2. Exclusive power, subject to paragraph (b), to:

442 a. Prevent others from availing themselves of substantially
443 all of the benefit from the electronic record; and

444 b. Transfer control of the electronic record to another
445 person or cause another person to obtain control of another
446 controllable electronic record as a result of the transfer of
447 the electronic record; and

448 (b) Enables the person to identify itself readily in any
449 way, including by name, identifying number, cryptographic key,
450 office, or account number, as having the powers specified in
451 paragraph (a).

452 (2) Except as provided in subsection (3), a power is
453 exclusive under sub-subparagraphs (1)(a)2.a. and b. even if:

454 (a) The controllable electronic record, a record attached
455 to or logically associated with the electronic record, or a
456 system in which the electronic record is recorded limits the use
457 of the electronic record or has a protocol programmed to cause a
458 change, including a transfer or loss of control or a
459 modification of benefits afforded by the electronic record; or

460 (b) The power is shared with another person.

461 (3) A power of a person is not shared with another person
462 under paragraph (2)(b) and the person's power is not exclusive
463 if:

464 (a) The person can exercise the power only if the power

577-02477-25

20251666c1

465 also is exercised by the other person; and

466 (b) The other person:

467 1. Can exercise the power without exercise of the power by
468 the person; or

469 2. Is the transferor to the person of an interest in the
470 controllable electronic record or a controllable account or
471 controllable payment intangible evidenced by the controllable
472 electronic record.

473 (4) If a person has the powers specified in sub-
474 subparagraphs (1) (a)2.a. and b., the powers are presumed to be
475 exclusive.

476 (5) A person has control of a controllable electronic
477 record if another person, other than the transferor to the
478 person of an interest in the controllable electronic record or a
479 controllable account or controllable payment intangible
480 evidenced by the controllable electronic record:

481 (a) Has control of the electronic record and acknowledges
482 that it has control on behalf of the person; or

483 (b) Obtains control of the electronic record after having
484 acknowledged that it will obtain control of the electronic
485 record on behalf of the person.

486 (6) A person that has control under this section is not
487 required to acknowledge that it has control on behalf of another
488 person unless the person otherwise agrees or law other than this
489 part or chapter 679 provides otherwise.

490 (7) If a person acknowledges that it has or will obtain
491 control on behalf of another person, the person does not owe any
492 duty to the other person and is not required to confirm the
493 acknowledgment to any other person.

577-02477-25

20251666c1

494 Section 8. Section 669.106, Florida Statutes, is created to
495 read:

496 669.106 Discharge of account debtor on controllable account
497 or controllable payment intangible.—

498 (1) An account debtor on a controllable account or
499 controllable payment intangible may discharge its obligation by
500 paying:

501 (a) The person having control of the controllable
502 electronic record that evidences the controllable account or
503 controllable payment intangible; or

504 (b) Except as provided in subsection (2), a person that
505 formerly had control of the controllable electronic record.

506 (2) Subject to subsection (4), the account debtor may not
507 discharge its obligation by paying a person that formerly had
508 control of the controllable electronic record if the account
509 debtor receives a notification that:

510 (a) Is signed by a person that formerly had control or the
511 person to which control was transferred;

512 (b) Reasonably identifies the controllable account or
513 controllable payment intangible;

514 (c) Notifies the account debtor that control of the
515 controllable electronic record that evidences the controllable
516 account or controllable payment intangible was transferred;

517 (d) Identifies the transferee, in any reasonable way,
518 including by name, identifying number, cryptographic key,
519 office, or account number; and

520 (e) Provides a commercially reasonable method by which the
521 account debtor is to pay the transferee.

522 (3) After receipt of a notification that complies with

577-02477-25

20251666c1

523 subsection (2), the account debtor may discharge its obligation
524 by paying in accordance with the notification and may not
525 discharge the obligation by paying a person that formerly had
526 control.

527 (4) Subject to subsection (8), notification is ineffective
528 under subsection (2):

529 (a) Unless, before the notification is sent, the account
530 debtor and the person that, at that time, had control of the
531 controllable electronic record that evidences the controllable
532 account or controllable payment intangible agree in a signed
533 record to a commercially reasonable method by which a person may
534 furnish reasonable proof that control has been transferred;

535 (b) To the extent an agreement between the account debtor
536 and seller of a payment intangible limits the account debtor's
537 duty to pay a person other than the seller and the limitation is
538 effective under law other than this part; or

539 (c) At the option of the account debtor, if the
540 notification notifies the account debtor to:

541 1. Divide a payment;

542 2. Make less than the full amount of an installment or
543 other periodic payment; or

544 3. Pay any part of a payment by more than one method or to
545 more than one person.

546 (5) Subject to subsection (8), if requested by the account
547 debtor, the person giving the notification under subsection (2)
548 must seasonably furnish reasonable proof that, using the method
549 in the agreement referred to in paragraph (4) (a), control of the
550 controllable electronic record has been transferred. Unless the
551 person complies with the request, the account debtor may

577-02477-25

20251666c1

552 discharge its obligation by paying a person that formerly had
553 control, even if the account debtor has received a notification
554 under subsection (2).

555 (6) A person furnishes reasonable proof under subsection
556 (5) that control has been transferred if the person demonstrates
557 that, using the method in an agreement made under paragraph
558 (4) (a), the transferee has the power to:

559 (a) Avail itself of substantially all the benefit from the
560 controllable electronic record;

561 (b) Prevent others from availing themselves of
562 substantially all the benefit from the controllable electronic
563 record; and

564 (c) Transfer the powers specified in paragraphs (a) and (b)
565 to another person.

566 (7) Subject to subsection (8), an account debtor may not
567 wave or vary its rights under paragraph (4) (a) and subsection
568 (5) or its option under paragraph (4) (c).

569 (8) This section is subject to law other than this part
570 which establishes a different rule for an account debtor who is
571 an individual and who incurred the obligation primarily for
572 personal, family, or household purposes.

573 Section 9. Section 669.107, Florida Statutes, is created to
574 read:

575 669.107 Governing law.—

576 (1) Except as provided in subsection (2), the local law of
577 a controllable electronic record's jurisdiction governs a matter
578 covered by this part.

579 (2) For a controllable electronic record that evidences a
580 controllable account or controllable payment intangible, the

577-02477-25

20251666c1

581 local law of the controllable electronic record's jurisdiction
582 governs a matter covered by s. 669.106 unless an effective
583 agreement determines that the local law of another jurisdiction
584 governs.

585 (3) The following rules determine a controllable electronic
586 record's jurisdiction under this section:

587 (a) If the controllable electronic record, or a record
588 attached to or logically associated with the controllable
589 electronic record and readily available for review, expressly
590 provides that a particular jurisdiction is the controllable
591 electronic record's jurisdiction for purposes of this part or
592 the Uniform Commercial Code, that jurisdiction is the
593 controllable electronic record's jurisdiction.

594 (b) If paragraph (a) does not apply and the rules of the
595 system in which the controllable electronic record is recorded
596 are readily available for review and expressly provide that a
597 particular jurisdiction is the controllable electronic record's
598 jurisdiction for purposes of this part or the Uniform Commercial
599 Code, that jurisdiction is the controllable electronic record's
600 jurisdiction.

601 (c) If paragraphs (a) and (b) do not apply and the
602 controllable electronic record, or a record attached to or
603 logically associated with the controllable electronic record and
604 readily available for review, expressly provides that the
605 controllable electronic record is governed by the law of a
606 particular jurisdiction, that jurisdiction is the controllable
607 electronic record's jurisdiction.

608 (d) If paragraphs (a), (b), and (c) do not apply and the
609 rules of the system in which the controllable electronic record

577-02477-25

20251666c1

610 is recorded are readily available for review and expressly
611 provide that the controllable electronic record or the system is
612 governed by the law of a particular jurisdiction, that
613 jurisdiction is the controllable electronic record's
614 jurisdiction.

615 (e) If paragraphs (a)-(d) do not apply, the controllable
616 electronic record's jurisdiction is the District of Columbia.

617 (4) If paragraph (3)(e) applies, and Article 12 is not in
618 effect without material modification in the District of
619 Columbia, the governing law for a matter subject to this part is
620 the law of the District of Columbia as though Article 12 were in
621 effect without material modification in the District of
622 Columbia. For the purposes of this subsection, the term "Article
623 12" means Article 12 of the Uniform Commercial Code Amendments
624 (2022).

625 (5) To the extent subsections (1) and (2) provide that the
626 local law of the controllable electronic record's jurisdiction
627 governs a matter covered by this part, that law governs even if
628 the matter or a transaction to which the matter relates does not
629 bear any relation to the controllable electronic record's
630 jurisdiction.

631 (6) The rights acquired under s. 669.104 by a purchaser or
632 qualifying purchaser are governed by the law applicable under
633 this section at the time of purchase.

634 Section 10. Part II of chapter 669, Florida Statutes,
635 consisting of ss. 669.501-669.706, Florida Statutes, is created
636 and entitled "Transitional Provisions."

637 Section 11. Section 669.501, Florida Statutes, is created
638 to read:

577-02477-25

20251666c1

639 669.501 Short title.—This part may be cited as “Uniform
640 Commercial Code-Controllable Electronic Records.”

641 Section 12. Section 669.502, Florida Statutes, is created
642 to read:

643 669.502 Definitions.—As used in this part:

644 (1) (a) “Adjustment date” means July 1, 2026.

645 (b) “Article 12” means Article 12 of the Uniform Commercial
646 Code.

647 (c) “Article 12 property” means a controllable account,
648 controllable electronic record, or controllable payment
649 intangible.

650 (2) Other definitions applying to this chapter and the
651 sections in which they appear are:

652 “Controllable account,” s. 679.1021.

653 “Controllable electronic record,” s. 669.102.

654 “Controllable payment intangible,” s. 679.1021.

655 “Electronic money,” s. 679.1021.

656 “Financing statement,” s. 679.1021.

657 (3) The general definitions and principles of construction
658 and interpretation contained in chapter 671 apply to this part.

659 Section 13. Section 669.601, Florida Statutes, is created
660 to read:

661 669.601 Saving clause.—Except as otherwise provided in this
662 part, a transaction validly entered into before July 1, 2025,
663 and the rights, duties, and interests flowing from such
664 transaction remain valid thereafter and may be terminated,
665 completed, consummated, or enforced as required or permitted by
666 law other than the Uniform Commercial Code or, if applicable, by
667 the Uniform Commercial Code as though this act had not taken

577-02477-25

20251666c1

668 effect.

669 Section 14. Section 669.701, Florida Statutes, is created
670 to read:

671 669.701 Saving clause.-

672 (1) Except as provided in this part, chapter 679 as it
673 existed on July 1, 2025, and Article 12 apply to a transaction,
674 lien, or other interest in property, even if the transaction,
675 lien, or interest was entered into, created, or acquired before
676 July 1, 2025.

677 (2) Except as provided in subsection (3) and ss. 669.702-
678 669.706, both of the following apply:

679 (a) A transaction, lien, or interest in property that was
680 validly entered into, created, or transferred before July 1,
681 2025, and that was not governed by the Uniform Commercial Code
682 but would be subject to chapter 679 as it existed on July 1,
683 2025, or to Article 12 if the transaction had been entered into,
684 created, or transferred on or after July 1, 2025, including the
685 rights, duties, and interests flowing from the transaction,
686 lien, or interest, remains valid on and after July 1, 2025.

687 (b) The transaction, lien, or interest may be terminated,
688 completed, consummated, and enforced as required or permitted by
689 this part or by the law that would apply if this part had not
690 taken effect.

691 (3) This section does not affect an action, a case, or a
692 proceeding commenced before July 1, 2025.

693 Section 15. Section 669.702, Florida Statutes, is created
694 to read:

695 669.702 Security interest perfected before effective date.-

696 (1) A security interest that is enforceable and perfected

577-02477-25

20251666c1

697 immediately before July 1, 2025, is a perfected security
698 interest under this act if, on July 1, 2025, the requirements
699 for enforceability and perfection under this section are fully
700 satisfied without further action.

701 (2) If a security interest is enforceable and perfected
702 immediately before July 1, 2025, but the requirements for
703 enforceability or perfection under this act are not satisfied by
704 July 1, 2025, all of the following apply to the security
705 interest:

706 (a) It is a perfected security interest until the earlier
707 of the time perfection would have ceased under the law in effect
708 immediately before July 1, 2025, or the adjustment date.

709 (b) It remains enforceable thereafter only if the security
710 interest satisfies the requirements for enforceability under s.
711 679.2031, as it existed on July 1, 2025, before the adjustment
712 date.

713 (c) It remains perfected thereafter only if the
714 requirements for perfection under this section are satisfied
715 immediately before July 1, 2025.

716 Section 16. Section 669.703, Florida Statutes, is created
717 to read:

718 669.703 Security interest unperfected before effective
719 date.—A security interest that is enforceable immediately before
720 July 1, 2025, but is unperfected by that date:

721 (1) Remains an enforceable security interest until the
722 adjustment date;

723 (2) Remains enforceable thereafter if the security interest
724 becomes enforceable under s. 679.2031, as it existed on July 1,
725 2025, or before the adjustment date; and

577-02477-25

20251666c1

726 (3) Becomes perfected:

727 (a) Without further action, by July 1, 2025, if the
728 requirements for perfection under this act are satisfied on or
729 before that date; or

730 (b) When the requirements for perfection are satisfied, if
731 satisfaction occurs after July 1, 2025.

732 Section 17. Section 669.704, Florida Statutes, is created
733 to read:

734 669.704 Effectiveness of actions taken before effective
735 date.—

736 (1) If action, other than the filing of a financing
737 statement, is taken before July 1, 2025, and the action would
738 have resulted in perfection of the security interest had the
739 security interest become enforceable before July 1, 2025, the
740 action is effective to perfect a security interest that attaches
741 under this part before the adjustment date. An attached security
742 interest becomes unperfected on the adjustment date unless the
743 security interest becomes a perfected security interest under
744 this part before the adjustment date.

745 (2) The filing of a financing statement before July 1,
746 2025, is effective to perfect a security interest on July 1,
747 2025, to the extent the filing would satisfy the requirements
748 for perfection under this part.

749 (3) Action taken before July 1, 2025, is sufficient for the
750 enforceability of a security interest as of July 1, 2025, if the
751 action satisfies the requirements for enforceability under this
752 part.

753 Section 18. Section 669.705, Florida Statutes, is created
754 to read:

577-02477-25

20251666c1

755 669.705 Priority.-

756 (1) Subject to subsections (2) and (3), this section
757 determines the priority of conflicting claims to collateral.

758 (2) Subject to subsection (3), if the priority of claims to
759 collateral was established before July 1, 2025, chapter 679 as
760 in effect before July 1, 2025, determines priority.

761 (3) On the adjustment date, to the extent the priorities
762 determined by chapter 679 as amended by this part modify the
763 priorities established before July 1, 2025, the priorities of
764 claims to Article 12 property and electronic money established
765 before July 1, 2025, cease to apply.

766 Section 19. Section 669.706, Florida Statutes, is created
767 to read:

768 669.706 Priority of claims when priority rules of chapter
769 679 do not apply.-

770 (1) Subject to subsections (2) and (3), Article 12
771 determines the priority of conflicting claims to Article 12
772 property when the priority rules of chapter 679 as amended by
773 this act do not apply.

774 (2) Subject to subsection (3), when the priority rules of
775 chapter 679 as amended by this act do not apply and the
776 priorities of claims to Article 12 property were established
777 before July 1, 2025, law other than Article 12 determines
778 priority.

779 (3) When the priority rules of chapter 679 as amended by
780 this part do not apply, to the extent the priorities determined
781 by this act modify the priorities established as of July 1,
782 2025, the priorities of claims to Article 12 property
783 established before July 1, 2025, cease to apply on the

577-02477-25

20251666c1

784 adjustment date.

785 Section 20. Paragraph (c) of subsection (1) of section
786 670.103, Florida Statutes, is amended to read:

787 670.103 Payment order: definitions.—

788 (1) In this chapter, the term:

789 (c) "Payment order" means an instruction of a sender to a
790 receiving bank, transmitted orally or in a record,
791 ~~electronically, or in writing~~, to pay, or to cause another bank
792 to pay, a fixed or determinable amount of money to a beneficiary
793 if:

794 1. The instruction does not state a condition to payment to
795 the beneficiary other than time of payment;

796 2. The receiving bank is to be reimbursed by debiting an
797 account of, or otherwise receiving payment from, the sender; and

798 3. The instruction is transmitted by the sender directly to
799 the receiving bank or to an agent, funds-transfer system, or
800 communication system for transmittal to the receiving bank.

801 Section 21. Section 670.201, Florida Statutes, is amended
802 to read:

803 670.201 Security procedure.—For purposes of this section,
804 the term "security procedure" means a procedure established by
805 agreement of a customer and a receiving bank for the purpose of:

806 (1) Verifying that a payment order or communication
807 amending or canceling a payment order is that of the customer;
808 or

809 (2) Detecting error in the transmission or the content of
810 the payment order or communication.

811
812 A security procedure may impose an obligation on the receiving

577-02477-25

20251666c1

813 bank or the customer and may require the use of algorithms or
814 other codes, identifying words, ~~or~~ numbers, symbols, sounds,
815 biometrics, encryption, callback procedures, or similar security
816 devices. Comparison of a signature on a payment order or
817 communication with an authorized specimen signature of the
818 customer or requiring a payment order to be sent from a known e-
819 mail address, Internet protocol address, or telephone number is
820 not by itself a security procedure.

821 Section 22. Subsections (2) and (3) of section 670.202,
822 Florida Statutes, are amended, and subsection (6) of that
823 section is republished, to read:

824 670.202 Authorized and verified payment orders.—

825 (2) If a bank and its customer have agreed that the
826 authenticity of payment orders issued to the bank in the name of
827 the customer as sender will be verified pursuant to a security
828 procedure, a payment order received by the receiving bank is
829 effective as the order of the customer, whether or not
830 authorized, if the security procedure is a commercially
831 reasonable method of providing security against unauthorized
832 payment orders and the bank proves that it accepted the payment
833 order in good faith and in compliance with the bank's
834 obligations under the security procedure and any ~~written~~
835 agreement or instruction of the customer, evidenced by a record,
836 restricting acceptance of payment orders issued in the name of
837 the customer. The bank is not required to follow an instruction
838 that violates an ~~a written~~ agreement with the customer,
839 evidenced by a record, or notice of which is not received at a
840 time and in a manner affording the bank a reasonable opportunity
841 to act on it before the payment order is accepted.

577-02477-25

20251666c1

842 (3) The commercial reasonableness of a security procedure
843 is a question of law to be determined by considering the wishes
844 of the customer expressed to the bank; the circumstances of the
845 customer known to the bank, including the size, type, and
846 frequency of payment orders normally issued by the customer to
847 the bank; alternative security procedures offered to the
848 customer; and security procedures in general use by customers
849 and receiving banks similarly situated. A security procedure is
850 deemed to be commercially reasonable if:

851 (a) The security procedure was chosen by the customer after
852 the bank offered, and the customer refused, a security procedure
853 that was commercially reasonable for that customer; and

854 (b) The customer expressly agreed in a record ~~writing~~ to be
855 bound by any payment order, whether or not authorized, issued in
856 its name and accepted by the bank in compliance with the bank's
857 obligations under the security procedure chosen by the customer.

858 (6) Except as provided in this section and in s.
859 670.203(1)(a), rights and obligations arising under this section
860 or s. 670.203 may not be varied by agreement.

861 Section 23. Paragraph (a) of subsection (1) of section
862 670.203, Florida Statutes, is amended to read:

863 670.203 Unenforceability of certain verified payment
864 orders.—

865 (1) If an accepted payment order is not, under s.
866 670.202(1), an authorized order of a customer identified as
867 sender, but is effective as an order of the customer pursuant to
868 s. 670.202(2), the following rules apply:

869 (a) By express ~~written~~ agreement evidenced by a record, the
870 receiving bank may limit the extent to which it is entitled to

577-02477-25

20251666c1

871 enforce or retain payment of the payment order.

872 Section 24. Paragraph (b) of subsection (3) of section
873 670.207, Florida Statutes, is amended to read:

874 670.207 Misdescription of beneficiary.—

875 (3) If a payment order described in subsection (2) is
876 accepted, the originator's payment order described the
877 beneficiary inconsistently by name and number, and the
878 beneficiary's bank pays the person identified by number as
879 permitted by paragraph (2)(a), the following rules apply:

880 (b) If the originator is not a bank and proves that the
881 person identified by number was not entitled to receive payment
882 from the originator, the originator is not obliged to pay its
883 order unless the originator's bank proves that the originator,
884 before acceptance of the originator's order, had notice that
885 payment of a payment order issued by the originator might be
886 made by the beneficiary's bank on the basis of an identifying or
887 bank account number even if it identifies a person different
888 from the named beneficiary. Proof of notice may be made by any
889 admissible evidence. The originator's bank satisfies the burden
890 of proof if it proves that the originator, before the payment
891 order was accepted, signed a record writing stating the
892 information to which the notice relates.

893 Section 25. Paragraph (b) of subsection (2) of section
894 670.208, Florida Statutes, is amended to read:

895 670.208 Misdescription of intermediary bank or
896 beneficiary's bank.—

897 (2) This subsection applies to a payment order identifying
898 an intermediary bank or the beneficiary's bank both by name and
899 an identifying number if the name and number identify different

577-02477-25

20251666c1

900 persons.

901 (b) If the sender is not a bank and the receiving bank
902 proves that the sender, before the payment order was accepted,
903 had notice that the receiving bank might rely on the number as
904 the proper identification of the intermediary or beneficiary's
905 bank even if it identifies a person different from the bank
906 identified by name, the rights and obligations of the sender and
907 the receiving bank are governed by paragraph (a), as though the
908 sender were a bank. Proof of notice may be made by any
909 admissible evidence. The receiving bank satisfies the burden of
910 proof if it proves that the sender, before the payment order was
911 accepted, signed a record ~~writing~~ stating the information to
912 which the notice relates.

913 Section 26. Subsection (1) of section 670.21, Florida
914 Statutes, is amended to read:

915 670.21 Rejection of payment order.—

916 (1) A payment order is rejected by the receiving bank by a
917 notice of rejection transmitted to the sender orally~~r~~
918 ~~electronically~~, or in a record ~~writing~~. A notice of rejection
919 need not use any particular words and is sufficient if it
920 indicates that the receiving bank is rejecting the order or will
921 not execute or pay the order. Rejection is effective when the
922 notice is given if transmission is by a means that is reasonable
923 in the circumstances. If notice of rejection is given by a means
924 that is not reasonable, rejection is effective when the notice
925 is received. If an agreement of the sender and receiving bank
926 establishes the means to be used to reject a payment order:

927 (a) Any means complying with the agreement is reasonable;
928 and

577-02477-25

20251666c1

929 (b) Any means not complying is not reasonable unless no
930 significant delay in receipt of the notice resulted from the use
931 of the noncomplying means.

932 Section 27. Subsection (1) of section 670.211, Florida
933 Statutes, is amended to read:

934 670.211 Cancellation and amendment of payment order.—

935 (1) A communication of the sender of a payment order
936 canceling or amending the order may be transmitted to the
937 receiving bank orally, ~~electronically,~~ or in a record ~~writing~~.
938 If a security procedure is in effect between the sender and the
939 receiving bank, the communication is not effective to cancel or
940 amend the order unless the communication is verified pursuant to
941 the security procedure or the bank agrees to the cancellation or
942 amendment.

943 Section 28. Subsections (3) and (4) of section 670.305,
944 Florida Statutes, are amended to read:

945 670.305 Liability for late or improper execution or failure
946 to execute payment order.—

947 (3) In addition to the amounts payable under subsections
948 (1) and (2), damages, including consequential damages, are
949 recoverable to the extent provided in an express ~~written~~
950 agreement of the receiving bank, evidenced by a record.

951 (4) If a receiving bank fails to execute a payment order it
952 was obliged by express agreement to execute, the receiving bank
953 is liable to the sender for its expenses in the transaction and
954 for incidental expenses and interest losses resulting from the
955 failure to execute. Additional damages, including consequential
956 damages, are recoverable to the extent provided in an express
957 ~~written~~ agreement of the receiving bank, evidenced by a record,

577-02477-25

20251666c1

958 but are not otherwise recoverable.

959 Section 29. Part VI of chapter 670, Florida Statutes,
960 consisting of s. 670.601, Florida Statutes, is created and
961 entitled "Transitional Provisions."

962 Section 30. Section 670.601, Florida Statutes, is created
963 to read:

964 670.601 Saving clause.—Except as provided in ss. 669.501-
965 669.706, a transaction validly entered into before July 1, 2025,
966 and the rights, duties, and interests flowing from such
967 transaction remain valid thereafter and may be terminated,
968 completed, consummated, or enforced as required or permitted by
969 law other than the Uniform Commercial Code or, if applicable,
970 the Uniform Commercial Code as though this act had not taken
971 effect.

972 Section 31. Subsection (1) of section 671.101, Florida
973 Statutes, is amended to read:

974 671.101 Short title; scope of chapter.—

975 (1) Chapters 669-680 ~~670-680~~ may be cited as the "Uniform
976 Commercial Code" or "code."

977 Section 32. Present paragraphs (a) through (g) of
978 subsection (2) of section 671.105, Florida Statutes, are
979 redesignated as paragraphs (b) through (h), respectively, a new
980 paragraph (a) is added to that subsection, and present
981 paragraphs (d) and (e) of that subsection are reenacted, to
982 read:

983 671.105 Territorial application of the code; parties' power
984 to choose applicable law.—

985 (2) When one of the following provisions of this code
986 specifies the applicable law, that provision governs; and a

577-02477-25

20251666c1

987 contrary agreement is effective only to the extent permitted by
988 the law (including the conflict-of-laws rules) so specified:

989 (a) Governing law in the chapter on controllable electronic
990 records. (s. 669.107).

991 (e)~~(d)~~ Applicability of the chapter on letters of credit.
992 (s. 675.116)

993 (f)~~(e)~~ Applicability of the chapter on investment
994 securities. (s. 678.1101)

995 Section 33. Section 671.107, Florida Statutes, is amended
996 to read:

997 671.107 Waiver or renunciation of claim or right after
998 breach.—A claim or right arising out of an alleged breach can be
999 discharged in whole or in part without consideration by
1000 agreement of the aggrieved party in a signed ~~an authenticated~~
1001 record.

1002 Section 34. Present subsections (18) through (47) of
1003 section 671.201, Florida Statutes, are redesignated as
1004 subsections (19) through (48), respectively, a new subsection
1005 (18) is added to that section, and subsections (11) and (16) and
1006 present subsections (22), (26), (27), (31), (40), and (41) of
1007 that section are amended, to read:

1008 671.201 General definitions.—Unless the context otherwise
1009 requires, words or phrases defined in this section, or in the
1010 additional definitions contained in other chapters of this code
1011 which apply to particular chapters or parts thereof, have the
1012 meanings stated. Subject to definitions contained in other
1013 chapters of this code which apply to particular chapters or
1014 parts thereof, the term:

1015 (11) "Conspicuous," with reference to a term, means so

577-02477-25

20251666c1

1016 written, displayed, or presented that, based on the totality of
1017 the circumstances, a reasonable person against which it is to
1018 operate ought to have noticed it. Whether a term is
1019 "conspicuous" is a decision for the court. ~~Conspicuous terms~~
1020 ~~include the following:~~

1021 ~~(a) A heading in capitals equal to or greater in size than~~
1022 ~~the surrounding text, or in contrasting type, font, or color to~~
1023 ~~the surrounding text of the same or lesser size; and~~

1024 ~~(b) Language in the body of a record or display in larger~~
1025 ~~type than the surrounding text or set off from surrounding text~~
1026 ~~of the same size by symbols or other marks that call attention~~
1027 ~~to the language.~~

1028 (16) "Delivery," with respect to an electronic document of
1029 title, means voluntary transfer of control and, "delivery," with
1030 respect to instruments, tangible document of title, or an
1031 authoritative tangible copy of a record evidencing chattel
1032 paper, or certificated securities, means voluntary transfer of
1033 possession.

1034 (18) "Electronic" means relating to technology having
1035 electrical, digital, magnetic, wireless, optical,
1036 electromagnetic, or similar capabilities.

1037 ~~(23) (22)~~ "Holder" means:

1038 (a) The person in possession of a negotiable instrument
1039 that is payable either to bearer or to an identified person that
1040 is the person in possession;

1041 (b) The person in possession of a negotiable tangible
1042 document of title if the goods are deliverable either to bearer
1043 or to the order of the person in possession; or

1044 (c) The person in control, other than pursuant to s.

577-02477-25

20251666c1

1045 677.106(7), of a negotiable electronic document of title.

1046 ~~(27)(26)~~ Subject to subsection (29) ~~(28)~~, a person has
1047 "notice" of a fact if the person:

1048 (a) Has actual knowledge of it;

1049 (b) Has received a notice or notification of it; or

1050 (c) From all the facts and circumstances known to the
1051 person at the time in question, has reason to know that it
1052 exists. A person "knows" or has "knowledge" of a fact when the
1053 person has actual knowledge of it. "Discover" or "learn" or a
1054 word or phrase of similar import refers to knowledge rather than
1055 to reason to know. The time and circumstances under which a
1056 notice or notification may cease to be effective are not
1057 determined by this section.

1058 ~~(28)(27)~~ A person "notifies" or "gives" a notice or
1059 notification to another person by taking such steps as may be
1060 reasonably required to inform the other person in ordinary
1061 course, whether or not the other person actually comes to know
1062 of it. Subject to subsection (29) ~~(28)~~, a person "receives" a
1063 notice or notification when:

1064 (a) It comes to that person's attention; or

1065 (b) It is duly delivered in a form reasonable under the
1066 circumstances at the place of business through which the
1067 contract was made or at another location held out by that person
1068 as the place for receipt of such communications.

1069 ~~(32)(31)~~ "Person" means an individual; corporation;
1070 business trust; estate; trust; partnership; limited liability
1071 company; association; joint venture; government; governmental
1072 subdivision, agency, or instrumentality; ~~public corporation~~; or
1073 any other legal or commercial entity. The term includes a

577-02477-25

20251666c1

1074 protected series, however denominated, of an entity if the
 1075 protected series is established under law other than the Uniform
 1076 Commercial Code which limits, or conditionally limits if
 1077 conditions specified under the law are satisfied, the ability of
 1078 a creditor of the entity or of any other protected series of the
 1079 entity to satisfy a claim from assets of the protected series.

1080 ~~(41)(40)~~ "Send," in connection with a ~~writing,~~ record, ~~or~~
 1081 notification notice, means:

1082 (a) To deposit in the mail, ~~or~~ deliver for transmission, or
 1083 transmit by any other usual means of communication, with postage
 1084 or cost of transmission provided for ~~and properly~~ addressed ~~and,~~
 1085 ~~in the case of an instrument, to an address specified thereon or~~
 1086 ~~otherwise agreed or, if there be none, to any address reasonable~~
 1087 under the circumstances; or

1088 (b) To cause the record or notification to be received
 1089 within the time it would have been received if properly sent
 1090 under paragraph (a) ~~In any other way to cause to be received any~~
 1091 ~~record or notice within the time it would have arrived if~~
 1092 ~~properly sent.~~

1093 ~~(42)(41)~~ "Sign," "signing," "signed," or "signature" means,
 1094 with present intent to authenticate or adopt a record, to:

1095 (a) Execute or adopt a tangible symbol; or

1096 (b) Attach to or logically associate with the record an
 1097 electronic symbol, sound, or process ~~means bearing any symbol~~
 1098 ~~executed or adopted by a party with present intention to adopt~~
 1099 ~~or accept a writing.~~

1100 Section 35. Section 671.211, Florida Statutes, is amended
 1101 to read:

1102 671.211 Value.—Except as otherwise provided with respect to

577-02477-25

20251666c1

1103 negotiable instruments and bank collections as provided in
1104 chapter 669 and ss. 673.3031, 674.2101, and 674.2111, a person
1105 gives value for rights if the person acquires them:

1106 (1) In return for a binding commitment to extend credit or
1107 for the extension of immediately available credit whether or not
1108 drawn upon and whether or not a charge-back is provided for in
1109 the event of difficulties in collection;

1110 (2) As security for, or in total or partial satisfaction
1111 of, a preexisting claim;

1112 (3) By accepting delivery under a preexisting contract for
1113 purchase; or

1114 (4) In return for any consideration sufficient to support a
1115 simple contract.

1116 Section 36. Part IV of chapter 671, Florida Statutes,
1117 consisting of s. 671.401, Florida Statutes, is created and
1118 entitled "Transitional Provisions."

1119 Section 37. Section 671.401, Florida Statutes, is created
1120 to read:

1121 671.401 Saving clause.—Except as provided in ss. 669.501-
1122 669.706, a transaction validly entered into before July 1, 2025,
1123 and the rights, duties, and interests flowing from such
1124 transaction remain valid thereafter and may be terminated,
1125 completed, consummated, or enforced as required or permitted by
1126 law other than the Uniform Commercial Code or, if applicable, by
1127 the Uniform Commercial Code as though this act had not taken
1128 effect.

1129 Section 38. Section 672.102, Florida Statutes, is amended
1130 to read:

1131 672.102 Scope; certain security and other transactions

577-02477-25

20251666c1

1132 excluded from this chapter.—

1133 (1) Unless the context otherwise requires, and except as
1134 provided in subsection (2), this chapter applies to transactions
1135 in goods and, in the case of a hybrid transaction:

1136 (a) If the sale-of-goods aspects do not predominate, only
1137 those provisions of this chapter which relate primarily to the
1138 sale-of-goods aspects of the transaction apply, and those
1139 provisions that relate primarily to the transaction as a whole
1140 do not apply.

1141 (b) If the sale-of-goods aspects predominate, this chapter
1142 applies to the transaction but does not preclude application in
1143 appropriate circumstances of other law to aspects of the
1144 transaction which do not relate to the sale of goods.

1145 (2) This chapter does not do the following:

1146 (a) Apply to a transaction that, even though in the form of
1147 an unconditional contract to sell or present sale, operates only
1148 to create a security interest.

1149 (b) Impair or repeal a statute regulating sales to
1150 consumers, farmers, or other specified classes of buyers; ~~it~~
1151 ~~does not apply to any transaction which although in the form of~~
1152 ~~an unconditional contract to sell or present sale is intended to~~
1153 ~~operate only as a security transaction nor does this chapter~~
1154 ~~impair or repeal any statute regulating sales to consumers,~~
1155 ~~farmers or other specified classes of buyers.~~

1156 Section 39. Section 672.106, Florida Statutes, is amended
1157 to read:

1158 672.106 Definitions: "contract"; "agreement"; "contract for
1159 sale"; "sale"; "present sale"; "conforming" to contract;
1160 "termination"; "cancellation-"; "hybrid transaction."—

577-02477-25

20251666c1

1161 (1) In this chapter, unless the context clearly requires
1162 otherwise, the meaning of the terms ~~requires~~ "contract" and
1163 "agreement" ~~is are~~ limited to those contracts and agreements
1164 relating to the present or future sale of goods. The term
1165 "contract for sale" includes both a present sale of goods and a
1166 contract to sell goods at a future time. A "sale" consists in
1167 the passing of title from the seller to the buyer for a price
1168 (s. 672.401). A "present sale" means a sale which is
1169 accomplished by the making of the contract.

1170 (2) Goods or conduct including any part of a performance
1171 are "conforming" or conform to the contract when they are in
1172 accordance with the obligations under the contract.

1173 (3) "Termination" occurs when either party pursuant to a
1174 power created by agreement or law puts an end to the contract
1175 otherwise than for its breach. Upon ~~On~~ termination, all
1176 obligations that ~~which~~ are still executory on both sides are
1177 discharged but any right based on prior breach or performance
1178 survives.

1179 (4) "Cancellation" occurs when either party puts an end to
1180 the contract for breach by the other and its effect is the same
1181 as that of "termination" except that the canceling party also
1182 retains any remedy for breach of the whole contract or any
1183 unperformed balance.

1184 (5) The term "hybrid transaction" means a single
1185 transaction involving a sale of goods and any of the following:

1186 (a) The provision of services.

1187 (b) A lease of other goods.

1188 (c) A sale, lease, or license of property other than goods.

1189 Section 40. Subsections (1) and (2) of section 672.201,

577-02477-25

20251666c1

1190 Florida Statutes, are amended to read:

1191 672.201 Formal requirements; statute of frauds.—

1192 (1) Except as otherwise provided in this section a contract
1193 for the sale of goods for the price of \$500 or more is not
1194 enforceable by way of action or defense unless there is a record
1195 ~~some writing~~ sufficient to indicate that a contract for sale has
1196 been made between the parties and signed by the party against
1197 whom enforcement is sought or by the party's ~~his or her~~
1198 authorized agent or broker. A record ~~writing~~ is not insufficient
1199 because it omits or incorrectly states a term agreed upon but
1200 the contract is not enforceable under this subsection ~~paragraph~~
1201 beyond the quantity of goods shown in the record ~~such writing~~.

1202 (2) Between merchants if within a reasonable time a record
1203 ~~writing~~ in confirmation of the contract and sufficient against
1204 the sender is received and the party receiving it has reason to
1205 know its contents, it satisfies the requirements of subsection
1206 (1) against the ~~such~~ party unless ~~written~~ notice in a record of
1207 objection to its contents is given within 10 days after it is
1208 received.

1209 Section 41. Section 672.202, Florida Statutes, is amended
1210 to read:

1211 672.202 Final ~~written~~ expression; parol or extrinsic
1212 evidence.—Terms with respect to which the confirmatory memoranda
1213 of the parties agree or which are otherwise set forth in a
1214 record ~~writing~~ intended by the parties as a final expression of
1215 their agreement with respect to such terms as are included
1216 therein may not be contradicted by evidence of any prior
1217 agreement or of a contemporaneous oral agreement but may be
1218 explained or supplemented:

577-02477-25

20251666c1

1219 (1) By course of dealing or usage of trade (s. 671.205) or
1220 by course of performance (s. 672.208); and

1221 (2) By evidence of consistent additional terms unless the
1222 court finds the record ~~writing~~ to have been intended also as a
1223 complete and exclusive statement of the terms of the agreement.

1224 Section 42. Section 672.203, Florida Statutes, is amended
1225 to read:

1226 672.203 Seals inoperative.—The affixing of a seal to a
1227 record ~~writing~~ evidencing a contract for sale or an offer to buy
1228 or sell goods does not constitute a record ~~the writing~~ a sealed
1229 instrument and the law with respect to sealed instruments does
1230 not apply to such a contract or offer.

1231 Section 43. Section 672.205, Florida Statutes, is amended
1232 to read:

1233 672.205 Firm offers.—An offer by a merchant to buy or sell
1234 goods in a signed record ~~writing~~ which by its terms gives
1235 assurance that it will be held open is not revocable, for lack
1236 of consideration, during the time stated or if no time is stated
1237 for a reasonable time, but in no event may such period of
1238 irrevocability exceed 3 months; but any such term of assurance
1239 on a form supplied by the offeree must be separately signed by
1240 the offeror.

1241 Section 44. Subsection (2) of section 672.209, Florida
1242 Statutes, is amended to read:

1243 672.209 Modification, rescission, and waiver.—

1244 (2) A signed agreement which excludes modification or
1245 rescission except by a signed writing or other signed record
1246 cannot be otherwise modified or rescinded, but except as between
1247 merchants such a requirement on a form supplied by the merchant

577-02477-25

20251666c1

1248 must be separately signed by the other party.

1249 Section 45. Part VIII of chapter 672, Florida Statutes,
1250 consisting of s. 672.801, Florida Statutes, is created and
1251 entitled "Transitional Provisions."

1252 Section 46. Section 672.801, Florida Statutes, is created
1253 to read:

1254 672.801 Saving clause.—Except as provided in ss. 669.501-
1255 669.706, a transaction validly entered into before July 1, 2025,
1256 and the rights, duties, and interests flowing from such
1257 transaction remain valid thereafter and may be terminated,
1258 completed, consummated, or enforced as required or permitted by
1259 law other than the Uniform Commercial Code or, if applicable, by
1260 the Uniform Commercial Code as though this act had not taken
1261 effect.

1262 Section 47. Subsection (1) of section 673.1041, Florida
1263 Statutes, is amended to read:

1264 673.1041 Negotiable instrument.—

1265 (1) Except as provided in subsections (3), (4), and (11),
1266 the term "negotiable instrument" means an unconditional promise
1267 or order to pay a fixed amount of money, with or without
1268 interest or other charges described in the promise or order, if
1269 it:

1270 (a) Is payable to bearer or to order at the time it is
1271 issued or first comes into possession of a holder;

1272 (b) Is payable on demand or at a definite time; and

1273 (c) Does not state any other undertaking or instruction by
1274 the person promising or ordering payment to do any act in
1275 addition to the payment of money, but the promise or order may
1276 contain:

577-02477-25

20251666c1

1277 1. An undertaking or power to give, maintain, or protect
1278 collateral to secure payment;

1279 2. An authorization or power to the holder to confess
1280 judgment or realize on or dispose of collateral; ~~or~~

1281 3. A waiver of the benefit of any law intended for the
1282 advantage or protection of an obligor;

1283 4. A term that specifies the law that governs the promise
1284 or order; or

1285 5. An undertaking to resolve, in a specified forum, a
1286 dispute concerning the promise or order.

1287 Section 48. Subsection (1) of section 673.1051, Florida
1288 Statutes, is amended to read:

1289 673.1051 Issue of instrument.—

1290 (1) The term "issue" means:

1291 (a) The first delivery of an instrument by the maker or
1292 drawer, whether to a holder or nonholder, for the purpose of
1293 giving rights on the instrument to any person; or

1294 (b) If agreed to by the payee, the first transmission by
1295 the drawer to the payee of an image of an item and information
1296 derived from the item which enables the depository bank to
1297 collect the item under federal law by transferring or presenting
1298 an electronic check.

1299 Section 49. Section 673.4011, Florida Statutes, is amended
1300 to read:

1301 673.4011 Signature.—

1302 ~~(1)~~ A person is not liable on an instrument unless:

1303 ~~(a)~~ the person signed the instrument; or

1304 ~~(b)~~ the person is represented by an agent or representative
1305 who signed the instrument, and the signature is binding on the

577-02477-25

20251666c1

1306 represented person under s. 673.4021.

1307 ~~(2) A signature may be made:~~

1308 ~~(a) Manually or by means of a device or machine; and~~

1309 ~~(b) By the use of any name, including a trade or assumed~~
1310 ~~name, or by a word, mark, or symbol executed or adopted by a~~
1311 ~~person with present intention to authenticate a writing.~~

1312 Section 50. Subsection (1) of section 673.6041, Florida
1313 Statutes, is amended to read:

1314 673.6041 Discharge by cancellation or renunciation.—

1315 (1) A person entitled to enforce an instrument, with or
1316 without consideration, may discharge the obligation of a party
1317 to pay the instrument:

1318 (a) By an intentional voluntary act, such as:

1319 1. Surrender of the instrument to the party;

1320 2. Destruction, mutilation, or cancellation of the
1321 instrument;

1322 3. Cancellation or striking out of the party's signature;
1323 or

1324 4. Addition of words to the instrument indicating
1325 discharge; or

1326 (b) By agreeing not to sue or otherwise renouncing rights
1327 against the party by a signed writing.

1328
1329 The obligation of a party to pay a check is not discharged
1330 solely by destruction of the check in connection with a process
1331 that involves the extraction of information from the check and
1332 an image of the check is made and, subsequently, the information
1333 and image are transmitted for payment.

1334 Section 51. Part VII of chapter 673, Florida Statutes,

577-02477-25

20251666c1

1335 consisting of s. 673.702, Florida Statutes, is created and
1336 entitled "Transitional Provisions."

1337 Section 52. Section 673.702, Florida Statutes, is created
1338 to read:

1339 673.702 Savings clause.—Except as provided in ss. 669.501-
1340 669.706, a transaction validly entered into before July 1, 2025,
1341 and the rights, duties, and interests flowing from such
1342 transaction remain valid thereafter and may be terminated,
1343 completed, consummated, or enforced as required or permitted by
1344 law other than the Uniform Commercial Code or, if applicable, by
1345 the Uniform Commercial Code as though this act had not taken
1346 effect.

1347 Section 53. Section 675.104, Florida Statutes, is amended
1348 to read:

1349 675.104 Formal requirements.—A letter of credit,
1350 confirmation, advice, transfer, amendment, or cancellation may
1351 be issued in any form that is a signed record ~~and is~~
1352 ~~authenticated by a signature or in accordance with the agreement~~
1353 ~~of the parties or the standard practice referred to in s.~~
1354 ~~675.108(5).~~

1355 Section 54. Section 675.116, Florida Statutes, is amended
1356 to read:

1357 675.116 Choice of law and forum.—

1358 (1) The liability of an issuer, nominated person, or
1359 adviser for action or omission is governed by the law of the
1360 jurisdiction chosen by an agreement in the form of a record
1361 ~~signed or otherwise authenticated by the affected parties in the~~
1362 ~~manner provided in s. 675.104~~ or by a provision in the person's
1363 letter of credit, confirmation, or other undertaking. The

577-02477-25

20251666c1

1364 jurisdiction whose law is chosen need not bear any relation to
1365 the transaction.

1366 (2) Unless subsection (1) applies, the liability of an
1367 issuer, nominated person, or adviser for action or omission is
1368 governed by the law of the jurisdiction in which the person is
1369 located. The person is considered to be located at the address
1370 indicated in the person's undertaking. If more than one address
1371 is indicated, the person is considered to be located at the
1372 address from which the person's undertaking was issued.

1373 (a) For the purpose of jurisdiction, choice of law, and
1374 recognition of interbranch letters of credit, but not
1375 enforcement of a judgment, all branches of a bank are considered
1376 separate juridical entities and a bank is considered to be
1377 located at the place where its relevant branch is considered to
1378 be located under paragraph (b) ~~this subsection~~.

1379 (b) A bank branch is considered to be located at the
1380 address indicated in the branch's undertaking. If more than one
1381 address is indicated, the branch is considered to be located at
1382 the address from which the undertaking was issued.

1383 (c) ~~(3)~~ Except as otherwise provided in this paragraph
1384 ~~subsection~~, the liability of an issuer, nominated person, or
1385 adviser is governed by any rules of custom or practice, such as
1386 the Uniform Customs and Practice for Documentary Credits, to
1387 which the letter of credit, confirmation, or other undertaking
1388 is expressly made subject. If this chapter governs the liability
1389 of an issuer, nominated person, or adviser under subsection (1)
1390 or this subsection ~~(2)~~, the relevant undertaking incorporates
1391 rules of custom or practice, and there is conflict between this
1392 chapter and such rules as applied to that undertaking, such

577-02477-25

20251666c1

1393 rules govern except to the extent of any conflict with the
1394 nonvariable provisions specified in s. 675.102(3).

1395 ~~(3)~~~~(4)~~ This chapter governs to the extent of any conflict
1396 between this chapter and chapter 670, chapter 673, chapter 674,
1397 or chapter 679.

1398 ~~(4)~~~~(5)~~ The forum for settling disputes arising out of an
1399 undertaking within this chapter may be chosen in the manner and
1400 with the binding effect that governing law may be chosen in
1401 accordance with subsection (1).

1402 Section 55. Section 675.119, Florida Statutes, is created
1403 to read:

1404 675.119 Saving clause.—Except as provided in ss. 669.501-
1405 669.706, a transaction validly entered into before July 1, 2025,
1406 and the rights, duties, and interests flowing from such
1407 transaction remain valid thereafter and may be terminated,
1408 completed, consummated, or enforced as required or permitted by
1409 law other than the Uniform Commercial Code or, if applicable, by
1410 the Uniform Commercial Code as though this act had not taken
1411 effect.

1412 Section 56. Paragraphs (j) and (l) of subsection (1) of
1413 section 677.102, Florida Statutes, are amended to read:

1414 677.102 Definitions and index of definitions.—

1415 (1) In this chapter, unless the context otherwise requires:

1416 ~~(j) "Record" means information that is inscribed on a~~
1417 ~~tangible medium or that is stored in an electronic or other~~
1418 ~~medium and is retrievable in perceivable form.~~

1419 ~~(l) "Sign" means, with present intent to authenticate or~~
1420 ~~adopt a record:~~

1421 ~~1. To execute or adopt a tangible symbol; or~~

577-02477-25

20251666c1

1422 ~~2. To attach to or logically associate with the record an~~
1423 ~~electronic sound, symbol, or process.~~

1424 Section 57. Subsection (2) of section 677.106, Florida
1425 Statutes, is amended, and subsections (3) through (9) are added
1426 to that section, to read:

1427 677.106 Control of electronic document of title.—

1428 (2) A system satisfies subsection (1), and a person has ~~is~~
1429 ~~deemed to have~~ control of an electronic document of title, if
1430 the document is created, stored, and transferred ~~assigned~~ in a
1431 manner that:

1432 (a) A single authoritative copy of the document exists
1433 which is unique, identifiable, and, except as otherwise provided
1434 in paragraphs (d), (e), and (f), unalterable;

1435 (b) The authoritative copy identifies the person asserting
1436 control as:

1437 1. The person to which the document was issued; or

1438 2. If the authoritative copy indicates that the document
1439 has been transferred, the person to which the document was most
1440 recently transferred;

1441 (c) The authoritative copy is communicated to and
1442 maintained by the person asserting control or its designated
1443 custodian;

1444 (d) Copies or amendments that add or change an identified
1445 transferee ~~assignee~~ of the authoritative copy can be made only
1446 with the consent of the person asserting control;

1447 (e) Each copy of the authoritative copy and any copy of a
1448 copy is readily identifiable as a copy that is not the
1449 authoritative copy; and

1450 (f) Any amendment of the authoritative copy is readily

577-02477-25

20251666c1

1451 identifiable as authorized or unauthorized.

1452 (3) A system satisfies subsection (1), and a person has
1453 control of an electronic document of title, if an authoritative
1454 electronic copy of the document, a record attached to or
1455 logically associated with the electronic copy, or a system in
1456 which the electronic copy is recorded:

1457 (a) Enables the person to readily identify each electronic
1458 copy as either an authoritative copy or a nonauthoritative copy;

1459 (b) Enables the person to readily identify itself in any
1460 way, including by name, identifying number, cryptographic key,
1461 office, or account number, as the person to which each
1462 authoritative electronic copy was issued or transferred; and

1463 (c) Gives the person exclusive power, subject to subsection
1464 (4), to:

1465 1. Prevent others from adding or changing the person to
1466 which each authoritative electronic copy has been issued or
1467 transferred; and

1468 2. Transfer control of each authoritative electronic copy.

1469 (4) Subject to subsection (5), a power is exclusive under
1470 subparagraphs (3)(c)1. and 2. even if:

1471 (a) The authoritative electronic copy, a record attached to
1472 or logically associated with the authoritative electronic copy,
1473 or a system in which the authoritative electronic copy is
1474 recorded limits the use of the document of title or has a
1475 protocol that is programmed to cause a change, including a
1476 transfer or loss of control; or

1477 (b) The power is shared with another person.

1478 (5) A power of a person is not shared with another person
1479 under paragraph (4)(b) and the person's power is not exclusive

577-02477-25

20251666c1

1480 if:

1481 (a) The person can exercise the power only if the power
1482 also is exercised by the other person; and

1483 (b) The other person:

1484 1. Can exercise the power without exercise of the power by
1485 the person; or

1486 2. Is the transferor to the person of an interest in the
1487 document of title.

1488 (6) If a person has the powers specified in subparagraphs
1489 (3)(c)1. and 2., the powers are presumed to be exclusive.

1490 (7) A person has control of an electronic document of title
1491 if another person, other than the transferor to the person of an
1492 interest in the document:

1493 (a) Has control of the document and acknowledges that it
1494 has control on behalf of the person; or

1495 (b) Obtains control of the document after having
1496 acknowledged that it will obtain control of the document on
1497 behalf of the person.

1498 (8) A person that has control as provided under this
1499 section is not required to acknowledge that it has control on
1500 behalf of another person.

1501 (9) If a person acknowledges that it has or will obtain
1502 control on behalf of another person, unless the person otherwise
1503 agrees or law other than this chapter or chapter 679 otherwise
1504 provides, the person does not owe any duty to the other person
1505 and is not required to confirm the acknowledgment to any other
1506 person.

1507 Section 58. Part VII of chapter 677, Florida Statutes,
1508 consisting of s. 677.701, Florida Statutes, is created and

577-02477-25

20251666c1

1509 entitled "Transitional Provisions."

1510 Section 59. Section 677.701, Florida Statutes, is created
1511 to read:

1512 677.701 Saving clause.—Except as provided in ss. 669.501-
1513 669.706, a transaction validly entered into before July 1, 2025,
1514 and the rights, duties, and interests flowing from such
1515 transaction remain valid thereafter and may be terminated,
1516 completed, consummated, or enforced as required or permitted by
1517 law other than the Uniform Commercial Code or, if applicable, by
1518 the Uniform Commercial Code as though this act had not have
1519 taken effect.

1520 Section 60. Paragraph (f) of subsection (1) and subsection
1521 (2) of section 678.1021, Florida Statutes, are amended, and
1522 paragraph (i) of subsection (1) of that section is republished,
1523 to read:

1524 678.1021 Definitions.—

1525 (1) In this chapter:

1526 (f) "Communicate" means to:

1527 1. Send a signed record ~~writing~~; or

1528 2. Transmit information by any mechanism agreed upon by the
1529 persons transmitting and receiving the information.

1530 (i) "Financial asset," except as otherwise provided in s.
1531 678.1031, means:

1532 1. A security;

1533 2. An obligation of a person or a share, participation, or
1534 other interest in a person or in property or an enterprise of a
1535 person, which is, or is of a type, dealt in or traded on
1536 financial markets, or which is recognized in any area in which
1537 it is issued or dealt in as a medium for investment; or

577-02477-25

20251666c1

1538 3. Any property that is held by a securities intermediary
 1539 for another person in a securities account if the securities
 1540 intermediary has expressly agreed with the other person that the
 1541 property is to be treated as a financial asset under this
 1542 chapter. As context requires, the term means either the interest
 1543 itself or the means by which a person's claim to it is
 1544 evidenced, including a certificated or uncertificated security,
 1545 a security certificate, or a security entitlement.

1546 (2) The following ~~Other~~ definitions in applying to ~~to~~ this
 1547 chapter and other chapters apply to this section ~~the sections in~~
 1548 ~~which they appear are:~~

1549 "Appropriate person," s. 678.1071.

1550 "Control," s. 678.1061.

1551 "Controllable account," s. 679.1021.

1552 "Controllable electronic record," s. 669.102.

1553 "Controllable payment intangible," s. 679.1021.

1554 "Delivery," s. 678.3011.

1555 "Investment company security," s. 678.1031(2).

1556 "Issuer," s. 678.2011.

1557 "Overissue," s. 678.2101.

1558 "Protected purchaser," s. 678.3031.

1559 "Securities account," s. 678.5011.

1560 Section 61. Subsection (6) of section 678.1031, Florida
 1561 Statutes, is amended, and subsection (8) is added to that
 1562 section, to read:

1563 678.1031 Rules for determining whether certain obligations
 1564 and interests are securities or financial assets.—

1565 (6) A commodity contract, as defined in s. 679.1021(1) ~~s.~~
 1566 ~~679.1021(1)(e)~~, is not a security or a financial asset.

577-02477-25

20251666c1

1567 (8) A controllable account, controllable electronic record,
1568 or controllable payment intangible is not a financial asset
1569 unless s. 678.1021(1)(i) applies.

1570 Section 62. Subsection (4) of section 678.1061, Florida
1571 Statutes, is amended, and subsections (8) and (9) are added to
1572 that section, to read:

1573 678.1061 Control.—

1574 (4) A purchaser has "control" of a security entitlement if:

1575 (a) The purchaser becomes the entitlement holder;

1576 (b) The securities intermediary has agreed that it will
1577 comply with entitlement orders originated by the purchaser
1578 without further consent by the entitlement holder; or

1579 (c) Another person, other than the transferor to the
1580 purchaser of an interest in the security entitlement:

1581 1. Has control of the security entitlement and acknowledges
1582 that it has control on behalf of the purchaser; or

1583 2. Obtains control of the security entitlement after having
1584 acknowledged that it will obtain control of the security
1585 entitlement on behalf of the purchaser ~~has control of the~~
1586 ~~security entitlement on behalf of the purchaser or, having~~
1587 ~~previously acquired control of the security entitlement,~~
1588 ~~acknowledges that the person has control on behalf of the~~
1589 ~~purchaser.~~

1590 (8) A person that has control under this section is not
1591 required to acknowledge that it has control on behalf of a
1592 purchaser.

1593 (9) If a person acknowledges that it has or will obtain
1594 control on behalf of a purchaser unless the person otherwise
1595 agrees, or law other than this section or chapter 679 otherwise

577-02477-25

20251666c1

1596 provides, the person does not owe any duty to the purchaser and
1597 is not required to confirm the acknowledgment to any other
1598 person.

1599 Section 63. Subsection (7) is added to section 678.1101,
1600 Florida Statutes, to read:

1601 678.1101 Applicability; choice of law.—

1602 (7) The local law of the issuer's jurisdiction or the
1603 securities intermediary's jurisdiction governs a matter or
1604 transaction specified in subsection (1) or subsection (2) even
1605 if the matter or transaction does not bear any relation to the
1606 jurisdiction.

1607 Section 64. Subsection (2) of section 678.3031, Florida
1608 Statutes, is amended to read:

1609 678.3031 Protected purchaser.—

1610 ~~(2) In addition to acquiring the rights of a purchaser, A~~
1611 ~~protected purchaser also~~ acquires its interest in the security
1612 free of any adverse claim.

1613 Section 65. Part VI of chapter 678, Florida Statutes,
1614 consisting of s. 678.601, Florida Statutes, is created and
1615 entitled "Transitional Provisions."

1616 Section 66. Section 678.601, Florida Statutes, is created
1617 to read:

1618 678.601 Saving clause.—Except as provided in ss. 669.501-
1619 669.706, a transaction validly entered into before July 1, 2025,
1620 and the rights, duties, and interests flowing from such
1621 transaction remain valid thereafter and may be terminated,
1622 completed, consummated, or enforced as required or permitted by
1623 law other than the Uniform Commercial Code, or if applicable, by
1624 the Uniform Commercial Code as though this act had not taken

577-02477-25

20251666c1

1625 effect.

1626 Section 67. Present paragraphs (h) through (aa), (bb)
1627 through (bbb), (ccc) through (uuu), and (www) through (bbbb) of
1628 subsection (1) of section 679.1021, Florida Statutes, are
1629 redesignated as paragraphs (i) through (bb), (ee) through (eee),
1630 (ggg) through (yyy), and (zzz) through (eeee), respectively, new
1631 paragraphs (h), (cc), (dd), and (fff) are added to that
1632 subsection, and paragraphs (b), (c), (d), and (g) and present
1633 paragraphs (k), (ee), (pp), (uu), (iii), (nnn), (vvv), and (zzz)
1634 of subsection (1) and subsection (2) of that section are
1635 amended, to read:

1636 679.1021 Definitions and index of definitions.—

1637 (1) In this chapter, the term:

1638 (b) "Account," except as used in "account for," "account
1639 statement," "account to," "commodity account" as used in
1640 paragraph (o), "customer account," "deposit account" as used in
1641 paragraph (ff), "on account of," and "statement of account,"
1642 means a right to payment of a monetary obligation, regardless of
1643 ~~whether or not~~ earned by performance, for property that has been
1644 or is to be sold, leased, licensed, assigned, or otherwise
1645 disposed of; for services rendered or to be rendered; for a
1646 policy of insurance issued or to be issued; for a secondary
1647 obligation incurred or to be incurred; for energy provided or to
1648 be provided; for the use or hire of a vessel under a charter or
1649 other contract; arising out of the use of a credit or charge
1650 card or information contained on or for use with the card; or as
1651 winnings in a lottery or other game of chance operated or
1652 sponsored by a state, governmental unit of a state, or person
1653 licensed or authorized to operate the game by a state or

577-02477-25

20251666c1

1654 governmental unit of a state. The term includes controllable
1655 accounts and health-care-insurance receivables. The term does
1656 not include ~~rights to payment evidenced by~~ chattel paper ~~or an~~
1657 ~~instrument~~; commercial tort claims; deposit accounts; investment
1658 property; letter-of-credit rights or letters of credit; ~~or~~
1659 rights to payment for money or funds advanced or sold, other
1660 than rights arising out of the use of a credit or charge card or
1661 information contained on or for use with the card; or rights to
1662 payment evidenced by an instrument.

1663 (c) "Account debtor" means a person obligated on an
1664 account, chattel paper, or general intangible. The term does not
1665 include persons obligated to pay a negotiable instrument, even
1666 if the negotiable instrument evidences ~~constitutes part of~~
1667 chattel paper.

1668 (d) "Accounting," except as used in the term "accounting
1669 for," means a record:

- 1670 1. Signed ~~Authenticated~~ by a secured party;
- 1671 2. Indicating the aggregate unpaid secured obligations as
1672 of a date not more than 35 days earlier or 35 days later than
1673 the date of the record; and
- 1674 3. Identifying the components of the obligations in
1675 reasonable detail.

1676 (g) "Assignee," except as used in "assignee for benefit of
1677 creditors," means a person:

- 1678 1. In whose favor a security interest that secures an
1679 obligation is created or provided for under a security
1680 agreement, regardless of whether the obligation is outstanding;
1681 or
- 1682 2. To which an account, chattel paper, payment intangible,

577-02477-25

20251666c1

1683 or promissory note has been sold.

1684
1685 The term includes a person to which a security interest has been
1686 transferred by a secured party.

1687 (h) "Assignor" means a person that:

1688 1. Under a security agreement creates or provides for a
1689 security interest that secures an obligation; or

1690 2. Sells an account, chattel paper, payment intangible, or
1691 promissory note.

1692
1693 The term includes a secured party that has transferred a
1694 security interest to another person "Authenticate" means:

1695 1. To sign; or

1696 2. With the present intent to adopt or accept a record, to
1697 attach to or logically associate with the record an electronic
1698 sound, symbol, or process.

1699 (1)(k) "Chattel paper" means:

1700 1. A right to payment of a monetary obligation secured by
1701 specific goods, if the right to payment and security agreement
1702 are evidenced by a record; or

1703 2. A right to payment of a monetary obligation owed by a
1704 lessee under a lease agreement with respect to specific goods
1705 and a monetary obligation owed by the lessee in connection with
1706 the transaction giving rise to the lease, if:

1707 a. The right to payment and lease agreement are evidenced
1708 by a record; and

1709 b. The predominant purpose of the transaction giving rise
1710 to the lease was to give the lessee the right to possession and
1711 use of the goods.

577-02477-25

20251666c1

1712
1713 The term does not include a right to payment arising out of a
1714 charter or other contract involving the use or hire of a vessel
1715 or a right to payment arising out of the use of a credit or
1716 charge card or information contained on or for use with the card
1717 ~~a record or records that evidence both a monetary obligation and~~
1718 ~~a security interest in specific goods, a security interest in~~
1719 ~~specific goods and software used in the goods, a security~~
1720 ~~interest in specific goods and license of software used in the~~
1721 ~~goods, a lease of specific goods, or a lease of specific goods~~
1722 ~~and license of software used in the goods. In this paragraph,~~
1723 ~~“monetary obligation” means a monetary obligation secured by the~~
1724 ~~goods or owed under a lease of the goods and includes a monetary~~
1725 ~~obligation with respect to software used in the goods. The term~~
1726 ~~does not include charters or other contracts involving the use~~
1727 ~~or hire of a vessel or records that evidence a right to payment~~
1728 ~~arising out of the use of a credit or charge card or information~~
1729 ~~contained on or for use with the card. If a transaction is~~
1730 ~~evidenced by records that include an instrument or series of~~
1731 ~~instruments, the group of records taken together constitutes~~
1732 ~~chattel paper.~~

1733 (cc) “Controllable account” means an account evidenced by a
1734 controllable electronic record that provides that the account
1735 debtor undertakes to pay the person that has control under s.
1736 669.105 of the controllable electronic record.

1737 (dd) “Controllable payment intangible” means a payment
1738 intangible evidenced by a controllable electronic record that
1739 provides that the account debtor undertakes to pay the person
1740 that has control under s. 669.105 of the controllable electronic

577-02477-25

20251666c1

1741 record.

1742 (hh)~~(ee)~~ "Electronic money" means money in an electronic
1743 form ~~chattel paper~~ means ~~chattel paper evidenced by a record or~~
1744 ~~records consisting of information stored in an electronic~~
1745 ~~medium.~~

1746 (ss)~~(pp)~~ "General intangible" means any personal property,
1747 including things in action, other than accounts, chattel paper,
1748 commercial tort claims, deposit accounts, documents, goods,
1749 instruments, investment property, letter-of-credit rights,
1750 letters of credit, money, and oil, gas, or other minerals before
1751 extraction. The term includes controllable electronic records,
1752 payment intangibles, and software.

1753 (xx)~~(uu)~~ "Instrument" means a negotiable instrument or any
1754 other writing that evidences a right to the payment of a
1755 monetary obligation, is not itself a security agreement or
1756 lease, and is of a type that in the ordinary course of business
1757 is transferred by delivery with any necessary indorsement or
1758 assignment. The term does not include investment property,
1759 letters of credit, ~~or~~ writings that evidence a right to payment
1760 arising out of the use of a credit or charge card or information
1761 contained on or for use with the card, or writings that evidence
1762 chattel paper.

1763 (fff) "Money" has the same meaning as in s. 671.201, but
1764 does not include a deposit account or money in an electronic
1765 form that cannot be subjected to control under s. 679.1052.

1766 (mmm)~~(iii)~~ "Payment intangible" means a general intangible
1767 under which the account debtor's principal obligation is a
1768 monetary obligation. The term includes a controllable payment
1769 intangible.

577-02477-25

20251666c1

1770 ~~(rrr)(nnn)~~ "Proposal" means a record signed ~~authenticated~~
1771 by a secured party which includes the terms on which the secured
1772 party is willing to accept collateral in full or partial
1773 satisfaction of the obligation it secures pursuant to ss.
1774 679.620, 679.621, and 679.622.

1775 ~~(vvv)~~ "Send," ~~in connection with a record or notification,~~
1776 means:

1777 ~~1. To deposit in the mail, deliver for transmission, or~~
1778 ~~transmit by any other usual means of communication, with postage~~
1779 ~~or cost of transmission provided for, addressed to any address~~
1780 ~~reasonable under the circumstances; or~~

1781 ~~2. To cause the record or notification to be received~~
1782 ~~within the time that it would have been received if properly~~
1783 ~~sent under subparagraph 1.~~

1784 ~~(cccc)(zzz)~~ "Tangible money chattel paper" means money in
1785 tangible form ~~chattel paper evidenced by a record or records~~
1786 ~~consisting of information that is inscribed on a tangible~~
1787 ~~medium.~~

1788 (2) The following definitions in other chapters apply to
1789 this chapter:

1790 "Applicant," s. 675.103.

1791 "Beneficiary," s. 675.103.

1792 "Broker," s. 678.1021.

1793 "Certificated security," s. 678.1021.

1794 "Check," s. 673.1041.

1795 "Clearing corporation," s. 678.1021.

1796 "Contract for sale," s. 672.106.

1797 "Control," s. 677.106.

1798 "Controllable electronic record," s. 669.102.

577-02477-25

20251666c1

1799 "Customer," s. 674.104.
 1800 "Entitlement holder," s. 678.1021.
 1801 "Financial asset," s. 678.1021.
 1802 "Holder in due course," s. 673.3021.
 1803 "Issuer" (with respect to a letter of credit
 1804 or letter-of-credit right), s. 675.103.
 1805 "Issuer" (with respect to a security), s. 678.2011.
 1806 "Issuer" (with respect to documents
 1807 of title), s. 677.102.
 1808 "Lease," s. 680.1031.
 1809 "Lease agreement," s. 680.1031.
 1810 "Lease contract," s. 680.1031.
 1811 "Leasehold interest," s. 680.1031.
 1812 "Lessee," s. 680.1031.
 1813 "Lessee in ordinary course of
 1814 business," s. 680.1031.
 1815 "Lessor," s. 680.1031.
 1816 "Lessor's residual interest," s. 680.1031.
 1817 "Letter of credit," s. 675.103.
 1818 "Merchant," s. 672.104.
 1819 "Negotiable instrument," s. 673.1041.
 1820 "Nominated person," s. 675.103.
 1821 "Note," s. 673.1041.
 1822 "Proceeds of a letter of credit," s. 675.114.
 1823 "Protected purchaser," s. 678.3031.
 1824 "Prove," s. 673.1031.
 1825 "Qualifying purchaser," s. 669.102.
 1826 "Sale," s. 672.106.
 1827 "Securities account," s. 678.5011.

577-02477-25

20251666c1

1828 "Securities intermediary," s. 678.1021.

1829 "Security," s. 678.1021.

1830 "Security certificate," s. 678.1021.

1831 "Security entitlement," s. 678.1021.

1832 "Uncertificated security," s. 678.1021.

1833 Section 68. Subsection (1) of section 679.1041, Florida
1834 Statutes, is amended to read:

1835 679.1041 Control of deposit account.—

1836 (1) A secured party has control of a deposit account if any
1837 of the following applies:

1838 (a) The secured party is the bank with which the deposit
1839 account is maintained.~~†~~

1840 (b) The debtor, secured party, and bank have agreed in a
1841 signed ~~an authenticated~~ record that the bank will comply with
1842 instructions originated by the secured party directing
1843 disposition of the funds in the deposit account without further
1844 consent by the debtor.~~† or~~

1845 (c) The secured party becomes the bank's customer with
1846 respect to the deposit account.

1847 (d) Another person, other than the debtor:

1848 1. Has control of the deposit account and acknowledges that
1849 it has control on behalf of the secured party; or

1850 2. Obtains control of the deposit account after having
1851 acknowledged that it will obtain control of the deposit account
1852 on behalf of the secured party.

1853 Section 69. Section 679.1051, Florida Statutes, is amended
1854 to read:

1855 679.1051 Control of electronic chattel paper.—

1856 (1) A purchaser has control of an authoritative electronic

577-02477-25

20251666c1

1857 copy of a record evidencing chattel paper if a system employed
1858 for evidencing the assignment of interests in the chattel paper
1859 reliably establishes the purchaser as the person to which the
1860 authoritative electronic copy was assigned.

1861 (2) A system satisfies subsection (1) if the record or
1862 records evidencing the chattel paper are created, stored, and
1863 assigned in a manner that:

1864 (a) A single authoritative copy of the record or records
1865 exists which is unique, identifiable, and, except as otherwise
1866 provided in paragraphs (d), (e), and (f), unalterable;

1867 (b) The authoritative copy identifies the purchaser as the
1868 assignee of the record or records;

1869 (c) The authoritative copy is communicated to and
1870 maintained by the purchaser or its designated custodian;

1871 (d) Copies or amendments that add or change an identified
1872 assignee of the authoritative copy can be made only with the
1873 consent of the purchaser;

1874 (e) Each copy of the authoritative copy and any copy of a
1875 copy is readily identifiable as a copy that is not the
1876 authoritative copy; and

1877 (f) Any amendment of the authoritative copy is readily
1878 identifiable as authorized or unauthorized.

1879 (3) A system satisfies subsection (1), and a purchaser has
1880 control of an authoritative electronic copy of a record
1881 evidencing chattel paper, if the electronic copy, a record
1882 attached to or logically associated with the electronic copy, or
1883 a system in which the electronic copy is recorded:

1884 (a) Enables the purchaser to readily identify each
1885 electronic copy as either an authoritative copy or a

577-02477-25

20251666c1

1886 nonauthoritative copy;

1887 (b) Enables the purchaser to readily identify itself in any
1888 way, including by name, identifying number, cryptographic key,
1889 office, or account number, as the assignee of the authoritative
1890 electronic copy; and

1891 (c) Gives the purchaser exclusive power, subject to
1892 subsection (4), to:

1893 1. Prevent others from adding or changing an identified
1894 assignee of the authoritative electronic copy; and

1895 2. Transfer control of the authoritative electronic copy.

1896 (4) Subject to subsection (5), a power is exclusive under
1897 subparagraphs (3)(c)1. and 2. even if:

1898 (a) The authoritative electronic copy, a record attached to
1899 or logically associated with the authoritative electronic copy,
1900 or a system in which the authoritative electronic copy is
1901 recorded limits the use of the authoritative electronic copy or
1902 has a protocol programmed to cause a change, including a
1903 transfer or loss of control; or

1904 (b) The power is shared with another person.

1905 (5) A power of a purchaser is not shared with another
1906 person as provided in paragraph (4)(b) and the purchaser's power
1907 is not exclusive if:

1908 (a) The purchaser can exercise the power only if the power
1909 also is exercised by the other person; and

1910 (b) The other person:

1911 1. Can exercise the power without exercise of the power by
1912 the purchaser; or

1913 2. Is the transferor to the purchaser of an interest in the
1914 chattel paper.

577-02477-25

20251666c1

1915 (6) If a purchaser has the powers specified in
1916 subparagraphs (3)(c)1. and 2., the powers are presumed to be
1917 exclusive.

1918 (7) A purchaser has control of an authoritative electronic
1919 copy of a record evidencing chattel paper if another person,
1920 other than the transferor to the purchaser of an interest in the
1921 chattel paper:

1922 (a) Has control of the authoritative electronic copy and
1923 acknowledges that it has control on behalf of the purchaser; or

1924 (b) Obtains control of the authoritative electronic copy
1925 after having acknowledged that it will obtain control of the
1926 electronic copy on behalf of the purchaser ~~A secured party has~~
1927 ~~control of electronic chattel paper if a system employed for~~
1928 ~~evidencing the transfer of interests in the chattel paper~~
1929 ~~reliably establishes the secured party as the person to which~~
1930 ~~the chattel paper was assigned.~~

1931 ~~(2) A system satisfies subsection (1), and a secured party~~
1932 ~~has control of electronic chattel paper, if the record or~~
1933 ~~records comprising the chattel paper are created, stored, and~~
1934 ~~assigned in such a manner that:~~

1935 ~~(a) A single authoritative copy of the record or records~~
1936 ~~exists which is unique, identifiable and, except as otherwise~~
1937 ~~provided in paragraphs (d), (e), and (f), unalterable;~~

1938 ~~(b) The authoritative copy identifies the secured party as~~
1939 ~~the assignee of the record or records;~~

1940 ~~(c) The authoritative copy is communicated to and~~
1941 ~~maintained by the secured party or its designated custodian;~~

1942 ~~(d) Copies or amendments that add or change an identified~~
1943 ~~assignee of the authoritative copy can be made only with the~~

577-02477-25

20251666c1

1944 ~~consent of the secured party;~~

1945 ~~(e) Each copy of the authoritative copy and any copy of a~~
1946 ~~copy is readily identifiable as a copy that is not the~~
1947 ~~authoritative copy; and~~

1948 ~~(f) Any amendment of the authoritative copy is readily~~
1949 ~~identifiable as authorized or unauthorized.~~

1950 Section 70. Section 679.1052, Florida Statutes, is created
1951 to read:

1952 679.1052 Control of electronic money.-

1953 (1) A person has control of electronic money if both of the
1954 following apply:

1955 (a) The electronic money, a record attached to or logically
1956 associated with the electronic money, or a system in which the
1957 electronic money is recorded gives the person:

1958 1. Power to avail itself of substantially all the benefit
1959 from the electronic money; and

1960 2. Exclusive power, subject to subsection (2), to:

1961 a. Prevent others from availing themselves of substantially
1962 all the benefit from the electronic money; and

1963 b. Transfer control of the electronic money to another
1964 person or cause another person to obtain control of other
1965 electronic money as a result of the transfer of the electronic
1966 money.

1967 (b) The electronic money, a record attached to or logically
1968 associated with the electronic money, or a system in which the
1969 electronic money is recorded enables the person readily to
1970 identify itself in any way, including by name, identifying
1971 number, cryptographic key, office, or account number, as having
1972 the powers under paragraph (a).

577-02477-25

20251666c1

1973 (2) Subject to subsection (3), a power is exclusive under
1974 sub-subparagraphs (1)(a)2.a. and b. even if:

1975 (a) The electronic money, a record attached to or logically
1976 associated with the electronic money, or a system in which the
1977 electronic money is recorded limits the use of the electronic
1978 money or has a protocol programmed to cause a change, including
1979 a transfer or loss of control; or

1980 (b) The power is shared with another person.

1981 (3) A power of a person is not shared with another person
1982 under paragraph (2)(b) and the person's power is not exclusive
1983 if:

1984 (a) The person can exercise the power only if the power
1985 also is exercised by the other person; and

1986 (b) The other person:

1987 1. Can exercise the power without exercise of the power by
1988 the person; or

1989 2. Is the transferor to the person of an interest in the
1990 electronic money.

1991 (4) If a person has the powers specified in sub-
1992 subparagraphs (1)(a)2.a. and b., the powers are presumed to be
1993 exclusive.

1994 (5) A person has control of electronic money if another
1995 person, other than the transferor to the person of an interest
1996 in the electronic money:

1997 (a) Has control of the electronic money and acknowledges
1998 that it has control on behalf of the person; or

1999 (b) Obtains control of the electronic money after having
2000 acknowledged that it will obtain control of the electronic money
2001 on behalf of the person.

577-02477-25

20251666c1

2002 Section 71. Section 679.1053, Florida Statutes, is created
2003 to read:

2004 679.1053 Control of controllable electronic record,
2005 controllable account, or controllable payment intangible.-

2006 (1) A secured party has control of a controllable
2007 electronic record as provided in s. 669.105.

2008 (2) A secured party has control of a controllable account
2009 or controllable payment intangible if the secured party has
2010 control of the controllable electronic record that evidences the
2011 controllable account or controllable payment intangible.

2012 Section 72. Section 679.1054, Florida Statutes, is created
2013 to read:

2014 679.1054 No requirement to acknowledge or confirm; no
2015 duties.-

2016 (1) A person that has control under s. 679.1051, s.
2017 679.1052, or s. 679.1053 is not required to acknowledge that it
2018 has control on behalf of another person.

2019 (2) If a person acknowledges that it has or will obtain
2020 control on behalf of another person, unless the person otherwise
2021 agrees, or law other than this chapter otherwise provides, the
2022 person does not owe any duty to the other person and is not
2023 required to confirm the acknowledgment to any other person.

2024 Section 73. Subsections (2) and (10) of section 679.2031,
2025 Florida Statutes, are amended to read:

2026 679.2031 Attachment and enforceability of security
2027 interest; proceeds; supporting obligations; formal requisites.-

2028 (2) Except as otherwise provided in subsections (3) through
2029 (10), a security interest is enforceable against the debtor and
2030 third parties with respect to the collateral only if:

577-02477-25

20251666c1

- 2031 (a) Value has been given;
- 2032 (b) The debtor has rights in the collateral or the power to
2033 transfer rights in the collateral to a secured party; and
- 2034 (c) One of the following conditions is met:
- 2035 1. The debtor has signed ~~authenticated~~ a security agreement
2036 that provides a description of the collateral and, if the
2037 security interest covers timber to be cut, a description of the
2038 land concerned;
- 2039 2. The collateral is not a certificated security and is in
2040 the possession of the secured party under s. 679.3131 pursuant
2041 to the debtor's security agreement;
- 2042 3. The collateral is a certificated security in registered
2043 form and the security certificate has been delivered to the
2044 secured party under s. 678.3011 pursuant to the debtor's
2045 security agreement; ~~or~~
- 2046 4. The collateral is controllable accounts, controllable
2047 electronic records, controllable payment intangibles, deposit
2048 accounts, electronic documents, electronic money ~~chattel paper,~~
2049 investment property, or letter-of-credit rights, ~~or electronic~~
2050 ~~documents,~~ and the secured party has control under s. 669.105,
2051 s. 677.106, s. 679.1041, s. 679.1051, s. 679.1061, or s.
2052 679.1071 pursuant to the debtor's security agreement; or
- 2053 5. The collateral is chattel paper and the secured party
2054 has possession and control under s. 679.3152 pursuant to the
2055 debtor's security agreement.
- 2056 (10) A security interest in an account consisting of a
2057 right to payment of a monetary obligation for the sale of real
2058 property that is the debtor's homestead under the laws of this
2059 state is not enforceable unless:

577-02477-25

20251666c1

2060 (a) The description of the account in the security
2061 agreement conspicuously states that the collateral includes the
2062 debtor's right to payment of a monetary obligation for the sale
2063 of real property;

2064 (b) The description of the account in the security
2065 agreement includes a legal description of the real property;

2066 (c) The description of the account in the security
2067 agreement conspicuously states that the real property is the
2068 debtor's homestead; and

2069 (d) The security agreement is also signed ~~authenticated~~ by
2070 the debtor's spouse, if the debtor is married; if the debtor's
2071 spouse is incompetent, then the method of signature
2072 ~~authentication~~ by the debtor's spouse is the same as provided by
2073 the laws of this state, other than this chapter, which apply to
2074 the alienation or encumbrance of homestead property by an
2075 incompetent person.

2076 Section 74. Present subsection (3) of section 679.2041,
2077 Florida Statutes, is redesignated as subsection (4), a new
2078 subsection (3) is added to that section, and subsection (2) of
2079 that section is amended, to read:

2080 679.2041 After-acquired property; future advances.—

2081 (2) Subject to subsection (3), a security interest does not
2082 attach under a term constituting an after-acquired property
2083 clause to:

2084 (a) Consumer goods, other than an accession when given as
2085 additional security, unless the debtor acquires rights in them
2086 within 10 days after the secured party gives value; or

2087 (b) A commercial tort claim.

2088 (3) Subsection (2) does not prevent a security interest

577-02477-25

20251666c1

2089 from attaching:

2090 (a) To a consumer good as proceeds under s. 679.3151(1) or
 2091 commingled goods under s. 679.336(3);

2092 (b) To a commercial tort claim as proceeds under s.
 2093 679.3151(1); or

2094 (c) Under an after-acquired property clause to property
 2095 that is proceeds of consumer goods or a commercial tort claim.

2096 Section 75. Subsection (3) of section 679.2071, Florida
 2097 Statutes, is amended to read:

2098 679.2071 Rights and duties of secured party having
 2099 possession or control of collateral.—

2100 (3) Except as otherwise provided in subsection (4), a
 2101 secured party having possession of collateral or control of
 2102 collateral under s. 677.106, s. 679.1041, s. 679.1051, s.
 2103 679.1052, s. 679.1061, or s. 679.1071:

2104 (a) May hold as additional security any proceeds, except
 2105 money or funds, received from the collateral;

2106 (b) Shall apply money or funds received from the collateral
 2107 to reduce the secured obligation, unless remitted to the debtor;
 2108 and

2109 (c) May create a security interest in the collateral.

2110 Section 76. Subsection (2) of section 679.2081, Florida
 2111 Statutes, is amended to read:

2112 679.2081 Additional duties of secured party having control
 2113 of collateral.—

2114 (2) Within 10 days after receiving a signed ~~an~~
 2115 ~~authenticated~~ demand by the debtor:

2116 (a) A secured party having control of a deposit account
 2117 under s. 679.1041(1) (b) shall send to the bank with which the

577-02477-25

20251666c1

2118 deposit account is maintained a signed record ~~an authenticated~~
2119 ~~statement~~ that releases the bank from any further obligation to
2120 comply with instructions originated by the secured party;

2121 (b) A secured party having control of a deposit account
2122 under s. 679.1041(1)(c) shall:

2123 1. Pay the debtor the balance on deposit in the deposit
2124 account; or

2125 2. Transfer the balance on deposit into a deposit account
2126 in the debtor's name;

2127 (c) A secured party, other than a buyer, having control
2128 under s. 679.1051 of an authoritative electronic copy of a
2129 record evidencing chattel paper shall transfer control of the
2130 electronic copy to the debtor or a person designated by the
2131 debtor ~~a secured party, other than a buyer, having control of~~
2132 ~~electronic chattel paper under s. 679.1051 shall:~~

2133 ~~1. Communicate the authoritative copy of the electronic~~
2134 ~~chattel paper to the debtor or its designated custodian;~~

2135 ~~2. If the debtor designates a custodian that is the~~
2136 ~~designated custodian with which the authoritative copy of the~~
2137 ~~electronic chattel paper is maintained for the secured party,~~
2138 ~~communicate to the custodian an authenticated record releasing~~
2139 ~~the designated custodian from any further obligation to comply~~
2140 ~~with instructions originated by the secured party and~~
2141 ~~instructing the custodian to comply with instructions originated~~
2142 ~~by the debtor; and~~

2143 ~~3. Take appropriate action to enable the debtor or the~~
2144 ~~debtor's designated custodian to make copies of or revisions to~~
2145 ~~the authoritative copy which add or change an identified~~
2146 ~~assignee of the authoritative copy without the consent of the~~

577-02477-25

20251666c1

2147 ~~secured party;~~

2148 (d) A secured party having control of investment property
2149 under s. 678.1061(4)(b) or s. 679.1061(2) shall send to the
2150 securities intermediary or commodity intermediary with which the
2151 security entitlement or commodity contract is maintained a
2152 signed ~~an authenticated~~ record that releases the securities
2153 intermediary or commodity intermediary from any further
2154 obligation to comply with entitlement orders or directions
2155 originated by the secured party;

2156 (e) A secured party having control of a letter-of-credit
2157 right under s. 679.1071 shall send to each person having an
2158 unfulfilled obligation to pay or deliver proceeds of the letter
2159 of credit to the secured party a signed ~~an authenticated~~ release
2160 from any further obligation to pay or deliver proceeds of the
2161 letter of credit to the secured party; ~~and~~

2162 (f) A secured party having control under s. 677.106 of an
2163 authoritative electronic copy of an electronic document of title
2164 shall transfer control of the electronic copy to the debtor or a
2165 person designated by the debtor;

2166 (g) A secured party having control under s. 679.1052 of
2167 electronic money shall transfer control of the electronic money
2168 to the debtor or a person designated by the debtor; and

2169 (h) A secured party having control under s. 669.105 of a
2170 controllable electronic record, other than a buyer of a
2171 controllable account or controllable payment intangible
2172 evidenced by the controllable electronic record, shall transfer
2173 control of the controllable electronic record to the debtor or a
2174 person designated by the debtor ~~of an electronic document shall:~~

2175 ~~1. Give control of the electronic document to the debtor or~~

577-02477-25

20251666c1

2176 ~~its designated custodian;~~

2177 ~~2. If the debtor designates a custodian that is the~~
2178 ~~designated custodian with which the authoritative copy of the~~
2179 ~~electronic document is maintained for the secured party,~~
2180 ~~communicate to the custodian an authenticated record releasing~~
2181 ~~the designated custodian from any further obligation to comply~~
2182 ~~with instructions originated by the secured party and~~
2183 ~~instructing the custodian to comply with instructions originated~~
2184 ~~by the debtor; and~~

2185 ~~3. Take appropriate action to enable the debtor or its~~
2186 ~~designated custodian to make copies of or revisions to the~~
2187 ~~authenticated copy which add or change an identified assignee of~~
2188 ~~the authoritative copy without the consent of the secured party.~~

2189 Section 77. Subsection (2) of section 679.209, Florida
2190 Statutes, is amended to read:

2191 679.209 Duties of secured party if account debtor has been
2192 notified of assignment.—

2193 (2) Within 10 days after receiving a signed an
2194 ~~authenticated~~ demand by the debtor, a secured party shall send
2195 to an account debtor that has received notification under s.
2196 669.106(2) or s. 679.4061(1) of an assignment to the secured
2197 party as assignee a signed ~~under s. 679.4061(1) an authenticated~~
2198 record that releases the account debtor from any further
2199 obligation to the secured party.

2200 Section 78. Section 679.210, Florida Statutes, is amended
2201 to read:

2202 679.210 Request for accounting; request regarding list of
2203 collateral or statement of account.—

2204 (1) In this section, the term:

577-02477-25

20251666c1

2205 (a) "Request" means a record of a type described in
2206 paragraph (b), paragraph (c), or paragraph (d).

2207 (b) "Request for an accounting" means a record signed
2208 ~~authenticated~~ by a debtor requesting that the recipient provide
2209 an accounting of the unpaid obligations secured by collateral
2210 and reasonably identifying the transaction or relationship that
2211 is the subject of the request.

2212 (c) "Request regarding a list of collateral" means a record
2213 signed ~~authenticated~~ by a debtor requesting that the recipient
2214 approve or correct a list of what the debtor believes to be the
2215 collateral securing an obligation and reasonably identifying the
2216 transaction or relationship that is the subject of the request.

2217 (d) "Request regarding a statement of account" means a
2218 record signed ~~authenticated~~ by a debtor requesting that the
2219 recipient approve or correct a statement indicating what the
2220 debtor believes to be the aggregate amount of unpaid obligations
2221 secured by collateral as of a specified date and reasonably
2222 identifying the transaction or relationship that is the subject
2223 of the request.

2224 (e) "Reasonably identifying the transaction or
2225 relationship" means that the request provides information
2226 sufficient for the person to identify the transaction or
2227 relationship and respond to the request. Pursuant to s.
2228 679.603(1), a secured party and debtor may determine by
2229 agreement the standards for measuring fulfillment of this duty.

2230 (f) "Person" means a person or entity that is or was a
2231 secured party or otherwise claims or has claimed an interest in
2232 the collateral.

2233 (2) Subject to subsections (3)-(6) ~~(3), (4), (5), and (6),~~

577-02477-25

20251666c1

2234 a secured party, other than a buyer of accounts, chattel paper,
2235 payment intangibles, or promissory notes or a consignor, shall
2236 comply with a request within 14 days after receipt:

2237 (a) In the case of a request for an accounting, by signing
2238 ~~authenticating~~ and sending to the debtor an accounting; and

2239 (b) In the case of a request regarding a list of collateral
2240 or a request regarding a statement of account, by signing
2241 ~~authenticating~~ and sending to the debtor an approval or
2242 correction.

2243 (3) A secured party that claims a security interest in all
2244 of a particular type of collateral owned by the debtor may
2245 comply with a request regarding a list of collateral by sending
2246 to the debtor a signed ~~an authenticated~~ record including a
2247 statement to that effect within 14 days after receipt.

2248 (4) A person who receives a request regarding a list of
2249 collateral, claims no interest in the collateral when the
2250 request is received, and claimed an interest in the collateral
2251 at an earlier time shall comply with the request within 14 days
2252 after receipt by sending to the debtor a signed ~~an authenticated~~
2253 record:

2254 (a) Disclaiming any interest in the collateral; and

2255 (b) If known to the recipient, providing the name and
2256 mailing address of any assignee of or successor to the
2257 recipient's interest in the collateral.

2258 (5) A person who receives a request for an accounting or a
2259 request regarding a statement of account, claims no interest in
2260 the obligations when the request is received, and claimed an
2261 interest in the obligations at an earlier time shall comply with
2262 the request within 14 days after receipt by sending to the

577-02477-25

20251666c1

2263 debtor a signed ~~an authenticated~~ record:

2264 (a) Disclaiming any interest in the obligations; and

2265 (b) If known to the recipient, providing the name and
2266 mailing address of any assignee of or successor to the
2267 recipient's interest in the obligations.

2268 (6) A debtor is entitled under this section without charge
2269 to one response to a request for an accounting or a request
2270 regarding a statement of account for each secured obligation
2271 during any 6-month period. A debtor in a consumer transaction is
2272 entitled to a single response to a request regarding a list of
2273 collateral without charge during any 6-month period. The secured
2274 party may require payment of a charge not exceeding \$25 for each
2275 additional response to a request for an accounting, a request
2276 regarding a statement of account, or a request regarding a list
2277 of collateral for a consumer transaction. To the extent provided
2278 in a signed ~~an authenticated~~ record, the secured party may
2279 require the payment of reasonable expenses, including attorney's
2280 fees, reasonably incurred in providing a response to a request
2281 regarding a list of collateral for a transaction other than a
2282 consumer transaction under this section; otherwise, the secured
2283 party may not charge more than \$25 for each request regarding a
2284 list of collateral. Excluding a request related to a proposed
2285 satisfaction of the secured obligation, a secured party is not
2286 required to respond to more than 12 of each of the permitted
2287 requests in any 12-month period.

2288 Section 79. Section 679.3011, Florida Statutes, is amended
2289 to read:

2290 679.3011 Law governing perfection and priority of security
2291 interests.—Except as otherwise provided in ss. 679.1091,

577-02477-25

20251666c1

2292 679.3031, 679.3041, 679.3051, ~~and~~ 679.3061, and 679.3062, the
2293 following rules determine the law governing perfection, the
2294 effect of perfection or nonperfection, and the priority of a
2295 security interest in collateral:

2296 (1) Except as otherwise provided in this section, while a
2297 debtor is located in a jurisdiction, the local law of that
2298 jurisdiction governs perfection, the effect of perfection or
2299 nonperfection, and the priority of a security interest in
2300 collateral.

2301 (2) While collateral is located in a jurisdiction, the
2302 local law of that jurisdiction governs perfection, the effect of
2303 perfection or nonperfection, and the priority of a possessory
2304 security interest in that collateral.

2305 (3) Except as otherwise provided in subsections (4) and
2306 (5), while tangible negotiable documents, goods, instruments, or
2307 tangible money, ~~or tangible chattel paper~~ is located in a
2308 jurisdiction, the local law of that jurisdiction governs:

2309 (a) Perfection of a security interest in the goods by
2310 filing a fixture filing;

2311 (b) Perfection of a security interest in timber to be cut;
2312 and

2313 (c) The effect of perfection or nonperfection and the
2314 priority of a nonpossessory security interest in the collateral.

2315 (4) The local law of the jurisdiction in which the wellhead
2316 or minehead is located governs perfection, the effect of
2317 perfection or nonperfection, and the priority of a security
2318 interest in as-extracted collateral.

2319 (5) The law of this state governs:

2320 (a) The perfection of a security interest in goods that are

577-02477-25

20251666c1

2321 or are to become fixtures in this state by the filing of a
2322 fixture filing.

2323 (b) The effect of perfection or nonperfection and the
2324 priority of a security interest in goods that are or are to
2325 become fixtures in this state.

2326 Section 80. Subsection (1) of section 679.3041, Florida
2327 Statutes, is amended to read:

2328 679.3041 Law governing perfection and priority of security
2329 interests in deposit accounts.—

2330 (1) The local law of a bank's jurisdiction governs
2331 perfection, the effect of perfection or nonperfection, and the
2332 priority of a security interest in a deposit account maintained
2333 with that bank even if the transaction does not bear any
2334 relation to the bank's jurisdiction.

2335 Section 81. Paragraph (e) is added to subsection (1) of
2336 section 679.3051, Florida Statutes, to read:

2337 679.3051 Law governing perfection and priority of security
2338 interests in investment property.—

2339 (1) Except as otherwise provided in subsection (3), the
2340 following rules apply:

2341 (e) Paragraphs (b), (c), and (d) apply even if the
2342 transaction does not bear any relation to the jurisdiction.

2343 Section 82. Section 679.3062, Florida Statutes, is created
2344 to read:

2345 679.3062 Law governing perfection and priority of security
2346 interests in chattel paper.—

2347 (1) Except as provided in subsection (4), if chattel paper
2348 is evidenced only by an authoritative electronic copy of the
2349 chattel paper or is evidenced by an authoritative electronic

577-02477-25

20251666c1

2350 copy and an authoritative tangible copy, the local law of the
2351 chattel paper's jurisdiction governs perfection, the effect of
2352 perfection or nonperfection, and the priority of a security
2353 interest in the chattel paper, even if the transaction does not
2354 bear any relation to the chattel paper's jurisdiction.

2355 (2) The following rules determine the chattel paper's
2356 jurisdiction under this section:

2357 (a) If the authoritative electronic copy of the record
2358 evidencing chattel paper, or a record attached to or logically
2359 associated with the electronic copy and readily available for
2360 review, expressly provides that a particular jurisdiction is the
2361 chattel paper's jurisdiction for purposes of s. 679.3061, this
2362 chapter, or the Uniform Commercial Code, that jurisdiction is
2363 the chattel paper's jurisdiction.

2364 (b) If paragraph (a) does not apply and the rules of the
2365 system in which the authoritative electronic copy is recorded
2366 are readily available for review and expressly provide that a
2367 particular jurisdiction is the chattel paper's jurisdiction for
2368 purposes of s. 679.3061, this chapter, or the Uniform Commercial
2369 Code, that jurisdiction is the chattel paper's jurisdiction.

2370 (c) If paragraphs (a) and (b) do not apply and the
2371 authoritative electronic copy, or a record attached to or
2372 logically associated with the electronic copy and readily
2373 available for review, expressly provides that the chattel paper
2374 is governed by the law of a particular jurisdiction, that
2375 jurisdiction is the chattel paper's jurisdiction.

2376 (d) If paragraphs (a), (b), and (c) do not apply and the
2377 rules of the system in which the authoritative electronic copy
2378 is recorded are readily available for review and expressly

577-02477-25

20251666c1

2379 provide that the chattel paper or the system is governed by the
2380 law of a particular jurisdiction, that jurisdiction is the
2381 chattel paper's jurisdiction.

2382 (e) If paragraphs (a)-(d) do not apply, the chattel paper's
2383 jurisdiction is the jurisdiction in which the debtor is located.

2384 (3) If an authoritative tangible copy of a record evidences
2385 chattel paper and the chattel paper is not evidenced by an
2386 authoritative electronic copy, while the authoritative tangible
2387 copy of the record evidencing chattel paper is located in a
2388 jurisdiction, the local law of that jurisdiction governs:

2389 (a) Perfection of a security interest in the chattel paper
2390 by possession under s. 679.3152; and

2391 (b) The effect of perfection or nonperfection and the
2392 priority of a security interest in the chattel paper.

2393 (4) The local law of the jurisdiction in which the debtor
2394 is located governs perfection of a security interest in chattel
2395 paper by filing.

2396 Section 83. Section 679.3063, Florida Statutes, is created
2397 to read:

2398 679.3063 Law governing perfection and priority of security
2399 interests in controllable accounts, controllable electronic
2400 records, and controllable payment intangibles.-

2401 (1) Except as provided in subsection (2), the local law of
2402 the controllable electronic record's jurisdiction specified in
2403 s. 669.107(3) and (4) governs perfection, the effect of
2404 perfection or nonperfection, and the priority of a security
2405 interest in a controllable electronic record and a security
2406 interest in a controllable account or controllable payment
2407 intangible evidenced by the controllable electronic record.

577-02477-25

20251666c1

2408 (2) The local law of the jurisdiction in which the debtor
2409 is located governs:

2410 (a) Perfection of a security interest in a controllable
2411 account, controllable electronic record, or controllable payment
2412 intangible by filing; and

2413 (b) Automatic perfection of a security interest in a
2414 controllable payment intangible created by a sale of the
2415 controllable payment intangible.

2416 Section 84. Subsection (2) of section 679.3101, Florida
2417 Statutes, is amended, and subsection (1) of that section is
2418 republished, to read:

2419 679.3101 When filing required to perfect security interest
2420 or agricultural lien; security interests and agricultural liens
2421 to which filing provisions do not apply.—

2422 (1) Except as otherwise provided in subsection (2) and s.
2423 679.3121(2), a financing statement must be filed to perfect all
2424 security interests and agricultural liens.

2425 (2) The filing of a financing statement is not necessary to
2426 perfect a security interest:

2427 (a) That is perfected under s. 679.3081(4), (5), (6), or
2428 (7);

2429 (b) That is perfected under s. 679.3091 when it attaches;

2430 (c) In property subject to a statute, regulation, or treaty
2431 described in s. 679.3111(1);

2432 (d) In goods in possession of a bailee which is perfected
2433 under s. 679.3121(4) (a) or (b);

2434 (e) In certificated securities, documents, goods, or
2435 instruments which is perfected without filing, control, or
2436 possession under s. 679.3121(5), (6), or (7);

577-02477-25

20251666c1

2437 (f) In collateral in the secured party's possession under
2438 s. 679.3131;

2439 (g) In a certificated security which is perfected by
2440 delivery of the security certificate to the secured party under
2441 s. 679.3131;

2442 (h) In controllable accounts, controllable electronic
2443 records, controllable payment intangibles, deposit accounts,
2444 ~~electronic chattel paper,~~ electronic documents, investment
2445 property, or letter-of-credit rights which is perfected by
2446 control under s. 679.3141(1) ~~s. 679.3141~~;

2447 (i) In proceeds which is perfected under s. 679.3151; or

2448 (j) That is perfected under s. 679.3161.

2449 Section 85. Section 679.3121, Florida Statutes, is amended
2450 to read:

2451 679.3121 Perfection of security interests in chattel paper,
2452 controllable accounts, controllable electronic records,
2453 controllable payment intangibles, deposit accounts, documents,
2454 goods covered by documents, instruments, investment property,
2455 letter-of-credit rights, and money; perfection by permissive
2456 filing; temporary perfection without filing or transfer of
2457 possession.—

2458 (1) A security interest in chattel paper, controllable
2459 accounts, controllable electronic records, controllable payment
2460 intangibles ~~negotiable documents,~~ instruments, ~~or~~ investment
2461 property, or negotiable documents may be perfected by filing.

2462 (2) Except as otherwise provided in s. 679.3151(3) and (4)
2463 for proceeds:

2464 (a) A security interest in a deposit account may be
2465 perfected only by control under s. 679.3141.

577-02477-25

20251666c1

2466 (b) And except as otherwise provided in s. 679.3081(4), a
2467 security interest in a letter-of-credit right may be perfected
2468 only by control under s. 679.3141.

2469 (c) A security interest in tangible money may be perfected
2470 only by the secured party's taking possession under s. 679.3131.

2471 (d) A security interest in electronic money may be
2472 perfected only by control under s. 679.3141.

2473 (3) While goods are in the possession of a bailee that has
2474 issued a negotiable document covering the goods:

2475 (a) A security interest in the goods may be perfected by
2476 perfecting a security interest in the document; and

2477 (b) A security interest perfected in the document has
2478 priority over any security interest that becomes perfected in
2479 the goods by another method during that time.

2480 (4) While goods are in the possession of a bailee that has
2481 issued a nonnegotiable document covering the goods, a security
2482 interest in the goods may be perfected by:

2483 (a) Issuance of a document in the name of the secured
2484 party;

2485 (b) The bailee's receipt of notification of the secured
2486 party's interest; or

2487 (c) Filing as to the goods.

2488 (5) A security interest in certificated securities,
2489 negotiable documents, or instruments is perfected without filing
2490 or the taking of possession or control for a period of 20 days
2491 from the time it attaches to the extent that it arises for new
2492 value given under a signed ~~an authenticated~~ security agreement.

2493 (6) A perfected security interest in a negotiable document
2494 or goods in possession of a bailee, other than one that has

577-02477-25

20251666c1

2495 issued a negotiable document for the goods, remains perfected
2496 for 20 days without filing if the secured party makes available
2497 to the debtor the goods or documents representing the goods for
2498 the purpose of:

2499 (a) Ultimate sale or exchange; or

2500 (b) Loading, unloading, storing, shipping, transshipping,
2501 manufacturing, processing, or otherwise dealing with them in a
2502 manner preliminary to their sale or exchange.

2503 (7) A perfected security interest in a certificated
2504 security or instrument remains perfected for 20 days without
2505 filing if the secured party delivers the security certificate or
2506 instrument to the debtor for the purpose of:

2507 (a) Ultimate sale or exchange; or

2508 (b) Presentation, collection, enforcement, renewal, or
2509 registration of transfer.

2510 (8) After the 20-day period specified in subsection (5),
2511 subsection (6), or subsection (7) expires, perfection depends
2512 upon compliance with this chapter.

2513 Section 86. Subsections (1), (3), and (4) of section
2514 679.3131, Florida Statutes, are amended to read:

2515 679.3131 When possession by or delivery to secured party
2516 perfects security interest without filing.-

2517 (1) Except as otherwise provided in subsection (2), a
2518 secured party may perfect a security interest in ~~tangible~~
2519 ~~negotiable documents,~~ goods, instruments, negotiable tangible
2520 documents, or tangible money, ~~or tangible chattel paper~~ by
2521 taking possession of the collateral. A secured party may perfect
2522 a security interest in certificated securities by taking
2523 delivery of the certificated securities under s. 678.3011.

577-02477-25

20251666c1

2524 (3) With respect to collateral other than certificated
2525 securities and goods covered by a document, a secured party
2526 takes possession of collateral in the possession of a person
2527 other than the debtor, the secured party, or a lessee of the
2528 collateral from the debtor in the ordinary course of the
2529 debtor's business, when:

2530 (a) The person in possession signs ~~authenticates~~ a record
2531 acknowledging that it holds possession of the collateral for the
2532 secured party's benefit; or

2533 (b) The person takes possession of the collateral after
2534 having signed ~~authenticated~~ a record acknowledging that the
2535 person will hold possession of the collateral for the secured
2536 party's benefit.

2537 (4) If perfection of a security interest depends upon
2538 possession of the collateral by a secured party, perfection
2539 occurs not ~~no~~ earlier than the time the secured party takes
2540 possession and continues only while the secured party retains
2541 possession.

2542 Section 87. Section 679.3141, Florida Statutes, is amended
2543 to read:

2544 679.3141 Perfection by control.—

2545 (1) A security interest in controllable accounts,
2546 controllable electronic records, controllable payment
2547 intangibles, deposit accounts, electronic documents, electronic
2548 money, investment property, or letter-of-credit rights
2549 ~~investment property, deposit accounts, letter-of-credit rights,~~
2550 ~~electronic chattel paper, or electronic documents~~ may be
2551 perfected by control of the collateral under s. 677.106, s.
2552 679.1041, s. 679.1052, s. 679.1053 ~~s. 679.1051~~, s. 679.1061, or

577-02477-25

20251666c1

2553 s. 679.1071.

2554 (2) A security interest in controllable accounts,
2555 controllable electronic records, controllable payment
2556 intangibles, deposit accounts, electronic documents, electronic
2557 money, or letter-of-credit rights ~~deposit accounts, electronic~~
2558 ~~chattel paper, letter-of-credit rights, or electronic documents~~
2559 is perfected by control under s. 677.106, s. 679.1041, s.
2560 679.1052, s. 679.1053 ~~s. 679.1051~~, or s. 679.1071 not earlier
2561 than the time ~~when~~ the secured party obtains control and remains
2562 perfected by control only while the secured party retains
2563 control.

2564 (3) A security interest in investment property is perfected
2565 by control under s. 679.1061 not earlier than ~~from~~ the time the
2566 secured party obtains control and remains perfected by control
2567 until:

2568 (a) The secured party does not have control; and

2569 (b) One of the following occurs:

2570 1. If the collateral is a certificated security, the debtor
2571 has or acquires possession of the security certificate;

2572 2. If the collateral is an uncertificated security, the
2573 issuer has registered or registers the debtor as the registered
2574 owner; or

2575 3. If the collateral is a security entitlement, the debtor
2576 is or becomes the entitlement holder.

2577 Section 88. Section 679.3152, Florida Statutes, is created
2578 to read:

2579 679.3152 Perfection by possession and control of chattel
2580 paper.—

2581 (1) A secured party may perfect a security interest in

577-02477-25

20251666c1

2582 chattel paper by taking possession of each authoritative
2583 tangible copy of the record evidencing the chattel paper and
2584 obtaining control of each authoritative electronic copy of the
2585 electronic record evidencing the chattel paper.

2586 (2) A security interest is perfected under subsection (1)
2587 not earlier than the time the secured party takes possession and
2588 obtains control and remains perfected under subsection (1) only
2589 while the secured party retains possession and control.

2590 (3) Section 679.3131(3) and (5)-(8) applies to perfection
2591 by possession of an authoritative tangible copy of a record
2592 evidencing chattel paper.

2593 Section 89. Subsections (1) and (6) of section 679.3161,
2594 Florida Statutes, are amended to read:

2595 679.3161 Continued perfection of security interest
2596 following change in governing law.—

2597 (1) A security interest perfected pursuant to the law of
2598 the jurisdiction designated in s. 679.3011(1), ~~or~~ s.
2599 679.3051(3), s. 679.3062(4), or s. 679.3063(2) remains perfected
2600 until the earliest of:

2601 (a) The time perfection would have ceased under the law of
2602 that jurisdiction;

2603 (b) The expiration of 4 months after a change of the
2604 debtor's location to another jurisdiction; or

2605 (c) The expiration of 1 year after a transfer of collateral
2606 to a person who thereby becomes a debtor and is located in
2607 another jurisdiction.

2608 (6) A security interest in chattel paper, controllable
2609 accounts, controllable electronic records, controllable payment
2610 intangibles, deposit accounts, letter-of-credit rights, or

577-02477-25

20251666c1

2611 investment property which is perfected under the law of the
2612 chattel paper's jurisdiction, the controllable electronic
2613 record's jurisdiction, the bank's jurisdiction, the issuer's
2614 jurisdiction, a nominated person's jurisdiction, the securities
2615 intermediary's jurisdiction, or the commodity intermediary's
2616 jurisdiction, as applicable, remains perfected until the earlier
2617 of:

2618 (a) The time the security interest would have become
2619 unperfected under the law of that jurisdiction; or

2620 (b) The expiration of 4 months after a change of the
2621 applicable jurisdiction to another jurisdiction.

2622 Section 90. Subsections (2) and (4) of section 679.3171,
2623 Florida Statutes, are amended, subsections (8) through (11) are
2624 added to that section, and subsection (1) of that section is
2625 republished, to read:

2626 679.3171 Interests that take priority over or take free of
2627 security interest or agricultural lien.—

2628 (1) A security interest or agricultural lien is subordinate
2629 to the rights of:

2630 (a) A person entitled to priority under s. 679.322; and

2631 (b) Except as otherwise provided in subsection (5), a
2632 person who becomes a lien creditor before the earlier of the
2633 time:

2634 1. The security interest or agricultural lien is perfected;
2635 or

2636 2. One of the conditions specified in s. 679.2031(2)(c) is
2637 met and a financing statement covering the collateral is filed.

2638 (2) Except as otherwise provided in subsection (5), a
2639 buyer, other than a secured party, of ~~tangible chattel paper,~~

577-02477-25

20251666c1

2640 ~~tangible documents,~~ goods, instruments, tangible documents, or a
2641 certificated security takes free of a security interest or
2642 agricultural lien if the buyer gives value and receives delivery
2643 of the collateral without knowledge of the security interest or
2644 agricultural lien and before it is perfected.

2645 (4) Subject to subsections (6), (7), and (8), a licensee of
2646 a general intangible or a buyer, other than a secured party, of
2647 collateral other than electronic money ~~tangible chattel paper,~~
2648 tangible documents, goods, instruments, tangible documents, or a
2649 certificated security takes free of a security interest if the
2650 licensee or buyer gives value without knowledge of the security
2651 interest and before it is perfected.

2652 (8) A buyer, other than a secured party, of chattel paper
2653 takes free of a security interest if, without knowledge of the
2654 security interest and before it is perfected, the buyer gives
2655 value and:

2656 (a) Receives delivery of each authoritative tangible copy
2657 of the record evidencing the chattel paper; and

2658 (b) If each authoritative electronic copy of the record
2659 evidencing the chattel paper can be subjected to control under
2660 s. 679.1052, obtains control of each authoritative electronic
2661 copy.

2662 (9) A buyer of an electronic document takes free of a
2663 security interest if, without knowledge of the security interest
2664 and before it is perfected, the buyer gives value and, if each
2665 authoritative electronic copy of the document can be subjected
2666 to control under s. 677.106, obtains control of each
2667 authoritative electronic copy.

2668 (10) A buyer of a controllable electronic record takes free

577-02477-25

20251666c1

2669 of a security interest if, without knowledge of the security
2670 interest and before it is perfected, the buyer gives value and
2671 obtains control of the controllable electronic record.

2672 (11) A buyer, other than a secured party, of a controllable
2673 account or a controllable payment intangible takes free of a
2674 security interest if, without knowledge of the security interest
2675 and before it is perfected, the buyer gives value and obtains
2676 control of the controllable account or controllable payment
2677 intangible.

2678 Section 91. Subsections (4) and (6) of section 679.323,
2679 Florida Statutes, are amended, and subsection (1) of that
2680 section is republished, to read:

2681 679.323 Future advances.—

2682 (1) Except as otherwise provided in subsection (3), for
2683 purposes of determining the priority of a perfected security
2684 interest under s. 679.322(1)(a), perfection of the security
2685 interest dates from the time an advance is made to the extent
2686 that the security interest secures an advance that:

2687 (a) Is made while the security interest is perfected only:

2688 1. Under s. 679.3091 when it attaches; or

2689 2. Temporarily under s. 679.3121(5), (6), or (7); and

2690 (b) Is not made pursuant to a commitment entered into
2691 before or while the security interest is perfected by a method
2692 other than under s. 679.3091 or s. 679.3121(5), (6), or (7).

2693 (4) Except as otherwise provided in subsection (5), a buyer
2694 of goods ~~other than a buyer in ordinary course of business~~ takes
2695 free of a security interest to the extent that it secures
2696 advances made after the earlier of:

2697 (a) The time the secured party acquires knowledge of the

577-02477-25

20251666c1

2698 buyer's purchase; or

2699 (b) Forty-five days after the purchase.

2700 (6) Except as otherwise provided in subsection (7), a
2701 lessee of goods, ~~other than a lessee in ordinary course of~~
2702 ~~business,~~ takes the leasehold interest free of a security
2703 interest to the extent that it secures advances made after the
2704 earlier of:

2705 (a) The time the secured party acquires knowledge of the
2706 lease; or

2707 (b) Forty-five days after the lease contract becomes
2708 enforceable.

2709 Section 92. Subsections (2) and (4) of section 679.324,
2710 Florida Statutes, are amended to read:

2711 679.324 Priority of purchase-money security interests.-

2712 (2) Subject to subsection (3) and except as otherwise
2713 provided in subsection (7), a perfected purchase-money security
2714 interest in inventory has priority over a conflicting security
2715 interest in the same inventory, has priority over a conflicting
2716 security interest in chattel paper or an instrument constituting
2717 proceeds of the inventory and in proceeds of the chattel paper,
2718 if so provided in s. 679.330, and, except as otherwise provided
2719 in s. 679.327, also has priority in identifiable cash proceeds
2720 of the inventory to the extent the identifiable cash proceeds
2721 are received on or before the delivery of the inventory to a
2722 buyer, if:

2723 (a) The purchase-money security interest is perfected when
2724 the debtor receives possession of the inventory;

2725 (b) The purchase-money secured party sends a signed an
2726 ~~authenticated~~ notification to the holder of the conflicting

577-02477-25

20251666c1

2727 security interest;

2728 (c) The holder of the conflicting security interest
2729 receives the notification within 5 years before the debtor
2730 receives possession of the inventory; and

2731 (d) The notification states that the person sending the
2732 notification has or expects to acquire a purchase-money security
2733 interest in inventory of the debtor and describes the inventory.

2734 (4) Subject to subsection (5) and except as otherwise
2735 provided in subsection (7), a perfected purchase-money security
2736 interest in livestock that are farm products has priority over a
2737 conflicting security interest in the same livestock, and, except
2738 as otherwise provided in s. 679.327, a perfected security
2739 interest in their identifiable proceeds and identifiable
2740 products in their unmanufactured states also has priority, if:

2741 (a) The purchase-money security interest is perfected when
2742 the debtor receives possession of the livestock;

2743 (b) The purchase-money secured party sends a signed an
2744 ~~authenticated~~ notification to the holder of the conflicting
2745 security interest;

2746 (c) The holder of the conflicting security interest
2747 receives the notification within 6 months before the debtor
2748 receives possession of the livestock; and

2749 (d) The notification states that the person sending the
2750 notification has or expects to acquire a purchase-money security
2751 interest in livestock of the debtor and describes the livestock.

2752 Section 93. Section 679.3251, Florida Statutes, is created
2753 to read:

2754 679.3251 Priority of security interest in controllable
2755 account, controllable electronic record, and controllable

577-02477-25

20251666c1

2756 payment intangible.—A security interest in a controllable
2757 account, controllable electronic record, or controllable payment
2758 intangible held by a secured party having control of the
2759 account, electronic record, or payment intangible has priority
2760 over a conflicting security interest held by a secured party
2761 that does not have control.

2762 Section 94. Subsections (1), (2), and (6) of section
2763 679.330, Florida Statutes, are amended, and subsection (4) of
2764 that section is republished, to read:

2765 679.330 Priority of purchaser of chattel paper or
2766 instrument.—

2767 (1) A purchaser of chattel paper has priority over a
2768 security interest in the chattel paper which is claimed merely
2769 as proceeds of inventory subject to a security interest if:

2770 (a) In good faith and in the ordinary course of the
2771 purchaser's business, the purchaser gives new value, and takes
2772 possession of each authoritative tangible copy of the record
2773 evidencing the chattel paper, and ~~or~~ obtains control under s.
2774 679.1051 of each authoritative electronic copy of the record
2775 evidencing chattel paper under s. 679.1051; and

2776 (b) The authoritative copies of the record evidencing the
2777 chattel paper do ~~does~~ not indicate that the chattel paper ~~it~~ has
2778 been assigned to an identified assignee other than the
2779 purchaser.

2780 (2) A purchaser of chattel paper has priority over a
2781 security interest in the chattel paper which is claimed other
2782 than merely as proceeds of inventory subject to a security
2783 interest if the purchaser gives new value, and takes possession
2784 of each authoritative copy of the record evidencing the chattel

577-02477-25

20251666c1

2785 paper, and ~~or~~ obtains control under s. 679.1051 of each
2786 authoritative electronic copy of the record evidencing the
2787 chattel paper ~~under s. 679.1051~~ in good faith, in the ordinary
2788 course of the purchaser's business, and without knowledge that
2789 the purchase violates the rights of the secured party.

2790 (4) Except as otherwise provided in s. 679.331(1), a
2791 purchaser of an instrument has priority over a security interest
2792 in the instrument perfected by a method other than possession if
2793 the purchaser gives value and takes possession of the instrument
2794 in good faith and without knowledge that the purchase violates
2795 the rights of the secured party.

2796 (6) For purposes of subsections (2) and (4), if the
2797 authoritative copies of the record evidencing chattel paper or
2798 an instrument indicate ~~indicates~~ that the chattel paper or
2799 instrument ~~it~~ has been assigned to an identified secured party
2800 other than the purchaser, a purchaser of the chattel paper or
2801 instrument has knowledge that the purchase violates the rights
2802 of the secured party.

2803 Section 95. Section 679.331, Florida Statutes, is amended
2804 to read:

2805 679.331 Priority of rights of purchasers of controllable
2806 accounts, controllable electronic records, controllable payment
2807 intangibles ~~instruments~~, documents, instruments, and securities
2808 under other articles; priority of interests in financial assets
2809 and security entitlements and protection against assertion of
2810 claim under chapters 669 and ~~chapter~~ 678.—

2811 (1) This chapter does not limit the rights of a holder in
2812 due course of a negotiable instrument, a holder to which a
2813 negotiable document of title has been duly negotiated, or a

577-02477-25

20251666c1

2814 protected purchaser of a security, or a qualifying purchase of a
2815 controllable account, controllable electronic record, or
2816 controllable payment intangible. These holders or purchasers
2817 take priority over an earlier security interest, even if
2818 perfected, to the extent provided in chapters 669, 673, 677, and
2819 678.

2820 (2) This chapter does not limit the rights of or impose
2821 liability on a person to the extent that the person is protected
2822 against the assertion of an adverse claim under chapter 669 or
2823 chapter 678.

2824 (3) Filing under this chapter does not constitute notice of
2825 a claim or defense to the holders, purchasers, or persons
2826 described in subsections (1) and (2).

2827 Section 96. Section 679.332, Florida Statutes, is amended
2828 to read:

2829 679.332 Transfer of money; transfer of funds from deposit
2830 account; transfer of electronic money.-

2831 (1) A transferee of tangible money takes the money free of
2832 a security interest if the transferee receives possession of the
2833 money without acting unless the transferee acts in collusion
2834 with the debtor in violating the rights of the secured party.

2835 (2) A transferee of funds from a deposit account takes the
2836 funds free of a security interest in the deposit account if the
2837 transferee receives the funds without acting unless the
2838 transferee acts in collusion with the debtor in violating the
2839 rights of the secured party.

2840 (3) A transferee of electronic money takes the money free
2841 of a security interest if the transferee obtains control of the
2842 money without acting in collusion with the debtor in violating

577-02477-25

20251666c1

2843 the rights of the secured party.

2844 Section 97. Section 679.341, Florida Statutes, is amended
2845 to read:

2846 679.341 Bank's rights and duties with respect to deposit
2847 account.—Except as otherwise provided in s. 679.340(3), and
2848 unless the bank otherwise agrees in a signed ~~an authenticated~~
2849 record, a bank's rights and duties with respect to a deposit
2850 account maintained with the bank are not terminated, suspended,
2851 or modified by:

2852 (1) The creation, attachment, or perfection of a security
2853 interest in the deposit account;

2854 (2) The bank's knowledge of the security interest; or

2855 (3) The bank's receipt of instructions from the secured
2856 party.

2857 Section 98. Subsection (1) of section 679.4041, Florida
2858 Statutes, is amended to read:

2859 679.4041 Rights acquired by assignee; claims and defenses
2860 against assignee.—

2861 (1) Unless an account debtor has made an enforceable
2862 agreement not to assert defenses or claims, and subject to
2863 subsections (2)-(5) ~~(2) through (5)~~, the rights of an assignee
2864 are subject to:

2865 (a) All terms of the agreement between the account debtor
2866 and assignor and any defense or claim in recoupment arising from
2867 the transaction that gave rise to the contract; and

2868 (b) Any other defense or claim of the account debtor
2869 against the assignor which accrues before the account debtor
2870 receives a notification of the assignment signed ~~authenticated~~
2871 by the assignor or the assignee.

577-02477-25

20251666c1

2872 Section 99. Subsections (1) through (4) and (7) of section
2873 679.4061, Florida Statutes, are amended, and subsection (13) is
2874 added to that section, to read:

2875 679.4061 Discharge of account debtor; notification of
2876 assignment; identification and proof of assignment; restrictions
2877 on assignment of accounts, chattel paper, payment intangibles,
2878 and promissory notes ineffective.-

2879 (1) Subject to subsections (2)-(9) ~~(2) through (9)~~ and
2880 (13), an account debtor on an account, chattel paper, or a
2881 payment intangible may discharge its obligation by paying the
2882 assignor until, but not after, the account debtor receives a
2883 notification, signed ~~authenticated~~ by the assignor or the
2884 assignee, that the amount due or to become due has been assigned
2885 and that payment is to be made to the assignee. After receipt of
2886 the notification, the account debtor may discharge its
2887 obligation by paying the assignee and may not discharge the
2888 obligation by paying the assignor.

2889 (2) Subject to subsections (8) and (13) ~~subsection (8)~~,
2890 notification is ineffective under subsection (1):

2891 (a) If it does not reasonably identify the rights assigned;

2892 (b) To the extent that an agreement between an account
2893 debtor and a seller of a payment intangible limits the account
2894 debtor's duty to pay a person other than the seller and the
2895 limitation is effective under law other than this chapter; or

2896 (c) At the option of an account debtor, if the notification
2897 notifies the account debtor to make less than the full amount of
2898 any installment or other periodic payment to the assignee, even
2899 if:

2900 1. Only a portion of the account, chattel paper, or payment

577-02477-25

20251666c1

2901 intangible has been assigned to that assignee;

2902 2. A portion has been assigned to another assignee; or

2903 3. The account debtor knows that the assignment to that
2904 assignee is limited.

2905 (3) Subject to subsections (8) and (13) ~~subsection (8)~~, if
2906 requested by the account debtor, an assignee shall seasonably
2907 furnish reasonable proof that the assignment has been made.
2908 Unless the assignee complies, the account debtor may discharge
2909 its obligation by paying the assignor, even if the account
2910 debtor has received a notification under subsection (1).

2911 (4) For the purposes of this subsection, the term
2912 "promissory note" includes a negotiable instrument that
2913 evidences chattel paper. Except as otherwise provided in
2914 subsections (5) and (12) and ss. 680.303 and 679.4071, and
2915 subject to subsection (8), a term in an agreement between an
2916 account debtor and an assignor or in a promissory note is
2917 ineffective to the extent that it:

2918 (a) Prohibits, restricts, or requires the consent of the
2919 account debtor or person obligated on the promissory note to the
2920 assignment or transfer of, or the creation, attachment,
2921 perfection, or enforcement of a security interest in, the
2922 account, chattel paper, payment intangible, or promissory note;
2923 or

2924 (b) Provides that the assignment or transfer or the
2925 creation, attachment, perfection, or enforcement of the security
2926 interest may give rise to a default, breach, right of
2927 recoupment, claim, defense, termination, right of termination,
2928 or remedy under the account, chattel paper, payment intangible,
2929 or promissory note.

577-02477-25

20251666c1

2930 (7) Subject to subsections (8) and (13) ~~subsection (8)~~, an
2931 account debtor may not waive or vary its option under paragraph
2932 (2) (c).

2933 (13) Subsections (1), (2), (3), and (7) do not apply to a
2934 controllable account or controllable payment intangible.

2935 Section 100. Subsection (9) is added to section 679.4081,
2936 Florida Statutes, to read:

2937 679.4081 Restrictions on assignment of promissory notes,
2938 health-care-insurance receivables, and certain general
2939 intangibles ineffective.—

2940 (9) For the purposes of this section, the term "promissory
2941 note" includes a negotiable instrument that evidences chattel
2942 paper.

2943 Section 101. Subsections (1) and (2) of section 679.509,
2944 Florida Statutes, are amended to read:

2945 679.509 Persons entitled to file a record.—

2946 (1) A person may file an initial financing statement,
2947 amendment that adds collateral covered by a financing statement,
2948 or amendment that adds a debtor to a financing statement only
2949 if:

2950 (a) The debtor authorizes the filing in a signed an
2951 ~~authenticated~~ record or pursuant to subsection (2) or subsection
2952 (3); or

2953 (b) The person holds an agricultural lien that has become
2954 effective at the time of filing and the financing statement
2955 covers only collateral in which the person holds an agricultural
2956 lien.

2957 (2) By signing ~~authenticating~~ or becoming bound as a debtor
2958 by a security agreement, a debtor or new debtor authorizes the

577-02477-25

20251666c1

2959 filing of an initial financing statement, and an amendment,
2960 covering:

2961 (a) The collateral described in the security agreement; and

2962 (b) Property that becomes collateral under s.

2963 679.3151(1)(b), whether or not the security agreement expressly
2964 covers proceeds.

2965 Section 102. Subsections (2) and (3) of section 679.513,
2966 Florida Statutes, are amended to read:

2967 679.513 Termination statement.—

2968 (2) To comply with subsection (1), a secured party shall
2969 cause the secured party of record to file the termination
2970 statement:

2971 (a) Within 1 month after there is no obligation secured by
2972 the collateral covered by the financing statement and no
2973 commitment to make an advance, incur an obligation, or otherwise
2974 give value; or

2975 (b) If earlier, within 20 days after the secured party
2976 receives a signed ~~an authenticated~~ demand from a debtor.

2977 (3) In cases not governed by subsection (1), within 20 days
2978 after a secured party receives a signed ~~an authenticated~~ demand
2979 from a debtor, the secured party shall cause the secured party
2980 of record for a financing statement to send to the debtor a
2981 termination statement for the financing statement or file the
2982 termination statement in the filing office if:

2983 (a) Except in the case of a financing statement covering
2984 accounts or chattel paper that has been sold or goods that are
2985 the subject of a consignment, there is no obligation secured by
2986 the collateral covered by the financing statement and no
2987 commitment to make an advance, incur an obligation, or otherwise

577-02477-25

20251666c1

2988 give value;

2989 (b) The financing statement covers accounts or chattel
2990 paper that has been sold but as to which the account debtor or
2991 other person obligated has discharged its obligation;

2992 (c) The financing statement covers goods that were the
2993 subject of a consignment to the debtor but are not in the
2994 debtor's possession; or

2995 (d) The debtor did not authorize the filing of the initial
2996 financing statement.

2997 Section 103. Subsection (2) of section 679.601, Florida
2998 Statutes, is amended, and subsection (4) of that section is
2999 republished, to read:

3000 679.601 Rights after default; judicial enforcement;
3001 consignor or buyer of accounts, chattel paper, payment
3002 intangibles, or promissory notes.—

3003 (2) A secured party in possession of collateral or control
3004 of collateral under s. 679.1041, s. 679.1051, s. 679.1052, s.
3005 679.1053, s. 679.1061, or s. 679.1071 has the rights and duties
3006 provided in s. 679.2071.

3007 (4) Except as otherwise provided in subsection (7) and s.
3008 679.605, after default, a debtor and an obligor have the rights
3009 provided in this part and by agreement of the parties.

3010 Section 104. Subsection (4) of section 679.604, Florida
3011 Statutes, is amended to read:

3012 679.604 Procedure if security agreement covers real
3013 property or fixtures.—

3014 (4) A secured party that removes collateral shall promptly
3015 reimburse any encumbrancer or owner of the real property, other
3016 than the debtor, for the cost of repair of any physical injury

577-02477-25

20251666c1

3017 caused by the removal. The secured party need not reimburse the
 3018 encumbrancer or owner for any diminution in value of the real
 3019 property caused by the absence of the goods removed or by any
 3020 necessity of replacing them. A person entitled to reimbursement
 3021 may refuse permission to remove until the secured party gives
 3022 adequate assurance for the performance of the obligation to
 3023 reimburse. This subsection does not prohibit a secured party and
 3024 the person entitled to reimbursement from entering into a signed
 3025 ~~an authenticated~~ record providing for the removal of fixtures
 3026 and reimbursement for any damage caused thereby.

3027 Section 105. Section 679.605, Florida Statutes, is amended
 3028 to read:

3029 679.605 Unknown debtor or secondary obligor.—

3030 (1) Except as provided in subsection (2), a secured party
 3031 does not owe a duty based on its status as secured party:

3032 (a) ~~(1)~~ To a person who is a debtor or obligor, unless the
 3033 secured party knows:

3034 1. ~~(a)~~ That the person is a debtor or obligor;

3035 2. ~~(b)~~ The identity of the person; and

3036 3. ~~(c)~~ How to communicate with the person; or

3037 (b) ~~(2)~~ To a secured party or lienholder that has filed a
 3038 financing statement against a person, unless the secured party
 3039 knows:

3040 1. ~~(a)~~ That the person is a debtor; and

3041 2. ~~(b)~~ The identity of the person.

3042 (2) A secured party owes a duty based on its status as a
 3043 secured party to a person if, at the time the secured party
 3044 obtains control of collateral that is a controllable account,
 3045 controllable electronic record, or controllable payment

577-02477-25

20251666c1

3046 intangible or at the time the security interest attaches to the
3047 collateral, whichever is later:

3048 (a) The person is a debtor or obligor; and

3049 (b) The secured party knows that the information relating
3050 to the person in subparagraph (1)(a)1., subparagraph (1)(a)2.,
3051 or subparagraph (1)(a)3. is not provided by the collateral, a
3052 record attached to or logically associated with the collateral,
3053 or the system in which the collateral is recorded.

3054 Section 106. Paragraph (a) of subsection (1) and subsection
3055 (3) of section 679.608, Florida Statutes, are amended to read:

3056 679.608 Application of proceeds of collection or
3057 enforcement; liability for deficiency and right to surplus.—

3058 (1) If a security interest or agricultural lien secures
3059 payment or performance of an obligation, the following rules
3060 apply:

3061 (a) A secured party shall apply or pay over for application
3062 the cash proceeds of collection or enforcement under s. 679.607
3063 in the following order to:

3064 1. The reasonable expenses of collection and enforcement
3065 and, to the extent provided for by agreement and not prohibited
3066 by law, reasonable attorney's fees and legal expenses incurred
3067 by the secured party;

3068 2. The satisfaction of obligations secured by the security
3069 interest or agricultural lien under which the collection or
3070 enforcement is made; and

3071 3. The satisfaction of obligations secured by any
3072 subordinate security interest in or other lien on the collateral
3073 subject to the security interest or agricultural lien under
3074 which the collection or enforcement is made if the secured party

577-02477-25

20251666c1

3075 receives a signed ~~an authenticated~~ demand for proceeds before
3076 distribution of the proceeds is completed.

3077 (3) If the secured party in good faith cannot determine the
3078 validity, extent, or priority of a subordinate security interest
3079 or other lien or there are conflicting claims of subordinate
3080 interests or liens, the secured party may commence an
3081 interpleader action with respect to remaining proceeds in excess
3082 of \$2,500 in the circuit or county court, as applicable based
3083 upon the amount to be deposited, where the collateral was
3084 located or collected or in the county where the debtor has its
3085 chief executive office or principal residence in this state, as
3086 applicable. If authorized in a signed ~~an authenticated~~ record,
3087 the interpleading secured party is entitled to be paid from the
3088 remaining proceeds the actual costs of the filing fee and an
3089 attorney ~~attorney's~~ fee in the amount of \$250 incurred in
3090 connection with filing the interpleader action and obtaining an
3091 order approving the interpleader of funds. The debtor in a
3092 consumer transaction may not be assessed for the reasonable
3093 attorney ~~attorney's~~ fees and costs incurred in the interpleader
3094 action by the holders of subordinate security interests or other
3095 liens based upon disputes among said holders, and a debtor in a
3096 transaction other than a consumer transaction may only recover
3097 such fees and costs to the extent provided for in a signed ~~an~~
3098 ~~authenticated~~ record. If authorized in a signed ~~an authenticated~~
3099 record, the court in the interpleader action may award
3100 reasonable attorney ~~attorney's~~ fees and costs to the prevailing
3101 party in a dispute between the debtor and a holder of a security
3102 interest or lien which claims an interest in the remaining
3103 interplead proceeds, but only if the debtor challenges the

577-02477-25

20251666c1

3104 validity, priority, or extent of said security interest or lien.
3105 Except as provided in this subsection, a debtor may not be
3106 assessed reasonable attorney ~~attorney's~~ fees and costs incurred
3107 by any party in an interpleader action commenced under this
3108 section.

3109 Section 107. Subsections (1), (2), (3), (5), and (6) of
3110 section 679.611, Florida Statutes, are amended to read:

3111 679.611 Notification before disposition of collateral.—

3112 (1) In this section, the term "notification date" means the
3113 earlier of the date on which:

3114 (a) A secured party sends to the debtor and any secondary
3115 obligor a signed ~~an authenticated~~ notification of disposition;
3116 or

3117 (b) The debtor and any secondary obligor waive the right to
3118 notification.

3119 (2) Except as otherwise provided in subsection (4), a
3120 secured party that disposes of collateral under s. 679.610 shall
3121 send to the persons specified in subsection (3) a reasonable
3122 signed ~~authenticated~~ notification of disposition.

3123 (3) To comply with subsection (2), the secured party shall
3124 send a signed ~~an authenticated~~ notification of disposition to:

3125 (a) The debtor;

3126 (b) Any secondary obligor; and

3127 (c) If the collateral is other than consumer goods:

3128 1. Any other person from whom the secured party has
3129 received, before the notification date, a signed ~~an~~
3130 ~~authenticated~~ notification of a claim of an interest in the
3131 collateral;

3132 2. Any other secured party or lienholder that, 10 days

577-02477-25

20251666c1

3133 before the notification date, held a security interest in or
3134 other lien on the collateral perfected by the filing of a
3135 financing statement that:

- 3136 a. Identified the collateral;
3137 b. Was indexed under the debtor's name as of that date; and
3138 c. Was filed in the office in which to file a financing
3139 statement against the debtor covering the collateral as of that
3140 date; and

3141 3. Any other secured party that, 10 days before the
3142 notification date, held a security interest in the collateral
3143 perfected by compliance with a statute, regulation, or treaty
3144 described in s. 679.3111(1).

3145 (5) A secured party complies with the requirement for
3146 notification prescribed by subparagraph (3)(c)2. if:

3147 (a) Not later than 20 days or earlier than 30 days before
3148 the notification date, the secured party requests, in a
3149 commercially reasonable manner, information concerning financing
3150 statements indexed under the debtor's name in the office
3151 indicated in subparagraph (3)(c)2.; and

3152 (b) Before the notification date, the secured party:

3153 1. Did not receive a response to the request for
3154 information; or

3155 2. Received a response to the request for information and
3156 sent a signed ~~an authenticated~~ notification of disposition to
3157 each secured party or other lienholder named in that response
3158 whose financing statement covered the collateral.

3159 (6) For purposes of subsection (3), the secured party may
3160 send the signed ~~authenticated~~ notification as follows:

3161 (a) If the collateral is other than consumer goods, to the

577-02477-25

20251666c1

3162 debtor at the address in the financing statement, unless the
3163 secured party has received a signed ~~an authenticated~~ record from
3164 the debtor notifying the secured party of a different address
3165 for such notification purposes or the secured party has actual
3166 knowledge of the address of the debtor's chief executive office
3167 or principal residence, as applicable, at the time the
3168 notification is sent;

3169 (b) If the collateral is other than consumer goods, to any
3170 secondary obligor at the address, if any, in the signed
3171 ~~authenticated~~ agreement, unless the secured party has received a
3172 signed ~~an authenticated~~ record from the secondary obligor
3173 notifying the secured party of a different address for such
3174 notification purposes or the secured party has actual knowledge
3175 of the address of the secondary obligor's chief executive office
3176 or principal residence, as applicable, at the time the
3177 notification is sent; and

3178 (c) If the collateral is other than consumer goods:

3179 1. To the person described in subparagraph (3)(c)1., at the
3180 address stated in the notification;

3181 2. To the person described in subparagraph (3)(c)2., at the
3182 address stated in the financing statement;

3183 3. To the person described in subparagraph (3)(c)3., at the
3184 address stated in the official records of the recording or
3185 registration agency.

3186 Section 108. Subsection (5) of section 679.613, Florida
3187 Statutes, is amended to read:

3188 679.613 Contents and form of notification before
3189 disposition of collateral; general.—Except in a consumer-goods
3190 transaction, the following rules apply:

577-02477-25

20251666c1

3220 indebtedness secured by the property that we intend to sell or,
3221 as applicable, ~~for~~ lease or license.

3222 Item 5. If you request an accounting, you must pay,~~as~~
3223 ~~applicable]~~ ~~for~~ a charge of \$.....

3224 Item 6. You may request an accounting by calling us at
3225 ...(telephone number)....

3226 (b) The following instructions apply to the form set forth
3227 in paragraph (a):

3228 1. Do not include the item numbers in the notification, as
3229 they are used only for the purpose of clarification.

3230 2. Include and complete Item 1 only if there is a debtor
3231 that is not an addressee of the notification and list the name
3232 or names.

3233 3. Include and complete either Item 2, if the notification
3234 relates to a public disposition of the collateral, or Item 3, if
3235 the notification relates to a private disposition of the
3236 collateral. If Item 2 is completed, include the words "to the
3237 highest qualified bidder" only if applicable.

3238 4. Include and complete Items 4 and 6.

3239 5. Include and complete Item 5 only if the sender will
3240 charge the recipient for an accounting.

3241 Section 109. Subsection (3) of section 679.614, Florida
3242 Statutes, is amended to read:

3243 679.614 Contents and form of notification before
3244 disposition of collateral; consumer-goods transaction.—In a
3245 consumer-goods transaction, the following rules apply:

3246 (3)(a) The following form of notification, when completed
3247 in accordance with the instructions set forth in paragraph (b),
3248 provides sufficient information:

577-02477-25

20251666c1

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...(Name and address of secured party)...
...(Date)...

NOTICE OF OUR PLAN TO SELL PROPERTY

...(Name and address of any obligor who is also a debtor)...
Subject:...(Identify ~~Identification~~ of Transaction)...

We have your ...(describe collateral)..., because you broke promises in our agreement.

~~{For a public disposition:}~~

Item 1. We will sell ...(describe collateral)... at public sale. A sale could include a lease or license. The sale will be held as follows:

Date:

Time:

Place:

You may attend the sale and bring bidders ~~if you want.~~

~~{For a private disposition:}~~

Item 2. We will sell ...(describe collateral)... at private sale sometime after ...(date).... A sale could include a lease or license.

Item 3. The money that we get from the sale (after paying our costs) will reduce the amount you owe. If we get less money than you owe, you ...(will or will not, as applicable)... still owe us the difference. If we get more money than you owe, you will get the extra money, unless we must pay it to someone else.

Item 4. You can get the property back at any time before we

577-02477-25

20251666c1

3278 sell it by paying us the full amount you owe, ~~(not just the past~~
3279 ~~due payments)~~, including our expenses. To learn the exact amount
3280 you must pay, call us at ...(telephone number)....

3281 Item 5. If you want us to explain to you ...(in writing or
3282 in description of electronic record)... how we have figured the
3283 amount that you owe us, Item 6. ~~you may~~ call us at ...(telephone
3284 number)...., ~~or~~ write us at ...(secured party's address)...., or
3285 contact us by ...(description of electronic communication
3286 method)... Item 7. and request a written explanation, an
3287 explanation in ...(description of electronic record)....

3288 Item 8. We will charge you \$.... for the explanation if we
3289 sent you another written explanation of the amount you owe us
3290 within the last 6 months.

3291 Item 9. If you need more information about the sale, call
3292 us at ...(telephone number)...., ~~or~~ write us at ...(secured
3293 party's address)...., or contact us by ...(description of
3294 electronic communication method)....

3295 Item 10. We are sending this notice to the following other
3296 people who have an interest in ...(describe collateral)... or
3297 who owe money under your agreement:

3298 ... (Names of all other debtors and obligors, if any)...

3299 (b) The following instructions apply to the form of
3300 notification in paragraph (a):

3301 1. The instructions in this paragraph refer to the numbers
3302 before items in the form of notification in paragraph (a). Do
3303 not include the numbers in the notification. The numbers are
3304 used only for the purpose of these instructions.

3305 2. Include and complete either Item 1, if the notification
3306 relates to a public disposition of the collateral, or Item 2, if

577-02477-25

20251666c1

3307 the notification relates to a private disposition of the
3308 collateral.

3309 3. Include and complete Items 3, 4, 5, 6, and 7.

3310 4. In Item 5, include and complete any one of the three
3311 alternative methods for the explanation identified in paragraph
3312 (a).

3313 5. In Item 6, include the telephone number. In addition,
3314 the sender may include and complete either or both of the two
3315 additional alternative methods of communication identified in
3316 paragraph (a) for the recipient of the notification to
3317 communicate with the sender. Neither of the two additional
3318 methods of communication is required to be included.

3319 6. In Item 7, include and complete the method or methods
3320 for the explanation—writing, writing or electronic record, or
3321 electronic record—included in Item 5.

3322 7. Include and complete Item 8 only if a written
3323 explanation is included in Item 5 as a method for communicating
3324 the explanation and the sender will charge the recipient for
3325 another written explanation.

3326 8. In Item 9, include either the telephone number or the
3327 address, or both. In addition, the sender may include and
3328 complete the additional method of communication identified in
3329 paragraph (a) for the recipient of the notification to
3330 communicate with the sender. The additional method of electronic
3331 communication is not required to be included.

3332 9. If Item 10 does not apply, insert "None" after
3333 "agreement:."

3334 Section 110. Subsection (1) of section 679.615, Florida
3335 Statutes, is amended to read:

577-02477-25

20251666c1

3336 679.615 Application of proceeds of disposition; liability
3337 for deficiency and right to surplus.—

3338 (1) A secured party shall apply or pay over for application
3339 the cash proceeds of disposition under s. 679.610 in the
3340 following order to:

3341 (a) The reasonable expenses of retaking, holding, preparing
3342 for disposition, processing, and disposing, and, to the extent
3343 provided for by agreement and not prohibited by law, reasonable
3344 attorney's fees and legal expenses incurred by the secured
3345 party;

3346 (b) The satisfaction of obligations secured by the security
3347 interest or agricultural lien under which the disposition is
3348 made;

3349 (c) The satisfaction of obligations secured by any
3350 subordinate security interest in or other subordinate lien on
3351 the collateral if:

3352 1. The secured party receives from the holder of the
3353 subordinate security interest or other lien a signed an
3354 ~~authenticated~~ demand for proceeds before distribution of the
3355 proceeds is completed; and

3356 2. In a case in which a consignor has an interest in the
3357 collateral, the subordinate security interest or other lien is
3358 senior to the interest of the consignor; and

3359 (d) A secured party that is a consignor of the collateral
3360 if the secured party receives from the consignor a signed an
3361 ~~authenticated~~ demand for proceeds before distribution of the
3362 proceeds is completed.

3363 Section 111. Subsections (1), (2), and (3) of section
3364 679.616, Florida Statutes, are amended to read:

577-02477-25

20251666c1

3365 679.616 Explanation of calculation of surplus or
3366 deficiency.—

3367 (1) In this section, the term:

3368 (a) "Explanation" means a record ~~writing~~ that:

3369 1. States the amount of the surplus or deficiency;

3370 2. Provides an explanation in accordance with subsection
3371 (3) of how the secured party calculated the surplus or
3372 deficiency;

3373 3. States, if applicable, that future debits, credits,
3374 charges, including additional credit service charges or
3375 interest, rebates, and expenses may affect the amount of the
3376 surplus or deficiency; and

3377 4. Provides a telephone number or mailing address from
3378 which additional information concerning the transaction is
3379 available.

3380 (b) "Request" means a record:

3381 1. Signed ~~Authenticated~~ by a debtor or consumer obligor;

3382 2. Requesting that the recipient provide an explanation;
3383 and

3384 3. Sent after disposition of the collateral under s.
3385 679.610.

3386 (2) In a consumer-goods transaction in which the debtor is
3387 entitled to a surplus or a consumer obligor is liable for a
3388 deficiency under s. 679.615, the secured party shall:

3389 (a) Send an explanation to the debtor or consumer obligor,
3390 as applicable, after the disposition and:

3391 1. Before or when the secured party accounts to the debtor
3392 and pays any surplus or first makes ~~written~~ demand in a record
3393 on the consumer obligor after the disposition for payment of the

577-02477-25

20251666c1

3394 deficiency; and

3395 2. Within 14 days after receipt of a request; or

3396 (b) In the case of a consumer obligor who is liable for a
3397 deficiency, within 14 days after receipt of a request, send to
3398 the consumer obligor a record waiving the secured party's right
3399 to a deficiency.

3400 (3) To comply with subparagraph (1)(a)2., an explanation a
3401 ~~writing~~ must provide the following information in the following
3402 order:

3403 (a) The aggregate amount of obligations secured by the
3404 security interest under which the disposition was made, and, if
3405 the amount reflects a rebate of unearned interest or credit
3406 service charge, an indication of that fact, calculated as of a
3407 specified date:

3408 1. If the secured party takes or receives possession of the
3409 collateral after default, not more than 35 days before the
3410 secured party takes or receives possession; or

3411 2. If the secured party takes or receives possession of the
3412 collateral before default or does not take possession of the
3413 collateral, not more than 35 days before the disposition;

3414 (b) The amount of proceeds of the disposition;

3415 (c) The aggregate amount of the obligations after deducting
3416 the amount of proceeds;

3417 (d) The amount, in the aggregate or by type, and types of
3418 expenses, including expenses of retaking, holding, preparing for
3419 disposition, processing, and disposing of the collateral, and
3420 attorney's fees secured by the collateral which are known to the
3421 secured party and relate to the current disposition;

3422 (e) The amount, in the aggregate or by type, and types of

577-02477-25

20251666c1

3423 credits, including rebates of interest or credit service
3424 charges, to which the obligor is known to be entitled and which
3425 are not reflected in the amount in paragraph (a); and

3426 (f) The amount of the surplus or deficiency.

3427 Section 112. Subsection (1) of section 679.619, Florida
3428 Statutes, is amended to read:

3429 679.619 Transfer of record or legal title.—

3430 (1) In this section, the term "transfer statement" means a
3431 record signed ~~authenticated~~ by a secured party stating:

3432 (a) That the debtor has defaulted in connection with an
3433 obligation secured by specified collateral;

3434 (b) That the secured party has exercised its post-default
3435 remedies with respect to the collateral;

3436 (c) That, by reason of the exercise, a transferee has
3437 acquired the rights of the debtor in the collateral; and

3438 (d) The name and mailing address of the secured party,
3439 debtor, and transferee.

3440 Section 113. Subsections (1), (2), (3), and (6) of section
3441 679.620, Florida Statutes, are amended to read:

3442 679.620 Acceptance of collateral in full or partial
3443 satisfaction of obligation; compulsory disposition of
3444 collateral.—

3445 (1) Except as otherwise provided in subsection (7), a
3446 secured party may accept collateral in full or partial
3447 satisfaction of the obligation it secures only if:

3448 (a) The debtor consents to the acceptance under subsection
3449 (3);

3450 (b) The secured party does not receive, within the time set
3451 forth in subsection (4), a notification of objection to the

577-02477-25

20251666c1

3452 proposal signed ~~authenticated~~ by:

3453 1. A person to whom the secured party was required to send
3454 a proposal under s. 679.621; or

3455 2. Any other person, other than the debtor, holding an
3456 interest in the collateral subordinate to the security interest
3457 that is the subject of the proposal;

3458 (c) If the collateral is consumer goods, the collateral is
3459 not in the possession of the debtor when the debtor consents to
3460 the acceptance; and

3461 (d) Subsection (5) does not require the secured party to
3462 dispose of the collateral or the debtor waives the requirement
3463 pursuant to s. 679.624.

3464 (2) A purported or apparent acceptance of collateral under
3465 this section is ineffective unless:

3466 (a) The secured party consents to the acceptance in a a
3467 signed ~~an authenticated~~ record or sends a proposal to the
3468 debtor; and

3469 (b) The conditions of subsection (1) are met.

3470 (3) For purposes of this section:

3471 (a) A debtor consents to an acceptance of collateral in
3472 partial satisfaction of the obligation it secures only if the
3473 debtor agrees to the terms of the acceptance in a record signed
3474 ~~authenticated~~ after default; and

3475 (b) A debtor consents to an acceptance of collateral in
3476 full satisfaction of the obligation it secures only if the
3477 debtor agrees to the terms of the acceptance in a record signed
3478 ~~authenticated~~ after default or the secured party:

3479 1. Sends to the debtor after default a proposal that is
3480 unconditional or subject only to a condition that collateral not

577-02477-25

20251666c1

3481 in the possession of the secured party be preserved or
3482 maintained;

3483 2. In the proposal, proposes to accept collateral in full
3484 satisfaction of the obligation it secures, and, in a consumer
3485 transaction, provides notice that the proposal will be deemed
3486 accepted if it is not objected to by an authenticated notice
3487 within 30 days after the date the proposal is sent by the
3488 secured party; and

3489 3. Does not receive a notification of objection signed
3490 ~~authenticated~~ by the debtor within 30 days after the proposal is
3491 sent.

3492 (6) To comply with subsection (5), the secured party shall
3493 dispose of the collateral:

3494 (a) Within 90 days after taking possession; or

3495 (b) Within any longer period to which the debtor and all
3496 secondary obligors have agreed in an agreement to that effect
3497 entered into and signed ~~authenticated~~ after default.

3498 Section 114. Subsection (1) of section 679.621, Florida
3499 Statutes, is amended to read:

3500 679.621 Notification of proposal to accept collateral.—

3501 (1) A secured party that desires to accept collateral in
3502 full or partial satisfaction of the obligation it secures shall
3503 send its proposal to:

3504 (a) Any person from whom the secured party has received,
3505 before the debtor consented to the acceptance, a signed ~~an~~
3506 ~~authenticated~~ notification of a claim of an interest in the
3507 collateral;

3508 (b) Any other secured party or lienholder that, 10 days
3509 before the debtor consented to the acceptance, held a security

577-02477-25

20251666c1

3510 interest in or other lien on the collateral perfected by the
3511 filing of a financing statement that:

3512 1. Identified the collateral;

3513 2. Was indexed under the debtor's name as of that date; and

3514 3. Was filed in the office or offices in which to file a
3515 financing statement against the debtor covering the collateral
3516 as of that date; and

3517 (c) Any other secured party that, 10 days before the debtor
3518 consented to the acceptance, held a security interest in the
3519 collateral perfected by compliance with a statute, regulation,
3520 or treaty described in s. 679.3111(1).

3521 Section 115. Section 679.624, Florida Statutes, is amended
3522 to read:

3523 679.624 Waiver.—

3524 (1) A debtor or secondary obligor may waive the right to
3525 notification of disposition of collateral under s. 679.611 only
3526 by an agreement to that effect entered into and signed
3527 ~~authenticated~~ after default.

3528 (2) A debtor may waive the right to require disposition of
3529 collateral under s. 679.620(5) only by an agreement to that
3530 effect entered into and signed ~~authenticated~~ after default.

3531 (3) Except in a consumer-goods transaction, a debtor or
3532 secondary obligor may waive the right to redeem collateral under
3533 s. 679.623 only by an agreement to that effect entered into and
3534 signed ~~authenticated~~ after default.

3535 Section 116. Subsections (1) and (5) of section 679.625,
3536 Florida Statutes, are amended, and subsections (3), (6), and (7)
3537 of that section are republished, to read:

3538 679.625 Remedies for failure to comply with article.—

577-02477-25

20251666c1

3539 (1) If it is established that a secured party is not
3540 proceeding in accordance with this chapter, a court may order or
3541 restrain collection, enforcement, or disposition of collateral
3542 on appropriate terms and conditions. This subsection does ~~shall~~
3543 not preclude a debtor other than a consumer and a secured party,
3544 or two or more secured parties in other than a consumer
3545 transaction, from agreeing in a signed ~~an authenticated~~ record
3546 that the debtor or secured party must first provide to the
3547 alleged offending secured party notice of a violation of this
3548 chapter and opportunity to cure before commencing any legal
3549 proceeding under this section.

3550 (3) Except as otherwise provided in s. 679.628:

3551 (a) A person who, at the time of the failure, was a debtor,
3552 was an obligor, or held a security interest in or other lien on
3553 the collateral may recover damages under subsection (2) for the
3554 person's loss; and

3555 (b) If the collateral is consumer goods, a person who was a
3556 debtor or a secondary obligor at the time a secured party failed
3557 to comply with this part may recover for that failure in any
3558 event an amount not less than the credit service charge plus 10
3559 percent of the principal amount of the obligation or the time-
3560 price differential plus 10 percent of the cash price.

3561 (5) In lieu of damages recoverable under subsection (2),
3562 the debtor, consumer obligor, or person named as a debtor in a
3563 filed record, as applicable, may recover \$500 in each case from
3564 a person who:

3565 (a) Fails to comply with s. 679.2081;

3566 (b) Fails to comply with s. 679.209;

3567 (c) Files a record that the person is not entitled to file

577-02477-25

20251666c1

3568 under s. 679.509(1);

3569 (d) Fails to cause the secured party of record to file or
3570 send a termination statement as required by s. 679.513(1) or (3)
3571 after receipt of a signed ~~an authenticated~~ record notifying the
3572 person of such noncompliance;

3573 (e) Fails to comply with s. 679.616(2) (a) and whose failure
3574 is part of a pattern, or consistent with a practice, of
3575 noncompliance; or

3576 (f) Fails to comply with s. 679.616(2) (b).

3577 (6) A debtor or consumer obligor may recover damages under
3578 subsection (2) and, in addition, \$500 in each case from a person
3579 who, without reasonable cause, fails to comply with a request
3580 under s. 679.210. A recipient of a request under s. 679.210
3581 which never claimed an interest in the collateral or obligations
3582 that are the subject of a request under that section has a
3583 reasonable excuse for failure to comply with the request within
3584 the meaning of this subsection.

3585 (7) If a secured party fails to comply with a request
3586 regarding a list of collateral or a statement of account under
3587 s. 679.210, the secured party may claim a security interest only
3588 as shown in the list or statement included in the request as
3589 against a person who is reasonably misled by the failure.

3590 Section 117. Subsections (1) and (2) of section 679.628,
3591 Florida Statutes, are amended, and subsection (6) is added to
3592 that section, to read:

3593 679.628 Nonliability and limitation on liability of secured
3594 party; liability of secondary obligor.—

3595 (1) Subject to subsection (6), unless a secured party knows
3596 that a person is a debtor or obligor, knows the identity of the

577-02477-25

20251666c1

3597 person, and knows how to communicate with the person:

3598 (a) The secured party is not liable to the person, or to a
3599 secured party or lienholder that has filed a financing statement
3600 against the person, for failure to comply with this chapter; and

3601 (b) The secured party's failure to comply with this chapter
3602 does not affect the liability of the person for a deficiency.

3603 (2) Subject to subsection (6), a secured party is not
3604 liable because of its status as a secured party:

3605 (a) To a person who is a debtor or obligor, unless the
3606 secured party knows:

- 3607 1. That the person is a debtor or obligor;
- 3608 2. The identity of the person; and
- 3609 3. How to communicate with the person; or

3610 (b) To a secured party or lienholder that has filed a
3611 financing statement against a person, unless the secured party
3612 knows:

- 3613 1. That the person is a debtor; and
- 3614 2. The identity of the person.

3615 (6) Subsections (1) and (2) do not apply to limit the
3616 liability of a secured party to a person if, at the time the
3617 secured party obtains control of collateral that is a
3618 controllable account, controllable electronic record, or
3619 controllable payment intangible or at the time the security
3620 interest attaches to the collateral, whichever is later:

3621 (a) The person is a debtor or obligor; and

3622 (b) The secured party knows that the information in
3623 subparagraph (2) (a)1., subparagraph (2) (a)2., or subparagraph
3624 (2) (a)3., relating to the person is not provided by the
3625 collateral, a record attached to or logically associated with

577-02477-25

20251666c1

3626 the collateral, or the system in which the collateral is
3627 recorded.

3628 Section 118. Part IX of chapter 679, Florida Statutes,
3629 consisting of ss. 679.901 and 679.902, Florida Statutes, is
3630 created and entitled "Transitional Provisions."

3631 Section 119. Section 679.901, Florida Statutes, is created
3632 to read:

3633 679.901 Saving clause.—Except as otherwise provided in ss.
3634 669.501-669.706, a transaction validly entered into before July
3635 1, 2025, and the rights duties, and interests flowing from such
3636 transaction remain valid thereafter and may be terminated,
3637 completed, consummated, or enforced as required or permitted by
3638 law other than the Uniform Commercial Code or, if applicable, by
3639 the Uniform Commercial Code as though this act had not taken
3640 effect.

3641 Section 120. Section 679.902, Florida Statutes, is created
3642 to read:

3643 679.902 Transitional provisions.—Effective July 1, 2025,
3644 chapter 679 shall be amended by this act, including the
3645 transitional provisions for chapters 669 and 679, as amended by
3646 this act, as provided in part II of chapter 669.

3647 Section 121. Section 680.1021, Florida Statutes, is amended
3648 to read:

3649 680.1021 Scope.—

3650 (1) This chapter applies to any transaction, regardless of
3651 form, that creates a lease and, in the case of a hybrid lease,
3652 applies to the extent provided in subsection (2).

3653 (2) In a hybrid lease, both of the following apply:

3654 (a) If the lease-of-goods aspects do not predominate:

577-02477-25

20251666c1

3655 1. Only the provisions of this chapter which relate
3656 primarily to the lease-of-goods aspects of the transaction
3657 apply, and the provisions that relate primarily to the
3658 transaction as a whole do not apply;

3659 2. Section 608.209 applies if the lease is a finance lease;
3660 and

3661 3. Section 608.407 applies to the promises of the lessee in
3662 a finance lease to the extent that the promises are
3663 consideration for the right to possession and use of the leased
3664 goods.

3665 (b) If the lease-of-goods aspects predominate, this chapter
3666 applies to the transaction, but does not preclude application in
3667 appropriate circumstances of other law to aspects of the lease
3668 which do not relate to the lease of goods.

3669 Section 122. Present paragraphs (i) through (z) of
3670 subsection (1) of section 680.1031, Florida Statutes, are
3671 redesignated as paragraphs (j) through (aa), respectively, a new
3672 paragraph (i) is added to that subsection, and paragraphs (a),
3673 (d), (e), (f), (h), (j), (l), and (m) of subsection (3) of that
3674 section are amended, to read:

3675 680.1031 Definitions and index of definitions.—

3676 (1) In this chapter, unless the context otherwise requires:

3677 (i) "Hybrid lease" means a single transaction involving a
3678 lease of goods and:

3679 1. The provision of services;

3680 2. A sale of other goods; or

3681 3. A sale, lease, or license of property other than goods.

3682 (3) The following definitions in other chapters of this
3683 code apply to this chapter:

577-02477-25

20251666c1

- 3684 (a) "Account," s. 679.1021(1) ~~s. 679.1021(1)(b)~~.
- 3685 (d) "Chattel paper," s. 679.1021(1) ~~s. 679.1021(1)(k)~~.
- 3686 (e) "Consumer goods," s. 679.1021(1) ~~s. 679.1021(1)(w)~~.
- 3687 (f) "Document," s. 679.1021(1) ~~s. 679.1021(1)(dd)~~.
- 3688 (h) "General intangible," s. 679.1021(1) ~~s.~~
- 3689 ~~679.1021(1)(pp)~~.
- 3690 (j) "Instrument," s. 679.1021(1) ~~s. 679.1021(1)(uu)~~.
- 3691 (l) "Mortgage," s. 679.1021(1) ~~s. 679.1021(1)(ccc)~~.
- 3692 (m) "Pursuant to a commitment," s. 679.1021(1) ~~s.~~
- 3693 ~~679.1021(1)(ppp)~~.

3694 Section 123. Section 680.1071, Florida Statutes, is amended
3695 to read:

3696 680.1071 Waiver or renunciation of claim or right after
3697 default.—Any claim or right arising out of an alleged default or
3698 breach of warranty may be discharged in whole or in part without
3699 consideration by a ~~written~~ waiver or renunciation in a signed
3700 record ~~and~~ delivered by the aggrieved party.

3701 Section 124. Subsections (1), (3), and (5) of section
3702 680.201, Florida Statutes, are amended to read:

3703 680.201 Statute of frauds.—

3704 (1) A lease contract is not enforceable by way of action or
3705 defense unless:

3706 (a) In a lease contract that is not a consumer lease, the
3707 total payments to be made under the lease contract, excluding
3708 payments for options to renew or buy, are less than \$1,000; or

3709 (b) There is a record writing, signed by the party against
3710 whom enforcement is sought or by that party's authorized agent,
3711 sufficient to indicate that a lease contract has been made
3712 between the parties and to describe the goods leased and the

577-02477-25

20251666c1

3713 lease term.

3714 (3) A record ~~writing~~ is not insufficient because it omits
3715 or incorrectly states a term agreed upon, but the lease contract
3716 is not enforceable under paragraph (1)(b) beyond the lease term
3717 and the quantity of goods shown in the record ~~writing~~.

3718 (5) The lease term under a lease contract referred to in
3719 subsection (4) is:

3720 (a) If there is a record ~~writing~~ signed by the party
3721 against whom enforcement is sought or by that party's authorized
3722 agent specifying the lease term, the term so specified;

3723 (b) If the party against whom enforcement is sought admits
3724 in that party's pleading, testimony, or otherwise in court a
3725 lease term, the term so admitted; or

3726 (c) A reasonable lease term.

3727 Section 125. Section 680.202, Florida Statutes, is amended
3728 to read:

3729 680.202 Final ~~written~~ expression: parol or extrinsic
3730 evidence.—Terms with respect to which the confirmatory memoranda
3731 of the parties agree or which are otherwise set forth in a
3732 record ~~writing~~ intended by the parties as a final expression of
3733 their agreement with respect to such terms as are included
3734 therein may not be contradicted by evidence of any prior
3735 agreement or of a contemporaneous oral agreement but may be
3736 explained or supplemented:

3737 (1) By course of dealing or usage of trade or by course of
3738 performance; and

3739 (2) By evidence of consistent additional terms unless the
3740 court finds the record ~~writing~~ to have been intended also as a
3741 complete and exclusive statement of the terms of the agreement.

577-02477-25

20251666c1

3742 Section 126. Section 680.203, Florida Statutes, is amended
3743 to read:

3744 680.203 Seals inoperative.—The affixing of a seal to a
3745 record ~~writing~~ evidencing a lease contract or an offer to enter
3746 into a lease contract does not render the record ~~writing~~ a
3747 sealed instrument, and the law with respect to sealed
3748 instruments does not apply to the lease contract or offer.

3749 Section 127. Section 680.205, Florida Statutes, is amended
3750 to read:

3751 680.205 Firm offers.—An offer by a merchant to lease goods
3752 to or from another person in a signed record ~~writing~~ that by its
3753 terms gives assurance it will be held open is not revocable, for
3754 lack of consideration, during the time stated or, if no time is
3755 stated, for a reasonable time, but in no event may the period of
3756 irrevocability exceed 3 months. Any such term of assurance on a
3757 form supplied by the offeree must be separately signed by the
3758 offeror.

3759 Section 128. Subsection (2) of section 680.208, Florida
3760 Statutes, is amended to read:

3761 680.208 Modification, rescission, and waiver.—

3762 (2) A signed lease agreement that excludes modification or
3763 rescission except by a signed record ~~writing~~ may not be
3764 otherwise modified or rescinded, but, except as between
3765 merchants, such a requirement on a form supplied by a merchant
3766 must be separately signed by the other party.

3767 Section 129. Part VI of chapter 680, Florida Statutes,
3768 consisting of s. 680.601, Florida Statutes, is created and
3769 entitled "Transitional Provisions."

3770 Section 130. Section 680.601, Florida Statutes, is created

577-02477-25

20251666c1

3771 to read:

3772 680.601 Saving clause.—Except as provided in ss. 669.501-
3773 669.706, a transaction validly entered into before July 1, 2025,
3774 and the rights, duties, and interests flowing from such
3775 transaction remain valid thereafter and may be terminated,
3776 completed, consummated, or enforced as required or permitted by
3777 law other than the Uniform Commercial Code or, if applicable, by
3778 the Uniform Commercial Code as though this act had not taken
3779 effect.

3780 Section 131. Subsection (6) of section 55.205, Florida
3781 Statutes, is amended to read:

3782 55.205 Effect of judgment lien.—

3783 (6) A judgment lien acquired under s. 55.202 may be
3784 enforced only through judicial process, including attachment
3785 under chapter 76; execution under chapter 56; garnishment under
3786 chapter 77; a charging order under s. 605.0503, s. 620.1703, or
3787 s. 620.8504; or proceedings supplementary to execution under s.
3788 56.29. A holder of a judgment lien acquired under s. 55.202, who
3789 is not enforcing separate lien rights in a judgment debtor's
3790 property, may not enforce his or her rights under this section
3791 through self-help repossession or replevin without a court order
3792 or without the express consent of the judgment debtor contained
3793 in a record authenticated in accordance with s. 668.50 or s.
3794 679.1021(1) ~~s. 679.1021(1)(g)~~ after the judgment lien attaches.

3795 Section 132. Subsection (2) and paragraph (b) of subsection
3796 (3) of section 319.27, Florida Statutes, are amended to read:

3797 319.27 Notice of lien on motor vehicles or mobile homes;
3798 notation on certificate; recording of lien.—

3799 (2) No lien for purchase money or as security for a debt in

577-02477-25

20251666c1

3800 the form of a security agreement, retain title contract,
3801 conditional bill of sale, chattel mortgage, or other similar
3802 instrument or any other nonpossessory lien, including a lien for
3803 child support, upon a motor vehicle or mobile home upon which a
3804 Florida certificate of title has been issued shall be
3805 enforceable in any of the courts of this state against creditors
3806 or subsequent purchasers for a valuable consideration and
3807 without notice, unless a sworn notice of such lien has been
3808 filed in the department and such lien has been noted upon the
3809 certificate of title of the motor vehicle or mobile home. Such
3810 notice shall be effective as constructive notice when filed. The
3811 interest of a statutory nonpossessory lienor; the interest of a
3812 nonpossessory execution, attachment, or equitable lienor; or the
3813 interest of a lien creditor as defined in s. 679.1021(1) ~~s.~~
3814 ~~679.1021(1)(zz)~~, if nonpossessory, is ~~shall~~ not be enforceable
3815 against creditors or subsequent purchasers for a valuable
3816 consideration unless such interest becomes a possessory lien or
3817 is noted upon the certificate of title for the subject motor
3818 vehicle or mobile home prior to the occurrence of the subsequent
3819 transaction. Provided the provisions of this subsection relating
3820 to a nonpossessory statutory lienor; a nonpossessory execution,
3821 attachment, or equitable lienor; or the interest of a lien
3822 creditor as defined in s. 679.1021(1) ~~does s. 679.1021(1)(zz)~~
3823 ~~shall~~ not apply to liens validly perfected before ~~prior to~~
3824 October 1, 1988. The notice of lien must ~~shall~~ provide the
3825 following information:

3826 (a) The date of the lien if a security agreement, retain
3827 title contract, conditional bill of sale, chattel mortgage, or
3828 other similar instrument was executed prior to the filing of the

577-02477-25

20251666c1

3829 notice of lien;

3830 (b) The name and address of the registered owner;

3831 (c) A description of the motor vehicle or mobile home,
3832 showing the make, type, and vehicle identification number; and

3833 (d) The name and address of the lienholder.

3834 (3)

3835 (b) As applied to a determination of the respective rights
3836 of a secured party under this chapter and a lien creditor as
3837 defined by s. 679.1021(1) ~~s. 679.1021(1)(zz)~~, or a nonpossessory
3838 statutory lienor, a security interest under this chapter shall
3839 be perfected upon the filing of the notice of lien with the
3840 department, the county tax collector, or their agents. Provided,
3841 however, the date of perfection of a security interest of such
3842 secured party shall be the same date as the execution of the
3843 security agreement or other similar instrument if the notice of
3844 lien is filed in accordance with this subsection within 15 days
3845 after the debtor receives possession of the motor vehicle or
3846 mobile home and executes such security agreement or other
3847 similar instrument. The date of filing of the notice of lien
3848 shall be the date of its receipt by the department central
3849 office in Tallahassee, if first filed there, or otherwise by the
3850 office of the county tax collector, or their agents.

3851 Section 133. Subsection (2) of section 328.0015, Florida
3852 Statutes, is amended to read:

3853 328.0015 Definitions.—

3854 (2) The following definitions and terms also apply to this
3855 part:

3856 (a) "Agreement" as defined in s. 671.201 ~~s. 671.201(3)~~.

3857 (b) "Buyer in ordinary course of business" as defined in s.

577-02477-25

20251666c1

- 3858 671.201 ~~s. 671.201(9).~~
- 3859 (c) "Conspicuous" as defined in s. 671.201 ~~s. 671.201(11).~~
- 3860 (d) "Consumer goods" as defined in s. 679.1021(1) ~~s.~~
- 3861 ~~679.1021(1)(w).~~
- 3862 (e) "Debtor" as defined in s. 679.1021(1) ~~s.~~
- 3863 ~~679.1021(1)(bb).~~
- 3864 (f) "Knowledge" as defined in s. 671.209.
- 3865 (g) "Lease" as defined in s. 680.1031(1) ~~s. 680.1031(1)(j).~~
- 3866 (h) "Lessor" as defined in s. 680.1031(1) ~~s.~~
- 3867 ~~680.1031(1)(p).~~
- 3868 (i) "Notice" as defined s. 671.209.
- 3869 (j) "Representative" as defined in s. 671.201 ~~s.~~
- 3870 ~~671.201(37).~~
- 3871 (k) "Sale" as defined in s. 672.106(1).
- 3872 (l) "Security agreement" as defined in s. 679.1021(1) ~~s.~~
- 3873 ~~679.1021(1)(uuu).~~
- 3874 (m) "Seller" as defined in s. 672.103(1) ~~s. 672.103(1)(d).~~
- 3875 (n) "Send" as defined in s. 671.201 ~~s. 671.201(40).~~
- 3876 (o) "Value" as defined in s. 671.211.
- 3877 Section 134. Subsection (13) of section 517.061, Florida
- 3878 Statutes, is amended to read:
- 3879 517.061 Exempt transactions.—Except as otherwise provided
- 3880 in subsection (11), the exemptions provided herein from the
- 3881 registration requirements of s. 517.07 are self-executing and do
- 3882 not require any filing with the office before being claimed. Any
- 3883 person who claims entitlement to an exemption under this section
- 3884 bears the burden of proving such entitlement in any proceeding
- 3885 brought under this chapter. The registration provisions of s.
- 3886 517.07 do not apply to any of the following transactions;

577-02477-25

20251666c1

3887 however, such transactions are subject to s. 517.301:

3888 (13) By or for the account of a pledgeholder, a secured
3889 party as defined in s. 679.1021(1) ~~s. 679.1021(1) (ttt)~~, or a
3890 mortgagee selling or offering for sale or delivery in the
3891 ordinary course of business and not for the purposes of avoiding
3892 ~~the provisions of~~ this chapter, to liquidate a bona fide debt, a
3893 security pledged in good faith as security for such debt.

3894 Section 135. Subsection (2) of section 559.9232, Florida
3895 Statutes, is amended to read:

3896 559.9232 Definitions; exclusion of rental-purchase
3897 agreements from certain regulations.—

3898 (2) A rental-purchase agreement that complies with this act
3899 ~~may shall~~ not be construed to be, nor be governed by, any of the
3900 following:

3901 (a) A lease or agreement that constitutes a credit sale as
3902 defined in 12 C.F.R. s. 226.2(a)(16) and s. 1602(g) of the
3903 federal Truth in Lending Act, 15 U.S.C. ss. 1601 et seq.;

3904 (b) A lease that constitutes a "consumer lease" as defined
3905 in 12 C.F.R. s. 213.2(a)(6);

3906 (c) Any lease for agricultural, business, or commercial
3907 purposes;

3908 (d) Any lease made to an organization;

3909 (e) A lease or agreement that constitutes a "retail
3910 installment contract" or "retail installment transaction" as
3911 those terms are defined in s. 520.31; or

3912 (f) A security interest as defined in s. 671.201 ~~s.~~
3913 ~~671.201(39)~~.

3914 Section 136. Paragraph (g) of subsection (2) of section
3915 563.022, Florida Statutes, is amended to read:

577-02477-25

20251666c1

3916 563.022 Relations between beer distributors and
3917 manufacturers.—

3918 (2) DEFINITIONS.—In construing this section, unless the
3919 context otherwise requires, the word, phrase, or term:

3920 (g) "Good faith" means honesty in fact in the conduct or
3921 transaction concerned as defined and interpreted under s.
3922 671.201 ~~s. 671.201(21)~~.

3923 Section 137. Paragraph (d) of subsection (16) of section
3924 668.50, Florida Statutes, is amended, and paragraph (b) of
3925 subsection (3) of that section is republished, to read:

3926 668.50 Uniform Electronic Transaction Act.—

3927 (3) SCOPE.—

3928 (b) This section does not apply to a transaction to the
3929 extent the transaction is governed by:

3930 1. A provision of law governing the creation and execution
3931 of wills, codicils, or testamentary trusts;

3932 2. The Uniform Commercial Code other than s. 671.107 and
3933 chapters 672 and 680; or

3934 3. The Uniform Computer Information Transactions Act.

3935 (16) TRANSFERABLE RECORDS.—

3936 (d) Except as otherwise agreed, a person having control of
3937 a transferable record is the holder, as defined in s. 671.201 ~~s.~~
3938 ~~671.201(22)~~, of the transferable record and has the same rights
3939 and defenses as a holder of an equivalent record or writing
3940 under the Uniform Commercial Code, including, if the applicable
3941 statutory requirements under s. 673.3021, s. 677.501, or s.
3942 679.330 are satisfied, the rights and defenses of a holder in
3943 due course, a holder to which a negotiable document of title has
3944 been duly negotiated, or a purchaser, respectively. Delivery,

577-02477-25

20251666c1

3945 possession, and indorsement are not required to obtain or
3946 exercise any of the rights under this paragraph.

3947 Section 138. For the purpose of incorporating the amendment
3948 made by this act to section 671.105, Florida Statutes, in
3949 references thereto, subsections (1) and (2) of section 655.55,
3950 Florida Statutes, are reenacted to read:

3951 655.55 Law applicable to deposits in and contracts relating
3952 to extensions of credit by a deposit or lending institution
3953 located in this state.—

3954 (1) The law of this state, excluding its law regarding
3955 comity and conflict of laws, governs all aspects, including
3956 without limitation the validity and effect, of any deposit
3957 account in a branch or office in this state of a deposit or
3958 lending institution, including a deposit account otherwise
3959 covered by s. 671.105(1), regardless of the citizenship,
3960 residence, location, or domicile of any other party to the
3961 contract or agreement governing such deposit account, and
3962 regardless of any provision of any law of the jurisdiction of
3963 the residence, location, or domicile of such other party,
3964 whether or not such deposit account bears any other relation to
3965 this state, except that this section does not apply to any such
3966 deposit account:

3967 (a) To the extent provided to the contrary in s.
3968 671.105(2); or

3969 (b) To the extent that all parties to the contract or
3970 agreement governing such deposit account have agreed in writing
3971 that the law of another jurisdiction will govern it.

3972 (2) The law of this state, excluding its law regarding
3973 comity and conflict of laws, governs all aspects, including

577-02477-25

20251666c1

3974 without limitation the validity and effect, of any contract
3975 relating to an extension of credit made by a branch or office in
3976 this state of a deposit or lending institution, including a
3977 contract otherwise covered by s. 671.105(1), if the contract
3978 expressly provides that it will be governed by the law of this
3979 state, regardless of the citizenship, residence, location, or
3980 domicile of any other party to such contract and regardless of
3981 any provision of any law of the jurisdiction of the residence,
3982 location, or domicile of such other party, whether or not such
3983 contract bears any other relation to this state, except that
3984 this section does not apply to any such contract to the extent
3985 provided to the contrary in s. 671.105(2).

3986 Section 139. For the purpose of incorporating the amendment
3987 made by this act to section 671.105, Florida Statutes, in a
3988 reference thereto, subsection (2) of section 685.101, Florida
3989 Statutes, is reenacted to read:

3990 685.101 Choice of law.—

3991 (2) This section does not apply to any contract, agreement,
3992 or undertaking:

3993 (a) Regarding any transaction which does not bear a
3994 substantial or reasonable relation to this state in which every
3995 party is either or a combination of:

3996 1. A resident and citizen of the United States, but not of
3997 this state; or

3998 2. Incorporated or organized under the laws of another
3999 state and does not maintain a place of business in this state;

4000 (b) For labor or employment;

4001 (c) Relating to any transaction for personal, family, or
4002 household purposes, unless such contract, agreement, or

577-02477-25

20251666c1

4003 undertaking concerns a trust at least one trustee of which
4004 resides or transacts business as a trustee in this state, in
4005 which case this section applies;

4006 (d) To the extent provided to the contrary in s.
4007 671.105(2); or

4008 (e) To the extent such contract, agreement, or undertaking
4009 is otherwise covered or affected by s. 655.55.

4010 Section 140. For the purpose of incorporating the amendment
4011 made by this act to section 673.1041, Florida Statutes, in a
4012 reference thereto, subsection (1) of section 90.953, Florida
4013 Statutes, is reenacted to read:

4014 90.953 Admissibility of duplicates.—A duplicate is
4015 admissible to the same extent as an original, unless:

4016 (1) The document or writing is a negotiable instrument as
4017 defined in s. 673.1041, a security as defined in s. 678.1021, or
4018 any other writing that evidences a right to the payment of
4019 money, is not itself a security agreement or lease, and is of a
4020 type that is transferred by delivery in the ordinary course of
4021 business with any necessary endorsement or assignment.

4022 Section 141. For the purpose of incorporating the amendment
4023 made by this act to section 673.1041, Florida Statutes, in
4024 references thereto, subsections (1), (3), and (4) of section
4025 673.1061, Florida Statutes, are reenacted to read:

4026 673.1061 Unconditional promise or order.—

4027 (1) Except as provided in this section, for the purposes of
4028 s. 673.1041(1), a promise or order is unconditional unless it
4029 states:

4030 (a) An express condition to payment;

4031 (b) That the promise or order is subject to or governed by

577-02477-25

20251666c1

4032 another writing; or

4033 (c) That rights or obligations with respect to the promise
4034 or order are stated in another writing.

4035
4036 A reference to another writing does not of itself make the
4037 promise or order conditional.

4038 (3) If a promise or order requires, as a condition to
4039 payment, a countersignature by a person whose specimen signature
4040 appears on the promise or order, the condition does not make the
4041 promise or order conditional for the purposes of s. 673.1041(1).
4042 If the person whose specimen signature appears on an instrument
4043 fails to countersign the instrument, the failure to countersign
4044 is a defense to the obligation of the issuer, but the failure
4045 does not prevent a transferee of the instrument from becoming a
4046 holder of the instrument.

4047 (4) If a promise or order at the time it is issued or first
4048 comes into possession of a holder contains a statement, required
4049 by applicable statutory or administrative law, to the effect
4050 that the rights of a holder or transferee are subject to claims
4051 or defenses that the issuer could assert against the original
4052 payee, the promise or order is not thereby made conditional for
4053 the purposes of s. 673.1041(1); but if the promise or order is
4054 an instrument, there cannot be a holder in due course of the
4055 instrument.

4056 Section 142. For the purpose of incorporating the amendment
4057 made by this act to section 673.1041, Florida Statutes, in a
4058 reference thereto, subsection (2) of section 673.1151, Florida
4059 Statutes, is reenacted to read:

4060 673.1151 Incomplete instrument.—

577-02477-25

20251666c1

4061 (2) Subject to subsection (3), if an incomplete instrument
4062 is an instrument under s. 673.1041, it may be enforced according
4063 to its terms if it is not completed, or according to its terms
4064 as augmented by completion. If an incomplete instrument is not
4065 an instrument under s. 673.1041, but, after completion, the
4066 requirements of s. 673.1041 are met, the instrument may be
4067 enforced according to its terms as augmented by completion.

4068 Section 143. For the purpose of incorporating the amendment
4069 made by this act to section 673.6041, Florida Statutes, in a
4070 reference thereto, subsection (2) of section 673.6051, Florida
4071 Statutes, is reenacted to read:

4072 673.6051 Discharge of indorsers and accommodation parties.—

4073 (2) Discharge, under s. 673.6041, of the obligation of a
4074 party to pay an instrument does not discharge the obligation of
4075 an indorser or accommodation party having a right of recourse
4076 against the discharged party.

4077 Section 144. For the purpose of incorporating the
4078 amendments made by this act to sections 673.1041 and 673.1051,
4079 Florida Statutes, in references thereto, subsection (2) of
4080 section 673.1031, Florida Statutes, is reenacted to read:

4081 673.1031 Definitions.—

4082 (2) Other definitions applying to this chapter and the
4083 sections in which they appear are:

4084 "Acceptance," s. 673.4091.

4085 "Accommodated party," s. 673.4191.

4086 "Accommodation party," s. 673.4191.

4087 "Alteration," s. 673.4071.

4088 "Anomalous indorsement," s. 673.2051.

4089 "Blank indorsement," s. 673.2051.

577-02477-25

20251666c1

4090 "Cashier's check," s. 673.1041.
4091 "Certificate of deposit," s. 673.1041.
4092 "Certified check," s. 673.4091.
4093 "Check," s. 673.1041.
4094 "Consideration," s. 673.3031.
4095 "Draft," s. 673.1041.
4096 "Holder in due course," s. 673.3021.
4097 "Incomplete instrument," s. 673.1151.
4098 "Indorsement," s. 673.2041.
4099 "Indorser," s. 673.2041.
4100 "Instrument," s. 673.1041.
4101 "Issue," s. 673.1051.
4102 "Issuer," s. 673.1051.
4103 "Negotiable instrument," s. 673.1041.
4104 "Negotiation," s. 673.2011.
4105 "Note," s. 673.1041.
4106 "Payable at a definite time," s. 673.1081.
4107 "Payable on demand," s. 673.1081.
4108 "Payable to bearer," s. 673.1091.
4109 "Payable to order," s. 673.1091.
4110 "Payment," s. 673.6021.
4111 "Person entitled to enforce," s. 673.3011.
4112 "Presentment," s. 673.5011.
4113 "Reacquisition," s. 673.2071.
4114 "Special indorsement," s. 673.2051.
4115 "Teller's check," s. 673.1041.
4116 "Transfer of instrument," s. 673.2031.
4117 "Traveler's check," s. 673.1041.
4118 "Value," s. 673.3031.

577-02477-25

20251666c1

4119 Section 145. For the purpose of incorporating the amendment
4120 made by this act to section 675.104, Florida Statutes, in a
4121 reference thereto, paragraph (j) of subsection (1) of section
4122 675.103, Florida Statutes, is reenacted to read:

4123 675.103 Definitions.—

4124 (1) For purposes of this chapter:

4125 (j) "Letter of credit" means a definite undertaking that
4126 satisfies the requirements of s. 675.104 by an issuer to a
4127 beneficiary at the request or for the account of an applicant
4128 or, in the case of a financial institution, to itself or for its
4129 own account, to honor a documentary presentation by payment or
4130 delivery of an item of value.

4131 Section 146. For the purpose of incorporating the amendment
4132 made by this act to section 675.116, Florida Statutes, in a
4133 reference thereto, subsection (2) of section 679.3061, Florida
4134 Statutes, is reenacted to read:

4135 679.3061 Law governing perfection and priority of security
4136 interests in letter-of-credit rights.—

4137 (2) For purposes of this part, an issuer's jurisdiction or
4138 nominated person's jurisdiction is the jurisdiction whose law
4139 governs the liability of the issuer or nominated person with
4140 respect to the letter-of-credit right as provided in s. 675.116.

4141 Section 147. For the purpose of incorporating the amendment
4142 made by this act to section 677.106, Florida Statutes, in a
4143 reference thereto, subsection (3) of section 672.103, Florida
4144 Statutes, is reenacted to read:

4145 672.103 Definitions and index of definitions.—

4146 (3) The following definitions in other chapters apply to
4147 this chapter:

577-02477-25

20251666c1

4148 "Check," s. 673.1041.
4149 "Consignee," s. 677.102.
4150 "Consignor," s. 677.102.
4151 "Consumer goods," s. 679.1021.
4152 "Control," s. 677.106.
4153 "Dishonor," s. 673.5021.
4154 "Draft," s. 673.1041.
4155 Section 148. For the purpose of incorporating the amendment
4156 made by this act to section 677.106, Florida Statutes, in a
4157 reference thereto, subsection (3) of section 674.104, Florida
4158 Statutes, is reenacted to read:
4159 674.104 Definitions and index of definitions.—
4160 (3) The following definitions in other chapters apply to
4161 this chapter:
4162 "Acceptance," s. 673.4091.
4163 "Alteration," s. 673.4071.
4164 "Cashier's check," s. 673.1041.
4165 "Certificate of deposit," s. 673.1041.
4166 "Certified check," s. 673.4091.
4167 "Check," s. 673.1041.
4168 "Control," s. 677.106.
4169 "Good faith," s. 673.1031.
4170 "Holder in due course," s. 673.3021.
4171 "Instrument," s. 673.1041.
4172 "Notice of dishonor," s. 673.5031.
4173 "Order," s. 673.1031.
4174 "Ordinary care," s. 673.1031.
4175 "Person entitled to enforce," s. 673.3011.
4176 "Presentment," s. 673.5011.

577-02477-25

20251666c1

4177 "Promise," s. 673.1031.

4178 "Prove," s. 673.1031.

4179 "Teller's check," s. 673.1041.

4180 "Unauthorized signature," s. 673.4031.

4181 Section 149. For the purpose of incorporating the amendment
4182 made by this act to section 678.1061, Florida Statutes, in a
4183 reference thereto, subsection (3) of section 678.5101, Florida
4184 Statutes, is reenacted to read:

4185 678.5101 Rights of purchaser of security entitlement from
4186 entitlement holder.—

4187 (3) In a case not covered by the priority rules in chapter
4188 679, a purchaser for value of a security entitlement, or an
4189 interest therein, who obtains control has priority over a
4190 purchaser of a security entitlement, or an interest therein, who
4191 does not obtain control. Except as otherwise provided in
4192 subsection (4), purchasers who have control rank according to
4193 priority in time of:

4194 (a) The purchaser's becoming the person for whom the
4195 securities account, in which the security entitlement is
4196 carried, is maintained, if the purchaser obtained control under
4197 s. 678.1061(4) (a);

4198 (b) The securities intermediary's agreement to comply with
4199 the purchaser's entitlement orders with respect to security
4200 entitlements carried or to be carried in the securities account
4201 in which the security entitlement is carried, if the purchaser
4202 obtained control under s. 678.1061(4) (b); or

4203 (c) If the purchaser obtained control through another
4204 person under s. 678.1061(4) (c), the time on which priority would
4205 be based under this subsection if the other person were the

577-02477-25

20251666c1

4206 secured party.

4207 Section 150. For the purpose of incorporating the amendment
4208 made by this act to section 678.1061, Florida Statutes, in a
4209 reference thereto, subsection (1) of section 679.1061, Florida
4210 Statutes, is reenacted to read:

4211 679.1061 Control of investment property.—

4212 (1) A person has control of a certificated security,
4213 uncertificated security, or security entitlement as provided in
4214 s. 678.1061.

4215 Section 151. For the purpose of incorporating the amendment
4216 made by this act to section 679.2031, Florida Statutes, in a
4217 reference thereto, subsection (3) of section 674.2101, Florida
4218 Statutes, is reenacted to read:

4219 674.2101 Security interest of collecting bank in items,
4220 accompanying documents, and proceeds.—

4221 (3) Receipt by a collecting bank of a final settlement for
4222 an item is a realization on its security interest in the item,
4223 accompanying documents, and proceeds. So long as the bank does
4224 not receive final settlement for the item or give up possession
4225 of the item or possession or control of the accompanying or
4226 associated documents for purposes other than collection, the
4227 security interest continues to that extent and is subject to
4228 chapter 679, but:

4229 (a) No security agreement is necessary to make the security
4230 interest enforceable (s. 679.2031(2)(c)1.);

4231 (b) No filing is required to perfect the security interest;
4232 and

4233 (c) The security interest has priority over conflicting
4234 perfected security interests in the item, accompanying

577-02477-25

20251666c1

4235 documents, or proceeds.

4236 Section 152. For the purpose of incorporating the amendment
4237 made by this act to section 679.2031, Florida Statutes, in a
4238 reference thereto, subsection (2) of section 675.1181, Florida
4239 Statutes, is reenacted to read:

4240 675.1181 Security interest of issuer or nominated person.—

4241 (2) As long as and to the extent that an issuer or
4242 nominated person has not been reimbursed or has not otherwise
4243 recovered the value given with respect to a security interest in
4244 a document under subsection (1), the security interest continues
4245 and is subject to chapter 679, but a security agreement is not
4246 necessary to make the security interest enforceable under s.
4247 679.2031(2)(c):

4248 (a) If the document is presented in a medium other than a
4249 written or other tangible medium, the security interest is
4250 perfected; and

4251 (b) If the document is presented in a written or other
4252 tangible medium and is not a certificated security, chattel
4253 paper, a document of title, an instrument, or a letter of
4254 credit, the security interest is perfected and has priority over
4255 a conflicting security interest in the document so long as the
4256 debtor does not have possession of the document.

4257 Section 153. For the purpose of incorporating the amendment
4258 made by this act to section 679.2031, Florida Statutes, in a
4259 reference thereto, section 679.1101, Florida Statutes, is
4260 reenacted to read:

4261 679.1101 Security interests arising under chapter 672 or
4262 chapter 680.—A security interest arising under s. 672.401, s.
4263 672.505, s. 672.711(3), or s. 680.508(5) is subject to this

577-02477-25

20251666c1

4264 chapter. However, until the debtor obtains possession of the
4265 goods:

4266 (1) The security interest is enforceable, even if s.
4267 679.2031(2)(c) has not been satisfied;

4268 (2) Filing is not required to perfect the security
4269 interest;

4270 (3) The rights of the secured party after default by the
4271 debtor are governed by chapter 672 or chapter 680; and

4272 (4) The security interest has priority over a conflicting
4273 security interest created by the debtor.

4274 Section 154. For the purpose of incorporating the amendment
4275 made by this act to section 679.2031, Florida Statutes, in a
4276 reference thereto, subsection (2) of section 679.709, Florida
4277 Statutes, is reenacted to read:

4278 679.709 Priority.—

4279 (2) For purposes of s. 679.322(1), the priority of a
4280 security interest that becomes enforceable under s. 679.2031 of
4281 this act dates from the time this act takes effect if the
4282 security interest is perfected under this act by the filing of a
4283 financing statement before this act takes effect which would not
4284 have been effective to perfect the security interest under
4285 chapter 679, Florida Statutes 2000. This subsection does not
4286 apply to conflicting security interests each of which is
4287 perfected by the filing of such a financing statement.

4288 Section 155. For the purpose of incorporating the amendment
4289 made by this act to section 679.210, Florida Statutes, in a
4290 reference thereto, subsection (2) of section 679.602, Florida
4291 Statutes, is reenacted to read:

4292 679.602 Waiver and variance of rights and duties.—Except as

577-02477-25

20251666c1

4293 otherwise provided in s. 679.624, to the extent that they give
4294 rights to a debtor or obligor and impose duties on a secured
4295 party, the debtor or obligor may not waive or vary the rules
4296 stated in the following listed sections:

4297 (2) Section 679.210, which deals with requests for an
4298 accounting and requests concerning a list of collateral and
4299 statement of account;

4300 Section 156. For the purpose of incorporating the amendment
4301 made by this act to section 679.3141, Florida Statutes, in a
4302 reference thereto, subsection (2) of section 679.329, Florida
4303 Statutes, is reenacted to read:

4304 679.329 Priority of security interests in letter-of-credit
4305 right.—The following rules govern priority among conflicting
4306 security interests in the same letter-of-credit right:

4307 (2) Security interests perfected by control under s.
4308 679.3141 rank according to priority in time of obtaining
4309 control.

4310 Section 157. For the purpose of incorporating the amendment
4311 made by this act to section 679.3161, Florida Statutes, in a
4312 reference thereto, subsection (3) of section 679.320, Florida
4313 Statutes, is reenacted to read:

4314 679.320 Buyer of goods.—

4315 (3) To the extent that it affects the priority of a
4316 security interest over a buyer of goods under subsection (2),
4317 the period of effectiveness of a filing made in the jurisdiction
4318 in which the seller is located is governed by s. 679.3161(1) and
4319 (2).

4320 Section 158. For the purpose of incorporating the amendment
4321 made by this act to section 679.3171, Florida Statutes, in a

577-02477-25

20251666c1

4322 reference thereto, paragraph (b) of subsection (8) of section
4323 727.109, Florida Statutes, is reenacted to read:

4324 727.109 Power of the court.—The court shall have power to:

4325 (8) Hear and determine any of the following actions brought
4326 by the assignee, which she or he is empowered to maintain:

4327 (b) Determine the validity, priority, and extent of a lien
4328 or other interests in assets of the estate, or to subordinate or
4329 avoid an unperfected security interest pursuant to the
4330 assignee's rights as a lien creditor under s. 679.3171.

4331 Section 159. For the purpose of incorporating the
4332 amendments made by this act to sections 679.3171 and 679.323,
4333 Florida Statutes, in references thereto, subsection (3) of
4334 section 680.307, Florida Statutes, is reenacted to read:

4335 680.307 Priority of liens arising by attachment or levy on,
4336 security interests in, and other claims to goods.—

4337 (3) Except as otherwise provided in ss. 679.3171, 679.321,
4338 and 679.323, a lessee takes a leasehold interest subject to a
4339 security interest held by a creditor or lessor.

4340 Section 160. For the purpose of incorporating the
4341 amendments made by this act to sections 678.1061, 679.3131,
4342 679.3141, and 679.323, Florida Statutes, in references thereto,
4343 subsections (2), (5), and (7) of section 679.328, Florida
4344 Statutes, are reenacted to read:

4345 679.328 Priority of security interests in investment
4346 property.—The following rules govern priority among conflicting
4347 security interests in the same investment property:

4348 (2) Except as otherwise provided in subsections (3) and
4349 (4), conflicting security interests held by secured parties each
4350 of which has control under s. 679.1061 rank according to

577-02477-25

20251666c1

4351 priority in time of:

4352 (a) If the collateral is a security, obtaining control;

4353 (b) If the collateral is a security entitlement carried in
4354 a securities account and:

4355 1. If the secured party obtained control under s.
4356 678.1061(4)(a), the secured party's becoming the person for
4357 which the securities account is maintained;

4358 2. If the secured party obtained control under s.
4359 678.1061(4)(b), the securities intermediary's agreement to
4360 comply with the secured party's entitlement orders with respect
4361 to security entitlements carried or to be carried in the
4362 securities account; or

4363 3. If the secured party obtained control through another
4364 person under s. 678.1061(4)(c), the time on which priority would
4365 be based under this paragraph if the other person were the
4366 secured party; or

4367 (c) If the collateral is a commodity contract carried with
4368 a commodity intermediary, the satisfaction of the requirement
4369 for control specified in s. 679.1061(2)(b) with respect to
4370 commodity contracts carried or to be carried with the commodity
4371 intermediary.

4372 (5) A security interest in a certificated security in
4373 registered form which is perfected by taking delivery under s.
4374 679.3131(1) and not by control under s. 679.3141 has priority
4375 over a conflicting security interest perfected by a method other
4376 than control.

4377 (7) In all other cases, priority among conflicting security
4378 interests in investment property is governed by ss. 679.322 and
4379 679.323.

577-02477-25

20251666c1

4380 Section 161. For the purpose of incorporating the
4381 amendments made by this act to sections 679.1041 and 679.3141,
4382 Florida Statutes, in references thereto, subsections (1) and (2)
4383 of section 679.327, Florida Statutes, are reenacted to read:

4384 679.327 Priority of security interests in deposit account.—
4385 The following rules govern priority among conflicting security
4386 interests in the same deposit account:

4387 (1) A security interest held by a secured party having
4388 control of the deposit account under s. 679.1041 has priority
4389 over a conflicting security interest held by a secured party
4390 that does not have control.

4391 (2) Except as otherwise provided in subsections (3) and
4392 (4), security interests perfected by control under s. 679.3141
4393 rank according to priority in time of obtaining control.

4394 Section 162. For the purpose of incorporating the
4395 amendments made by this act to sections 679.2031 and 679.4041,
4396 Florida Statutes, in a reference thereto, subsection (4) of
4397 section 679.1091, Florida Statutes, is reenacted to read:

4398 679.1091 Scope.—

4399 (4) This chapter does not apply to:

4400 (a) A landlord's lien, other than an agricultural lien;

4401 (b) A lien, other than an agricultural lien, given by
4402 statute or other rule of law for services or materials, but s.
4403 679.333 applies with respect to priority of the lien;

4404 (c) An assignment of a claim for wages, salary, or other
4405 compensation of an employee;

4406 (d) A sale of accounts, chattel paper, payment intangibles,
4407 or promissory notes as part of a sale of the business out of
4408 which they arose;

577-02477-25

20251666c1

- 4409 (e) An assignment of accounts, chattel paper, payment
4410 intangibles, or promissory notes which is for the purpose of
4411 collection only;
- 4412 (f) An assignment of a right to payment under a contract to
4413 an assignee that is also obligated to perform under the
4414 contract;
- 4415 (g) An assignment of a single account, payment intangible,
4416 or promissory note to an assignee in full or partial
4417 satisfaction of a preexisting indebtedness;
- 4418 (h) A transfer of an interest in or an assignment of a
4419 claim under a policy of insurance, other than an assignment by
4420 or to a health-care provider of a health-care-insurance
4421 receivable and any subsequent assignment of the right to
4422 payment, but ss. 679.3151 and 679.322 apply with respect to
4423 proceeds and priorities in proceeds;
- 4424 (i) An assignment of a right represented by a judgment,
4425 other than a judgment taken on a right to payment that was
4426 collateral;
- 4427 (j) A right of recoupment or set-off, but:
- 4428 1. Section 679.340 applies with respect to the
4429 effectiveness of rights of recoupment or set-off against deposit
4430 accounts; and
- 4431 2. Section 679.4041 applies with respect to defenses or
4432 claims of an account debtor;
- 4433 (k) The creation or transfer of an interest in or lien on
4434 real property, including a lease or rents thereunder, except to
4435 the extent that provision is made for:
- 4436 1. Liens on real property in ss. 679.2031 and 679.3081;
4437 2. Fixtures in s. 679.334;

577-02477-25

20251666c1

4438 3. Fixture filings in ss. 679.5011, 679.5021, 679.512,
4439 679.516, and 679.519; and

4440 4. Security agreements covering personal and real property
4441 in s. 679.604;

4442 (1) An assignment of a claim arising in tort, other than a
4443 commercial tort claim, but ss. 679.3151 and 679.322 apply with
4444 respect to proceeds and priorities in proceeds;

4445 (m) An assignment of a deposit account, other than a
4446 nonnegotiable certificate of deposit, in a consumer transaction,
4447 but ss. 679.3151 and 679.322 apply with respect to proceeds and
4448 priorities in proceeds;

4449 (n) Any transfer by a government or governmental unit; or

4450 (o) A transfer or pledge of, or creation of a security
4451 interest in, any interest or right or portion of any interest or
4452 right in any storm-recovery property as defined in s. 366.8260.

4453 Section 163. For the purpose of incorporating the amendment
4454 made by this act to section 679.628, Florida Statutes, in a
4455 reference thereto, subsection (3) of section 679.626, Florida
4456 Statutes, is reenacted to read:

4457 679.626 Action in which deficiency or surplus is in issue.—
4458 In an action arising from a transaction in which the amount of a
4459 deficiency or surplus is in issue, the following rules apply:

4460 (3) Except as otherwise provided in s. 679.628, if a
4461 secured party fails to prove that the collection, enforcement,
4462 disposition, or acceptance was conducted in accordance with the
4463 provisions of this part relating to collection, enforcement,
4464 disposition, or acceptance, the liability of a debtor or a
4465 secondary obligor for a deficiency is limited to an amount by
4466 which the sum of the secured obligation, reasonable expenses,

577-02477-25

20251666c1

4467 and, to the extent provided for by agreement and not prohibited
4468 by law, attorney's fees exceeds the greater of:

4469 (a) The proceeds of the collection, enforcement,
4470 disposition, or acceptance; or

4471 (b) The amount of proceeds that would have been realized
4472 had the noncomplying secured party proceeded in accordance with
4473 the provisions of this part relating to collection, enforcement,
4474 disposition, or acceptance.

4475 Section 164. This act shall take effect July 1, 2025.