

FLORIDA HOUSE OF REPRESENTATIVES

FINAL BILL ANALYSIS

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BILL #: [CS/CS/HB 515](#)

TITLE: Uniform Commercial Code

SPONSOR(S): Gentry

COMPANION BILL: [CS/CS/SB 1666](#) (Grall)

LINKED BILLS: None

RELATED BILLS: None

FINAL HOUSE FLOOR ACTION: 115 Y's 0 N's

GOVERNOR'S ACTION: Pending

SUMMARY

Effect of the Bill:

CS/CS/HB 515 creates ch. 669, F.S., within Florida's Uniform Commercial Code, to incorporate newly-promulgated Article 12 of the Model Uniform Commercial Code. In doing so, the bill provides updated rules for commercial transactions involving virtual currencies, distributed ledger technologies, artificial intelligence, and other technological developments and establishes a baseline framework allowing creditors to secure liens against digital assets owned by debtors.

Fiscal or Economic Impact:

The bill may have an indeterminate economic impact on the private sector.

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ANALYSIS

EFFECT OF THE BILL:

The bill creates ch. 669, F.S., within [Florida's Uniform Commercial Code](#), to incorporate newly-promulgated [Article 12](#) of the [Model Uniform Commercial Code](#). In doing so, the bill provides updated rules for commercial transactions involving [virtual currencies](#), [distributed ledger technologies](#), [artificial intelligence](#), and other technological developments and establishes a baseline framework allowing creditors to secure [liens](#) against digital assets owned by debtors. (Sections [2](#), [3](#), [10](#), and [11](#))

Creation of Article 12: Controllable Electronic Records

The bill creates Part I of ch. 669, F.S., consisting of ss. 669.101-669.107, F.S., to govern general provisions relating to controllable electronic records, defined below. (Sections [2](#) and [3](#)) The bill also creates Part II of ch. 669, F.S., consisting of ss. 669.501-669.706, F.S., to establish transitional provisions relating to controllable electronic records. Generally speaking, such provisions preserve and protect rights existing before the bill's effective date and clarify how the bill applies to existing rights after its effective date. (Sections [10](#) and [11](#))

Definitions

The bill creates s. 669.102, F.S., to define:

- "Controllable electronic record" ("CER") as a record in an electronic medium, subject to control under newly-created s. 669.105, F.S. Under the bill, the term does not include a central bank digital currency,¹ a controllable account,² a controllable payment intangible,³ a deposit account,⁴ electronic chattel paper,⁵ an electronic document of title,⁶ electronic money,⁷ investment property, or a transferrable record.⁸

¹ "Central bank digital currency" means a digital currency, a digital medium of exchange, or a digital monetary unit of account issued by the United States Federal Reserve System, a federal agency, a foreign government, a foreign central bank, or a foreign reserve system, that is made directly available to a consumer by such entities or that is processed or validated directly by such entities. S. [671.201, F.S.](#)

² The bill amends s. [679.1021, F.S.](#), to define "controllable account" as an account evidenced by a CER that provides that the account debtor undertakes to pay the person that controls the CER under s. [699.105, F.S.](#) (Section [69](#))

³ The bill amends s. [679.1021, F.S.](#), to define "controllable payment intangible" to mean a payment intangible evidenced by a CER that provides that the account debtor undertakes to pay the person that controls the CER under s. [669.105, F.S.](#) (Section [69](#))

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- “Qualifying purchaser” to mean a purchaser of a CER or an interest therein which obtains control of the CER for value,⁹ in good faith, and without notice of a claim of a property right in the CER. (Section 4)

Governing Law

The bill creates s. 669.107, F.S., to provide that, generally, the local law of a CER’s jurisdiction governs a matter covered by ch. 669, F.S. The bill also amends this section to specify the rules governing the determination of a CER’s jurisdiction, which jurisdiction is generally the jurisdiction expressly provided for in the CER or a record attached to or logically associated therewith. However, where no such provision is made, the bill provides alternative methods, in descending order of priority, for establishing the CER’s jurisdiction, and provides that, where nothing else applies, the laws of the District of Columbia govern. (Section 9)

Further, the bill creates s. 669.103, F.S., to provide that, if there is a conflict between Part I of ch. 669, F.S., and [ch. 679, F.S.](#) (pertaining to secured transactions), then [ch. 679, F.S.](#), governs. Under the bill, a transaction subject to Part I of ch. 669, F.S., is also subject to any applicable rule of law establishing a different rule for consumers; any other law or regulation that regulates the rates, charges, agreements, and practices for loans, credit sales, or other extensions of credit; and [ch. 501, F.S.](#) (pertaining to consumer protection). (Section 5)

Rights in Controllable Electronic Records

The bill creates s. 669.104, F.S., to govern the acquisition and purchase of rights in a CER. Specifically, the bill provides that:

- A CER purchaser acquires all rights in the CER which the transferor had, or had power to transfer, except that a purchaser of a limited interest in a CER acquires rights only to the extent of the interest purchased.
- A qualifying purchaser acquires its rights in the CER free of a claim of a property right in such record.
- A qualifying purchaser takes a right to payment, a right to performance, or other interest in property evidenced by the CER subject to a claim of a property right in the right to payment, right to performance, or other interest in property.
- An action may not be asserted against a qualifying purchaser based on both a purchase by the qualifying purchaser of a CER and a claim of a property right in another CER, regardless of whether the action is framed in conversion,¹⁰ replevin,¹¹ constructive trust,¹² equitable lien,¹³ or other theory.

⁴ “Deposit account” means a demand, time, savings, passbook, or similar account maintained with a bank. The term does not include investment property or accounts

⁵ The bill modifies the definition of “electronic chattel paper” in [s. 679.1021, F.S.](#), to “electronic money,” meaning money in an electronic form. However, current law defines “electronic chattel paper” to mean chattel paper evidenced by a record or records consisting of information stored in an electronic medium. “Chattel,” in turn, is a catch-all term associated with movable goods; it refers to all property other than real property. [S. 679.1021, F.S.](#) (Section 69); Legal Information Institute, *Chattel*, <https://www.law.cornell.edu/wex/chattel> (last visited May 7, 2025).

⁶ “Electronic document of title” means a document of title evidenced by a record consisting of information stored in an electronic medium. “Document of title,” in turn, means a record that, in the regular course of business or financing, is treated as adequate evidence that the person in possession or control of the record is entitled to receive, control, hold, and dispose of the record and the goods the record covers. [S. 671.201\(16\), F.S.](#)

⁷ The bill amends [s. 679.1021, F.S.](#), to define “electronic money” as money in an electronic form. (Section 69)

⁸ The bill defines “transferable record” as having the same meaning as provided in section 201(a)(1) of the Electronic Signatures in Global and National Commerce Act, codified in [15 U.S.C. s. 7021\(a\)\(1\)](#) or [s. 668.50\(16\)\(a\), F.S.](#) (Section 4)

⁹ The bill defines “value” as having the meaning provided in [s. 673.3031\(1\), F.S.](#), as if references in that subsection to an instrument were references to a controllable account, CER, or controllable payment intangible. (Section 4)

¹⁰ “Conversion” is an intentional tort in which one party takes the chattel property of another with the intent to deprive him or her of the property. Legal Information Institute, *Conversion*, <https://www.law.cornell.edu/wex/conversion> (last visited May 7, 2025).

¹¹ “Replevin” is an action seeking the return of personal property wrongfully taken or held by the defendant. Legal Information Institute, *Replevin*, <https://www.law.cornell.edu/wex/replevin> (last visited May 7, 2025).

¹² A constructive trust is a trust created through a court’s power to remedy unjust enrichment, through which the court orders a person in possession of property who would otherwise be unjustly enriched by retention of the property to transfer the property to the party who should rightfully possess it. Legal Information Institute, *Constructive Trust*, https://www.law.cornell.edu/wex/constructive_trust (last visited May 7, 2025).

¹³ An “equitable lien” is a court-imposed lien imposed where there is an obligation owed by one person to another, a property interest to which the obligation attaches, and an intent that the property serve as security for the obligation. Legal Information Institute, *Equitable Lien*, https://www.law.cornell.edu/wex/equitable_lien (last visited May 7, 2025).

Further, the bill provides that the filing of a financing statement¹⁴ under [ch. 679, F.S.](#), is not notice of a claim of a property right in a CER. (Section [6](#))

Control of a Controllable Electronic Record

The bill creates s. 669.105, F.S., to govern CER control. Specifically, under the bill, a person controls a CER if the CER, a record attached to or logically associated with the CER, or a system in which the CER is recorded:

- Gives the person power to avail itself of substantially all of the benefit from the CER (and exclusive powers¹⁵ to prevent others from so availing themselves) and power to transfer control of the CER; and
- Enables the person to identify itself readily in any way as having such powers.

Further, the bill provides that a person controls a CER if another person, other than the transferor to the person of an interest in the CER or a controllable account or controllable payment intangible evidenced by the CER:

- Controls the CER and acknowledges that such control is held on the person's behalf; or
- Obtains control of the CER after having acknowledged that it will do so on the person's behalf. (Section [7](#))

Discharge of Account Debtors

The bill creates s. 669.106, F.S., to specify how an account debtor¹⁶ on a controllable account or controllable payment intangible may discharge its obligations. Specifically, under the bill, such obligations may be discharged by the account debtor paying:

- The person controlling the pertinent CER; or
- A person that formerly controlled the pertinent CER unless the account debtor receives a notification that:
 - Is signed by a person that formerly had control or the person to which control was transferred;
 - Reasonably identifies the controllable account or controllable payment intangible;
 - Notifies the account debtor that control of the pertinent CER was transferred;
 - Reasonably identifies the transferee; and
 - Provides a commercially reasonable method by which the account debtor is to pay the transferee.

Where the account debtor receives such a notification, the account debtor may discharge its obligations by paying in accordance with the notification and may not discharge its obligations by paying a person that formerly controlled the CER. However, the account debtor may generally request that the person giving the notification seasonably furnish reasonable proof that control of the CER has been transferred. Further, this section is subject to other law establishing a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes. (Section [8](#))

Savings Clauses

The bill creates s. 669.601, F.S., to specify that, generally, a transaction validly entered into before July 1, 2025, remains valid after such date and may be terminated, completed, consummated, or enforced as required or allowed by law other than the [UCC](#) or, if applicable, by the [UCC](#) as though this bill had not taken effect. (Section [13](#)) Further, the bill creates s. 669.701, F.S., to provide that, generally:

- [Ch. 679, F.S.](#), as it existed on July 1, 2025, and Article 12 apply to a transaction, lien, or other interest in property, even if the transaction, lien, or interest was entered into, created, or acquired before July 1, 2025.
- A transaction, lien, or interest in property that was validly entered into, created, or transferred before July 1, 2025, and that was not governed by the [UCC](#) but would be subject to [ch. 679, F.S.](#), as it existed on July 1, 2025, or Article 12 if the transaction had been entered into, created, or transferred on or after July 1, 2025, remains valid after that date; and
- The transaction, lien, or interest may be terminated, completed, consummated, and enforced as required or permitted by Part II of [ch. 669, F.S.](#), or by the law that would apply if that Part had not taken effect.

¹⁴ A "financing statement" under [ch. 679, F.S.](#), is a document meant to give public notice of a security interest in collateral, allowing creditors to claim priority over other creditors.

¹⁵ The bill recognizes that this "exclusive power" may be shared with others. (Section [7](#))

¹⁶ "Account debtor" means a person obligated on an account, chattel paper, or general intangible. The term does not include persons obligated to pay a negotiable instrument, even if the instrument constitutes part of chattel paper. [S. 679.1021\(1\)\(c\), F.S.](#)

Finally, the bill provides that this section does not affect an action, a case, or a proceeding commenced before July 1, 2025. (Section [14](#))

Perfection of Security Interests

The bill creates s. 669.702, F.S., to provide that a security interest¹⁷ that is enforceable and perfected immediately before July 1, 2025, is a perfected security interest under the bill if, on July 1, 2025, the requirements for enforceability and perfection under this section are fully satisfied without further action. Where the requirements for enforceability or perfection are not so satisfied, all of the following apply to the security interest:

- It is a perfected security interest until the earlier of the time perfection would have ceased under the law in effect immediately before July 1, 2025, or the adjustment date;
- It remains enforceable thereafter only if the security interest satisfies the requirements for enforceability under [s. 679.2031, F.S.](#), as it existed on July 1, 2025, before the adjustment date; and
- It remains perfected thereafter only if the requirements for perfection under this section are satisfied immediately before July 1, 2025. (Section [15](#))

Similarly, the bill creates s. 669.703, F.S., to provide that a security interest that is enforceable immediately before July 1, 2025, but is unperfected by that date:

- Remains an enforceable security interest until the adjustment date;
- Remains enforceable thereafter if the security interest becomes enforceable under [s. 679.2031, F.S.](#), as it existed on July 1, 2025, or before the adjustment date; and
- Becomes perfected:
 - Without further action, by July 1, 2025, if the requirements for perfection under this bill are satisfied on or before that date; or
 - When the requirements for perfection are satisfied, if satisfaction occurs after July 1, 2025. (Section [16](#))

Finally, the bill creates s. 669.704, F.S., to provide that, if an action, other than the filing of a financing statement, taken before July 1, 2025, would have resulted in perfection of the security interest had the security interest become enforceable before July 1, 2025, the action is effective to perfect a security interest that attaches under Part II of ch. 669, F.S., before the adjustment date. Further:

- An attached security interest becomes unperfected on the adjustment date unless the security interest becomes a perfected security interest under Part II of ch. 669, F.S., before the adjustment date.
- The filing of a financing statement before July 1, 2025, is effective to perfect a security interest on July 1, 2025, to the extent the filing would satisfy the requirements for perfection under Part II of ch. 669, F.S.
- Action taken before July 1, 2025, is sufficient for the enforceability of a security interest as of July 1, 2025, if the action satisfies the requirements for enforceability under Part II of ch. 669, F.S. (Section [17](#))

Priority

The bill creates s. 669.705, F.S., to provide that, generally, if the priority of claims to collateral was established before July 1, 2025, priority is determined by [ch. 679, F.S.](#), as it was in effect before July 1, 2025. Further, on the adjustment date, to the extent the priorities determined by [ch. 679, F.S.](#), modify the priorities established before July 1, 2025, the priorities of claims to Article 12 property and electronic money established before July 1, 2025, cease to apply. (Section [18](#))

The bill also creates s. 669.706, F.S., to provide that, generally, when the priority rules of [ch. 679, F.S.](#), do not apply and the priorities of claims to Article 12 property were established before July 1, 2025, law other than Article 12 determines priority. Under this section, when the priority rules of [ch. 679, F.S.](#), do not apply, to the extent the priorities determined by this bill modify the priorities established as of July 1, 2025, the priorities of claims to Article 12 property established before July 1, 2025, cease to apply on the adjustment date. (Section [19](#))

¹⁷ A “security interest” is a legal right in a debtor’s property, generally granted by the debtor to a creditor, that secures a debt. Legal Information Institute, *Security Interest*, https://www.law.cornell.edu/wex/security_interest (last visited May 7, 2025).

Miscellaneous Provisions

The bill creates Part III of ch. 669, F.S., consisting of s. 669.711, F.S., to provide construction. Specifically, the bill states that ch. 669, F.S., does not authorize, create, or imply the endorsement of a central bank digital currency. (Section [21](#))

Amendments to Existing UCC Articles

The bill amends existing UCC Articles 1 ([ch. 671, F.S.](#), pertaining to general provisions), 2 ([ch. 672, F.S.](#), pertaining to sales), 2a ([ch. 680, F.S.](#), pertaining to leases), 3 ([ch. 673, F.S.](#), pertaining to negotiable instruments), 4a ([ch. 670, F.S.](#), pertaining to funds transfers), 5 ([ch. 675, F.S.](#), pertaining to letters of credit), 7 ([ch. 677, F.S.](#), pertaining to documents of title), 8 ([ch. 678, F.S.](#), pertaining to investment securities), and 9 ([ch. 679, F.S.](#), pertaining to secured transactions). Many of these amendments incorporate cross-references to newly-created provision of law or to sections amended by the bill, and others make conforming changes, such as by updating terminology to incorporate the concept of CERs. The more substantive amendments are discussed below.

Amendments to Article 1: General Provisions

The bill amends [s. 671.201, F.S.](#), to modify general definitions applicable throughout the UCC. Specifically, the bill:

- Redefines “delivery,” to include, with respect to an instrument, voluntary transfer of an authoritative tangible copy of a record evidencing chattel paper.
- Defines “electronic” to mean relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.
- Redefines “person” to include a protected series,¹⁸ however denominated, of an entity if the protected series is established under law other than the UCC which limits, or conditionally limits if conditions specified under the law are satisfied, the ability of a creditor of the entity or of any other protected series of the entity to satisfy a claim from the protected series’ assets.
- Redefines “send” to include causing the record or notification to be received within the time it would have been received if property sent by mail or transmitted by any other usual means of communication.
- Defines “sign,” “signing,” “signed,” or “signature” to mean, with present intent to authenticate or adopt a record, to:
 - Execute or adopt a tangible symbol; or
 - Attach to or logically associate with the record an electronic symbol, sound, or process. (Section [36](#))

Further, the bill:

- Amends [s. 671.105, F.S.](#), to include the governing law provision in newly-created s. 669.107, F.S., among the list of UCC provisions which govern as to applicable law, so that a contrary agreement is effective only to the extent allowed by law. (Section [34](#))
- Creates s. 671.401, F.S., to provide a savings clause for existing Article 1 transactions. (Sections [38](#) and [39](#)).

Amendments to Article 2: Sale of Goods

The bill makes several changes to [ch. 672, F.S.](#), pertaining to the sale of goods. Specifically, the bill:

- Amends [s. 672.106, F.S.](#), to define “hybrid transaction,” for the purposes of [ch. 672, F.S.](#), to mean a single transaction involving a sale of goods and the provision of services; a lease of other goods; or a sale, lease, or license of property other than goods. (Section [41](#))
- Amends [s. 672.102, F.S.](#), to specify the applicability of [ch. 672, F.S.](#), in the case of a hybrid transaction. (Section [40](#))
- Creates s. 672.801, F.S., to provide a savings clause for existing Article 2 transactions. (Sections [47](#) and [48](#)).

Amendments to Article 3: Negotiable Instruments

¹⁸ Florida law does not currently recognize the concept of a protected series. A bill to allow for the formation of a protected series LLC has been filed for the 2025 Legislative Session. See [2025 HB 403](#).

The bill makes several changes to [ch. 673, F.S.](#), pertaining to [negotiable instruments](#). Specifically, the bill:

- Amends [s. 673.1041, F.S.](#), to redefine “negotiable instrument” to provide that the promise or order to pay, which, under current law, generally may not state any other undertaking or instruction other than the payment of money, nevertheless may contain:
 - A term specifying the law governing the promise or order; or
 - An undertaking to resolve, in a specified forum, a dispute about the promise or order. (Section [49](#))
- Amends [s. 673.1051, F.S.](#), to redefine the term “issue,” in the context of an instrument, to include, if agreed to by the payee, the first transmission by the drawer to the payee of an image of an item and information derived from the item which enables the depository bank to collect the item under federal law by transferring or presenting an electronic check. (Section [50](#))
- Amends [s. 673.6041, F.S.](#), to provide that the obligation of a party to pay a check is not discharged solely by the check’s destruction in connection with the extraction of information from and the making of the check’s image where the information and image are subsequently transmitted for payment. (Section [51](#))
- Creates [s. 673.702, F.S.](#), to provide a savings clause for existing Article 3 transactions. (Sections [53](#) and [54](#))

Amendments to Article 4a: Funds Transfers

The bill makes several changes to [ch. 670, F.S.](#), pertaining to funds transfers. Specifically, the bill:

- Amends [s. 670.201, F.S.](#), to, among other things, specify that a security procedure¹⁹ may impose an obligation on the receiving bank or the customer, and that such procedure may require the use of symbols, sounds, or biometrics, in addition to security devices already contemplated by existing law. (Section [23](#))
- Creates [s. 670.601, F.S.](#), to provide a savings clause for existing Article 4a transactions. (Sections [31](#) and [32](#))

Amendments to Article 5: Letters of Credit

The bill makes several changes to [ch. 675, F.S.](#), pertaining to [letters of credit](#). Specifically, the bill:

- Amends [s. 675.116, F.S.](#), to provide that, for the purposes of choice of law and forum, a bank branch is considered to be located at the address indicated in the branch’s undertaking; however, under the bill, if more than one address is indicated, the branch is considered to be located at the address from which the undertaking was issued. (Section [56](#))
- Creates [s. 675.119, F.S.](#), to provide a savings clause for existing Article 5 transactions. (Section [57](#))

Amendments to Article 7: Documents of Title

The bill makes several changes to [ch. 677, F.S.](#), pertaining to documents of title. Specifically, the bill:

- Amends [s. 677.106, F.S.](#), to specify the circumstances under which a person may control an electronic document of title. (Section [59](#))
- Creates [s. 677.701, F.S.](#), to provide a savings clause for existing Article 7 transactions. (Section [60](#) and [61](#))

Amendments to Article 8: Investment Securities

The bill makes several changes to [ch. 678, F.S.](#), pertaining to [investment securities](#). Specifically, the bill:

- Amends [s. 678.1061, F.S.](#), to specify the circumstances under which a purchaser controls a security entitlement. (Section [64](#))
- Amends [s. 678.1031, F.S.](#), to provide that a controllable account, CER, or controllable payment intangible is not a financial asset unless such account, CER, or payment intangible qualifies as a “financial asset” under [s. 678.1021\(1\)\(i\), F.S.](#) (Section [63](#))
- Amends [s. 678.1101, F.S.](#), to provide that the local law of the issuer’s jurisdiction or the securities intermediary’s jurisdiction governs matters or transactions specified in subsections (1) and (2) of that section even if the matter or transaction does not bear any relation to the jurisdiction. (Section [65](#))

¹⁹ “Security procedure” means a procedure established by agreement of a customer and a receiving bank for purposes of: 1) verifying that a payment order or communication amending or canceling a payment order is that of the customer; or 2) detecting error in the transmission or the content of the payment order or communication. [S. 670.201, F.S.](#)

- Creates s. 678.601, F.S., to provide a savings clause for existing Article 8 transactions. (Sections [67](#) and [68](#))

Amendments to Article 9: Secured Transactions

The bill makes several changes to [ch. 679, F.S.](#), pertaining to [secured transactions](#). Specifically, the bill amends [s. 679.1021, F.S.](#), to update definitions pertaining to secured transactions. Significantly, the bill defines:

- “Chattel paper” to mean:
 - A right to payment of a monetary obligation secured by specific goods, if the right to payment and security agreement are evidenced by a record; or
 - A right to payment of a monetary obligation owed by a lessee under a lease agreement with respect to specific goods and a monetary obligation owed by the lessee in connection with the transaction giving rise to the lease, if:
 - A record evidences the right to payment and the lease agreement; and
 - The predominant purpose of the transaction giving rise to the lease was to give the lessee the right to possession and use of the goods.²⁰
- “Controllable account” to mean an account evidenced by a CER providing that the account debtor undertakes to pay the person that controls the CER under s. 669.105, F.S.
- “Controllable payment intangible” to mean a payment intangible evidenced by a CER providing that the account debtor undertakes to pay the person that controls the CER under s. 669.105, F.S.
- “Electronic money” to mean money in an electronic form.
- “Money” to have the same meaning as in [s. 671.201, F.S.](#), but to not include a deposit account, a central bank digital currency, or money in an electronic form that is not controlled by newly-created s. 679.1052, F.S.
- “Tangible money” to mean money in a tangible form. (Section [69](#))

The bill also modifies or defines the circumstances under which persons control various assets governable under [ch. 679, F.S.](#), so that such control is governed in a manner similar to the CER control requirements the bill creates in [ch. 669, F.S.](#) Specifically, the bill:

- Amends [s. 679.1041, F.S.](#), relating to control of a deposit account. (Section [70](#))
- Amends [s. 679.1051, F.S.](#), relating to control of an authoritative electronic copy of a record evidencing chattel paper. (Section [71](#))
- Creates s. 679.1052, F.S., relating to control of electronic money. (Section [72](#))
- Creates s. 679.1053, F.S., relating to control of CERs, controllable accounts, or controllable payment intangibles. (Section [73](#))

Further, the bill updates several provisions of [ch. 679, F.S.](#), to address the attachment, perfection, and priority of security interests in light of the creation of [ch. 669, F.S.](#), and other changes made by the bill. Specifically, the bill:

- Amends [s. 679.2081, F.S.](#), to update terminology and discuss the transfer of control of documents of title, electronic money, controllable accounts, and controllable payment intangibles. (Section [78](#))
- Amends [s. 679.3041, F.S.](#), to provide that, when it comes to the law governing perfection and priority of security interests in deposit accounts, the local law of a bank’s jurisdiction governs even if a transaction does not bear any relation to the bank’s jurisdiction. (Section [82](#))
- Creates s. 679.3062, F.S., to specify which governing law applies to the perfection and priority of security interests in chattel paper. (Section [84](#))
- Creates s. 679.3063, F.S., to specify which governing law applies where there is a difference in jurisdiction between the local law of a CER and the debtor’s location. (Section [85](#))
- Amends [s. 679.3101, F.S.](#), to provide that a financial statement does not need to be filed when perfecting a security interest in a controllable account, CER, or controllable payment intangible. (Section [86](#))
- Amends [s. 679.3121, F.S.](#), to make the filing of a financial statement for chattel paper, controllable accounts, CERs, and controllable payment intangibles permissive and to specify how a security interest in tangible money or in electronic money may be perfected. (Section [87](#))

²⁰ Under the bill, “chattel paper” does not include a right to payment arising out of a charter or other contract involving the use or hire of a vessel or a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card.

- Amends [s. 679.3141, F.S.](#), to include controllable accounts, CERs, controllable payment intangibles, electronic documents, and electronic money in the list of assets in which a security interest may be perfected by control. (Section [89](#))
- Creates [s. 679.3152, F.S.](#), to allow for the perfection of a security interest in chattel paper by possession and control. (Section [90](#))
- Amends [s. 679.3171, F.S.](#), to specify when a buyer takes free of a security interest in chattel paper, an electronic document, a CER, a controllable account, or a controllable payment intangible. (Section [92](#))
- Creates [s. 679.3251, F.S.](#), to specify that perfection by control trumps over any other method of perfection used by a person not having control. (Section [95](#))
- Amends [s. 679.332, F.S.](#), to specify that a transferee of electronic money takes the money free of a security interest if the transferee obtains control of the money without colluding with the debtor in violating the secured party's rights. (Section [98](#))
- Amends [s. 679.605, F.S.](#), to specify when a secured party owes a duty to another based on its status as a secured party when perfection is by control of a controllable account, CER, or controllable payment intangible. (Section [107](#))
- Amends [s. 679.628, F.S.](#), to specify when the liability of a secured party to another is not limited by that section's liability limitations when perfection is by control of a controllable account, CER, or controllable payment intangible. (Section [119](#))
- Creates [s. 679.901, F.S.](#), to provide a savings clause for existing Article 9 transactions. (Sections [120](#) and [121](#))

Amendments to Article 2a: Leases

The bill makes several changes to [ch. 680, F.S.](#), relating to leases. Specifically, the bill:

- Amends [s. 680.1031, F.S.](#), to define "hybrid lease" to mean a single transaction involving a lease of goods and the provision of services; a sale of other goods; or a sale, lease, or license of property other than goods. (Section [124](#))
- Amends [s. 680.1021, F.S.](#), to specify the application of [ch. 680, F.S.](#), to hybrid leases. (Section [123](#))
- Creates [s. 680.601, F.S.](#), to provide a savings clause for existing article 2a transactions. (Sections [131](#) and [132](#))

Effective Date

Subject to the Governor's veto powers, the effective date of the bill is July 1, 2025. (Section [166](#))

FISCAL OR ECONOMIC IMPACT:

PRIVATE SECTOR:

The bill may have an indeterminate economic impact on the private sector. This impact may be positive to the extent that the changes made by the bill better facilitate commercial transactions involving virtual currencies, distributed ledger technologies, artificial intelligence, and other technological developments, or protect interests in digital assets.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Uniform Commercial Code

The [Model Uniform Commercial Code](#) (“Model UCC”) is a set of laws governing the sale of goods and other commercial transactions; promulgated by the Uniform Law Commission, it has been adopted by all 50 states, thereby giving businesses confidence that their contracts will be enforced in the same way by the courts of every U.S. jurisdiction.²¹ To accomplish its purposes, the Model UCC currently has 9 articles governing various transactions, as follows:²²

- Article 1 contains general provisions applicable to transactions covered under other UCC articles.
- Article 2 governs the sale of goods.
- Article 3 governs [negotiable instruments](#).²³
- Article 4 governs bank deposits and collections.
- Article 5 governs [letters of credit](#).²⁴
- Article 6 governs bulk sales.
- Article 7 governs documents of title for personal property.
- Article 8 governs [investment securities](#).²⁵
- Article 9 governs [secured transactions](#).²⁶

[New Article 12](#)

In 2022, the Uniform Law Commission proposed the adoption of a new Model UCC article, designated as Article 12, to address the use of emerging technologies in commercial transactions.²⁷ Specifically, Article 12 would provide updated rules for commercial transactions involving [virtual currencies](#),²⁸ [distributed ledger technologies](#),²⁹ [artificial intelligence](#), and other technological developments and establish a baseline framework allowing creditors to secure [liens](#)³⁰ against digital assets owned by debtors.³¹ Currently, 26 states and the District of Columbia have adopted the new Article 12, while ten states have introduced legislation to do so.³²

[Florida's UCC](#)

²¹ Uniform Law Commission, *Uniform Commercial Code*, <https://www.uniformlaws.org/acts/ucc> (last visited May 7, 2025).

²² [Id.](#)

²³ A “negotiable instrument” is a signed document, such as a personal check, promising to pay a specific amount of money to a named person. Legal Information Institute, *Negotiable Instrument*, <https://www.law.cornell.edu/ucc/3/3-104> (last visited May 7, 2025).

²⁴ A “letter of credit” is an instrument issued by a financial institution, typically a bank, to guarantee that the beneficiary of the letter will be paid once certain conditions are met. Legal Information Institute, *Letter of Credit*, https://www.law.cornell.edu/wex/letter_of_credit (last visited May 7, 2025).

²⁵ “Investment securities” are assets (like stocks, bonds, or mutual funds) that can be bought and sold in public markets or exchanges and held for investment purposes. Legal Information Institute, *Securities*, <https://www.law.cornell.edu/wex/securities> (last visited May 7, 2025).

²⁶ A “secured transaction” is an arrangement in which a borrower guarantees payment of an obligation by granting to the lender a security interest in the borrower’s property, such as in a mortgage (when the borrower grants to the lender a security interest in the mortgaged property). Legal Information Institute, *Secured Transaction*, https://www.law.cornell.edu/wex/secured_transaction (last visited May 7, 2025).

²⁷ ULC, [supra](#) note 21.

²⁸ “Virtual currency,” such as Bitcoin, Ethereum, or XRP, is a digital representation of value, other than a representation of the U.S. dollar or a foreign currency, that functions as a unit of account, a store of value, and a medium of exchange. IRS, *Frequently Asked Questions on Virtual Currency Transactions*, <https://www.irs.gov/individuals/international-taxpayers/frequently-asked-questions-on-virtual-currency-transactions> (last visited May 7, 2025).

²⁹ “Distributed ledger technologies,” like Blockchain, are a secure way to conduct and transfer digital assets without the need for a central authority. Such technology is “distributed” because multiple participants in a computer network share and synchronize copies of the ledger, and new transactions are added in a manner that is cryptographically secured, permanent, and visible to all participants in near real time. GAO, *Blockchain and Distributed Ledger Technologies*, <https://www.gao.gov/assets/gao-19-704sp.pdf> (last visited May 7, 2025).

³⁰ A “lien” is a legal claim against the property of another, which claim secures a debt. Legal Information Institute, *Lien*, <https://www.law.cornell.edu/wex/lien> (last visited May 7, 2025).

³¹ ULC, [supra](#) note 21.

³² The following states have enacted Article 12: Alabama, Arkansas, California, Colorado, Delaware, Georgia, Hawaii, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Minnesota, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Dakota, Oklahoma, Pennsylvania, Rhode Island, South Dakota, Virginia, and Washington. The following states have legislation pending to enact Article 12: Connecticut, Maryland, Massachusetts, New York, North Carolina, Ohio, Oregon, South Carolina, Texas, and Vermont. [Id.](#)

Florida's UCC, codified in chapters 670-680, F.S., does not currently have a provision specifically addressing digital assets; instead, the traditional approach has been to use Article 8 to apply general intangible principles to digital asset transactions or Article 9, relating to secured transactions, as an alternative by which a lender may perfect his or her security interests in a digital asset.³³ However, this traditional approach does not address the technological issues unique to easily-transferrable digital assets,³⁴ which may mean that, in some instances, doubt arises as to whether a lender's security interest was actually perfected under the UCC.³⁵ Thus, the Florida Bar's Business Law Section formed a Joint Task Force between its Blockchain and Digital Access Committee and its UCC/Bankruptcy Committee to review proposed Article 12 and determine whether Florida should adopt this new article; the result of their combined efforts is 2025 HB 515.³⁶

³³ Florida Bar Business Law Section, *Florida's New UCC Article 12 – Fla. Stat. 669: Secured Transactions for Digital Assets and Associated UCC Amendments*, <https://flabizlaw.org/wp-content/uploads/2024/01/Exhibit-B-1-7.10-White-Paper-ver-20231230a.pdf> (last visited May 7, 2025).

³⁴ For example, a digital asset owner may give a lender technical control over a digital asset by giving the lender a private key or password, but there is no transfer of the asset itself.

³⁵ Business Law Section, *supra* note 32.

³⁶ *Id.*