

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
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
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
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
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;
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 a cross-reference and provisions to changes
158 made by the act; amending s. 679.2041, F.S.; revising
159 the circumstances under which a security interest does
160 not attach under a term constituting an after-acquired
161 property clause; amending s. 679.2071, F.S.;
162 conforming a provision to changes made by the act;
163 amending s. 679.2081, F.S.; revising duties relating
164 to secured parties having control of collateral;
165 amending s. 679.209, F.S.; revising duties relating to
166 secured parties if an account debtor has been notified
167 of an assignment; revising cross-references; amending
168 s. 679.210, F.S.; conforming provisions to changes
169 made by the act; amending s. 679.3011, F.S.; revising
170 requirements relating to laws governing perfection and
171 priority of security interests; revising a cross-
172 reference; amending s. 679.3041, F.S.; specifying that
173 the local law of a bank's jurisdiction governs even if
174 a transaction does not bear any relation to the bank's
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,
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
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. 670, 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, 680.208,
246 F.S.; conforming provisions to changes made by the
247 act; creating part VI of ch. 680, F.S., relating to
248 transitional provisions; creating s. 680.601, F.S.;
249 providing applicability; amending ss. 55.205, 319.27,
250 328.0015, 517.061, 559.9232, 563.022, 668.50, F.S.;

251 conforming cross-references; reenacting ss. 655.55(1)
252 and (2) and 685.101(2), F.S., relating to law
253 applicable to deposits in and contracts relating to
254 extensions of credit by a deposit or lending
255 institution located in this state and choice of law,
256 respectively, to incorporate the amendment made to s.
257 671.105, F.S., in references thereto; reenacting ss.
258 90.953(1), 673.1061(1), (3), and (4), and 673.1151(2),
259 F.S., relating to admissibility of duplicates,
260 unconditional promise or order, and incomplete
261 instruments, respectively, to incorporate the
262 amendment made to s. 673.1041, F.S., in references
263 thereto; reenacting s. 673.1031(2), F.S., relating to
264 definitions, to incorporate the amendments made to ss.
265 673.1041 and 673.1051, F.S., in references thereto;
266 reenacting s. 673.6051(2), F.S., relating to discharge
267 of indorsers and accommodation parties, to incorporate
268 the amendment made to s. 673.6041, F.S., in a
269 reference thereto; reenacting s. 679.3061(2), F.S.,
270 relating to law governing perfection and priority of
271 security interests in letter-of-credit rights, to
272 incorporate the amendment made to s. 675.116, F.S., in
273 a reference thereto; reenacting s. 675.103(1)(j),
274 F.S., relating to definitions, to incorporate the
275 amendment made to s. 675.104, F.S., in a reference

276 thereto; reenacting ss. 674.2101(3), 675.1181(2), and
277 679.1101, F.S., relating to security interest of
278 collecting bank in items, accompanying documents, and
279 proceeds; security interest of issuer or nominated
280 person; and security interests arising under chapter
281 672 or chapter 680, respectively, to incorporate the
282 amendment made to s. 679.2031, F.S., in references
283 thereto; reenacting ss. 672.103(3) and 674.104(3),
284 F.S., relating to definitions and index of
285 definitions, to incorporate the amendment made to s.
286 677.106, F.S., in references thereto; reenacting ss.
287 678.5101(3) and 679.1061(1), F.S., relating to rights
288 of purchaser of security entitlement from entitlement
289 holder and control of investment property,
290 respectively, to incorporate the amendment made to s.
291 678.1061, F.S., in references thereto; reenacting s.
292 679.328(2), (5), and (7), F.S., relating to priority
293 of security interests in investment property, to
294 incorporate the amendments made to ss. 678.1061,
295 679.3131, 679.3141, and 679.323, F.S., in references
296 thereto; reenacting s. 679.327(1) and (2), F.S.,
297 relating to priority of security interests in deposit
298 account, to incorporate the amendment made to ss.
299 679.1041 and 679.3141, F.S., in references thereto;
300 reenacting s. 679.1091(4), F.S., relating to scope, to

301 incorporate the amendment made to ss. 679.2031 and
302 679.4041, F.S., in references thereto; reenacting s.
303 679.709(2), F.S., relating to priority, to incorporate
304 the amendment made to s. 679.2031, F.S., in a
305 reference thereto; reenacting s. 679.602(2), F.S.,
306 relating to waiver and variance of rights and duties,
307 to incorporate the amendment made to s. 679.210, F.S.,
308 in a reference thereto; reenacting s. 679.329, F.S.,
309 relating to priority of security interests in deposit
310 account and priority of security interests in letter-
311 of-credit right, respectively, to incorporate the
312 amendment made to s. 679.3141, F.S., in references
313 thereto; reenacting s. 679.320(3), F.S., buyer of
314 goods, to incorporate the amendment made to s.
315 679.3161, F.S., in references thereto; reenacting s.
316 727.109(8)(b), F.S., relating to power of the court,
317 to incorporate the amendment made to s. 679.3171,
318 F.S., in a reference thereto reenacting s. 680.307(3),
319 F.S., relating to priority of liens arising by
320 attachment or levy on, security interests in, and
321 other claims to goods, to incorporate the amendment
322 made to ss. 679.3171 and 679.323, F.S., in references
323 thereto; reenacting s. 679.626(3), F.S., relating to
324 action in which deficiency or surplus is in issue, to
325 incorporate the amendment made to s. 679.628, F.S., in

326 a reference thereto; providing an effective date.

327
328 Be It Enacted by the Legislature of the State of Florida:

329
330 **Section 1.** The Division of Law Revision is directed to
331 create chapter 669, Florida Statutes, to be entitled "Uniform
332 Commercial Code: Controllable Electronic Records and
333 Transitional Provisions."

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

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

339 669.101 Short title.—This part may be cited as "Uniform
340 Commercial Code—Controllable Electronic Records."

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

343 669.102 Definitions.—

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

345 (a) "Controllable electronic record" means a record in an
346 electronic medium, subject to control under s. 669.105. The term
347 does not include a controllable account, a controllable payment
348 intangible, a deposit account, an electronic chattel paper, an
349 electronic document of title, electronic money, investment
350 property, or a transferable record.

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

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

- 359 1. Section 201(a)(1) of the Electronic Signatures in
360 Global and National Commerce Act, 15 U.S.C. s. 7021(a)(1); or
361 2. Section 668.50(16)(a).

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

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

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

375 **Section 5. Section 669.103, Florida Statutes, is created**

376 **to read:**

377 669.103 Relation to chapter 679 and consumer laws.—

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

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

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

387 669.104 Rights in controllable account, controllable
 388 electronic record, and controllable payment intangible.—

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

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

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

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

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

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

421 (7) An action may not be asserted against a qualifying
422 purchaser based on both a purchase by the qualifying purchaser
423 of a controllable electronic record and a claim of a property
424 right in another controllable electronic record, regardless of
425 whether the action is framed in conversion, replevin,

426 constructive trust, equitable lien, or other theory.

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

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

432 669.105 Control of controllable electronic record.—

433 (1) A person has control of a controllable electronic
434 record if the electronic record, a record attached to or
435 logically associated with the electronic record, or a system in
436 which the electronic record is recorded:

437 (a) Gives the person:

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

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

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

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

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

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

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

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

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

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

465 (b) The other person:

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

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

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

475 (5) A person has control of a controllable electronic

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

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

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

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

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

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

495 669.106 Discharge of account debtor on controllable
496 account or controllable payment intangible.—

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

500 (a) The person having control of the controllable

501 electronic record that evidences the controllable account or
502 controllable payment intangible; or

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

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

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

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

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

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

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

521 (3) After receipt of a notification that complies with
522 subsection (2), the account debtor may discharge its obligation
523 by paying in accordance with the notification and may not
524 discharge the obligation by paying a person that formerly had
525 control.

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

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

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

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

540 1. Divide a payment;

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

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

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

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

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

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

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

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

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

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

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

574 669.107 Governing law.—

575 (1) Except as provided in subsection (2), the local law of

576 a controllable electronic record's jurisdiction governs a matter
577 covered by this part.

578 (2) For a controllable electronic record that evidences a
579 controllable account or controllable payment intangible, the
580 local law of the controllable electronic record's jurisdiction
581 governs a matter covered by s. 669.106 unless an effective
582 agreement determines that the local law of another jurisdiction
583 governs.

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

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

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

600 (c) If paragraphs (a) and (b) do not apply and the

601 controllable electronic record, or a record attached to or
602 logically associated with the controllable electronic record and
603 readily available for review, expressly provides that the
604 controllable electronic record is governed by the law of a
605 particular jurisdiction, that jurisdiction is the controllable
606 electronic record's jurisdiction.

607 (d) If paragraphs (a), (b), and (c) do not apply and the
608 rules of the system in which the controllable electronic record
609 is recorded are readily available for review and expressly
610 provide that the controllable electronic record or the system is
611 governed by the law of a particular jurisdiction, that
612 jurisdiction is the controllable electronic record's
613 jurisdiction.

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

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

624 (5) To the extent subsections (1) and (2) provide that the
625 local law of the controllable electronic record's jurisdiction

626 governs a matter covered by this part, that law governs even if
627 the matter or a transaction to which the matter relates does not
628 bear any relation to the controllable electronic record's
629 jurisdiction.

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

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

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

638 669.501 Short title.—This part may be cited as "Uniform
639 Commercial Code-Controllable Electronic Records."

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

642 669.502 Definitions.—As used in this part:

643 (1) (a) "Adjustment date" means July 1, 2026.

644 (b) "Article 12" means Article 12 of the Uniform
645 Commercial Code.

646 (c) "Article 12 property" means a controllable account,
647 controllable electronic record, or controllable payment
648 intangible.

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

651 "Controllable account," s. 679.1021.

652 "Controllable electronic record," s. 669.102.

653 "Controllable payment intangible," s. 679.1021.

654 "Electronic money," s. 679.1021.

655 "Financing statement," s. 679.1021.

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

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

660 669.601 Saving clause.—Except as otherwise provided in
661 this part, a transaction validly entered into before July 1,
662 2025, and the rights, duties, and interests flowing from such
663 transaction remain valid thereafter and may be terminated,
664 completed, consummated, or enforced as required or permitted by
665 law other than the Uniform Commercial Code or, if applicable, by
666 the Uniform Commercial Code as though this act had not taken
667 effect.

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

670 669.701 Saving clause.—

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

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

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

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

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

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

694 669.702 Security interest perfected before effective
695 date.—

696 (1) A security interest that is enforceable and perfected
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
724 interest becomes enforceable under s. 679.2031, as it existed on
725 July 1, 2025, or before the adjustment date; and

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
750 the enforceability of a security interest as of July 1, 2025, if

751 the action satisfies the requirements for enforceability under
752 this part.

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

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
759 to collateral was established before July 1, 2025, chapter 679
760 as 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
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
795 to 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
799 to 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
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.

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
852 after the bank offered, and the customer refused, a security
853 procedure that was commercially reasonable for that customer;
854 and

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

860 (6) Except as provided in this section and in s.
861 670.203(1)(a), rights and obligations arising under this section
862 or s. 670.203 may not be varied by agreement.

863 **Section 23. Paragraph (a) of subsection (1) of section**
864 **670.203, Florida Statutes, is amended to read:**

865 670.203 Unenforceability of certain verified payment
866 orders.—

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

871 (a) By express ~~written~~ agreement evidenced by a record,
872 the receiving bank may limit the extent to which it is entitled
873 to enforce or retain payment of the payment order.

874 **Section 24. Paragraph (b) of subsection (3) of section**
875 **670.207, Florida Statutes, is amended to read:**

876 670.207 Misdescription of beneficiary.—

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

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

895 **Section 25. Paragraph (b) of subsection (2) of section**
896 **670.208, Florida Statutes, is amended to read:**

897 670.208 Misdescription of intermediary bank or
898 beneficiary's bank.—

899 (2) This subsection applies to a payment order identifying
900 an intermediary bank or the beneficiary's bank both by name and

901 an identifying number if the name and number identify different
902 persons.

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

915 **Section 26. Subsection (1) of section 670.21, Florida**
916 **Statutes, is amended to read:**

917 670.21 Rejection of payment order.—

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

926 that is not reasonable, rejection is effective when the notice
 927 is received. If an agreement of the sender and receiving bank
 928 establishes the means to be used to reject a payment order:

929 (a) Any means complying with the agreement is reasonable;
 930 and

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

934 **Section 27. Subsection (1) of section 670.211, Florida**
 935 **Statutes, is amended to read:**

936 670.211 Cancellation and amendment of payment order.—

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

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

947 670.305 Liability for late or improper execution or
 948 failure to execute payment order.—

949 (3) In addition to the amounts payable under subsections
 950 (1) and (2), damages, including consequential damages, are

951 recoverable to the extent provided in an express ~~written~~
952 agreement of the receiving bank, evidenced by a record.

953 (4) If a receiving bank fails to execute a payment order
954 it was obliged by express agreement to execute, the receiving
955 bank is liable to the sender for its expenses in the transaction
956 and for incidental expenses and interest losses resulting from
957 the failure to execute. Additional damages, including
958 consequential damages, are recoverable to the extent provided in
959 an express ~~written~~ agreement of the receiving bank, evidenced by
960 a record, but are not otherwise recoverable.

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

964 **Section 30. Section 670.601, Florida Statutes, is created**
965 **to read:**

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

974 **Section 31. Subsection (1) of section 671.101, Florida**
975 **Statutes, is amended to read:**

976 671.101 Short title; scope of chapter.—

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

979 **Section 32. Paragraphs (a) through (f) of subsection**
980 **671.105, Florida Statutes, are redesignated as paragraphs (b)**
981 **through (h), respectively, a new paragraph (a) is added to that**
982 **subsection, and present paragraphs (d) and (e) of that**
983 **subsection are republished, to read:**

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

986 (2) When one of the following provisions of this code
987 specifies the applicable law, that provision governs; and a
988 contrary agreement is effective only to the extent permitted by
989 the law (including the conflict-of-laws rules) so specified:

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

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

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

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

998 671.107 Waiver or renunciation of claim or right after
999 breach.—A claim or right arising out of an alleged breach can be
1000 discharged in whole or in part without consideration by

1001 agreement of the aggrieved party in a signed ~~an authenticated~~
1002 record.

1003 **Section 34. Present subsections (18) through (47) of**
1004 **section 671.201, Florida Statutes, are redesignated as**
1005 **subsections (19) through (48), respectively, a new subsection**
1006 **(18) is added to that section, and present subsections (11),**
1007 **(16), (22), (25), (26), (27), (31), (40), and (41) of that**
1008 **section are amended, to read:**

1009 671.201 General definitions.—Unless the context otherwise
1010 requires, words or phrases defined in this section, or in the
1011 additional definitions contained in other chapters of this code
1012 which apply to particular chapters or parts thereof, have the
1013 meanings stated. Subject to definitions contained in other
1014 chapters of this code which apply to particular chapters or
1015 parts thereof, the term:

1016 (11) "Conspicuous," with reference to a term, means so
1017 written, displayed, or presented that, based on the totality of
1018 the circumstances, a reasonable person against which it is to
1019 operate ought to have noticed it. Whether a term is
1020 "conspicuous" is a decision for the court. ~~Conspicuous terms~~
1021 ~~include the following:~~

1022 ~~(a) A heading in capitals equal to or greater in size than~~
1023 ~~the surrounding text, or in contrasting type, font, or color to~~
1024 ~~the surrounding text of the same or lesser size; and~~

1025 ~~(b) Language in the body of a record or display in larger~~

1026 ~~type than the surrounding text or set off from surrounding text~~
 1027 ~~of the same size by symbols or other marks that call attention~~
 1028 ~~to the language.~~

1029 (16) "Delivery," with respect to an electronic document of
 1030 title, means voluntary transfer of control and, "delivery," with
 1031 respect to instruments, tangible document of title, or an
 1032 authoritative tangible copy of a record evidencing chattel
 1033 paper, or certificated securities, means voluntary transfer of
 1034 possession.

1035 (18) "Electronic" means relating to technology having
 1036 electrical, digital, magnetic, wireless, optical,
 1037 electromagnetic, or similar capabilities.

1038 (23)-(22) "Holder" means:

1039 (a) The person in possession of a negotiable instrument
 1040 that is payable either to bearer or to an identified person that
 1041 is the person in possession;

1042 (b) The person in possession of a negotiable tangible
 1043 document of title if the goods are deliverable either to bearer
 1044 or to the order of the person in possession; or

1045 (c) The person in control, other than pursuant to s.
 1046 677.106(7), of a negotiable electronic document of title.

1047 (26)-(25) "Money" means a medium of exchange that is
 1048 currently authorized or adopted by a domestic or foreign
 1049 government. The term includes a monetary unit of account
 1050 established by an intergovernmental organization or by agreement

1051 between two or more countries. The term does not include an
1052 electronic record that is a medium of exchange required and
1053 transferable in a system that existed and operated for the
1054 medium of exchange before the medium of exchange was authorized
1055 or adopted by the government ~~a central bank digital currency.~~

1056 (27) ~~(26)~~ Subject to subsection (29) ~~(28)~~, a person has
1057 "notice" of a fact if the person:

1058 (a) Has actual knowledge of it;
1059 (b) Has received a notice or notification of it; or
1060 (c) From all the facts and circumstances known to the
1061 person at the time in question, has reason to know that it
1062 exists. A person "knows" or has "knowledge" of a fact when the
1063 person has actual knowledge of it. "Discover" or "learn" or a
1064 word or phrase of similar import refers to knowledge rather than
1065 to reason to know. The time and circumstances under which a
1066 notice or notification may cease to be effective are not
1067 determined by this section.

1068 (28) ~~(27)~~ A person "notifies" or "gives" a notice or
1069 notification to another person by taking such steps as may be
1070 reasonably required to inform the other person in ordinary
1071 course, whether or not the other person actually comes to know
1072 of it. Subject to subsection (29) ~~(28)~~, a person "receives" a
1073 notice or notification when:

1074 (a) It comes to that person's attention; or
1075 (b) It is duly delivered in a form reasonable under the

1076 | circumstances at the place of business through which the
 1077 | contract was made or at another location held out by that person
 1078 | as the place for receipt of such communications.

1079 | (32)~~(31)~~ "Person" means an individual; corporation;
 1080 | business trust; estate; trust; partnership; limited liability
 1081 | company; association; joint venture; government; governmental
 1082 | subdivision, agency, or instrumentality; ~~public corporation;~~ or
 1083 | any other legal or commercial entity. The term includes a
 1084 | protected series, however denominated, of an entity if the
 1085 | protected series is established under law other than the Uniform
 1086 | Commercial Code which limits, or conditionally limits if
 1087 | conditions specified under the law are satisfied, the ability of
 1088 | a creditor of the entity or of any other protected series of the
 1089 | entity to satisfy a claim from assets of the protected series.

1090 | (41)~~(40)~~ "Send," in connection with a ~~writing,~~ record, or
 1091 | notification notice, means:

1092 | (a) To deposit in the mail, ~~or~~ or deliver for transmission,
 1093 | or transmit by any other usual means of communication, with
 1094 | postage or cost of transmission provided for, ~~and properly~~
 1095 | ~~addressed and, in the case of an instrument, to an address~~
 1096 | ~~specified thereon or otherwise agreed or, if there be none,~~ to
 1097 | any address reasonable under the circumstances; or

1098 | (b) To cause the record or notification to be received
 1099 | within the time it would have been received if properly sent
 1100 | under paragraph (a) ~~In any other way to cause to be received any~~

HB 515

2025

1101 ~~record or notice within the time it would have arrived if~~
1102 ~~properly sent.~~

1103 (42)-(41) "Sign," "signing," "signed," or "signature"
1104 means, with present intent to authenticate or adopt a record,
1105 to:

1106 (a) Execute or adopt a tangible symbol; or

1107 (b) Attach to or logically associate with the record an
1108 electronic symbol, sound, or process ~~means bearing any symbol~~
1109 ~~executed or adopted by a party with present intention to adopt~~
1110 ~~or accept a writing.~~

1111 **Section 35. Section 671.211, Florida Statutes, is amended**
1112 **to read:**

1113 671.211 Value.—Except as otherwise provided with respect
1114 to negotiable instruments and bank collections as provided in
1115 chapter 669 and ss. 673.3031, 674.2101, and 674.2111, a person
1116 gives value for rights if the person acquires them:

1117 (1) In return for a binding commitment to extend credit or
1118 for the extension of immediately available credit whether or not
1119 drawn upon and whether or not a charge-back is provided for in
1120 the event of difficulties in collection;

1121 (2) As security for, or in total or partial satisfaction
1122 of, a preexisting claim;

1123 (3) By accepting delivery under a preexisting contract for
1124 purchase; or

1125 (4) In return for any consideration sufficient to support

1126 a simple contract.

1127 **Section 36.** Part IV of chapter 671, Florida Statutes,
1128 consisting of s. 671.401, Florida Statutes, is created and
1129 entitled "Transitional Provisions."

1130 **Section 37. Section 671.401, Florida Statutes, is created**
1131 **to read:**

1132 671.401 Saving clause.—Except as provided in ss. 669.501-
1133 669.706, a transaction validly entered into before July 1, 2025,
1134 and the rights, duties, and interests flowing from such
1135 transaction remain valid thereafter and may be terminated,
1136 completed, consummated, or enforced as required or permitted by
1137 law other than the Uniform Commercial Code or, if applicable, by
1138 the Uniform Commercial Code as though this act had not taken
1139 effect.

1140 **Section 38. Section 672.102, Florida Statutes, is amended**
1141 **to read:**

1142 672.102 Scope; certain security and other transactions
1143 excluded from this chapter.—

1144 (1) Unless the context otherwise requires, and except as
1145 provided in subsection (2), this chapter applies to transactions
1146 in goods and, in the case of a hybrid transaction:

1147 (a) If the sale-of-goods aspects do not predominate, only
1148 those provisions of this chapter which relate primarily to the
1149 sale-of-goods aspects of the transaction apply, and those
1150 provisions that relate primarily to the transaction as a whole

1151 do not apply.

1152 (b) If the sale-of-goods aspects predominate, this chapter
 1153 applies to the transaction but does not preclude application in
 1154 appropriate circumstances of other law to aspects of the
 1155 transaction which do not relate to the sale of goods.

1156 (2) This chapter does not do the following:

1157 (a) Apply to a transaction that, even though in the form
 1158 of an unconditional contract to sell or present sale, operates
 1159 only to create a security interest.

1160 (b) Impair or repeal a statute regulating sales to
 1161 consumers, farmers, or other specified classes of buyers; it
 1162 does not apply to any transaction which although in the form of
 1163 an unconditional contract to sell or present sale is intended to
 1164 operate only as a security transaction nor does this chapter
 1165 impair or repeal any statute regulating sales to consumers,
 1166 farmers or other specified classes of buyers.

1167 **Section 39. Section 672.106, Florida Statutes, is amended**
 1168 **to read:**

1169 672.106 Definitions: "contract"; "agreement"; "contract
 1170 for sale"; "sale"; "present sale"; "conforming" to contract;
 1171 "termination"; "cancellation-"; "hybrid transaction."

1172 (1) In this chapter, unless the context clearly requires
 1173 otherwise, the meaning of the terms requires "contract" and
 1174 "agreement" is are limited to those contracts and agreements
 1175 relating to the present or future sale of goods. The term

1176 "contract for sale" includes both a present sale of goods and a
1177 contract to sell goods at a future time. A "sale" consists in
1178 the passing of title from the seller to the buyer for a price
1179 (s. 672.401). A "present sale" means a sale which is
1180 accomplished by the making of the contract.

1181 (2) Goods or conduct including any part of a performance
1182 are "conforming" or conform to the contract when they are in
1183 accordance with the obligations under the contract.

1184 (3) "Termination" occurs when either party pursuant to a
1185 power created by agreement or law puts an end to the contract
1186 otherwise than for its breach. Upon ~~On~~ termination, all
1187 obligations that ~~which~~ are still executory on both sides are
1188 discharged but any right based on prior breach or performance
1189 survives.

1190 (4) "Cancellation" occurs when either party puts an end to
1191 the contract for breach by the other and its effect is the same
1192 as that of "termination" except that the canceling party also
1193 retains any remedy for breach of the whole contract or any
1194 unperformed balance.

1195 (5) The term "hybrid transaction" means a single
1196 transaction involving a sale of goods and any of the following:

1197 (a) The provision of services.

1198 (b) A lease of other goods.

1199 (c) A sale, lease, or license of property other than
1200 goods.

1201 **Section 40. Subsections (1) and (2) of section 672.201,**
1202 **Florida Statutes, are amended to read:**

1203 672.201 Formal requirements; statute of frauds.—

1204 (1) Except as otherwise provided in this section a
1205 contract for the sale of goods for the price of \$500 or more is
1206 not enforceable by way of action or defense unless there is a
1207 record ~~some writing~~ sufficient to indicate that a contract for
1208 sale has been made between the parties and signed by the party
1209 against whom enforcement is sought or by the party's ~~his or her~~
1210 authorized agent or broker. A record ~~writing~~ is not insufficient
1211 because it omits or incorrectly states a term agreed upon but
1212 the contract is not enforceable under this subsection ~~paragraph~~
1213 beyond the quantity of goods shown in the record ~~such writing~~.

1214 (2) Between merchants if within a reasonable time a record
1215 ~~writing~~ in confirmation of the contract and sufficient against
1216 the sender is received and the party receiving it has reason to
1217 know its contents, it satisfies the requirements of subsection
1218 (1) against the ~~such~~ party unless ~~written~~ notice in a record of
1219 objection to its contents is given within 10 days after it is
1220 received.

1221 **Section 41. Section 672.202, Florida Statutes, is amended**
1222 **to read:**

1223 672.202 Final ~~written~~ expression; parol or extrinsic
1224 evidence.—Terms with respect to which the confirmatory memoranda
1225 of the parties agree or which are otherwise set forth in a

1226 record writing intended by the parties as a final expression of
1227 their agreement with respect to such terms as are included
1228 therein may not be contradicted by evidence of any prior
1229 agreement or of a contemporaneous oral agreement but may be
1230 explained or supplemented:

1231 (1) By course of dealing or usage of trade (s. 671.205) or
1232 by course of performance (s. 672.208); and

1233 (2) By evidence of consistent additional terms unless the
1234 court finds the record writing to have been intended also as a
1235 complete and exclusive statement of the terms of the agreement.

1236 **Section 42. Section 672.203, Florida Statutes, is amended**
1237 **to read:**

1238 672.203 Seals inoperative.—The affixing of a seal to a
1239 record writing evidencing a contract for sale or an offer to buy
1240 or sell goods does not constitute a record ~~the writing~~ a sealed
1241 instrument and the law with respect to sealed instruments does
1242 not apply to such a contract or offer.

1243 **Section 43. Section 672.205, Florida Statutes, is amended**
1244 **to read:**

1245 672.205 Firm offers.—An offer by a merchant to buy or sell
1246 goods in a signed record writing which by its terms gives
1247 assurance that it will be held open is not revocable, for lack
1248 of consideration, during the time stated or if no time is stated
1249 for a reasonable time, but in no event may such period of
1250 irrevocability exceed 3 months; but any such term of assurance

1251 on a form supplied by the offeree must be separately signed by
 1252 the offeror.

1253 **Section 44. Subsection (2) of section 672.209, Florida**
 1254 **Statutes, is amended to read:**

1255 672.209 Modification, rescission, and waiver.—

1256 (2) A signed agreement which excludes modification or
 1257 rescission except by a signed writing or other signed record
 1258 cannot be otherwise modified or rescinded, but except as between
 1259 merchants such a requirement on a form supplied by the merchant
 1260 must be separately signed by the other party.

1261 **Section 45. Part VIII of chapter 672, Florida Statutes,**
 1262 **consisting of s. 672.801, Florida Statutes, is created and**
 1263 **entitled "Transitional Provisions."**

1264 **Section 46. Section 672.801, Florida Statutes, is created**
 1265 **to read:**

1266 672.801 Saving clause.—Except as provided in ss. 669.501–
 1267 669.706, a transaction validly entered into before July 1, 2025,
 1268 and the rights, duties, and interests flowing from such
 1269 transaction remain valid thereafter and may be terminated,
 1270 completed, consummated, or enforced as required or permitted by
 1271 law other than the Uniform Commercial Code or, if applicable, by
 1272 the Uniform Commercial Code as though this act had not taken
 1273 effect.

1274 **Section 47. Subsection (1) of section 673.1041, Florida**
 1275 **Statutes, is amended to read:**

1276 | 673.1041 Negotiable instrument.—

1277 | (1) Except as provided in subsections (3), (4), and (11),
 1278 | the term "negotiable instrument" means an unconditional promise
 1279 | or order to pay a fixed amount of money, with or without
 1280 | interest or other charges described in the promise or order, if
 1281 | it:

1282 | (a) Is payable to bearer or to order at the time it is
 1283 | issued or first comes into possession of a holder;

1284 | (b) Is payable on demand or at a definite time; and

1285 | (c) Does not state any other undertaking or instruction by
 1286 | the person promising or ordering payment to do any act in
 1287 | addition to the payment of money, but the promise or order may
 1288 | contain:

1289 | 1. An undertaking or power to give, maintain, or protect
 1290 | collateral to secure payment;

1291 | 2. An authorization or power to the holder to confess
 1292 | judgment or realize on or dispose of collateral; ~~or~~

1293 | 3. A waiver of the benefit of any law intended for the
 1294 | advantage or protection of an obligor;

1295 | 4. A term that specifies the law that governs the promise
 1296 | or order; or

1297 | 5. An undertaking to resolve, in a specified forum, a
 1298 | dispute concerning the promise or order.

1299 | **Section 48. Subsection (1) of section 673.1051, Florida**
 1300 | **Statutes, is amended to read:**

1301 673.1051 Issue of instrument.—

1302 (1) The term "issue" means:

1303 (a) The first delivery of an instrument by the maker or
 1304 drawer, whether to a holder or nonholder, for the purpose of
 1305 giving rights on the instrument to any person; or

1306 (b) If agreed to by the payee, the first transmission by
 1307 the drawer to the payee of an image of an item and information
 1308 derived from the item which enables the depository bank to
 1309 collect the item under federal law by transferring or presenting
 1310 an electronic check.

1311 **Section 49. Section 673.4011, Florida Statutes, is amended**
 1312 **to read:**

1313 673.4011 Signature.—

1314 ~~(1)~~ A person is not liable on an instrument unless:

1315 ~~(a)~~ the person signed the instrument; ~~or~~

1316 ~~(b)~~ the person is represented by an agent or
 1317 representative who signed the instrument, and the signature is
 1318 binding on the represented person under s. 673.4021.

1319 ~~(2)~~ A signature may be made:

1320 ~~(a)~~ Manually or by means of a device or machine; and

1321 ~~(b)~~ By the use of any name, including a trade or assumed
 1322 name, or by a word, mark, or symbol executed or adopted by a
 1323 person with present intention to authenticate a writing.

1324 **Section 50. Subsection (1) of section 673.6041, Florida**
 1325 **Statutes, is amended to read:**

1326 673.6041 Discharge by cancellation or renunciation.—

1327 (1) A person entitled to enforce an instrument, with or
 1328 without consideration, may discharge the obligation of a party
 1329 to pay the instrument:

1330 (a) By an intentional voluntary act, such as:

1331 1. Surrender of the instrument to the party;

1332 2. Destruction, mutilation, or cancellation of the
 1333 instrument;

1334 3. Cancellation or striking out of the party's signature;

1335 or

1336 4. Addition of words to the instrument indicating
 1337 discharge; or

1338 (b) By agreeing not to sue or otherwise renouncing rights
 1339 against the party by a signed writing.

1340

1341 The obligation of a party to pay a check is not discharged
 1342 solely by destruction of the check in connection with a process
 1343 that involves the extraction of information from the check and
 1344 an image of the check is made and, subsequently, the information
 1345 and image are transmitted for payment.

1346 **Section 51.** Part VII of chapter 673, Florida Statutes,
 1347 consisting of s. 673.702, Florida Statutes, is created and
 1348 entitled "Transitional Provisions."

1349 **Section 52.** **Section 673.702, Florida Statutes, is created**
 1350 **to read:**

1351 673.702 Savings clause.—Except as provided in ss. 669.501-
 1352 669.706, a transaction validly entered into before July 1, 2025,
 1353 and the rights, duties, and interests flowing from such
 1354 transaction remain valid thereafter and may be terminated,
 1355 completed, consummated, or enforced as required or permitted by
 1356 law other than the Uniform Commercial Code or, if applicable, by
 1357 the Uniform Commercial Code as though this act had not taken
 1358 effect.

1359 **Section 53. Section 675.104, Florida Statutes, is amended**
 1360 **to read:**

1361 675.104 Formal requirements.—A letter of credit,
 1362 confirmation, advice, transfer, amendment, or cancellation may
 1363 be issued in any form that is a signed record ~~and is~~
 1364 ~~authenticated by a signature or in accordance with the agreement~~
 1365 ~~of the parties or the standard practice referred to in s.~~
 1366 ~~675.108(5).~~

1367 **Section 54. Section 675.116, Florida Statutes, is amended**
 1368 **to read:**

1369 675.116 Choice of law and forum.—

1370 (1) The liability of an issuer, nominated person, or
 1371 adviser for action or omission is governed by the law of the
 1372 jurisdiction chosen by an agreement in the form of a record
 1373 ~~signed or otherwise authenticated~~ by the affected parties ~~in the~~
 1374 ~~manner provided in s. 675.104~~ or by a provision in the person's
 1375 letter of credit, confirmation, or other undertaking. The

1376 jurisdiction whose law is chosen need not bear any relation to
1377 the transaction.

1378 (2) Unless subsection (1) applies, the liability of an
1379 issuer, nominated person, or adviser for action or omission is
1380 governed by the law of the jurisdiction in which the person is
1381 located. The person is considered to be located at the address
1382 indicated in the person's undertaking. If more than one address
1383 is indicated, the person is considered to be located at the
1384 address from which the person's undertaking was issued.

1385 (a) For the purpose of jurisdiction, choice of law, and
1386 recognition of interbranch letters of credit, but not
1387 enforcement of a judgment, all branches of a bank are considered
1388 separate juridical entities and a bank is considered to be
1389 located at the place where its relevant branch is considered to
1390 be located under paragraph (b) ~~this subsection~~.

1391 (b) A bank branch is considered to be located at the
1392 address indicated in the branch's undertaking. If more than one
1393 address is indicated, the branch is considered to be located at
1394 the address from which the undertaking was issued.

1395 (c) ~~(3)~~ Except as otherwise provided in this paragraph
1396 ~~subsection~~, the liability of an issuer, nominated person, or
1397 adviser is governed by any rules of custom or practice, such as
1398 the Uniform Customs and Practice for Documentary Credits, to
1399 which the letter of credit, confirmation, or other undertaking
1400 is expressly made subject. If this chapter governs the liability

1401 of an issuer, nominated person, or adviser under subsection (1)
1402 or this subsection ~~(2)~~, the relevant undertaking incorporates
1403 rules of custom or practice, and there is conflict between this
1404 chapter and such rules as applied to that undertaking, such
1405 rules govern except to the extent of any conflict with the
1406 nonvariable provisions specified in s. 675.102(3).

1407 ~~(3)(4)~~ This chapter governs to the extent of any conflict
1408 between this chapter and chapter 670, chapter 673, chapter 674,
1409 or chapter 679.

1410 ~~(4)(5)~~ The forum for settling disputes arising out of an
1411 undertaking within this chapter may be chosen in the manner and
1412 with the binding effect that governing law may be chosen in
1413 accordance with subsection (1).

1414 **Section 55. Section 675.119, Florida Statutes, is created**
1415 **to read:**

1416 675.119 Saving clause.—Except as provided in ss. 669.501–
1417 669.706, a transaction validly entered into before July 1, 2025,
1418 and the rights, duties, and interests flowing from such
1419 transaction remain valid thereafter and may be terminated,
1420 completed, consummated, or enforced as required or permitted by
1421 law other than the Uniform Commercial Code or, if applicable, by
1422 the Uniform Commercial Code as though this act had not taken
1423 effect.

1424 **Section 56. Paragraphs (j) and (l) of subsection (1) of**
1425 **section 677.102, Florida Statutes, are amended to read:**

1426 677.102 Definitions and index of definitions.—

1427 (1) In this chapter, unless the context otherwise
1428 requires:

1429 ~~(j) "Record" means information that is inscribed on a~~
1430 ~~tangible medium or that is stored in an electronic or other~~
1431 ~~medium and is retrievable in perceivable form.~~

1432 ~~(l) "Sign" means, with present intent to authenticate or~~
1433 ~~adopt a record:~~

1434 1. ~~To execute or adopt a tangible symbol; or~~

1435 2. ~~To attach to or logically associate with the record an~~
1436 ~~electronic sound, symbol, or process.~~

1437 **Section 57. Subsection (2) of section 677.106, Florida**
1438 **Statutes, is amended, and subsections (3) through (9) are added**
1439 **to that section, to read:**

1440 677.106 Control of electronic document of title.—

1441 (2) A system satisfies subsection (1), and a person has ~~is~~
1442 ~~deemed to have~~ control of an electronic document of title, if
1443 the document is created, stored, and transferred ~~assigned~~ in a
1444 manner that:

1445 (a) A single authoritative copy of the document exists
1446 which is unique, identifiable, and, except as otherwise provided
1447 in paragraphs (d), (e), and (f), unalterable;

1448 (b) The authoritative copy identifies the person asserting
1449 control as:

1450 1. The person to which the document was issued; or

HB 515

2025

1451 2. If the authoritative copy indicates that the document
1452 has been transferred, the person to which the document was most
1453 recently transferred;

1454 (c) The authoritative copy is communicated to and
1455 maintained by the person asserting control or its designated
1456 custodian;

1457 (d) Copies or amendments that add or change an identified
1458 transferee ~~assignee~~ of the authoritative copy can be made only
1459 with the consent of the person asserting control;

1460 (e) Each copy of the authoritative copy and any copy of a
1461 copy is readily identifiable as a copy that is not the
1462 authoritative copy; and

1463 (f) Any amendment of the authoritative copy is readily
1464 identifiable as authorized or unauthorized.

1465 (3) A system satisfies subsection (1), and a person has
1466 control of an electronic document of title, if an authoritative
1467 electronic copy of the document, a record attached to or
1468 logically associated with the electronic copy, or a system in
1469 which the electronic copy is recorded:

1470 (a) Enables the person to readily identify each electronic
1471 copy as either an authoritative copy or a nonauthoritative copy;

1472 (b) Enables the person to readily identify itself in any
1473 way, including by name, identifying number, cryptographic key,
1474 office, or account number, as the person to which each
1475 authoritative electronic copy was issued or transferred; and

1476 (c) Gives the person exclusive power, subject to
 1477 subsection (4), to:
 1478 1. Prevent others from adding or changing the person to
 1479 which each authoritative electronic copy has been issued or
 1480 transferred; and
 1481 2. Transfer control of each authoritative electronic copy.
 1482 (4) Subject to subsection (5), a power is exclusive under
 1483 subparagraphs (3)(c)1. and 2. even if:
 1484 (a) The authoritative electronic copy, a record attached
 1485 to or logically associated with the authoritative electronic
 1486 copy, or a system in which the authoritative electronic copy is
 1487 recorded limits the use of the document of title or has a
 1488 protocol that is programmed to cause a change, including a
 1489 transfer or loss of control; or
 1490 (b) The power is shared with another person.
 1491 (5) A power of a person is not shared with another person
 1492 under paragraph (4)(b) and the person's power is not exclusive
 1493 if:
 1494 (a) The person can exercise the power only if the power
 1495 also is exercised by the other person; and
 1496 (b) The other person:
 1497 1. Can exercise the power without exercise of the power by
 1498 the person; or
 1499 2. Is the transferor to the person of an interest in the
 1500 document of title.

1501 (6) If a person has the powers specified in subparagraphs
1502 (3)(c)1. and 2., the powers are presumed to be exclusive.

1503 (7) A person has control of an electronic document of
1504 title if another person, other than the transferor to the person
1505 of an interest in the document:

1506 (a) Has control of the document and acknowledges that it
1507 has control on behalf of the person; or

1508 (b) Obtains control of the document after having
1509 acknowledged that it will obtain control of the document on
1510 behalf of the person.

1511 (8) A person that has control as provided under this
1512 section is not required to acknowledge that it has control on
1513 behalf of another person.

1514 (9) If a person acknowledges that it has or will obtain
1515 control on behalf of another person, unless the person otherwise
1516 agrees or law other than this chapter or chapter 679 otherwise
1517 provides, the person does not owe any duty to the other person
1518 and is not required to confirm the acknowledgment to any other
1519 person.

1520 **Section 58.** Part VII of chapter 677, Florida Statutes,
1521 consisting of s. 677.701, Florida Statutes, is created and
1522 entitled "Transitional Provisions."

1523 **Section 59. Section 677.701, Florida Statutes, is created**
1524 **to read:**

1525 677.701 Saving clause.—Except as provided in ss. 669.501-

1526 669.706, a transaction validly entered into before July 1, 2025,
 1527 and the rights, duties, and interests flowing from such
 1528 transaction remain valid thereafter and may be terminated,
 1529 completed, consummated, or enforced as required or permitted by
 1530 law other than the Uniform Commercial Code or, if applicable, by
 1531 the Uniform Commercial Code as though this act had not have
 1532 taken effect.

1533 **Section 60. Paragraph (f) of subsection (1) and subsection**
 1534 **(2) of section 678.1021, Florida Statutes, are amended, and**
 1535 **paragraph (i) of subsection (1) of that section is republished,**
 1536 **to read:**

1537 678.1021 Definitions.—

1538 (1) In this chapter:

1539 (f) "Communicate" means to:

1540 1. Send a signed record ~~writing~~; or

1541 2. Transmit information by any mechanism agreed upon by
 1542 the persons transmitting and receiving the information.

1543 (i) "Financial asset," except as otherwise provided in s.
 1544 678.1031, means:

1545 1. A security;

1546 2. An obligation of a person or a share, participation, or
 1547 other interest in a person or in property or an enterprise of a
 1548 person, which is, or is of a type, dealt in or traded on
 1549 financial markets, or which is recognized in any area in which
 1550 it is issued or dealt in as a medium for investment; or

HB 515

2025

1551 3. Any property that is held by a securities intermediary
1552 for another person in a securities account if the securities
1553 intermediary has expressly agreed with the other person that the
1554 property is to be treated as a financial asset under this
1555 chapter. As context requires, the term means either the interest
1556 itself or the means by which a person's claim to it is
1557 evidenced, including a certificated or uncertificated security,
1558 a security certificate, or a security entitlement.

1559 (2) The following ~~other~~ definitions in ~~applying to~~ this
1560 chapter and other chapters apply to this section ~~the sections in~~
1561 ~~which they appear are:~~

1562 "Appropriate person," s. 678.1071.

1563 "Control," s. 678.1061.

1564 "Controllable account," s. 679.1021.

1565 "Controllable electronic record," s. 669.102.

1566 "Controllable payment intangible," s. 679.1021.

1567 "Delivery," s. 678.3011.

1568 "Investment company security," s. 678.1031(2).

1569 "Issuer," s. 678.2011.

1570 "Overissue," s. 678.2101.

1571 "Protected purchaser," s. 678.3031.

1572 "Securities account," s. 678.5011.

1573 **Section 61. Subsection (6) of section 678.1031, Florida**
1574 **Statutes, is amended, and subsection (8) is added to that**
1575 **section, to read:**

1576 678.1031 Rules for determining whether certain obligations
 1577 and interests are securities or financial assets.—

1578 (6) A commodity contract, as defined in s. 679.1021(1) ~~s.~~
 1579 ~~679.1021(1)(e)~~, is not a security or a financial asset.

1580 (8) A controllable account, controllable electronic
 1581 record, or controllable payment intangible is not a financial
 1582 asset unless s. 678.1021(1)(i) applies.

1583 **Section 62. Subsection (4) of section 678.1061, Florida**
 1584 **Statutes, is amended, and subsections (8) and (9) are added to**
 1585 **that section, to read:**

1586 678.1061 Control.—

1587 (4) A purchaser has "control" of a security entitlement
 1588 if:

1589 (a) The purchaser becomes the entitlement holder;

1590 (b) The securities intermediary has agreed that it will
 1591 comply with entitlement orders originated by the purchaser
 1592 without further consent by the entitlement holder; or

1593 (c) Another person, other than the transferor to the
 1594 purchaser of an interest in the security entitlement:

1595 1. Has control of the security entitlement and
 1596 acknowledges that it has control on behalf of the purchaser; or

1597 2. Obtains control of the security entitlement after
 1598 having acknowledged that it will obtain control of the security
 1599 entitlement on behalf of the purchaser ~~has control of the~~
 1600 ~~security entitlement on behalf of the purchaser or, having~~

1601 ~~previously acquired control of the security entitlement,~~
1602 ~~acknowledges that the person has control on behalf of the~~
1603 ~~purchaser.~~

1604 (8) A person that has control under this section is not
1605 required to acknowledge that it has control on behalf of a
1606 purchaser.

1607 (9) If a person acknowledges that it has or will obtain
1608 control on behalf of a purchaser unless the person otherwise
1609 agrees, or law other than this section or chapter 679 otherwise
1610 provides, the person does not owe any duty to the purchaser and
1611 is not required to confirm the acknowledgment to any other
1612 person.

1613 **Section 63. Subsection (7) is added to section 678.1101,**
1614 **Florida Statutes, to read:**

1615 678.1101 Applicability; choice of law.—

1616 (7) The local law of the issuer's jurisdiction or the
1617 securities intermediary's jurisdiction governs a matter or
1618 transaction specified in subsection (1) or subsection (2) even
1619 if the matter or transaction does not bear any relation to the
1620 jurisdiction.

1621 **Section 64. Subsection (2) of section 678.3031, Florida**
1622 **Statutes, is amended to read:**

1623 678.3031 Protected purchaser.—

1624 ~~(2) In addition to acquiring the rights of a purchaser, A~~
1625 ~~protected purchaser also~~ acquires its interest in the security

1626 free of any adverse claim.

1627 **Section 65.** Part VI of chapter 678, Florida Statutes,
1628 consisting of s. 678.601, Florida Statutes, is created and
1629 entitled "Transitional Provisions."

1630 **Section 66. Section 678.601, Florida Statutes, is created**
1631 **to read:**

1632 678.601 Saving clause.—Except as provided in ss. 669.501-
1633 669.706, a transaction validly entered into before July 1, 2025,
1634 and the rights, duties, and interests flowing from such
1635 transaction remain valid thereafter and may be terminated,
1636 completed, consummated, or enforced as required or permitted by
1637 law other than the Uniform Commercial Code, or if applicable, by
1638 the Uniform Commercial Code as though this act had not taken
1639 effect.

1640 **Section 67. Present paragraphs (h) through (aa), (bb)**
1641 **through (bbb), and (ccc) through (bbbb) of subsection (1) of**
1642 **section 679.1021, Florida Statutes, are redesignated as**
1643 **paragraphs (i) through (bb), (ee) through (ddd), and (fff)**
1644 **through (dddd), respectively, new paragraphs (h), (cc), (dd),**
1645 **and (eee) are added to that subsection, and paragraphs (b), (c),**
1646 **(d), and (g) and present paragraphs (k), (ee), (pp), (uu),**
1647 **(iii), (nnn), (vvv), and (zzz) of subsection (1) and subsection**
1648 **(2) of that section are amended, to read:**

1649 679.1021 Definitions and index of definitions.—

1650 (1) In this chapter, the term:

1651 (b) "Account," except as used in "account for," "account
1652 statement," "account to," "commodity account" as used in
1653 paragraph (o), "customer account," "deposit account" as used in
1654 paragraph (ff), "on account of," and "statement of account,"
1655 means a right to payment of a monetary obligation, regardless of
1656 ~~whether or not~~ earned by performance, for property that has been
1657 or is to be sold, leased, licensed, assigned, or otherwise
1658 disposed of; for services rendered or to be rendered; for a
1659 policy of insurance issued or to be issued; for a secondary
1660 obligation incurred or to be incurred; for energy provided or to
1661 be provided; for the use or hire of a vessel under a charter or
1662 other contract; arising out of the use of a credit or charge
1663 card or information contained on or for use with the card; or as
1664 winnings in a lottery or other game of chance operated or
1665 sponsored by a state, governmental unit of a state, or person
1666 licensed or authorized to operate the game by a state or
1667 governmental unit of a state. The term includes controllable
1668 accounts and health-care-insurance receivables. The term does
1669 not include ~~rights to payment evidenced by chattel paper or an~~
1670 ~~instrument~~; commercial tort claims; deposit accounts; investment
1671 property; letter-of-credit rights or letters of credit; ~~or~~
1672 rights to payment for money or funds advanced or sold, other
1673 than rights arising out of the use of a credit or charge card or
1674 information contained on or for use with the card; or rights to
1675 payment evidenced by an instrument.

HB 515

2025

1676 (c) "Account debtor" means a person obligated on an
1677 account, chattel paper, or general intangible. The term does not
1678 include persons obligated to pay a negotiable instrument, even
1679 if the negotiable instrument evidences ~~constitutes part of~~
1680 chattel paper.

1681 (d) "Accounting," except as used in the term "accounting
1682 for," means a record:

- 1683 1. Signed ~~Authenticated~~ by a secured party;
- 1684 2. Indicating the aggregate unpaid secured obligations as
1685 of a date not more than 35 days earlier or 35 days later than
1686 the date of the record; and
- 1687 3. Identifying the components of the obligations in
1688 reasonable detail.

1689 (g) "Assignee," except as used in "assignee for benefit of
1690 creditors," means a person:

- 1691 1. In whose favor a security interest that secures an
1692 obligation is created or provided for under a security
1693 agreement, regardless of whether the obligation is outstanding,
1694 and includes; or
- 1695 2. To which an account, chattel paper, payment intangible,
1696 or promissory note has been sold.

1697
1698 The term includes a person to which a security interest has been
1699 transferred by a secured party.

1700 (h) "Assignor" means a person that:

- 1701 1. Under a security agreement creates or provides for a
 1702 security interest that secures an obligation; or
 1703 2. Sells an account, chattel paper, payment intangible, or
 1704 promissory note.

1705
 1706 The term includes a secured party that has transferred a
 1707 security interest to another person ~~"Authenticate" means:~~

- 1708 ~~1. To sign; or~~
 1709 ~~2. With the present intent to adopt or accept a record, to~~
 1710 ~~attach to or logically associate with the record an electronic~~
 1711 ~~sound, symbol, or process.~~

1712 (1) ~~(k)~~ "Chattel paper" means:

1713 1. A right to payment of a monetary obligation secured by
 1714 specific goods, if the right to payment and security agreement
 1715 are evidenced by a record; or

1716 2. A right to payment of a monetary obligation owed by a
 1717 lessee under a lease agreement with respect to specific goods
 1718 and a monetary obligation owed by the lessee in connection with
 1719 the transaction giving rise to the lease, if:

1720 a. The right to payment and lease agreement are evidenced
 1721 by a record; and

1722 b. The predominant purpose of the transaction giving rise
 1723 to the lease was to give the lessee the right to possession and
 1724 use of the goods.

1725

1726 The term does not include a right to payment arising out of a
1727 charter or other contract involving the use or hire of a vessel
1728 or a right to payment arising out of the use of a credit or
1729 charge card or information contained on or for use with the card
1730 ~~a record or records that evidence both a monetary obligation and~~
1731 ~~a security interest in specific goods, a security interest in~~
1732 ~~specific goods and software used in the goods, a security~~
1733 ~~interest in specific goods and license of software used in the~~
1734 ~~goods, a lease of specific goods, or a lease of specific goods~~
1735 ~~and license of software used in the goods. In this paragraph,~~
1736 ~~"monetary obligation" means a monetary obligation secured by the~~
1737 ~~goods or owed under a lease of the goods and includes a monetary~~
1738 ~~obligation with respect to software used in the goods. The term~~
1739 ~~does not include charters or other contracts involving the use~~
1740 ~~or hire of a vessel or records that evidence a right to payment~~
1741 ~~arising out of the use of a credit or charge card or information~~
1742 ~~contained on or for use with the card. If a transaction is~~
1743 ~~evidenced by records that include an instrument or series of~~
1744 ~~instruments, the group of records taken together constitutes~~
1745 ~~chattel paper.~~

1746 (cc) "Controllable account" means an account evidenced by
1747 a controllable electronic record that provides that the account
1748 debtor undertakes to pay the person that has control under s.
1749 669.105 of the controllable electronic record.

1750 (dd) "Controllable payment intangible" means a payment

1751 intangible evidenced by a controllable electronic record that
1752 provides that the account debtor undertakes to pay the person
1753 that has control under s. 669.105 of the controllable electronic
1754 record.

1755 (hh)~~(ee)~~ "Electronic money" means money in an electronic
1756 form ~~chattel paper" means chattel paper evidenced by a record or~~
1757 ~~records consisting of information stored in an electronic~~
1758 ~~medium.~~

1759 (ss)~~(pp)~~ "General intangible" means any personal property,
1760 including things in action, other than accounts, chattel paper,
1761 commercial tort claims, deposit accounts, documents, goods,
1762 instruments, investment property, letter-of-credit rights,
1763 letters of credit, money, and oil, gas, or other minerals before
1764 extraction. The term includes controllable electronic records,
1765 payment intangibles, and software.

1766 (xx)~~(uu)~~ "Instrument" means a negotiable instrument or any
1767 other writing that evidences a right to the payment of a
1768 monetary obligation, is not itself a security agreement or
1769 lease, and is of a type that in the ordinary course of business
1770 is transferred by delivery with any necessary indorsement or
1771 assignment. The term does not include investment property,
1772 letters of credit, ~~or~~ writings that evidence a right to payment
1773 arising out of the use of a credit or charge card or information
1774 contained on or for use with the card, or writings that evidence
1775 chattel paper.

1776 (eee) "Money" has the same meaning as in s. 671.201, but
 1777 does not include a deposit account or money in an electronic
 1778 form that cannot be subjected to control under s. 679.1052.

1779 (lll)(iii) "Payment intangible" means a general intangible
 1780 under which the account debtor's principal obligation is a
 1781 monetary obligation. The term includes a controllable payment
 1782 intangible.

1783 (qqq)(nnn) "Proposal" means a record signed authenticated
 1784 by a secured party which includes the terms on which the secured
 1785 party is willing to accept collateral in full or partial
 1786 satisfaction of the obligation it secures pursuant to ss.
 1787 679.620, 679.621, and 679.622.

1788 ~~(vvv) "Send," in connection with a record or notification,~~
 1789 ~~means:~~

1790 ~~1. To deposit in the mail, deliver for transmission, or~~
 1791 ~~transmit by any other usual means of communication, with postage~~
 1792 ~~or cost of transmission provided for, addressed to any address~~
 1793 ~~reasonable under the circumstances; or~~

1794 ~~2. To cause the record or notification to be received~~
 1795 ~~within the time that it would have been received if properly~~
 1796 ~~sent under subparagraph 1.~~

1797 (bbbb)(zzz) "Tangible money chattel paper" means money in
 1798 tangible form chattel paper evidenced by a record or records
 1799 consisting of information that is inscribed on a tangible
 1800 medium.

1801 (2) The following definitions in other chapters apply to
 1802 this chapter:

1803 "Applicant," s. 675.103.

1804 "Beneficiary," s. 675.103.

1805 "Broker," s. 678.1021.

1806 "Certificated security," s. 678.1021.

1807 "Check," s. 673.1041.

1808 "Clearing corporation," s. 678.1021.

1809 "Contract for sale," s. 672.106.

1810 "Control," s. 677.106.

1811 "Controllable electronic record," s. 699.102.

1812 "Customer," s. 674.104.

1813 "Entitlement holder," s. 678.1021.

1814 "Financial asset," s. 678.1021.

1815 "Holder in due course," s. 673.3021.

1816 "Issuer" (with respect to a letter of credit
 1817 or letter-of-credit right), s. 675.103.

1818 "Issuer" (with respect to a security), s. 678.2011.

1819 "Issuer" (with respect to documents
 1820 of title), s. 677.102.

1821 "Lease," s. 680.1031.

1822 "Lease agreement," s. 680.1031.

1823 "Lease contract," s. 680.1031.

1824 "Leasehold interest," s. 680.1031.

1825 "Lessee," s. 680.1031.

1826 "Lessee in ordinary course of
 1827 business," s. 680.1031.
 1828 "Lessor," s. 680.1031.
 1829 "Lessor's residual interest," s. 680.1031.
 1830 "Letter of credit," s. 675.103.
 1831 "Merchant," s. 672.104.
 1832 "Negotiable instrument," s. 673.1041.
 1833 "Nominated person," s. 675.103.
 1834 "Note," s. 673.1041.
 1835 "Proceeds of a letter of credit," s. 675.114.
 1836 "Protected purchaser," s. 678.3031.
 1837 "Prove," s. 673.1031.
 1838 "Qualifying purchaser," s. 669.102.
 1839 "Sale," s. 672.106.
 1840 "Securities account," s. 678.5011.
 1841 "Securities intermediary," s. 678.1021.
 1842 "Security," s. 678.1021.
 1843 "Security certificate," s. 678.1021.
 1844 "Security entitlement," s. 678.1021.
 1845 "Uncertificated security," s. 678.1021.
 1846 **Section 68. Subsection (1) of section 679.1041, Florida**
 1847 **Statutes, is amended to read:**
 1848 679.1041 Control of deposit account.—
 1849 (1) A secured party has control of a deposit account if
 1850 any of the following applies:

1851 (a) The secured party is the bank with which the deposit
 1852 account is maintained.;

1853 (b) The debtor, secured party, and bank have agreed in a
 1854 signed ~~an authenticated~~ record that the bank will comply with
 1855 instructions originated by the secured party directing
 1856 disposition of the funds in the deposit account without further
 1857 consent by the debtor. ~~;~~

1858 (c) The secured party becomes the bank's customer with
 1859 respect to the deposit account.

1860 (d) Another person, other than the debtor:

1861 1. Has control of the deposit account and acknowledges
 1862 that it has control on behalf of the secured party; or

1863 2. Obtains control of the deposit account after having
 1864 acknowledged that it will obtain control of the deposit account
 1865 on behalf of the secured party.

1866 **Section 69. Section 679.1051, Florida Statutes, is amended**
 1867 **to read:**

1868 679.1051 Control of electronic chattel paper.—

1869 (1) A purchaser has control of an authoritative electronic
 1870 copy of a record evidencing chattel paper if a system employed
 1871 for evidencing the assignment of interests in the chattel paper
 1872 reliably establishes the purchaser as the person to which the
 1873 authoritative electronic copy was assigned.

1874 (2) A system satisfies subsection (1) if the record or
 1875 records evidencing the chattel paper are created, stored, and

1876 assigned in a manner that:

1877 (a) A single authoritative copy of the record or records
1878 exists which is unique, identifiable, and, except as otherwise
1879 provided in paragraphs (d), (e), and (f), unalterable;

1880 (b) The authoritative copy identifies the purchaser as the
1881 assignee of the record or records;

1882 (c) The authoritative copy is communicated to and
1883 maintained by the purchaser or its designated custodian;

1884 (d) Copies or amendments that add or change an identified
1885 assignee of the authoritative copy can be made only with the
1886 consent of the purchaser;

1887 (e) Each copy of the authoritative copy and any copy of a
1888 copy is readily identifiable as a copy that is not the
1889 authoritative copy; and

1890 (f) Any amendment of the authoritative copy is readily
1891 identifiable as authorized or unauthorized.

1892 (3) A system satisfies subsection (1), and a purchaser has
1893 control of an authoritative electronic copy of a record
1894 evidencing chattel paper, if the electronic copy, a record
1895 attached to or logically associated with the electronic copy, or
1896 a system in which the electronic copy is recorded:

1897 (a) Enables the purchaser to readily identify each
1898 electronic copy as either an authoritative copy or a
1899 nonauthoritative copy;

1900 (b) Enables the purchaser to readily identify itself in

1901 any way, including by name, identifying number, cryptographic
1902 key, office, or account number, as the assignee of the
1903 authoritative electronic copy; and

1904 (c) Gives the purchaser exclusive power, subject to
1905 subsection (4), to:

1906 1. Prevent others from adding or changing an identified
1907 assignee of the authoritative electronic copy; and

1908 2. Transfer control of the authoritative electronic copy.

1909 (4) Subject to subsection (5), a power is exclusive under
1910 subparagraphs (3)(c)1. and 2. even if:

1911 (a) The authoritative electronic copy, a record attached
1912 to or logically associated with the authoritative electronic
1913 copy, or a system in which the authoritative electronic copy is
1914 recorded limits the use of the authoritative electronic copy or
1915 has a protocol programmed to cause a change, including a
1916 transfer or loss of control; or

1917 (b) The power is shared with another person.

1918 (5) A power of a purchaser is not shared with another
1919 person as provided in paragraph (4)(b) and the purchaser's power
1920 is not exclusive if:

1921 (a) The purchaser can exercise the power only if the power
1922 also is exercised by the other person; and

1923 (b) The other person:

1924 1. Can exercise the power without exercise of the power by
1925 the purchaser; or

1926 2. Is the transferor to the purchaser of an interest in
 1927 the chattel paper.

1928 (6) If a purchaser has the powers specified in
 1929 subparagraphs (3)(c)1. and 2., the powers are presumed to be
 1930 exclusive.

1931 (7) A purchaser has control of an authoritative electronic
 1932 copy of a record evidencing chattel paper if another person,
 1933 other than the transferor to the purchaser of an interest in the
 1934 chattel paper:

1935 (a) Has control of the authoritative electronic copy and
 1936 acknowledges that it has control on behalf of the purchaser; or

1937 (b) Obtains control of the authoritative electronic copy
 1938 after having acknowledged that it will obtain control of the
 1939 electronic copy on behalf of the purchaser ~~A secured party has~~
 1940 ~~control of electronic chattel paper if a system employed for~~
 1941 ~~evidencing the transfer of interests in the chattel paper~~
 1942 ~~reliably establishes the secured party as the person to which~~
 1943 ~~the chattel paper was assigned.~~

1944 ~~(2) A system satisfies subsection (1), and a secured party~~
 1945 ~~has control of electronic chattel paper, if the record or~~
 1946 ~~records comprising the chattel paper are created, stored, and~~
 1947 ~~assigned in such a manner that:~~

1948 ~~(a) A single authoritative copy of the record or records~~
 1949 ~~exists which is unique, identifiable and, except as otherwise~~
 1950 ~~provided in paragraphs (d), (e), and (f), unalterable;~~

1951 ~~(b) The authoritative copy identifies the secured party as~~
 1952 ~~the assignee of the record or records;~~

1953 ~~(c) The authoritative copy is communicated to and~~
 1954 ~~maintained by the secured party or its designated custodian;~~

1955 ~~(d) Copies or amendments that add or change an identified~~
 1956 ~~assignee of the authoritative copy can be made only with the~~
 1957 ~~consent of the secured party;~~

1958 ~~(e) Each copy of the authoritative copy and any copy of a~~
 1959 ~~copy is readily identifiable as a copy that is not the~~
 1960 ~~authoritative copy; and~~

1961 ~~(f) Any amendment of the authoritative copy is readily~~
 1962 ~~identifiable as authorized or unauthorized.~~

1963 **Section 70. Section 679.1052, Florida Statutes, is created**
 1964 **to read:**

1965 679.1052 Control of electronic money.-

1966 (1) A person has control of electronic money if both of
 1967 the following apply:

1968 (a) The electronic money, a record attached to or
 1969 logically associated with the electronic money, or a system in
 1970 which the electronic money is recorded gives the person:

1971 1. Power to avail itself of substantially all the benefit
 1972 from the electronic money; and

1973 2. Exclusive power, subject to subsection (2), to:

1974 a. Prevent others from availing themselves of
 1975 substantially all the benefit from the electronic money; and

1976 b. Transfer control of the electronic money to another
 1977 person or cause another person to obtain control of other
 1978 electronic money as a result of the transfer of the electronic
 1979 money.

1980 (b) The electronic money, a record attached to or
 1981 logically associated with the electronic money, or a system in
 1982 which the electronic money is recorded enables the person
 1983 readily to identify itself in any way, including by name,
 1984 identifying number, cryptographic key, office, or account
 1985 number, as having the powers under paragraph (a).

1986 (2) Subject to subsection (3), a power is exclusive under
 1987 sub-subparagraphs (1)(a)2.a. and b. even if:

1988 (a) The electronic money, a record attached to or
 1989 logically associated with the electronic money, or a system in
 1990 which the electronic money is recorded limits the use of the
 1991 electronic money or has a protocol programmed to cause a change,
 1992 including a transfer or loss of control; or

1993 (b) The power is shared with another person.

1994 (3) A power of a person is not shared with another person
 1995 under paragraph (2)(b) and the person's power is not exclusive
 1996 if:

1997 (a) The person can exercise the power only if the power
 1998 also is exercised by the other person; and

1999 (b) The other person:

2000 1. Can exercise the power without exercise of the power by

2001 the person; or
 2002 2. Is the transferor to the person of an interest in the
 2003 electronic money.

2004 (4) If a person has the powers specified in sub-
 2005 subparagraphs (1) (a) 2.a. and b., the powers are presumed to be
 2006 exclusive.

2007 (5) A person has control of electronic money if another
 2008 person, other than the transferor to the person of an interest
 2009 in the electronic money:

2010 (a) Has control of the electronic money and acknowledges
 2011 that it has control on behalf of the person; or

2012 (b) Obtains control of the electronic money after having
 2013 acknowledged that it will obtain control of the electronic money
 2014 on behalf of the person.

2015 **Section 71. Section 679.1053, Florida Statutes, is created**
 2016 **to read:**

2017 679.1053 Control of controllable electronic record,
 2018 controllable account, or controllable payment intangible.-

2019 (1) A secured party has control of a controllable
 2020 electronic record as provided in s. 669.105.

2021 (2) A secured party has control of a controllable account
 2022 or controllable payment intangible if the secured party has
 2023 control of the controllable electronic record that evidences the
 2024 controllable account or controllable payment intangible.

2025 **Section 72. Section 679.1054, Florida Statutes, is created**

2026 **to read:**

2027 679.1054 No requirement to acknowledge or confirm; no
 2028 duties.-

2029 (1) A person that has control under s. 679.1051, s.
 2030 679.1052, or s. 679.1053 is not required to acknowledge that it
 2031 has control on behalf of another person.

2032 (2) If a person acknowledges that it has or will obtain
 2033 control on behalf of another person, unless the person otherwise
 2034 agrees, or law other than this chapter otherwise provides, the
 2035 person does not owe any duty to the other person and is not
 2036 required to confirm the acknowledgment to any other person.

2037 **Section 73. Subsections (2) and (10) of section 679.2031,**
 2038 **Florida Statutes, are amended to read:**

2039 679.2031 Attachment and enforceability of security
 2040 interest; proceeds; supporting obligations; formal requisites.-

2041 (2) Except as otherwise provided in subsections (3)
 2042 through (10), a security interest is enforceable against the
 2043 debtor and third parties with respect to the collateral only if:

2044 (a) Value has been given;

2045 (b) The debtor has rights in the collateral or the power
 2046 to transfer rights in the collateral to a secured party; and

2047 (c) One of the following conditions is met:

2048 1. The debtor has signed ~~authenticated~~ a security
 2049 agreement that provides a description of the collateral and, if
 2050 the security interest covers timber to be cut, a description of

2051 the land concerned;

2052 2. The collateral is not a certificated security and is in
 2053 the possession of the secured party under s. 679.3131 pursuant
 2054 to the debtor's security agreement;

2055 3. The collateral is a certificated security in registered
 2056 form and the security certificate has been delivered to the
 2057 secured party under s. 678.3011 pursuant to the debtor's
 2058 security agreement; ~~or~~

2059 4. The collateral is controllable accounts, controllable
 2060 electronic records, controllable payment intangibles, deposit
 2061 accounts, electronic documents, electronic money ~~chattel paper,~~
 2062 investment property, or letter-of-credit rights, ~~or electronic~~
 2063 ~~documents,~~ and the secured party has control under s. 669.105,
 2064 s. 677.106, s. 679.1041, s. 679.1051, s. 679.1061, or s.
 2065 679.1071 pursuant to the debtor's security agreement; or

2066 5. The collateral is chattel paper and the secured party
 2067 has possession and control under s. 679.3152 pursuant to the
 2068 debtor's security agreement.

2069 (10) A security interest in an account consisting of a
 2070 right to payment of a monetary obligation for the sale of real
 2071 property that is the debtor's homestead under the laws of this
 2072 state is not enforceable unless:

2073 (a) The description of the account in the security
 2074 agreement conspicuously states that the collateral includes the
 2075 debtor's right to payment of a monetary obligation for the sale

2076 of real property;

2077 (b) The description of the account in the security
2078 agreement includes a legal description of the real property;

2079 (c) The description of the account in the security
2080 agreement conspicuously states that the real property is the
2081 debtor's homestead; and

2082 (d) The security agreement is also signed ~~authenticated~~ by
2083 the debtor's spouse, if the debtor is married; if the debtor's
2084 spouse is incompetent, then the method of signature
2085 ~~authentication~~ by the debtor's spouse is the same as provided by
2086 the laws of this state, other than this chapter, which apply to
2087 the alienation or encumbrance of homestead property by an
2088 incompetent person.

2089 **Section 74. Present subsection (3) of section 679.2041,**
2090 **Florida Statutes, is redesignated as subsection (4), a new**
2091 **subsection (3) is added to that section, and subsection (2) of**
2092 **that section is amended, to read:**

2093 679.2041 After-acquired property; future advances.—

2094 (2) Subject to subsection (3), a security interest does
2095 not attach under a term constituting an after-acquired property
2096 clause to:

2097 (a) Consumer goods, other than an accession when given as
2098 additional security, unless the debtor acquires rights in them
2099 within 10 days after the secured party gives value; or

2100 (b) A commercial tort claim.

2101 (3) Subsection (2) does not prevent a security interest
 2102 from attaching:

2103 (a) To a consumer good as proceeds under s. 679.3151(1) or
 2104 commingled goods under s. 679.336(3);

2105 (b) To a commercial tort claim as proceeds under s.
 2106 679.3151(1); or

2107 (c) Under an after-acquired property clause to property
 2108 that is proceeds of consumer goods or a commercial tort claim.

2109 **Section 75. Subsection (3) of section 679.2071, Florida**
 2110 **Statutes, is amended to read:**

2111 679.2071 Rights and duties of secured party having
 2112 possession or control of collateral.—

2113 (3) Except as otherwise provided in subsection (4), a
 2114 secured party having possession of collateral or control of
 2115 collateral under s. 677.106, s. 679.1041, s. 679.1051, s.
 2116 679.1052, s. 679.1061, or s. 679.1071:

2117 (a) May hold as additional security any proceeds, except
 2118 money or funds, received from the collateral;

2119 (b) Shall apply money or funds received from the
 2120 collateral to reduce the secured obligation, unless remitted to
 2121 the debtor; and

2122 (c) May create a security interest in the collateral.

2123 **Section 76. Subsection (2) of section 679.2081, Florida**
 2124 **Statutes, is amended to read:**

2125 679.2081 Additional duties of secured party having control

2126 of collateral.—

2127 (2) Within 10 days after receiving a signed ~~an~~
 2128 ~~authenticated~~ demand by the debtor:

2129 (a) A secured party having control of a deposit account
 2130 under s. 679.1041(1)(b) shall send to the bank with which the
 2131 deposit account is maintained a signed record ~~an authenticated~~
 2132 ~~statement~~ that releases the bank from any further obligation to
 2133 comply with instructions originated by the secured party;

2134 (b) A secured party having control of a deposit account
 2135 under s. 679.1041(1)(c) shall:

2136 1. Pay the debtor the balance on deposit in the deposit
 2137 account; or

2138 2. Transfer the balance on deposit into a deposit account
 2139 in the debtor's name;

2140 (c) A secured party, other than a buyer, having control
 2141 under s. 679.1051 of an authoritative electronic copy of a
 2142 record evidencing chattel paper shall transfer control of the
 2143 electronic copy to the debtor or a person designated by the
 2144 debtor; ~~a secured party, other than a buyer, having control of~~
 2145 ~~electronic chattel paper under s. 679.1051 shall:~~

2146 ~~1. Communicate the authoritative copy of the electronic~~
 2147 ~~chattel paper to the debtor or its designated custodian;~~

2148 ~~2. If the debtor designates a custodian that is the~~
 2149 ~~designated custodian with which the authoritative copy of the~~
 2150 ~~electronic chattel paper is maintained for the secured party,~~

2151 ~~communicate to the custodian an authenticated record releasing~~
2152 ~~the designated custodian from any further obligation to comply~~
2153 ~~with instructions originated by the secured party and~~
2154 ~~instructing the custodian to comply with instructions originated~~
2155 ~~by the debtor; and~~

2156 ~~3. Take appropriate action to enable the debtor or the~~
2157 ~~debtor's designated custodian to make copies of or revisions to~~
2158 ~~the authoritative copy which add or change an identified~~
2159 ~~assignee of the authoritative copy without the consent of the~~
2160 ~~secured party;~~

2161 (d) A secured party having control of investment property
2162 under s. 678.1061(4)(b) or s. 679.1061(2) shall send to the
2163 securities intermediary or commodity intermediary with which the
2164 security entitlement or commodity contract is maintained a
2165 signed ~~an authenticated~~ record that releases the securities
2166 intermediary or commodity intermediary from any further
2167 obligation to comply with entitlement orders or directions
2168 originated by the secured party;

2169 (e) A secured party having control of a letter-of-credit
2170 right under s. 679.1071 shall send to each person having an
2171 unfulfilled obligation to pay or deliver proceeds of the letter
2172 of credit to the secured party a signed ~~an authenticated~~ release
2173 from any further obligation to pay or deliver proceeds of the
2174 letter of credit to the secured party; ~~and~~

2175 (f) A secured party having control under s. 677.106 of an

2176 authoritative electronic copy of an electronic document of title
 2177 shall transfer control of the electronic copy to the debtor or a
 2178 person designated by the debtor;

2179 (g) A secured party having control under Section 9-105A of
 2180 electronic money shall transfer control of the electronic money
 2181 to the debtor or a person designated by the debtor; and

2182 (h) A secured party having control under s. 669.105 of a
 2183 controllable electronic record, other than a buyer of a
 2184 controllable account or controllable payment intangible
 2185 evidenced by the controllable electronic record, shall transfer
 2186 control of the controllable electronic record to the debtor or a
 2187 person designated by the debtor ~~of an electronic document shall:~~

2188 ~~1. Give control of the electronic document to the debtor~~
 2189 ~~or its designated custodian;~~

2190 ~~2. If the debtor designates a custodian that is the~~
 2191 ~~designated custodian with which the authoritative copy of the~~
 2192 ~~electronic document is maintained for the secured party,~~
 2193 ~~communicate to the custodian an authenticated record releasing~~
 2194 ~~the designated custodian from any further obligation to comply~~
 2195 ~~with instructions originated by the secured party and~~
 2196 ~~instructing the custodian to comply with instructions originated~~
 2197 ~~by the debtor; and~~

2198 ~~3. Take appropriate action to enable the debtor or its~~
 2199 ~~designated custodian to make copies of or revisions to the~~
 2200 ~~authenticated copy which add or change an identified assignee of~~

2201 ~~the authoritative copy without the consent of the secured party.~~

2202 **Section 77. Subsection (2) of section 679.209, Florida**
 2203 **Statutes, is amended to read:**

2204 679.209 Duties of secured party if account debtor has been
 2205 notified of assignment.—

2206 (2) Within 10 days after receiving a signed ~~an~~
 2207 ~~authenticated~~ demand by the debtor, a secured party shall send
 2208 to an account debtor that has received notification under s.
 2209 669.106(2) or s. 679.4016(1) of an assignment to the secured
 2210 party as assignee a signed ~~under s. 679.4061(1) an authenticated~~
 2211 record that releases the account debtor from any further
 2212 obligation to the secured party.

2213 **Section 78. Section 679.210, Florida Statutes, is amended**
 2214 **to read:**

2215 679.210 Request for accounting; request regarding list of
 2216 collateral or statement of account.—

2217 (1) In this section, the term:

2218 (a) "Request" means a record of a type described in
 2219 paragraph (b), paragraph (c), or paragraph (d).

2220 (b) "Request for an accounting" means a record signed
 2221 ~~authenticated~~ by a debtor requesting that the recipient provide
 2222 an accounting of the unpaid obligations secured by collateral
 2223 and reasonably identifying the transaction or relationship that
 2224 is the subject of the request.

2225 (c) "Request regarding a list of collateral" means a

2226 record signed ~~authenticated~~ by a debtor requesting that the
2227 recipient approve or correct a list of what the debtor believes
2228 to be the collateral securing an obligation and reasonably
2229 identifying the transaction or relationship that is the subject
2230 of the request.

2231 (d) "Request regarding a statement of account" means a
2232 record signed ~~authenticated~~ by a debtor requesting that the
2233 recipient approve or correct a statement indicating what the
2234 debtor believes to be the aggregate amount of unpaid obligations
2235 secured by collateral as of a specified date and reasonably
2236 identifying the transaction or relationship that is the subject
2237 of the request.

2238 (e) "Reasonably identifying the transaction or
2239 relationship" means that the request provides information
2240 sufficient for the person to identify the transaction or
2241 relationship and respond to the request. Pursuant to s.
2242 679.603(1), a secured party and debtor may determine by
2243 agreement the standards for measuring fulfillment of this duty.

2244 (f) "Person" means a person or entity that is or was a
2245 secured party or otherwise claims or has claimed an interest in
2246 the collateral.

2247 (2) Subject to subsections (3)-(6) ~~(3), (4), (5), and (6)~~,
2248 a secured party, other than a buyer of accounts, chattel paper,
2249 payment intangibles, or promissory notes or a consignor, shall
2250 comply with a request within 14 days after receipt:

2251 (a) In the case of a request for an accounting, by signing
 2252 ~~authenticating~~ and sending to the debtor an accounting; and

2253 (b) In the case of a request regarding a list of
 2254 collateral or a request regarding a statement of account, by
 2255 signing ~~authenticating~~ and sending to the debtor an approval or
 2256 correction.

2257 (3) A secured party that claims a security interest in all
 2258 of a particular type of collateral owned by the debtor may
 2259 comply with a request regarding a list of collateral by sending
 2260 to the debtor a signed ~~an authenticated~~ record including a
 2261 statement to that effect within 14 days after receipt.

2262 (4) A person who receives a request regarding a list of
 2263 collateral, claims no interest in the collateral when the
 2264 request is received, and claimed an interest in the collateral
 2265 at an earlier time shall comply with the request within 14 days
 2266 after receipt by sending to the debtor a signed ~~an authenticated~~
 2267 record:

2268 (a) Disclaiming any interest in the collateral; and

2269 (b) If known to the recipient, providing the name and
 2270 mailing address of any assignee of or successor to the
 2271 recipient's interest in the collateral.

2272 (5) A person who receives a request for an accounting or a
 2273 request regarding a statement of account, claims no interest in
 2274 the obligations when the request is received, and claimed an
 2275 interest in the obligations at an earlier time shall comply with

2276 the request within 14 days after receipt by sending to the
2277 debtor a signed ~~an authenticated~~ record:

2278 (a) Disclaiming any interest in the obligations; and

2279 (b) If known to the recipient, providing the name and
2280 mailing address of any assignee of or successor to the
2281 recipient's interest in the obligations.

2282 (6) A debtor is entitled under this section without charge
2283 to one response to a request for an accounting or a request
2284 regarding a statement of account for each secured obligation
2285 during any 6-month period. A debtor in a consumer transaction is
2286 entitled to a single response to a request regarding a list of
2287 collateral without charge during any 6-month period. The secured
2288 party may require payment of a charge not exceeding \$25 for each
2289 additional response to a request for an accounting, a request
2290 regarding a statement of account, or a request regarding a list
2291 of collateral for a consumer transaction. To the extent provided
2292 in a signed ~~an authenticated~~ record, the secured party may
2293 require the payment of reasonable expenses, including attorney's
2294 fees, reasonably incurred in providing a response to a request
2295 regarding a list of collateral for a transaction other than a
2296 consumer transaction under this section; otherwise, the secured
2297 party may not charge more than \$25 for each request regarding a
2298 list of collateral. Excluding a request related to a proposed
2299 satisfaction of the secured obligation, a secured party is not
2300 required to respond to more than 12 of each of the permitted

2301 requests in any 12-month period.

2302 **Section 79. Section 679.3011, Florida Statutes, is amended**
 2303 **to read:**

2304 679.3011 Law governing perfection and priority of security
 2305 interests.—Except as otherwise provided in ss. 679.1091,
 2306 679.3031, 679.3041, 679.3051, ~~and 679.3061,~~ and 679.3062, the
 2307 following rules determine the law governing perfection, the
 2308 effect of perfection or nonperfection, and the priority of a
 2309 security interest in collateral:

2310 (1) Except as otherwise provided in this section, while a
 2311 debtor is located in a jurisdiction, the local law of that
 2312 jurisdiction governs perfection, the effect of perfection or
 2313 nonperfection, and the priority of a security interest in
 2314 collateral.

2315 (2) While collateral is located in a jurisdiction, the
 2316 local law of that jurisdiction governs perfection, the effect of
 2317 perfection or nonperfection, and the priority of a possessory
 2318 security interest in that collateral.

2319 (3) Except as otherwise provided in subsections (4) and
 2320 (5), while tangible negotiable documents, goods, instruments, or
 2321 tangible money, ~~or tangible chattel paper~~ is located in a
 2322 jurisdiction, the local law of that jurisdiction governs:

2323 (a) Perfection of a security interest in the goods by
 2324 filing a fixture filing;

2325 (b) Perfection of a security interest in timber to be cut;

2326 and

2327 (c) The effect of perfection or nonperfection and the
 2328 priority of a nonpossessory security interest in the collateral.

2329 (4) The local law of the jurisdiction in which the
 2330 wellhead or minehead is located governs perfection, the effect
 2331 of perfection or nonperfection, and the priority of a security
 2332 interest in as-extracted collateral.

2333 (5) The law of this state governs:

2334 (a) The perfection of a security interest in goods that
 2335 are or are to become fixtures in this state by the filing of a
 2336 fixture filing.

2337 (b) The effect of perfection or nonperfection and the
 2338 priority of a security interest in goods that are or are to
 2339 become fixtures in this state.

2340 **Section 80. Subsection (1) of section 679.3041, Florida**
 2341 **Statutes, is amended to read:**

2342 679.3041 Law governing perfection and priority of security
 2343 interests in deposit accounts.—

2344 (1) The local law of a bank's jurisdiction governs
 2345 perfection, the effect of perfection or nonperfection, and the
 2346 priority of a security interest in a deposit account maintained
 2347 with that bank even if the transaction does not bear any
 2348 relation to the bank's jurisdiction.

2349 **Section 81. Paragraph (e) is added to subsection (1) of**
 2350 **section 679.3051, Florida Statutes, to read:**

2351 679.3051 Law governing perfection and priority of security
 2352 interests in investment property.—

2353 (1) Except as otherwise provided in subsection (3), the
 2354 following rules apply:

2355 (e) Paragraphs (b), (c), and (d) apply even if the
 2356 transaction does not bear any relation to the jurisdiction.

2357 **Section 82. Section 679.3062, Florida Statutes, is created**
 2358 **to read:**

2359 679.3062 Law governing perfection and priority of security
 2360 interests in chattel paper.—

2361 (1) Except as provided in subsection (4), if chattel paper
 2362 is evidenced only by an authoritative electronic copy of the
 2363 chattel paper or is evidenced by an authoritative electronic
 2364 copy and an authoritative tangible copy, the local law of the
 2365 chattel paper's jurisdiction governs perfection, the effect of
 2366 perfection or nonperfection, and the priority of a security
 2367 interest in the chattel paper, even if the transaction does not
 2368 bear any relation to the chattel paper's jurisdiction.

2369 (2) The following rules determine the chattel paper's
 2370 jurisdiction under this section:

2371 (a) If the authoritative electronic copy of the record
 2372 evidencing chattel paper, or a record attached to or logically
 2373 associated with the electronic copy and readily available for
 2374 review, expressly provides that a particular jurisdiction is the
 2375 chattel paper's jurisdiction for purposes of s. 679.3061, this

2376 chapter, or the Uniform Commercial Code, that jurisdiction is
2377 the chattel paper's jurisdiction.

2378 (b) If paragraph (a) does not apply and the rules of the
2379 system in which the authoritative electronic copy is recorded
2380 are readily available for review and expressly provide that a
2381 particular jurisdiction is the chattel paper's jurisdiction for
2382 purposes of s. 679.3061, this chapter, or the Uniform Commercial
2383 Code, that jurisdiction is the chattel paper's jurisdiction.

2384 (c) If paragraphs (a) and (b) do not apply and the
2385 authoritative electronic copy, or a record attached to or
2386 logically associated with the electronic copy and readily
2387 available for review, expressly provides that the chattel paper
2388 is governed by the law of a particular jurisdiction, that
2389 jurisdiction is the chattel paper's jurisdiction.

2390 (d) If paragraphs (a), (b), and (c) do not apply and the
2391 rules of the system in which the authoritative electronic copy
2392 is recorded are readily available for review and expressly
2393 provide that the chattel paper or the system is governed by the
2394 law of a particular jurisdiction, that jurisdiction is the
2395 chattel paper's jurisdiction.

2396 (e) If paragraphs (a)-(d) do not apply, the chattel
2397 paper's jurisdiction is the jurisdiction in which the debtor is
2398 located.

2399 (3) If an authoritative tangible copy of a record
2400 evidences chattel paper and the chattel paper is not evidenced

2401 by an authoritative electronic copy, while the authoritative
 2402 tangible copy of the record evidencing chattel paper is located
 2403 in a jurisdiction, the local law of that jurisdiction governs:

2404 (a) Perfection of a security interest in the chattel paper
 2405 by possession under s. 679.3152; and

2406 (b) The effect of perfection or nonperfection and the
 2407 priority of a security interest in the chattel paper.

2408 (4) The local law of the jurisdiction in which the debtor
 2409 is located governs perfection of a security interest in chattel
 2410 paper by filing.

2411 **Section 83. Section 679.3063, Florida Statutes, is created**
 2412 **to read:**

2413 679.3063 Law governing perfection and priority of security
 2414 interests in controllable accounts, controllable electronic
 2415 records, and controllable payment intangibles.—

2416 (1) Except as provided in subsection (2), the local law of
 2417 the controllable electronic record's jurisdiction specified in
 2418 s. 669.107(3) and (4) governs perfection, the effect of
 2419 perfection or nonperfection, and the priority of a security
 2420 interest in a controllable electronic record and a security
 2421 interest in a controllable account or controllable payment
 2422 intangible evidenced by the controllable electronic record.

2423 (2) The local law of the jurisdiction in which the debtor
 2424 is located governs:

2425 (a) Perfection of a security interest in a controllable

2426 account, controllable electronic record, or controllable payment
 2427 intangible by filing; and

2428 (b) Automatic perfection of a security interest in a
 2429 controllable payment intangible created by a sale of the
 2430 controllable payment intangible.

2431 **Section 84. Subsection (2) of section 679.3101, Florida**
 2432 **Statutes, is amended, and subsection (1) of that section is**
 2433 **republished, to read:**

2434 679.3101 When filing required to perfect security interest
 2435 or agricultural lien; security interests and agricultural liens
 2436 to which filing provisions do not apply.—

2437 (1) Except as otherwise provided in subsection (2) and s.
 2438 679.3121(2), a financing statement must be filed to perfect all
 2439 security interests and agricultural liens.

2440 (2) The filing of a financing statement is not necessary
 2441 to perfect a security interest:

2442 (a) That is perfected under s. 679.3081(4), (5), (6), or
 2443 (7);

2444 (b) That is perfected under s. 679.3091 when it attaches;

2445 (c) In property subject to a statute, regulation, or
 2446 treaty described in s. 679.3111(1);

2447 (d) In goods in possession of a bailee which is perfected
 2448 under s. 679.3121(4) (a) or (b);

2449 (e) In certificated securities, documents, goods, or
 2450 instruments which is perfected without filing, control, or

2451 possession under s. 679.3121(5), (6), or (7);

2452 (f) In collateral in the secured party's possession under
2453 s. 679.3131;

2454 (g) In a certificated security which is perfected by
2455 delivery of the security certificate to the secured party under
2456 s. 679.3131;

2457 (h) In controllable accounts, controllable electronic
2458 records, controllable payment intangibles, deposit accounts,
2459 ~~electronic chattel paper,~~ electronic documents, investment
2460 property, or letter-of-credit rights which is perfected by
2461 control under s. 679.3141(1) ~~s. 679.3141;~~

2462 (i) In proceeds which is perfected under s. 679.3151; or

2463 (j) That is perfected under s. 679.3161.

2464 **Section 85. Section 679.3121, Florida Statutes, is amended**
2465 **to read:**

2466 679.3121 Perfection of security interests in chattel
2467 paper, controllable accounts, controllable electronic records,
2468 controllable payment intangibles, deposit accounts, documents,
2469 goods covered by documents, instruments, investment property,
2470 letter-of-credit rights, and money; perfection by permissive
2471 filing; temporary perfection without filing or transfer of
2472 possession.—

2473 (1) A security interest in chattel paper, controllable
2474 accounts, controllable electronic records, controllable payment
2475 intangibles ~~negotiable documents,~~ instruments, ~~or~~ investment

2476 | property, or negotiable documents may be perfected by filing.

2477 | (2) Except as otherwise provided in s. 679.3151(3) and (4)
2478 | for proceeds:

2479 | (a) A security interest in a deposit account may be
2480 | perfected only by control under s. 679.3141.

2481 | (b) And except as otherwise provided in s. 679.3081(4), a
2482 | security interest in a letter-of-credit right may be perfected
2483 | only by control under s. 679.3141.

2484 | (c) A security interest in tangible money may be perfected
2485 | only by the secured party's taking possession under s. 679.3131.

2486 | (d) A security interest in electronic money may be
2487 | perfected only by control under s. 679.3141.

2488 | (3) While goods are in the possession of a bailee that has
2489 | issued a negotiable document covering the goods:

2490 | (a) A security interest in the goods may be perfected by
2491 | perfecting a security interest in the document; and

2492 | (b) A security interest perfected in the document has
2493 | priority over any security interest that becomes perfected in
2494 | the goods by another method during that time.

2495 | (4) While goods are in the possession of a bailee that has
2496 | issued a nonnegotiable document covering the goods, a security
2497 | interest in the goods may be perfected by:

2498 | (a) Issuance of a document in the name of the secured
2499 | party;

2500 | (b) The bailee's receipt of notification of the secured

2501 party's interest; or
 2502 (c) Filing as to the goods.
 2503 (5) A security interest in certificated securities,
 2504 negotiable documents, or instruments is perfected without filing
 2505 or the taking of possession or control for a period of 20 days
 2506 from the time it attaches to the extent that it arises for new
 2507 value given under a signed ~~an authenticated~~ security agreement.
 2508 (6) A perfected security interest in a negotiable document
 2509 or goods in possession of a bailee, other than one that has
 2510 issued a negotiable document for the goods, remains perfected
 2511 for 20 days without filing if the secured party makes available
 2512 to the debtor the goods or documents representing the goods for
 2513 the purpose of:
 2514 (a) Ultimate sale or exchange; or
 2515 (b) Loading, unloading, storing, shipping, transshipping,
 2516 manufacturing, processing, or otherwise dealing with them in a
 2517 manner preliminary to their sale or exchange.
 2518 (7) A perfected security interest in a certificated
 2519 security or instrument remains perfected for 20 days without
 2520 filing if the secured party delivers the security certificate or
 2521 instrument to the debtor for the purpose of:
 2522 (a) Ultimate sale or exchange; or
 2523 (b) Presentation, collection, enforcement, renewal, or
 2524 registration of transfer.
 2525 (8) After the 20-day period specified in subsection (5),

2526 subsection (6), or subsection (7) expires, perfection depends
 2527 upon compliance with this chapter.

2528 **Section 86. Subsections (1), (3), and (4) of section**
 2529 **679.3131, Florida Statutes, are amended to read:**

2530 679.3131 When possession by or delivery to secured party
 2531 perfects security interest without filing.—

2532 (1) Except as otherwise provided in subsection (2), a
 2533 secured party may perfect a security interest in ~~tangible~~
 2534 ~~negotiable documents,~~ goods, instruments, negotiable tangible
 2535 documents, or tangible money, ~~or tangible chattel paper~~ by
 2536 taking possession of the collateral. A secured party may perfect
 2537 a security interest in certificated securities by taking
 2538 delivery of the certificated securities under s. 678.3011.

2539 (3) With respect to collateral other than certificated
 2540 securities and goods covered by a document, a secured party
 2541 takes possession of collateral in the possession of a person
 2542 other than the debtor, the secured party, or a lessee of the
 2543 collateral from the debtor in the ordinary course of the
 2544 debtor's business, when:

2545 (a) The person in possession signs ~~authenticates~~ a record
 2546 acknowledging that it holds possession of the collateral for the
 2547 secured party's benefit; or

2548 (b) The person takes possession of the collateral after
 2549 having signed ~~authenticated~~ a record acknowledging that the
 2550 person will hold possession of the collateral for the secured

2551 party's benefit.

2552 (4) If perfection of a security interest depends upon
 2553 possession of the collateral by a secured party, perfection
 2554 occurs not ~~no~~ earlier than the time the secured party takes
 2555 possession and continues only while the secured party retains
 2556 possession.

2557 **Section 87. Section 679.3141, Florida Statutes, is amended**
 2558 **to read:**

2559 679.3141 Perfection by control.—

2560 (1) A security interest in controllable accounts,
 2561 controllable electronic records, controllable payment
 2562 intangibles, deposit accounts, electronic documents, electronic
 2563 money, investment property, or letter-of-credit rights
 2564 ~~investment property, deposit accounts, letter-of-credit rights,~~
 2565 ~~electronic chattel paper, or electronic documents~~ may be
 2566 perfected by control of the collateral under s. 677.106, s.
 2567 679.1041, s. 679.1052, s. 679.1053 ~~s. 679.1051~~, s. 679.1061, or
 2568 s. 679.1071.

2569 (2) A security interest in controllable accounts,
 2570 controllable electronic records, controllable payment
 2571 intangibles, deposit accounts, electronic documents, electronic
 2572 money, or letter-of-credit rights ~~deposit accounts, electronic~~
 2573 ~~chattel paper, letter-of-credit rights, or electronic documents~~
 2574 is perfected by control under s. 677.106, s. 679.1041, s.
 2575 679.1052, s. 679.1053 ~~s. 679.1051~~, or s. 679.1071 not earlier

2576 than the time ~~when~~ the secured party obtains control and remains
 2577 perfected by control only while the secured party retains
 2578 control.

2579 (3) A security interest in investment property is
 2580 perfected by control under s. 679.1061 not earlier than ~~from~~ the
 2581 time the secured party obtains control and remains perfected by
 2582 control until:

2583 (a) The secured party does not have control; and

2584 (b) One of the following occurs:

2585 1. If the collateral is a certificated security, the
 2586 debtor has or acquires possession of the security certificate;

2587 2. If the collateral is an uncertificated security, the
 2588 issuer has registered or registers the debtor as the registered
 2589 owner; or

2590 3. If the collateral is a security entitlement, the debtor
 2591 is or becomes the entitlement holder.

2592 **Section 88. Section 679.3152, Florida Statutes, is created**
 2593 **to read:**

2594 679.3152 Perfection by possession and control of chattel
 2595 paper.—

2596 (1) A secured party may perfect a security interest in
 2597 chattel paper by taking possession of each authoritative
 2598 tangible copy of the record evidencing the chattel paper and
 2599 obtaining control of each authoritative electronic copy of the
 2600 electronic record evidencing the chattel paper.

2601 (2) A security interest is perfected under subsection (1)
 2602 not earlier than the time the secured party takes possession and
 2603 obtains control and remains perfected under subsection (1) only
 2604 while the secured party retains possession and control.

2605 (3) Section 679.3131(3) and (5)-(8) applies to perfection
 2606 by possession of an authoritative tangible copy of a record
 2607 evidencing chattel paper.

2608 **Section 89. Subsections (1) and (6) of section 679.3161,**
 2609 **Florida Statutes, are amended to read:**

2610 679.3161 Continued perfection of security interest
 2611 following change in governing law.—

2612 (1) A security interest perfected pursuant to the law of
 2613 the jurisdiction designated in s. 679.3011(1), ~~or~~ s.
 2614 679.3051(3), s. 679.3062(4), or s. 679.3063(2) remains perfected
 2615 until the earliest of:

2616 (a) The time perfection would have ceased under the law of
 2617 that jurisdiction;

2618 (b) The expiration of 4 months after a change of the
 2619 debtor's location to another jurisdiction; or

2620 (c) The expiration of 1 year after a transfer of
 2621 collateral to a person who thereby becomes a debtor and is
 2622 located in another jurisdiction.

2623 (6) A security interest in chattel paper, controllable
 2624 accounts, controllable electronic records, controllable payment
 2625 intangibles, deposit accounts, letter-of-credit rights, or

2626 investment property which is perfected under the law of the
 2627 chattel paper's jurisdiction, the controllable electronic
 2628 record's jurisdiction, the bank's jurisdiction, the issuer's
 2629 jurisdiction, a nominated person's jurisdiction, the securities
 2630 intermediary's jurisdiction, or the commodity intermediary's
 2631 jurisdiction, as applicable, remains perfected until the earlier
 2632 of:

2633 (a) The time the security interest would have become
 2634 unperfected under the law of that jurisdiction; or

2635 (b) The expiration of 4 months after a change of the
 2636 applicable jurisdiction to another jurisdiction.

2637 **Section 90. Subsections (2) and (4) of section 679.3171,**
 2638 **Florida Statutes, are amended, subsections (8) through (11) are**
 2639 **added to that section, and subsection (1) of that section is**
 2640 **republished, to read:**

2641 679.3171 Interests that take priority over or take free of
 2642 security interest or agricultural lien.—

2643 (1) A security interest or agricultural lien is
 2644 subordinate to the rights of:

2645 (a) A person entitled to priority under s. 679.322; and

2646 (b) Except as otherwise provided in subsection (5), a
 2647 person who becomes a lien creditor before the earlier of the
 2648 time:

2649 1. The security interest or agricultural lien is
 2650 perfected; or

HB 515

2025

2651 2. One of the conditions specified in s. 679.2031(2)(c) is
2652 met and a financing statement covering the collateral is filed.

2653 (2) Except as otherwise provided in subsection (5), a
2654 buyer, other than a secured party, of ~~tangible chattel paper,~~
2655 ~~tangible documents,~~ goods, instruments, tangible documents, or a
2656 certificated security takes free of a security interest or
2657 agricultural lien if the buyer gives value and receives delivery
2658 of the collateral without knowledge of the security interest or
2659 agricultural lien and before it is perfected.

2660 (4) Subject to subsections (6), (7), and (8), a licensee
2661 of a general intangible or a buyer, other than a secured party,
2662 of collateral other than electronic money ~~tangible chattel~~
2663 ~~paper,~~ tangible documents, goods, instruments, tangible
2664 documents, or a certificated security takes free of a security
2665 interest if the licensee or buyer gives value without knowledge
2666 of the security interest and before it is perfected.

2667 (8) A buyer, other than a secured party, of chattel paper
2668 takes free of a security interest if, without knowledge of the
2669 security interest and before it is perfected, the buyer gives
2670 value and:

2671 (a) Receives delivery of each authoritative tangible copy
2672 of the record evidencing the chattel paper; and

2673 (b) If each authoritative electronic copy of the record
2674 evidencing the chattel paper can be subjected to control under
2675 s. 679.1052, obtains control of each authoritative electronic

2676 copy.

2677 (9) A buyer of an electronic document takes free of a
2678 security interest if, without knowledge of the security interest
2679 and before it is perfected, the buyer gives value and, if each
2680 authoritative electronic copy of the document can be subjected
2681 to control under s. 677.106, obtains control of each
2682 authoritative electronic copy.

2683 (10) A buyer of a controllable electronic record takes
2684 free of a security interest if, without knowledge of the
2685 security interest and before it is perfected, the buyer gives
2686 value and obtains control of the controllable electronic record.

2687 (11) A buyer, other than a secured party, of a
2688 controllable account or a controllable payment intangible takes
2689 free of a security interest if, without knowledge of the
2690 security interest and before it is perfected, the buyer gives
2691 value and obtains control of the controllable account or
2692 controllable payment intangible.

2693 **Section 91. Subsections (4) and (6) of section 679.323,**
2694 **Florida Statutes, are amended, and subsection (1) of that**
2695 **section is republished, to read:**

2696 679.323 Future advances.—

2697 (1) Except as otherwise provided in subsection (3), for
2698 purposes of determining the priority of a perfected security
2699 interest under s. 679.322(1)(a), perfection of the security
2700 interest dates from the time an advance is made to the extent

2701 that the security interest secures an advance that:

2702 (a) Is made while the security interest is perfected only:

2703 1. Under s. 679.3091 when it attaches; or

2704 2. Temporarily under s. 679.3121(5), (6), or (7); and

2705 (b) Is not made pursuant to a commitment entered into

2706 before or while the security interest is perfected by a method

2707 other than under s. 679.3091 or s. 679.3121(5), (6), or (7).

2708 (4) Except as otherwise provided in subsection (5), a

2709 buyer of goods ~~other than a buyer in ordinary course of business~~

2710 takes free of a security interest to the extent that it secures

2711 advances made after the earlier of:

2712 (a) The time the secured party acquires knowledge of the

2713 buyer's purchase; or

2714 (b) Forty-five days after the purchase.

2715 (6) Except as otherwise provided in subsection (7), a

2716 lessee of goods, ~~other than a lessee in ordinary course of~~

2717 ~~business,~~ takes the leasehold interest free of a security

2718 interest to the extent that it secures advances made after the

2719 earlier of:

2720 (a) The time the secured party acquires knowledge of the

2721 lease; or

2722 (b) Forty-five days after the lease contract becomes

2723 enforceable.

2724 **Section 92. Subsections (2) and (4) of section 679.324,**

2725 **Florida Statutes, are amended to read:**

2726 679.324 Priority of purchase-money security interests.—
2727 (2) Subject to subsection (3) and except as otherwise
2728 provided in subsection (7), a perfected purchase-money security
2729 interest in inventory has priority over a conflicting security
2730 interest in the same inventory, has priority over a conflicting
2731 security interest in chattel paper or an instrument constituting
2732 proceeds of the inventory and in proceeds of the chattel paper,
2733 if so provided in s. 679.330, and, except as otherwise provided
2734 in s. 679.327, also has priority in identifiable cash proceeds
2735 of the inventory to the extent the identifiable cash proceeds
2736 are received on or before the delivery of the inventory to a
2737 buyer, if:

2738 (a) The purchase-money security interest is perfected when
2739 the debtor receives possession of the inventory;

2740 (b) The purchase-money secured party sends a signed an
2741 ~~authenticated~~ notification to the holder of the conflicting
2742 security interest;

2743 (c) The holder of the conflicting security interest
2744 receives the notification within 5 years before the debtor
2745 receives possession of the inventory; and

2746 (d) The notification states that the person sending the
2747 notification has or expects to acquire a purchase-money security
2748 interest in inventory of the debtor and describes the inventory.

2749 (4) Subject to subsection (5) and except as otherwise
2750 provided in subsection (7), a perfected purchase-money security

2751 interest in livestock that are farm products has priority over a
 2752 conflicting security interest in the same livestock, and, except
 2753 as otherwise provided in s. 679.327, a perfected security
 2754 interest in their identifiable proceeds and identifiable
 2755 products in their unmanufactured states also has priority, if:

2756 (a) The purchase-money security interest is perfected when
 2757 the debtor receives possession of the livestock;

2758 (b) The purchase-money secured party sends a signed an
 2759 ~~authenticated~~ notification to the holder of the conflicting
 2760 security interest;

2761 (c) The holder of the conflicting security interest
 2762 receives the notification within 6 months before the debtor
 2763 receives possession of the livestock; and

2764 (d) The notification states that the person sending the
 2765 notification has or expects to acquire a purchase-money security
 2766 interest in livestock of the debtor and describes the livestock.

2767 **Section 93. Section 679.3251, Florida Statutes, is created**
 2768 **to read:**

2769 679.3251 Priority of security interest in controllable
 2770 account, controllable electronic record, and controllable
 2771 payment intangible.—A security interest in a controllable
 2772 account, controllable electronic record, or controllable payment
 2773 intangible held by a secured party having control of the
 2774 account, electronic record, or payment intangible has priority
 2775 over a conflicting security interest held by a secured party

2776 | that does not have control.

2777 | **Section 94. Subsections (1), (2), and (6) of section**
 2778 | **679.330, Florida Statutes, are amended, and subsection (4) of**
 2779 | **that section is republished, to read:**

2780 | 679.330 Priority of purchaser of chattel paper or
 2781 | instrument.—

2782 | (1) A purchaser of chattel paper has priority over a
 2783 | security interest in the chattel paper which is claimed merely
 2784 | as proceeds of inventory subject to a security interest if:

2785 | (a) In good faith and in the ordinary course of the
 2786 | purchaser's business, the purchaser gives new value, and takes
 2787 | possession of each authoritative tangible copy of the record
 2788 | evidencing the chattel paper, and ~~or~~ obtains control under s.
 2789 | 679.1051 of each authoritative electronic copy of the record
 2790 | evidencing chattel paper under s. 679.1051; and

2791 | (b) The authoritative copies of the record evidencing the
 2792 | chattel paper ~~do~~ does not indicate that the chattel paper ~~it~~ has
 2793 | been assigned to an identified assignee other than the
 2794 | purchaser.

2795 | (2) A purchaser of chattel paper has priority over a
 2796 | security interest in the chattel paper which is claimed other
 2797 | than merely as proceeds of inventory subject to a security
 2798 | interest if the purchaser gives new value, and takes possession
 2799 | of each authoritative copy of the record evidencing the chattel
 2800 | paper, and ~~or~~ obtains control under s. 679.1051 of each

2801 authoritative electronic copy of the record evidencing the
 2802 chattel paper ~~under s. 679.1051~~ in good faith, in the ordinary
 2803 course of the purchaser's business, and without knowledge that
 2804 the purchase violates the rights of the secured party.

2805 (4) Except as otherwise provided in s. 679.331(1), a
 2806 purchaser of an instrument has priority over a security interest
 2807 in the instrument perfected by a method other than possession if
 2808 the purchaser gives value and takes possession of the instrument
 2809 in good faith and without knowledge that the purchase violates
 2810 the rights of the secured party.

2811 (6) For purposes of subsections (2) and (4), if the
 2812 authoritative copies of the record evidencing chattel paper or
 2813 an instrument indicate ~~indicates~~ that the chattel paper or
 2814 instrument ~~it~~ has been assigned to an identified secured party
 2815 other than the purchaser, a purchaser of the chattel paper or
 2816 instrument has knowledge that the purchase violates the rights
 2817 of the secured party.

2818 **Section 95. Section 679.331, Florida Statutes, is amended**
 2819 **to read:**

2820 679.331 Priority of rights of purchasers of controllable
 2821 accounts, controllable electronic records, controllable payment
 2822 intangibles ~~instruments~~, documents, instruments, and securities
 2823 under other articles; priority of interests in financial assets
 2824 and security entitlements and protection against assertion of
 2825 claim under chapters 669 and ~~chapter~~ 678.—

HB 515

2025

2826 (1) This chapter does not limit the rights of a holder in
2827 due course of a negotiable instrument, a holder to which a
2828 negotiable document of title has been duly negotiated, or a
2829 protected purchaser of a security, or a qualifying purchase of a
2830 controllable account, controllable electronic record, or
2831 controllable payment intangible. These holders or purchasers
2832 take priority over an earlier security interest, even if
2833 perfected, to the extent provided in chapters 669, 673, 677, and
2834 678.

2835 (2) This chapter does not limit the rights of or impose
2836 liability on a person to the extent that the person is protected
2837 against the assertion of an adverse claim under chapter 669 or
2838 chapter 678.

2839 (3) Filing under this chapter does not constitute notice
2840 of a claim or defense to the holders, purchasers, or persons
2841 described in subsections (1) and (2).

2842 **Section 96. Section 679.332, Florida Statutes, is amended**
2843 **to read:**

2844 679.332 Transfer of money; transfer of funds from deposit
2845 account; transfer of electronic money.-

2846 (1) A transferee of tangible money takes the money free of
2847 a security interest if the transferee receives possession of the
2848 money without acting ~~unless the transferee acts~~ in collusion
2849 with the debtor in violating the rights of the secured party.

2850 (2) A transferee of funds from a deposit account takes the

HB 515

2025

2851 funds free of a security interest in the deposit account if the
2852 transferee receives the funds without acting unless the
2853 ~~transferee acts~~ in collusion with the debtor in violating the
2854 rights of the secured party.

2855 (3) A transferee of electronic money takes the money free
2856 of a security interest if the transferee obtains control of the
2857 money without acting in collusion with the debtor in violating
2858 the rights of the secured party.

2859 **Section 97. Section 679.341, Florida Statutes, is amended**
2860 **to read:**

2861 679.341 Bank's rights and duties with respect to deposit
2862 account.—Except as otherwise provided in s. 679.340(3), and
2863 unless the bank otherwise agrees in a signed ~~an authenticated~~
2864 record, a bank's rights and duties with respect to a deposit
2865 account maintained with the bank are not terminated, suspended,
2866 or modified by:

2867 (1) The creation, attachment, or perfection of a security
2868 interest in the deposit account;

2869 (2) The bank's knowledge of the security interest; or

2870 (3) The bank's receipt of instructions from the secured
2871 party.

2872 **Section 98. Subsection (1) of section 679.4041, Florida**
2873 **Statutes, is amended to read:**

2874 679.4041 Rights acquired by assignee; claims and defenses
2875 against assignee.—

2876 (1) Unless an account debtor has made an enforceable
 2877 agreement not to assert defenses or claims, and subject to
 2878 subsections (2)-(5) ~~(2) through (5)~~, the rights of an assignee
 2879 are subject to:

2880 (a) All terms of the agreement between the account debtor
 2881 and assignor and any defense or claim in recoupment arising from
 2882 the transaction that gave rise to the contract; and

2883 (b) Any other defense or claim of the account debtor
 2884 against the assignor which accrues before the account debtor
 2885 receives a notification of the assignment signed ~~authenticated~~
 2886 by the assignor or the assignee.

2887 **Section 99. Subsections (1) through (4) and (7) of section**
 2888 **679.4061, Florida Statutes, are amended, and subsection (13) is**
 2889 **added to that section, to read:**

2890 679.4061 Discharge of account debtor; notification of
 2891 assignment; identification and proof of assignment; restrictions
 2892 on assignment of accounts, chattel paper, payment intangibles,
 2893 and promissory notes ineffective.-

2894 (1) Subject to subsections (2)-(9) ~~(2) through (9)~~ and
 2895 (13), an account debtor on an account, chattel paper, or a
 2896 payment intangible may discharge its obligation by paying the
 2897 assignor until, but not after, the account debtor receives a
 2898 notification, signed ~~authenticated~~ by the assignor or the
 2899 assignee, that the amount due or to become due has been assigned
 2900 and that payment is to be made to the assignee. After receipt of

2901 the notification, the account debtor may discharge its
 2902 obligation by paying the assignee and may not discharge the
 2903 obligation by paying the assignor.

2904 (2) Subject to subsections (8) and (13) ~~subsection (8)~~,
 2905 notification is ineffective under subsection (1):

2906 (a) If it does not reasonably identify the rights
 2907 assigned;

2908 (b) To the extent that an agreement between an account
 2909 debtor and a seller of a payment intangible limits the account
 2910 debtor's duty to pay a person other than the seller and the
 2911 limitation is effective under law other than this chapter; or

2912 (c) At the option of an account debtor, if the
 2913 notification notifies the account debtor to make less than the
 2914 full amount of any installment or other periodic payment to the
 2915 assignee, even if:

2916 1. Only a portion of the account, chattel paper, or
 2917 payment intangible has been assigned to that assignee;

2918 2. A portion has been assigned to another assignee; or

2919 3. The account debtor knows that the assignment to that
 2920 assignee is limited.

2921 (3) Subject to subsections (8) and (13) ~~subsection (8)~~, if
 2922 requested by the account debtor, an assignee shall seasonably
 2923 furnish reasonable proof that the assignment has been made.

2924 Unless the assignee complies, the account debtor may discharge
 2925 its obligation by paying the assignor, even if the account

HB 515

2025

2926 debtor has received a notification under subsection (1).

2927 (4) For the purposes of this subsection, the term
2928 "promissory note" includes a negotiable instrument that
2929 evidences chattel paper. Except as otherwise provided in
2930 subsections (5) and (12) and ss. 680.303 and 679.4071, and
2931 subject to subsection (8), a term in an agreement between an
2932 account debtor and an assignor or in a promissory note is
2933 ineffective to the extent that it:

2934 (a) Prohibits, restricts, or requires the consent of the
2935 account debtor or person obligated on the promissory note to the
2936 assignment or transfer of, or the creation, attachment,
2937 perfection, or enforcement of a security interest in, the
2938 account, chattel paper, payment intangible, or promissory note;
2939 or

2940 (b) Provides that the assignment or transfer or the
2941 creation, attachment, perfection, or enforcement of the security
2942 interest may give rise to a default, breach, right of
2943 recoupment, claim, defense, termination, right of termination,
2944 or remedy under the account, chattel paper, payment intangible,
2945 or promissory note.

2946 (7) Subject to subsections (8) and (13) ~~subsection (8)~~, an
2947 account debtor may not waive or vary its option under paragraph
2948 (2) (c).

2949 (13) Subsections (1), (2), (3), and (7) do not apply to a
2950 controllable account or controllable payment intangible.

2951 **Section 100. Subsection (9) is added to section 679.4081,**
 2952 **Florida Statutes, to read:**

2953 679.4081 Restrictions on assignment of promissory notes,
 2954 health-care-insurance receivables, and certain general
 2955 intangibles ineffective.—

2956 (9) For the purposes of this section, the term "promissory
 2957 note" includes a negotiable instrument that evidences chattel
 2958 paper.

2959 **Section 101. Subsections (1) and (2) of section 679.509,**
 2960 **Florida Statutes, are amended to read:**

2961 679.509 Persons entitled to file a record.—

2962 (1) A person may file an initial financing statement,
 2963 amendment that adds collateral covered by a financing statement,
 2964 or amendment that adds a debtor to a financing statement only
 2965 if:

2966 (a) The debtor authorizes the filing in a signed an
 2967 authenticated record or pursuant to subsection (2) or subsection
 2968 (3); or

2969 (b) The person holds an agricultural lien that has become
 2970 effective at the time of filing and the financing statement
 2971 covers only collateral in which the person holds an agricultural
 2972 lien.

2973 (2) By signing ~~authenticating~~ or becoming bound as a
 2974 debtor by a security agreement, a debtor or new debtor
 2975 authorizes the filing of an initial financing statement, and an

2976 amendment, covering:

2977 (a) The collateral described in the security agreement;

2978 and

2979 (b) Property that becomes collateral under s.

2980 679.3151(1)(b), whether or not the security agreement expressly

2981 covers proceeds.

2982 **Section 102. Subsections (2) and (3) of section 679.513,**
 2983 **Florida Statutes, are amended to read:**

2984 679.513 Termination statement.—

2985 (2) To comply with subsection (1), a secured party shall
 2986 cause the secured party of record to file the termination
 2987 statement:

2988 (a) Within 1 month after there is no obligation secured by
 2989 the collateral covered by the financing statement and no
 2990 commitment to make an advance, incur an obligation, or otherwise
 2991 give value; or

2992 (b) If earlier, within 20 days after the secured party
 2993 receives a signed ~~an authenticated~~ demand from a debtor.

2994 (3) In cases not governed by subsection (1), within 20
 2995 days after a secured party receives a signed ~~an authenticated~~
 2996 demand from a debtor, the secured party shall cause the secured
 2997 party of record for a financing statement to send to the debtor
 2998 a termination statement for the financing statement or file the
 2999 termination statement in the filing office if:

3000 (a) Except in the case of a financing statement covering

3001 accounts or chattel paper that has been sold or goods that are
 3002 the subject of a consignment, there is no obligation secured by
 3003 the collateral covered by the financing statement and no
 3004 commitment to make an advance, incur an obligation, or otherwise
 3005 give value;

3006 (b) The financing statement covers accounts or chattel
 3007 paper that has been sold but as to which the account debtor or
 3008 other person obligated has discharged its obligation;

3009 (c) The financing statement covers goods that were the
 3010 subject of a consignment to the debtor but are not in the
 3011 debtor's possession; or

3012 (d) The debtor did not authorize the filing of the initial
 3013 financing statement.

3014 **Section 103. Subsection (2) of section 679.601, Florida**
 3015 **Statutes, is amended, and subsection (4) of that section is**
 3016 **republished, to read:**

3017 679.601 Rights after default; judicial enforcement;
 3018 consignor or buyer of accounts, chattel paper, payment
 3019 intangibles, or promissory notes.—

3020 (2) A secured party in possession of collateral or control
 3021 of collateral under s. 679.1041, s. 679.1051, s. 679.1052, s.
 3022 679.1053, s. 679.1061, or s. 679.1071 has the rights and duties
 3023 provided in s. 679.2071.

3024 (4) Except as otherwise provided in subsection (7) and s.
 3025 679.605, after default, a debtor and an obligor have the rights

3026 | provided in this part and by agreement of the parties.

3027 | **Section 104. Subsection (4) of section 679.604, Florida**
 3028 | **Statutes, is amended to read:**

3029 | 679.604 Procedure if security agreement covers real
 3030 | property or fixtures.—

3031 | (4) A secured party that removes collateral shall promptly
 3032 | reimburse any encumbrancer or owner of the real property, other
 3033 | than the debtor, for the cost of repair of any physical injury
 3034 | caused by the removal. The secured party need not reimburse the
 3035 | encumbrancer or owner for any diminution in value of the real
 3036 | property caused by the absence of the goods removed or by any
 3037 | necessity of replacing them. A person entitled to reimbursement
 3038 | may refuse permission to remove until the secured party gives
 3039 | adequate assurance for the performance of the obligation to
 3040 | reimburse. This subsection does not prohibit a secured party and
 3041 | the person entitled to reimbursement from entering into a signed
 3042 | ~~an authenticated~~ record providing for the removal of fixtures
 3043 | and reimbursement for any damage caused thereby.

3044 | **Section 105. Section 679.605, Florida Statutes, is amended**
 3045 | **to read:**

3046 | 679.605 Unknown debtor or secondary obligor.—

3047 | (1) Except as provided in subsection (2), a secured party
 3048 | does not owe a duty based on its status as secured party:

3049 | (a) ~~(1)~~ To a person who is a debtor or obligor, unless the
 3050 | secured party knows:

3051 ~~1.(a)~~ That the person is a debtor or obligor;
 3052 ~~2.(b)~~ The identity of the person; and
 3053 ~~3.(c)~~ How to communicate with the person; or
 3054 ~~(b)-(2)~~ To a secured party or lienholder that has filed a
 3055 financing statement against a person, unless the secured party
 3056 knows:

3057 ~~1.(a)~~ That the person is a debtor; and
 3058 ~~2.(b)~~ The identity of the person.

3059 (2) A secured party owes a duty based on its status as a
 3060 secured party to a person if, at the time the secured party
 3061 obtains control of collateral that is a controllable account,
 3062 controllable electronic record, or controllable payment
 3063 intangible or at the time the security interest attaches to the
 3064 collateral, whichever is later:

3065 (a) The person is a debtor or obligor; and
 3066 (b) The secured party knows that the information relating
 3067 to the person in subparagraph (1)(a)1., subparagraph (1)(a)2.,
 3068 or subparagraph (1)(a)3. is not provided by the collateral, a
 3069 record attached to or logically associated with the collateral,
 3070 or the system in which the collateral is recorded.

3071 **Section 106. Paragraph (a) of subsection (1) and**
 3072 **subsection (3) of section 679.608, Florida Statutes, are amended**
 3073 **to read:**

3074 679.608 Application of proceeds of collection or
 3075 enforcement; liability for deficiency and right to surplus.—

3076 (1) If a security interest or agricultural lien secures
 3077 payment or performance of an obligation, the following rules
 3078 apply:

3079 (a) A secured party shall apply or pay over for
 3080 application the cash proceeds of collection or enforcement under
 3081 s. 679.607 in the following order to:

3082 1. The reasonable expenses of collection and enforcement
 3083 and, to the extent provided for by agreement and not prohibited
 3084 by law, reasonable attorney's fees and legal expenses incurred
 3085 by the secured party;

3086 2. The satisfaction of obligations secured by the security
 3087 interest or agricultural lien under which the collection or
 3088 enforcement is made; and

3089 3. The satisfaction of obligations secured by any
 3090 subordinate security interest in or other lien on the collateral
 3091 subject to the security interest or agricultural lien under
 3092 which the collection or enforcement is made if the secured party
 3093 receives a signed ~~an authenticated~~ demand for proceeds before
 3094 distribution of the proceeds is completed.

3095 (3) If the secured party in good faith cannot determine
 3096 the validity, extent, or priority of a subordinate security
 3097 interest or other lien or there are conflicting claims of
 3098 subordinate interests or liens, the secured party may commence
 3099 an interpleader action with respect to remaining proceeds in
 3100 excess of \$2,500 in the circuit or county court, as applicable

3101 based upon the amount to be deposited, where the collateral was
3102 located or collected or in the county where the debtor has its
3103 chief executive office or principal residence in this state, as
3104 applicable. If authorized in a signed ~~an authenticated~~ record,
3105 the interpleading secured party is entitled to be paid from the
3106 remaining proceeds the actual costs of the filing fee and an
3107 attorney ~~attorney's~~ fee in the amount of \$250 incurred in
3108 connection with filing the interpleader action and obtaining an
3109 order approving the interpleader of funds. The debtor in a
3110 consumer transaction may not be assessed for the reasonable
3111 attorney ~~attorney's~~ fees and costs incurred in the interpleader
3112 action by the holders of subordinate security interests or other
3113 liens based upon disputes among said holders, and a debtor in a
3114 transaction other than a consumer transaction may only recover
3115 such fees and costs to the extent provided for in a signed ~~an~~
3116 ~~authenticated~~ record. If authorized in a signed ~~an authenticated~~
3117 record, the court in the interpleader action may award
3118 reasonable attorney ~~attorney's~~ fees and costs to the prevailing
3119 party in a dispute between the debtor and a holder of a security
3120 interest or lien which claims an interest in the remaining
3121 interplead proceeds, but only if the debtor challenges the
3122 validity, priority, or extent of said security interest or lien.
3123 Except as provided in this subsection, a debtor may not be
3124 assessed reasonable attorney ~~attorney's~~ fees and costs incurred
3125 by any party in an interpleader action commenced under this

3126 section.

3127 **Section 107. Subsections (1), (2), (3), (5), and (6) of**
 3128 **section 679.611, Florida Statutes, are amended to read:**

3129 679.611 Notification before disposition of collateral.—

3130 (1) In this section, the term "notification date" means
 3131 the earlier of the date on which:

3132 (a) A secured party sends to the debtor and any secondary
 3133 obligor a signed ~~an authenticated~~ notification of disposition;
 3134 or

3135 (b) The debtor and any secondary obligor waive the right
 3136 to notification.

3137 (2) Except as otherwise provided in subsection (4), a
 3138 secured party that disposes of collateral under s. 679.610 shall
 3139 send to the persons specified in subsection (3) a reasonable
 3140 signed ~~authenticated~~ notification of disposition.

3141 (3) To comply with subsection (2), the secured party shall
 3142 send a signed ~~an authenticated~~ notification of disposition to:

3143 (a) The debtor;

3144 (b) Any secondary obligor; and

3145 (c) If the collateral is other than consumer goods:

3146 1. Any other person from whom the secured party has
 3147 received, before the notification date, a signed ~~an~~
 3148 ~~authenticated~~ notification of a claim of an interest in the
 3149 collateral;

3150 2. Any other secured party or lienholder that, 10 days

3151 before the notification date, held a security interest in or
3152 other lien on the collateral perfected by the filing of a
3153 financing statement that:

3154 a. Identified the collateral;

3155 b. Was indexed under the debtor's name as of that date;
3156 and

3157 c. Was filed in the office in which to file a financing
3158 statement against the debtor covering the collateral as of that
3159 date; and

3160 3. Any other secured party that, 10 days before the
3161 notification date, held a security interest in the collateral
3162 perfected by compliance with a statute, regulation, or treaty
3163 described in s. 679.3111(1).

3164 (5) A secured party complies with the requirement for
3165 notification prescribed by subparagraph (3)(c)2. if:

3166 (a) Not later than 20 days or earlier than 30 days before
3167 the notification date, the secured party requests, in a
3168 commercially reasonable manner, information concerning financing
3169 statements indexed under the debtor's name in the office
3170 indicated in subparagraph (3)(c)2.; and

3171 (b) Before the notification date, the secured party:

3172 1. Did not receive a response to the request for
3173 information; or

3174 2. Received a response to the request for information and
3175 sent a signed ~~an authenticated~~ notification of disposition to

3176 each secured party or other lienholder named in that response
3177 whose financing statement covered the collateral.

3178 (6) For purposes of subsection (3), the secured party may
3179 send the signed ~~authenticated~~ notification as follows:

3180 (a) If the collateral is other than consumer goods, to the
3181 debtor at the address in the financing statement, unless the
3182 secured party has received a signed ~~an authenticated~~ record from
3183 the debtor notifying the secured party of a different address
3184 for such notification purposes or the secured party has actual
3185 knowledge of the address of the debtor's chief executive office
3186 or principal residence, as applicable, at the time the
3187 notification is sent;

3188 (b) If the collateral is other than consumer goods, to any
3189 secondary obligor at the address, if any, in the signed
3190 ~~authenticated~~ agreement, unless the secured party has received a
3191 signed ~~an authenticated~~ record from the secondary obligor
3192 notifying the secured party of a different address for such
3193 notification purposes or the secured party has actual knowledge
3194 of the address of the secondary obligor's chief executive office
3195 or principal residence, as applicable, at the time the
3196 notification is sent; and

3197 (c) If the collateral is other than consumer goods:

3198 1. To the person described in subparagraph (3)(c)1., at
3199 the address stated in the notification;

3200 2. To the person described in subparagraph (3)(c)2., at

3201 the address stated in the financing statement;

3202 3. To the person described in subparagraph (3)(c)3., at
 3203 the address stated in the official records of the recording or
 3204 registration agency.

3205 **Section 108. Subsection (5) of section 679.613, Florida**
 3206 **Statutes, is amended to read:**

3207 679.613 Contents and form of notification before
 3208 disposition of collateral; general.—Except in a consumer-goods
 3209 transaction, the following rules apply:

3210 (5)(a) The following form of notification and the form
 3211 appearing in s. 679.614(3)(a) ~~s. 679.614(3)~~, when completed in
 3212 accordance with the instructions in paragraph (b), each provides
 3213 sufficient information:

3214
 3215 NOTIFICATION OF DISPOSITION
 3216 OF COLLATERAL

3217
 3218 To:...(Name of debtor, obligor, or other person to which the
 3219 notification is sent)...

3220 From:...(Name, address, and telephone number of secured
 3221 party)...

3222 Item 1. Name of any debtor that is not an addressee
 3223 ~~Debtor(s):...(Name of each debtor Include only if debtor(s) are~~
 3224 ~~not an addressee)...~~

3225 ~~{For a public disposition:}~~

HB 515

2025

3226 Item 2. We will sell ~~for lease or license, as applicable~~
 3227 ~~the~~ ... (describe collateral) ... to the highest qualified bidder
 3228 at public sale. A sale could include a lease or a license. The
 3229 sale will be held in public as follows:

3230 Day and Date:

3231 Time:

3232 Place:

3233 ~~[For a private disposition:]~~

3234 Item 3. We will sell ~~for lease or license, as applicable~~
 3235 the ... (describe collateral) ... at a private sale ~~privately~~
 3236 sometime after ... ~~(day and date)~~ ... A sale could include a
 3237 lease or a license.

3238 Item 4. You are entitled to an accounting of the unpaid
 3239 indebtedness secured by the property that we intend to sell or,
 3240 as applicable, ~~for lease or license.~~

3241 Item 5. If you request an accounting, you must pay, ~~as~~
 3242 ~~applicable~~ for a charge of \$.....

3243 Item 6. You may request an accounting by calling us at
 3244 ... (telephone number)....

3245 (b) The following instructions apply to the form set forth
 3246 in paragraph (a):

3247 1. Do not include the item numbers in the notification, as
 3248 they are used only for the purpose of clarification.

3249 2. Include and complete Item 1 only if there is a debtor
 3250 that is not an addressee of the notification and list the name

3251 or names.

3252 3. Include and complete either Item 2, if the notification
 3253 relates to a public disposition of the collateral, or Item 3, if
 3254 the notification relates to a private disposition of the
 3255 collateral. If Item 2 is completed, include the words "to the
 3256 highest qualified bidder" only if applicable.

3257 4. Include and complete Items 4 and 6.

3258 5. Include and complete Item 5 only if the sender will
 3259 charge the recipient for an accounting.

3260 **Section 109. Subsection (3) of section 679.614, Florida**
 3261 **Statutes, is amended to read:**

3262 679.614 Contents and form of notification before
 3263 disposition of collateral; consumer-goods transaction.—In a
 3264 consumer-goods transaction, the following rules apply:

3265 (3) (a) The following form of notification, when completed
 3266 in accordance with the instructions set forth in paragraph (b),
 3267 provides sufficient information:

3268 ... (Name and address of secured party) ...

3270 ... (Date) ...

3271

3272 NOTICE OF OUR PLAN TO SELL PROPERTY

3273

3274 ... (Name and address of any obligor who is also a debtor) ...

3275 Subject: ... (Identify ~~Identification~~ of Transaction) ...

3276 We have your ...(describe collateral)..., because you broke
3277 promises in our agreement.

3278 ~~{For a public disposition:}~~

3279 Item 1. We will sell ...(describe collateral)... at public
3280 sale. A sale could include a lease or license. The sale will be
3281 held as follows:

3282 Date:

3283 Time:

3284 Place:

3285

3286 You may attend the sale and bring bidders ~~if you want.~~

3287 ~~{For a private disposition:}~~

3288 Item 2. We will sell ...(describe collateral)... at private
3289 sale sometime after ...(date).... A sale could include a lease
3290 or license.

3291 Item 3. The money that we get from the sale (after paying
3292 our costs) will reduce the amount you owe. If we get less money
3293 than you owe, you ...(will or will not, as applicable)... still
3294 owe us the difference. If we get more money than you owe, you
3295 will get the extra money, unless we must pay it to someone else.

3296 Item 4. You can get the property back at any time before we
3297 sell it by paying us the full amount you owe, ~~not just the past~~
3298 ~~due payments~~, including our expenses. To learn the exact amount
3299 you must pay, call us at ...(telephone number)....

3300 Item 5. If you want us to explain to you ...(in writing or

3301 in description of electronic record)... how we have figured the
3302 amount that you owe us, Item 6. ~~you may~~ call us at ...(telephone
3303 number)..., ~~or~~ write us at ...(secured party's address)..., or
3304 contact us by ...(description of electronic communication
3305 method)... Item 7. and request a written explanation, an
3306 explanation in ...(description of electronic record)....

3307 Item 8. We will charge you \$.... for the explanation if we
3308 sent you another written explanation of the amount you owe us
3309 within the last 6 months.

3310 Item 9. If you need more information about the sale, call
3311 us at ...(telephone number)..., ~~or~~ write us at ...(secured
3312 party's address)..., or contact us by ...(description of
3313 electronic communication method)....

3314 Item 10. We are sending this notice to the following other
3315 people who have an interest in ...(describe collateral)... or
3316 who owe money under your agreement:

3317 ...(Names of all other debtors and obligors, if any)...

3318 (b) The following instructions apply to the form of
3319 notification in paragraph (a):

3320 1. The instructions in this paragraph refer to the numbers
3321 before items in the form of notification in paragraph (a). Do
3322 not include the numbers in the notification. The numbers are
3323 used only for the purpose of these instructions.

3324 2. Include and complete either Item 1, if the notification
3325 relates to a public disposition of the collateral, or Item 2, if

3326 the notification relates to a private disposition of the
3327 collateral.

3328 3. Include and complete Items 3, 4, 5, 6, and 7.

3329 4. In Item 5, include and complete any one of the three
3330 alternative methods for the explanation identified in paragraph
3331 (a).

3332 5. In Item 6, include the telephone number. In addition,
3333 the sender may include and complete either or both of the two
3334 additional alternative methods of communication identified in
3335 paragraph (a) for the recipient of the notification to
3336 communicate with the sender. Neither of the two additional
3337 methods of communication is required to be included.

3338 6. In Item 7, include and complete the method or methods
3339 for the explanation—writing, writing or electronic record, or
3340 electronic record—included in Item 5.

3341 7. Include and complete Item 8 only if a written
3342 explanation is included in Item 5 as a method for communicating
3343 the explanation and the sender will charge the recipient for
3344 another written explanation.

3345 8. In Item 9, include either the telephone number or the
3346 address, or both. In addition, the sender may include and
3347 complete the additional method of communication identified in
3348 paragraph (a) for the recipient of the notification to
3349 communicate with the sender. The additional method of electronic
3350 communication is not required to be included.

3351 9. If Item 10 does not apply, insert "None" after
 3352 "agreement:."

3353 **Section 110. Subsection (1) of section 679.615, Florida**
 3354 **Statutes, is amended to read:**

3355 679.615 Application of proceeds of disposition; liability
 3356 for deficiency and right to surplus.—

3357 (1) A secured party shall apply or pay over for
 3358 application the cash proceeds of disposition under s. 679.610 in
 3359 the following order to:

3360 (a) The reasonable expenses of retaking, holding,
 3361 preparing for disposition, processing, and disposing, and, to
 3362 the extent provided for by agreement and not prohibited by law,
 3363 reasonable attorney's fees and legal expenses incurred by the
 3364 secured party;

3365 (b) The satisfaction of obligations secured by the
 3366 security interest or agricultural lien under which the
 3367 disposition is made;

3368 (c) The satisfaction of obligations secured by any
 3369 subordinate security interest in or other subordinate lien on
 3370 the collateral if:

3371 1. The secured party receives from the holder of the
 3372 subordinate security interest or other lien a signed an
 3373 ~~authenticated~~ demand for proceeds before distribution of the
 3374 proceeds is completed; and

3375 2. In a case in which a consignor has an interest in the

3376 collateral, the subordinate security interest or other lien is
3377 senior to the interest of the consignor; and

3378 (d) A secured party that is a consignor of the collateral
3379 if the secured party receives from the consignor a signed ~~an~~
3380 ~~authenticated~~ demand for proceeds before distribution of the
3381 proceeds is completed.

3382 **Section 111. Subsections (1), (2), and (3) of section**
3383 **679.616, Florida Statutes, are amended to read:**

3384 679.616 Explanation of calculation of surplus or
3385 deficiency.—

3386 (1) In this section, the term:

3387 (a) "Explanation" means a record ~~writing~~ that:

3388 1. States the amount of the surplus or deficiency;
3389 2. Provides an explanation in accordance with subsection
3390 (3) of how the secured party calculated the surplus or
3391 deficiency;

3392 3. States, if applicable, that future debits, credits,
3393 charges, including additional credit service charges or
3394 interest, rebates, and expenses may affect the amount of the
3395 surplus or deficiency; and

3396 4. Provides a telephone number or mailing address from
3397 which additional information concerning the transaction is
3398 available.

3399 (b) "Request" means a record:

3400 1. Signed ~~Authenticated~~ by a debtor or consumer obligor;

3401 2. Requesting that the recipient provide an explanation;
3402 and

3403 3. Sent after disposition of the collateral under s.
3404 679.610.

3405 (2) In a consumer-goods transaction in which the debtor is
3406 entitled to a surplus or a consumer obligor is liable for a
3407 deficiency under s. 679.615, the secured party shall:

3408 (a) Send an explanation to the debtor or consumer obligor,
3409 as applicable, after the disposition and:

3410 1. Before or when the secured party accounts to the debtor
3411 and pays any surplus or first makes ~~written~~ demand in a record
3412 on the consumer obligor after the disposition for payment of the
3413 deficiency; and

3414 2. Within 14 days after receipt of a request; or

3415 (b) In the case of a consumer obligor who is liable for a
3416 deficiency, within 14 days after receipt of a request, send to
3417 the consumer obligor a record waiving the secured party's right
3418 to a deficiency.

3419 (3) To comply with subparagraph (1)(a)2., an explanation a
3420 ~~writing~~ must provide the following information in the following
3421 order:

3422 (a) The aggregate amount of obligations secured by the
3423 security interest under which the disposition was made, and, if
3424 the amount reflects a rebate of unearned interest or credit
3425 service charge, an indication of that fact, calculated as of a

3426 | specified date:

3427 | 1. If the secured party takes or receives possession of
3428 | the collateral after default, not more than 35 days before the
3429 | secured party takes or receives possession; or

3430 | 2. If the secured party takes or receives possession of
3431 | the collateral before default or does not take possession of the
3432 | collateral, not more than 35 days before the disposition;

3433 | (b) The amount of proceeds of the disposition;

3434 | (c) The aggregate amount of the obligations after
3435 | deducting the amount of proceeds;

3436 | (d) The amount, in the aggregate or by type, and types of
3437 | expenses, including expenses of retaking, holding, preparing for
3438 | disposition, processing, and disposing of the collateral, and
3439 | attorney's fees secured by the collateral which are known to the
3440 | secured party and relate to the current disposition;

3441 | (e) The amount, in the aggregate or by type, and types of
3442 | credits, including rebates of interest or credit service
3443 | charges, to which the obligor is known to be entitled and which
3444 | are not reflected in the amount in paragraph (a); and

3445 | (f) The amount of the surplus or deficiency.

3446 | **Section 112. Subsection (1) of section 679.619, Florida**
3447 | **Statutes, is amended to read:**

3448 | 679.619 Transfer of record or legal title.—

3449 | (1) In this section, the term "transfer statement" means a
3450 | record signed ~~authenticated~~ by a secured party stating:

HB 515

2025

3451 (a) That the debtor has defaulted in connection with an
3452 obligation secured by specified collateral;

3453 (b) That the secured party has exercised its post-default
3454 remedies with respect to the collateral;

3455 (c) That, by reason of the exercise, a transferee has
3456 acquired the rights of the debtor in the collateral; and

3457 (d) The name and mailing address of the secured party,
3458 debtor, and transferee.

3459 **Section 113. Subsections (1), (2), (3), and (6) of section**
3460 **679.620, Florida Statutes, are amended to read:**

3461 679.620 Acceptance of collateral in full or partial
3462 satisfaction of obligation; compulsory disposition of
3463 collateral.—

3464 (1) Except as otherwise provided in subsection (7), a
3465 secured party may accept collateral in full or partial
3466 satisfaction of the obligation it secures only if:

3467 (a) The debtor consents to the acceptance under subsection
3468 (3);

3469 (b) The secured party does not receive, within the time
3470 set forth in subsection (4), a notification of objection to the
3471 proposal signed ~~authenticated~~ by:

3472 1. A person to whom the secured party was required to send
3473 a proposal under s. 679.621; or

3474 2. Any other person, other than the debtor, holding an
3475 interest in the collateral subordinate to the security interest

3476 that is the subject of the proposal;

3477 (c) If the collateral is consumer goods, the collateral is
 3478 not in the possession of the debtor when the debtor consents to
 3479 the acceptance; and

3480 (d) Subsection (5) does not require the secured party to
 3481 dispose of the collateral or the debtor waives the requirement
 3482 pursuant to s. 679.624.

3483 (2) A purported or apparent acceptance of collateral under
 3484 this section is ineffective unless:

3485 (a) The secured party consents to the acceptance in a
 3486 signed ~~an authenticated~~ record or sends a proposal to the
 3487 debtor; and

3488 (b) The conditions of subsection (1) are met.

3489 (3) For purposes of this section:

3490 (a) A debtor consents to an acceptance of collateral in
 3491 partial satisfaction of the obligation it secures only if the
 3492 debtor agrees to the terms of the acceptance in a record signed
 3493 ~~authenticated~~ after default; and

3494 (b) A debtor consents to an acceptance of collateral in
 3495 full satisfaction of the obligation it secures only if the
 3496 debtor agrees to the terms of the acceptance in a record signed
 3497 ~~authenticated~~ after default or the secured party:

3498 1. Sends to the debtor after default a proposal that is
 3499 unconditional or subject only to a condition that collateral not
 3500 in the possession of the secured party be preserved or

HB 515

2025

3501 maintained;

3502 2. In the proposal, proposes to accept collateral in full
3503 satisfaction of the obligation it secures, and, in a consumer
3504 transaction, provides notice that the proposal will be deemed
3505 accepted if it is not objected to by an authenticated notice
3506 within 30 days after the date the proposal is sent by the
3507 secured party; and

3508 3. Does not receive a notification of objection signed
3509 ~~authenticated~~ by the debtor within 30 days after the proposal is
3510 sent.

3511 (6) To comply with subsection (5), the secured party shall
3512 dispose of the collateral:

3513 (a) Within 90 days after taking possession; or

3514 (b) Within any longer period to which the debtor and all
3515 secondary obligors have agreed in an agreement to that effect
3516 entered into and signed ~~authenticated~~ after default.

3517 **Section 114. Subsection (1) of section 679.621, Florida**
3518 **Statutes, is amended to read:**

3519 679.621 Notification of proposal to accept collateral.—

3520 (1) A secured party that desires to accept collateral in
3521 full or partial satisfaction of the obligation it secures shall
3522 send its proposal to:

3523 (a) Any person from whom the secured party has received,
3524 before the debtor consented to the acceptance, a signed ~~an~~
3525 ~~authenticated~~ notification of a claim of an interest in the

3526 collateral;

3527 (b) Any other secured party or lienholder that, 10 days
 3528 before the debtor consented to the acceptance, held a security
 3529 interest in or other lien on the collateral perfected by the
 3530 filing of a financing statement that:

- 3531 1. Identified the collateral;
- 3532 2. Was indexed under the debtor's name as of that date;
- 3533 and

3534 3. Was filed in the office or offices in which to file a
 3535 financing statement against the debtor covering the collateral
 3536 as of that date; and

3537 (c) Any other secured party that, 10 days before the
 3538 debtor consented to the acceptance, held a security interest in
 3539 the collateral perfected by compliance with a statute,
 3540 regulation, or treaty described in s. 679.3111(1).

3541 **Section 115. Section 679.624, Florida Statutes, is amended**
 3542 **to read:**

3543 679.624 Waiver.—

3544 (1) A debtor or secondary obligor may waive the right to
 3545 notification of disposition of collateral under s. 679.611 only
 3546 by an agreement to that effect entered into and signed
 3547 ~~authenticated~~ after default.

3548 (2) A debtor may waive the right to require disposition of
 3549 collateral under s. 679.620(5) only by an agreement to that
 3550 effect entered into and signed ~~authenticated~~ after default.

3551 (3) Except in a consumer-goods transaction, a debtor or
 3552 secondary obligor may waive the right to redeem collateral under
 3553 s. 679.623 only by an agreement to that effect entered into and
 3554 signed ~~authenticated~~ after default.

3555 **Section 116. Subsections (1) and (5) of section 679.625,**
 3556 **Florida Statutes, are amended, and subsections (3), (6), and (7)**
 3557 **are republished, to read:**

3558 679.625 Remedies for failure to comply with article.—

3559 (1) If it is established that a secured party is not
 3560 proceeding in accordance with this chapter, a court may order or
 3561 restrain collection, enforcement, or disposition of collateral
 3562 on appropriate terms and conditions. This subsection does ~~shall~~
 3563 not preclude a debtor other than a consumer and a secured party,
 3564 or two or more secured parties in other than a consumer
 3565 transaction, from agreeing in a signed ~~an authenticated~~ record
 3566 that the debtor or secured party must first provide to the
 3567 alleged offending secured party notice of a violation of this
 3568 chapter and opportunity to cure before commencing any legal
 3569 proceeding under this section.

3570 (3) Except as otherwise provided in s. 679.628:

3571 (a) A person who, at the time of the failure, was a
 3572 debtor, was an obligor, or held a security interest in or other
 3573 lien on the collateral may recover damages under subsection (2)
 3574 for the person's loss; and

3575 (b) If the collateral is consumer goods, a person who was

3576 a debtor or a secondary obligor at the time a secured party
3577 failed to comply with this part may recover for that failure in
3578 any event an amount not less than the credit service charge plus
3579 10 percent of the principal amount of the obligation or the
3580 time-price differential plus 10 percent of the cash price.

3581 (5) In lieu of damages recoverable under subsection (2),
3582 the debtor, consumer obligor, or person named as a debtor in a
3583 filed record, as applicable, may recover \$500 in each case from
3584 a person who:

3585 (a) Fails to comply with s. 679.2081;

3586 (b) Fails to comply with s. 679.209;

3587 (c) Files a record that the person is not entitled to file
3588 under s. 679.509(1);

3589 (d) Fails to cause the secured party of record to file or
3590 send a termination statement as required by s. 679.513(1) or (3)
3591 after receipt of a signed ~~an authenticated~~ record notifying the
3592 person of such noncompliance;

3593 (e) Fails to comply with s. 679.616(2) (a) and whose
3594 failure is part of a pattern, or consistent with a practice, of
3595 noncompliance; or

3596 (f) Fails to comply with s. 679.616(2) (b).

3597 (6) A debtor or consumer obligor may recover damages under
3598 subsection (2) and, in addition, \$500 in each case from a person
3599 who, without reasonable cause, fails to comply with a request
3600 under s. 679.210. A recipient of a request under s. 679.210

3601 which never claimed an interest in the collateral or obligations
3602 that are the subject of a request under that section has a
3603 reasonable excuse for failure to comply with the request within
3604 the meaning of this subsection.

3605 (7) If a secured party fails to comply with a request
3606 regarding a list of collateral or a statement of account under
3607 s. 679.210, the secured party may claim a security interest only
3608 as shown in the list or statement included in the request as
3609 against a person who is reasonably misled by the failure.

3610 **Section 117. Subsections (1) and (2) of section 679.628,**
3611 **Florida Statutes, are amended, and subsection (6) is added to**
3612 **that section, to read:**

3613 679.628 Nonliability and limitation on liability of
3614 secured party; liability of secondary obligor.—

3615 (1) Subject to subsection (6), unless a secured party
3616 knows that a person is a debtor or obligor, knows the identity
3617 of the person, and knows how to communicate with the person:

3618 (a) The secured party is not liable to the person, or to a
3619 secured party or lienholder that has filed a financing statement
3620 against the person, for failure to comply with this chapter; and

3621 (b) The secured party's failure to comply with this
3622 chapter does not affect the liability of the person for a
3623 deficiency.

3624 (2) Subject to subsection (6), a secured party is not
3625 liable because of its status as a secured party:

3626 (a) To a person who is a debtor or obligor, unless the
 3627 secured party knows:

- 3628 1. That the person is a debtor or obligor;
- 3629 2. The identity of the person; and
- 3630 3. How to communicate with the person; or

3631 (b) To a secured party or lienholder that has filed a
 3632 financing statement against a person, unless the secured party
 3633 knows:

- 3634 1. That the person is a debtor; and
- 3635 2. The identity of the person.

3636 (6) Subsections (1) and (2) do not apply to limit the
 3637 liability of a secured party to a person if, at the time the
 3638 secured party obtains control of collateral that is a
 3639 controllable account, controllable electronic record, or
 3640 controllable payment intangible or at the time the security
 3641 interest attaches to the collateral, whichever is later:

3642 (a) The person is a debtor or obligor; and

3643 (b) The secured party knows that the information in
 3644 subparagraph (2)(a)1., subparagraph (2)(a)2., or subparagraph
 3645 (2)(a)3., relating to the person is not provided by the
 3646 collateral, a record attached to or logically associated with
 3647 the collateral, or the system in which the collateral is
 3648 recorded.

3649 **Section 118.** Part IX of chapter 670, Florida Statutes,
 3650 consisting of ss. 679.901 and 679.902, Florida Statutes, is

3651 created and entitled "Transitional Provisions."

3652 **Section 119. Section 679.901, Florida Statutes, is created**
3653 **to read:**

3654 679.901 Saving clause.—Except as otherwise provided in ss.
3655 669.501-669.706, a transaction validly entered into before July
3656 1, 2025, and the rights duties, and interests flowing from such
3657 transaction remain valid thereafter and may be terminated,
3658 completed, consummated, or enforced as required or permitted by
3659 law other than the Uniform Commercial Code or, if applicable, by
3660 the Uniform Commercial Code as though this act had not taken
3661 effect.

3662 **Section 120. Section 679.902, Florida Statutes, is created**
3663 **to read:**

3664 679.902 Transitional provisions.—Effective July 1, 2025,
3665 chapter 679 shall be amended by this act, including the
3666 transitional provisions for chapters 669 and 679, as amended by
3667 this act, as provided in part II of chapter 669.

3668 **Section 121. Section 680.1021, Florida Statutes, is**
3669 **amended to read:**

3670 680.1021 Scope.—

3671 (1) This chapter applies to any transaction, regardless of
3672 form, that creates a lease and, in the case of a hybrid lease,
3673 applies to the extent provided in subsection (2).

3674 (2) In a hybrid lease, both of the following apply:

3675 (a) If the lease-of-goods aspects do not predominate:

3676 1. Only the provisions of this chapter which relate
3677 primarily to the lease-of-goods aspects of the transaction
3678 apply, and the provisions that relate primarily to the
3679 transaction as a whole do not apply;

3680 2. Section 608.209 applies if the lease is a finance
3681 lease; and

3682 3. Section 608.407 applies to the promises of the lessee
3683 in a finance lease to the extent that the promises are
3684 consideration for the right to possession and use of the leased
3685 goods.

3686 (b) If the lease-of-goods aspects predominate, this
3687 chapter applies to the transaction, but does not preclude
3688 application in appropriate circumstances of other law to aspects
3689 of the lease which do not relate to the lease of goods.

3690 **Section 122. Present paragraphs (i) through (z) of**
3691 **subsection (1) of section 680.1031, Florida Statutes, are**
3692 **redesignated as paragraphs (j) through (aa), respectively, a new**
3693 **paragraph (i) is added to that subsection, and paragraphs (a),**
3694 **(d), (e), (f), (h), (j), (l), and (m) of subsection (3) of that**
3695 **section are amended, to read:**

3696 680.1031 Definitions and index of definitions.—

3697 (1) In this chapter, unless the context otherwise
3698 requires:

3699 (i) "Hybrid lease" means a single transaction involving a
3700 lease of goods and:

- 3701 1. The provision of services;
- 3702 2. A sale of other goods; or
- 3703 3. A sale, lease, or license of property other than goods.

3704 (3) The following definitions in other chapters of this
 3705 code apply to this chapter:

- 3706 (a) "Account," s. 679.1021(1) ~~s. 679.1021(1)(b)~~.
- 3707 (d) "Chattel paper," s. 679.1021(1) ~~s. 679.1021(1)(k)~~.
- 3708 (e) "Consumer goods," s. 679.1021(1) ~~s. 679.1021(1)(w)~~.
- 3709 (f) "Document," s. 679.1021(1) ~~s. 679.1021(1)(dd)~~.
- 3710 (h) "General intangible," s. 679.1021(1) ~~s.~~
 3711 ~~679.1021(1)(pp)~~.
- 3712 (j) "Instrument," s. 679.1021(1) ~~s. 679.1021(1)(uu)~~.
- 3713 (l) "Mortgage," s. 679.1021(1) ~~s. 679.1021(1)(ccc)~~.
- 3714 (m) "Pursuant to a commitment," s. 679.1021(1) ~~s.~~
 3715 ~~679.1021(1)(ppp)~~.

3716 **Section 123. Section 680.1071, Florida Statutes, is**
 3717 **amended to read:**

3718 680.1071 Waiver or renunciation of claim or right after
 3719 default.—Any claim or right arising out of an alleged default or
 3720 breach of warranty may be discharged in whole or in part without
 3721 consideration by a ~~written~~ waiver or renunciation in a signed
 3722 record ~~and~~ delivered by the aggrieved party.

3723 **Section 124. Subsections (1), (3), and (5) of section**
 3724 **680.201, Florida Statutes, are amended to read:**

3725 680.201 Statute of frauds.—

3726 (1) A lease contract is not enforceable by way of action
 3727 or defense unless:

3728 (a) In a lease contract that is not a consumer lease, the
 3729 total payments to be made under the lease contract, excluding
 3730 payments for options to renew or buy, are less than \$1,000; or

3731 (b) There is a record writing, signed by the party against
 3732 whom enforcement is sought or by that party's authorized agent,
 3733 sufficient to indicate that a lease contract has been made
 3734 between the parties and to describe the goods leased and the
 3735 lease term.

3736 (3) A record writing is not insufficient because it omits
 3737 or incorrectly states a term agreed upon, but the lease contract
 3738 is not enforceable under paragraph (1)(b) beyond the lease term
 3739 and the quantity of goods shown in the record writing.

3740 (5) The lease term under a lease contract referred to in
 3741 subsection (4) is:

3742 (a) If there is a record writing signed by the party
 3743 against whom enforcement is sought or by that party's authorized
 3744 agent specifying the lease term, the term so specified;

3745 (b) If the party against whom enforcement is sought admits
 3746 in that party's pleading, testimony, or otherwise in court a
 3747 lease term, the term so admitted; or

3748 (c) A reasonable lease term.

3749 **Section 125. Section 680.202, Florida Statutes, is amended**
 3750 **to read:**

HB 515

2025

3751 680.202 Final ~~written~~ expression: parol or extrinsic
3752 evidence.—Terms with respect to which the confirmatory memoranda
3753 of the parties agree or which are otherwise set forth in a
3754 record writing intended by the parties as a final expression of
3755 their agreement with respect to such terms as are included
3756 therein may not be contradicted by evidence of any prior
3757 agreement or of a contemporaneous oral agreement but may be
3758 explained or supplemented:

3759 (1) By course of dealing or usage of trade or by course of
3760 performance; and

3761 (2) By evidence of consistent additional terms unless the
3762 court finds the record writing to have been intended also as a
3763 complete and exclusive statement of the terms of the agreement.

3764 **Section 126. Section 680.203, Florida Statutes, is amended**
3765 **to read:**

3766 680.203 Seals inoperative.—The affixing of a seal to a
3767 record writing evidencing a lease contract or an offer to enter
3768 into a lease contract does not render the record writing a
3769 sealed instrument, and the law with respect to sealed
3770 instruments does not apply to the lease contract or offer.

3771 **Section 127. Section 680.205, Florida Statutes, is amended**
3772 **to read:**

3773 680.205 Firm offers.—An offer by a merchant to lease goods
3774 to or from another person in a signed record writing that by its
3775 terms gives assurance it will be held open is not revocable, for

3776 lack of consideration, during the time stated or, if no time is
3777 stated, for a reasonable time, but in no event may the period of
3778 irrevocability exceed 3 months. Any such term of assurance on a
3779 form supplied by the offeree must be separately signed by the
3780 offeror.

3781 **Section 128. Subsection (2) of section 680.208, Florida**
3782 **Statutes, is amended to read:**

3783 680.208 Modification, rescission, and waiver.—

3784 (2) A signed lease agreement that excludes modification or
3785 rescission except by a signed record writing may not be
3786 otherwise modified or rescinded, but, except as between
3787 merchants, such a requirement on a form supplied by a merchant
3788 must be separately signed by the other party.

3789 **Section 129. Part VI of chapter 680, Florida Statutes,**
3790 **consisting of s. 680.601, Florida Statutes, is created and**
3791 **entitled "Transitional Provisions."**

3792 **Section 130. Section 680.601, Florida Statutes, is created**
3793 **to read:**

3794 680.601 Saving clause.—Except as provided in ss. 669.501-
3795 669.706, a transaction validly entered into before July 1, 2025,
3796 and the rights, duties, and interests flowing from such
3797 transaction remain valid thereafter and may be terminated,
3798 completed, consummated, or enforced as required or permitted by
3799 law other than the Uniform Commercial Code or, if applicable, by
3800 the Uniform Commercial Code as though this act had not taken

3801 effect.

3802 **Section 131. Subsection (6) of section 55.205, Florida**
 3803 **Statutes, is amended to read:**

3804 55.205 Effect of judgment lien.—

3805 (6) A judgment lien acquired under s. 55.202 may be
 3806 enforced only through judicial process, including attachment
 3807 under chapter 76; execution under chapter 56; garnishment under
 3808 chapter 77; a charging order under s. 605.0503, s. 620.1703, or
 3809 s. 620.8504; or proceedings supplementary to execution under s.
 3810 56.29. A holder of a judgment lien acquired under s. 55.202, who
 3811 is not enforcing separate lien rights in a judgment debtor's
 3812 property, may not enforce his or her rights under this section
 3813 through self-help repossession or replevin without a court order
 3814 or without the express consent of the judgment debtor contained
 3815 in a record authenticated in accordance with s. 668.50 or s.
 3816 679.1021(1) ~~s. 679.1021(1)(g)~~ after the judgment lien attaches.

3817 **Section 132. Subsection (2) and paragraph (b) of**
 3818 **subsection (3) of section 319.27, Florida Statutes, are amended**
 3819 **to read:**

3820 319.27 Notice of lien on motor vehicles or mobile homes;
 3821 notation on certificate; recording of lien.—

3822 (2) No lien for purchase money or as security for a debt
 3823 in the form of a security agreement, retain title contract,
 3824 conditional bill of sale, chattel mortgage, or other similar
 3825 instrument or any other nonpossessory lien, including a lien for

3826 child support, upon a motor vehicle or mobile home upon which a
 3827 Florida certificate of title has been issued shall be
 3828 enforceable in any of the courts of this state against creditors
 3829 or subsequent purchasers for a valuable consideration and
 3830 without notice, unless a sworn notice of such lien has been
 3831 filed in the department and such lien has been noted upon the
 3832 certificate of title of the motor vehicle or mobile home. Such
 3833 notice shall be effective as constructive notice when filed. The
 3834 interest of a statutory nonpossessory lienor; the interest of a
 3835 nonpossessory execution, attachment, or equitable lienor; or the
 3836 interest of a lien creditor as defined in s. 679.1021(1) ~~s.~~
 3837 ~~679.1021(1)(zz)~~, if nonpossessory, is ~~shall~~ not be enforceable
 3838 against creditors or subsequent purchasers for a valuable
 3839 consideration unless such interest becomes a possessory lien or
 3840 is noted upon the certificate of title for the subject motor
 3841 vehicle or mobile home prior to the occurrence of the subsequent
 3842 transaction. Provided the provisions of this subsection relating
 3843 to a nonpossessory statutory lienor; a nonpossessory execution,
 3844 attachment, or equitable lienor; or the interest of a lien
 3845 creditor as defined in s. 679.1021(1) ~~does s. 679.1021(1)(zz)~~
 3846 ~~shall~~ not apply to liens validly perfected before ~~prior to~~
 3847 October 1, 1988. The notice of lien must ~~shall~~ provide the
 3848 following information:
 3849 (a) The date of the lien if a security agreement, retain
 3850 title contract, conditional bill of sale, chattel mortgage, or

3851 other similar instrument was executed prior to the filing of the
 3852 notice of lien;

3853 (b) The name and address of the registered owner;

3854 (c) A description of the motor vehicle or mobile home,
 3855 showing the make, type, and vehicle identification number; and

3856 (d) The name and address of the lienholder.

3857 (3)

3858 (b) As applied to a determination of the respective rights
 3859 of a secured party under this chapter and a lien creditor as
 3860 defined by s. 679.1021(1) ~~s. 679.1021(1)(zz)~~, or a nonpossessory
 3861 statutory lienor, a security interest under this chapter shall
 3862 be perfected upon the filing of the notice of lien with the
 3863 department, the county tax collector, or their agents. Provided,
 3864 however, the date of perfection of a security interest of such
 3865 secured party shall be the same date as the execution of the
 3866 security agreement or other similar instrument if the notice of
 3867 lien is filed in accordance with this subsection within 15 days
 3868 after the debtor receives possession of the motor vehicle or
 3869 mobile home and executes such security agreement or other
 3870 similar instrument. The date of filing of the notice of lien
 3871 shall be the date of its receipt by the department central
 3872 office in Tallahassee, if first filed there, or otherwise by the
 3873 office of the county tax collector, or their agents.

3874 **Section 133. Subsection (2) of section 328.0015, Florida**
 3875 **Statutes, is amended to read:**

3876 328.0015 Definitions.—
 3877 (2) The following definitions and terms also apply to this
 3878 part:
 3879 (a) "Agreement" as defined in s. 671.201 ~~s. 671.201(3)~~.
 3880 (b) "Buyer in ordinary course of business" as defined in
 3881 s. 671.201 ~~s. 671.201(9)~~.
 3882 (c) "Conspicuous" as defined in s. 671.201 ~~s. 671.201(11)~~.
 3883 (d) "Consumer goods" as defined in s. 679.1021(1) ~~s.~~
 3884 ~~679.1021(1)(w)~~.
 3885 (e) "Debtor" as defined in s. 679.1021(1) ~~s.~~
 3886 ~~679.1021(1)(bb)~~.
 3887 (f) "Knowledge" as defined in s. 671.209.
 3888 (g) "Lease" as defined in s. 680.1031(1) ~~s.~~
 3889 ~~680.1031(1)(j)~~.
 3890 (h) "Lessor" as defined in s. 680.1031(1) ~~s.~~
 3891 ~~680.1031(1)(p)~~.
 3892 (i) "Notice" as defined s. 671.209.
 3893 (j) "Representative" as defined in s. 671.201 ~~s.~~
 3894 ~~671.201(37)~~.
 3895 (k) "Sale" as defined in s. 672.106(1).
 3896 (l) "Security agreement" as defined in s. 679.1021(1) ~~s.~~
 3897 ~~679.1021(1)(uuu)~~.
 3898 (m) "Seller" as defined in s. 672.103(1) ~~s. 672.103(1)(d)~~.
 3899 (n) "Send" as defined in s. 671.201 ~~s. 671.201(40)~~.
 3900 (o) "Value" as defined in s. 671.211.

3901 **Section 134. Subsection (13) of section 517.061, Florida**
 3902 **Statutes, is amended to read:**

3903 517.061 Exempt transactions.—Except as otherwise provided
 3904 in subsection (11), the exemptions provided herein from the
 3905 registration requirements of s. 517.07 are self-executing and do
 3906 not require any filing with the office before being claimed. Any
 3907 person who claims entitlement to an exemption under this section
 3908 bears the burden of proving such entitlement in any proceeding
 3909 brought under this chapter. The registration provisions of s.
 3910 517.07 do not apply to any of the following transactions;
 3911 however, such transactions are subject to s. 517.301:

3912 (13) By or for the account of a pledgeholder, a secured
 3913 party as defined in s. 679.1021(1) ~~s. 679.1021(1) (ttt)~~, or a
 3914 mortgagee selling or offering for sale or delivery in the
 3915 ordinary course of business and not for the purposes of avoiding
 3916 ~~the provisions of~~ this chapter, to liquidate a bona fide debt, a
 3917 security pledged in good faith as security for such debt.

3918 **Section 135. Subsection (2) of section 559.9232, Florida**
 3919 **Statutes, is amended to read:**

3920 559.9232 Definitions; exclusion of rental-purchase
 3921 agreements from certain regulations.—

3922 (2) A rental-purchase agreement that complies with this
 3923 act may ~~shall~~ not be construed to be, nor be governed by, any of
 3924 the following:

3925 (a) A lease or agreement that constitutes a credit sale as

3926 defined in 12 C.F.R. s. 226.2(a)(16) and s. 1602(g) of the
 3927 federal Truth in Lending Act, 15 U.S.C. ss. 1601 et seq.;

3928 (b) A lease that constitutes a "consumer lease" as defined
 3929 in 12 C.F.R. s. 213.2(a)(6);

3930 (c) Any lease for agricultural, business, or commercial
 3931 purposes;

3932 (d) Any lease made to an organization;

3933 (e) A lease or agreement that constitutes a "retail
 3934 installment contract" or "retail installment transaction" as
 3935 those terms are defined in s. 520.31; or

3936 (f) A security interest as defined in s. 671.201 ~~s.~~
 3937 ~~671.201(39)~~.

3938 **Section 136. Paragraph (g) of subsection (2) of section**
 3939 **563.022, Florida Statutes, is amended to read:**

3940 563.022 Relations between beer distributors and
 3941 manufacturers.—

3942 (2) DEFINITIONS.—In construing this section, unless the
 3943 context otherwise requires, the word, phrase, or term:

3944 (g) "Good faith" means honesty in fact in the conduct or
 3945 transaction concerned as defined and interpreted under s.
 3946 671.201 ~~s. 671.201(21)~~.

3947 **Section 137. Paragraph (d) of subsection (16) of section**
 3948 **668.50, Florida Statutes, is amended, and paragraph (b) of**
 3949 **subsection (3) of that section is republished, to read:**

3950 668.50 Uniform Electronic Transaction Act.—

3951 (3) SCOPE.—

3952 (b) This section does not apply to a transaction to the
3953 extent the transaction is governed by:

3954 1. A provision of law governing the creation and execution
3955 of wills, codicils, or testamentary trusts;

3956 2. The Uniform Commercial Code other than s. 671.107 and
3957 chapters 672 and 680; or

3958 3. The Uniform Computer Information Transactions Act.

3959 (16) TRANSFERABLE RECORDS.—

3960 (d) Except as otherwise agreed, a person having control of
3961 a transferable record is the holder, as defined in s. 671.201 ~~s.~~
3962 ~~671.201(22)~~, of the transferable record and has the same rights
3963 and defenses as a holder of an equivalent record or writing
3964 under the Uniform Commercial Code, including, if the applicable
3965 statutory requirements under s. 673.3021, s. 677.501, or s.
3966 679.330 are satisfied, the rights and defenses of a holder in
3967 due course, a holder to which a negotiable document of title has
3968 been duly negotiated, or a purchaser, respectively. Delivery,
3969 possession, and indorsement are not required to obtain or
3970 exercise any of the rights under this paragraph.

3971 **Section 138. For the purpose of incorporating the**
3972 **amendment made by this act to section 671.105, Florida Statutes,**
3973 **in a reference thereto, subsections (1) and (2) of section**
3974 **655.55, Florida Statutes, are reenacted to read:**

3975 655.55 Law applicable to deposits in and contracts

3976 relating to extensions of credit by a deposit or lending
 3977 institution located in this state.—

3978 (1) The law of this state, excluding its law regarding
 3979 comity and conflict of laws, governs all aspects, including
 3980 without limitation the validity and effect, of any deposit
 3981 account in a branch or office in this state of a deposit or
 3982 lending institution, including a deposit account otherwise
 3983 covered by s. 671.105(1), regardless of the citizenship,
 3984 residence, location, or domicile of any other party to the
 3985 contract or agreement governing such deposit account, and
 3986 regardless of any provision of any law of the jurisdiction of
 3987 the residence, location, or domicile of such other party,
 3988 whether or not such deposit account bears any other relation to
 3989 this state, except that this section does not apply to any such
 3990 deposit account:

3991 (a) To the extent provided to the contrary in s.
 3992 671.105(2); or

3993 (b) To the extent that all parties to the contract or
 3994 agreement governing such deposit account have agreed in writing
 3995 that the law of another jurisdiction will govern it.

3996 (2) The law of this state, excluding its law regarding
 3997 comity and conflict of laws, governs all aspects, including
 3998 without limitation the validity and effect, of any contract
 3999 relating to an extension of credit made by a branch or office in
 4000 this state of a deposit or lending institution, including a

4001 contract otherwise covered by s. 671.105(1), if the contract
 4002 expressly provides that it will be governed by the law of this
 4003 state, regardless of the citizenship, residence, location, or
 4004 domicile of any other party to such contract and regardless of
 4005 any provision of any law of the jurisdiction of the residence,
 4006 location, or domicile of such other party, whether or not such
 4007 contract bears any other relation to this state, except that
 4008 this section does not apply to any such contract to the extent
 4009 provided to the contrary in s. 671.105(2).

4010 **Section 139. For the purpose of incorporating the**
 4011 **amendment made by this act to section 671.105, Florida Statutes,**
 4012 **in a reference thereto, subsection (2) of section 685.101,**
 4013 **Florida Statutes, is reenacted to read:**

4014 685.101 Choice of law.—

4015 (2) This section does not apply to any contract,
 4016 agreement, or undertaking:

4017 (a) Regarding any transaction which does not bear a
 4018 substantial or reasonable relation to this state in which every
 4019 party is either or a combination of:

4020 1. A resident and citizen of the United States, but not of
 4021 this state; or

4022 2. Incorporated or organized under the laws of another
 4023 state and does not maintain a place of business in this state;

4024 (b) For labor or employment;

4025 (c) Relating to any transaction for personal, family, or

4026 household purposes, unless such contract, agreement, or
 4027 undertaking concerns a trust at least one trustee of which
 4028 resides or transacts business as a trustee in this state, in
 4029 which case this section applies;

4030 (d) To the extent provided to the contrary in s.
 4031 671.105(2); or

4032 (e) To the extent such contract, agreement, or undertaking
 4033 is otherwise covered or affected by s. 655.55.

4034 **Section 140. For the purpose of incorporating the**
 4035 **amendment made by this act to section 673.1041, Florida**
 4036 **Statutes, in a reference thereto, subsection (1) of section**
 4037 **90.953, Florida Statutes, is reenacted to read:**

4038 90.953 Admissibility of duplicates.—A duplicate is
 4039 admissible to the same extent as an original, unless:

4040 (1) The document or writing is a negotiable instrument as
 4041 defined in s. 673.1041, a security as defined in s. 678.1021, or
 4042 any other writing that evidences a right to the payment of
 4043 money, is not itself a security agreement or lease, and is of a
 4044 type that is transferred by delivery in the ordinary course of
 4045 business with any necessary endorsement or assignment.

4046 **Section 141. For the purpose of incorporating the**
 4047 **amendment made by this act to section 673.1041, Florida**
 4048 **Statutes, in a reference thereto, subsections (1), (3), and (4)**
 4049 **of section 673.1061, Florida Statutes, are reenacted to read:**

4050 673.1061 Unconditional promise or order.—

4051 (1) Except as provided in this section, for the purposes
 4052 of s. 673.1041(1), a promise or order is unconditional unless it
 4053 states:

4054 (a) An express condition to payment;

4055 (b) That the promise or order is subject to or governed by
 4056 another writing; or

4057 (c) That rights or obligations with respect to the promise
 4058 or order are stated in another writing.

4059

4060 A reference to another writing does not of itself make the
 4061 promise or order conditional.

4062 (3) If a promise or order requires, as a condition to
 4063 payment, a countersignature by a person whose specimen signature
 4064 appears on the promise or order, the condition does not make the
 4065 promise or order conditional for the purposes of s. 673.1041(1).
 4066 If the person whose specimen signature appears on an instrument
 4067 fails to countersign the instrument, the failure to countersign
 4068 is a defense to the obligation of the issuer, but the failure
 4069 does not prevent a transferee of the instrument from becoming a
 4070 holder of the instrument.

4071 (4) If a promise or order at the time it is issued or
 4072 first comes into possession of a holder contains a statement,
 4073 required by applicable statutory or administrative law, to the
 4074 effect that the rights of a holder or transferee are subject to
 4075 claims or defenses that the issuer could assert against the

4076 original payee, the promise or order is not thereby made
4077 conditional for the purposes of s. 673.1041(1); but if the
4078 promise or order is an instrument, there cannot be a holder in
4079 due course of the instrument.

4080 **Section 142. For the purpose of incorporating the**
4081 **amendment made by this act to section 673.1041, Florida**
4082 **Statutes, in a reference thereto, subsection (2) of section**
4083 **673.1151, Florida Statutes, is reenacted to read:**

4084 673.1151 Incomplete instrument.—

4085 (2) Subject to subsection (3), if an incomplete instrument
4086 is an instrument under s. 673.1041, it may be enforced according
4087 to its terms if it is not completed, or according to its terms
4088 as augmented by completion. If an incomplete instrument is not
4089 an instrument under s. 673.1041, but, after completion, the
4090 requirements of s. 673.1041 are met, the instrument may be
4091 enforced according to its terms as augmented by completion.

4092 **Section 143. For the purpose of incorporating the**
4093 **amendment made by this act to sections 673.1041 and 673.1051,**
4094 **Florida Statutes, in a reference thereto, subsection (2) of**
4095 **section 673.1031, Florida Statutes, is reenacted to read:**

4096 673.1031 Definitions.—

4097 (2) Other definitions applying to this chapter and the
4098 sections in which they appear are:

4099 "Acceptance," s. 673.4091.

4100 "Accommodated party," s. 673.4191.

4101 "Accommodation party," s. 673.4191.
 4102 "Alteration," s. 673.4071.
 4103 "Anomalous indorsement," s. 673.2051.
 4104 "Blank indorsement," s. 673.2051.
 4105 "Cashier's check," s. 673.1041.
 4106 "Certificate of deposit," s. 673.1041.
 4107 "Certified check," s. 673.4091.
 4108 "Check," s. 673.1041.
 4109 "Consideration," s. 673.3031.
 4110 "Draft," s. 673.1041.
 4111 "Holder in due course," s. 673.3021.
 4112 "Incomplete instrument," s. 673.1151.
 4113 "Indorsement," s. 673.2041.
 4114 "Indorser," s. 673.2041.
 4115 "Instrument," s. 673.1041.
 4116 "Issue," s. 673.1051.
 4117 "Issuer," s. 673.1051.
 4118 "Negotiable instrument," s. 673.1041.
 4119 "Negotiation," s. 673.2011.
 4120 "Note," s. 673.1041.
 4121 "Payable at a definite time," s. 673.1081.
 4122 "Payable on demand," s. 673.1081.
 4123 "Payable to bearer," s. 673.1091.
 4124 "Payable to order," s. 673.1091.
 4125 "Payment," s. 673.6021.

4126 "Person entitled to enforce," s. 673.3011.
 4127 "Presentment," s. 673.5011.
 4128 "Reacquisition," s. 673.2071.
 4129 "Special indorsement," s. 673.2051.
 4130 "Teller's check," s. 673.1041.
 4131 "Transfer of instrument," s. 673.2031.
 4132 "Traveler's check," s. 673.1041.
 4133 "Value," s. 673.3031.

Section 144. For the purpose of incorporating the amendment made by this act to section 673.6041, Florida Statutes, in a reference thereto, subsection (2) of section 673.6051, Florida Statutes, is reenacted to read:

673.6051 Discharge of indorsers and accommodation parties.—

(2) Discharge, under s. 673.6041, of the obligation of a party to pay an instrument does not discharge the obligation of an indorser or accommodation party having a right of recourse against the discharged party.

Section 145. For the purpose of incorporating the amendment made by this act to section 675.116, Florida Statutes, in a reference thereto, subsection (2) of section 679.3061, Florida Statutes, is reenacted to read:

679.3061 Law governing perfection and priority of security interests in letter-of-credit rights.—

(2) For purposes of this part, an issuer's jurisdiction or

4151 nominated person's jurisdiction is the jurisdiction whose law
4152 governs the liability of the issuer or nominated person with
4153 respect to the letter-of-credit right as provided in s. 675.116.

4154 **Section 146. For the purpose of incorporating the**
4155 **amendment made by this act to section 675.104, Florida Statutes,**
4156 **in a reference thereto, paragraph (j) of subsection (1) of**
4157 **section 675.103, Florida Statutes, is reenacted to read:**

4158 675.103 Definitions.—

4159 (1) For purposes of this chapter:

4160 (j) "Letter of credit" means a definite undertaking that
4161 satisfies the requirements of s. 675.104 by an issuer to a
4162 beneficiary at the request or for the account of an applicant
4163 or, in the case of a financial institution, to itself or for its
4164 own account, to honor a documentary presentation by payment or
4165 delivery of an item of value.

4166 **Section 147. For the purpose of incorporating the**
4167 **amendment made by this act to section 679.2031, Florida**
4168 **Statutes, in a reference thereto, subsection (3) of section**
4169 **674.2101, Florida Statutes, is reenacted to read:**

4170 674.2101 Security interest of collecting bank in items,
4171 accompanying documents, and proceeds.—

4172 (3) Receipt by a collecting bank of a final settlement for
4173 an item is a realization on its security interest in the item,
4174 accompanying documents, and proceeds. So long as the bank does
4175 not receive final settlement for the item or give up possession

4176 of the item or possession or control of the accompanying or
 4177 associated documents for purposes other than collection, the
 4178 security interest continues to that extent and is subject to
 4179 chapter 679, but:

4180 (a) No security agreement is necessary to make the
 4181 security interest enforceable (s. 679.2031(2)(c)1.);

4182 (b) No filing is required to perfect the security
 4183 interest; and

4184 (c) The security interest has priority over conflicting
 4185 perfected security interests in the item, accompanying
 4186 documents, or proceeds.

4187 **Section 148. For the purpose of incorporating the**
 4188 **amendment made by this act to section 679.2031, Florida**
 4189 **Statutes, in a reference thereto, subsection (2) of section**
 4190 **675.1181, Florida Statutes, is reenacted to read:**

4191 675.1181 Security interest of issuer or nominated person.—

4192 (2) As long as and to the extent that an issuer or
 4193 nominated person has not been reimbursed or has not otherwise
 4194 recovered the value given with respect to a security interest in
 4195 a document under subsection (1), the security interest continues
 4196 and is subject to chapter 679, but a security agreement is not
 4197 necessary to make the security interest enforceable under s.
 4198 679.2031(2)(c):

4199 (a) If the document is presented in a medium other than a
 4200 written or other tangible medium, the security interest is

4201 perfected; and

4202 (b) If the document is presented in a written or other
 4203 tangible medium and is not a certificated security, chattel
 4204 paper, a document of title, an instrument, or a letter of
 4205 credit, the security interest is perfected and has priority over
 4206 a conflicting security interest in the document so long as the
 4207 debtor does not have possession of the document.

4208 **Section 149. For the purpose of incorporating the**
 4209 **amendment made by this act to section 679.2031, Florida**
 4210 **Statutes, in a reference thereto, section 679.1101, Florida**
 4211 **Statutes, is reenacted to read:**

4212 679.1101 Security interests arising under chapter 672 or
 4213 chapter 680.—A security interest arising under s. 672.401, s.
 4214 672.505, s. 672.711(3), or s. 680.508(5) is subject to this
 4215 chapter. However, until the debtor obtains possession of the
 4216 goods:

4217 (1) The security interest is enforceable, even if s.
 4218 679.2031(2)(c) has not been satisfied;

4219 (2) Filing is not required to perfect the security
 4220 interest;

4221 (3) The rights of the secured party after default by the
 4222 debtor are governed by chapter 672 or chapter 680; and

4223 (4) The security interest has priority over a conflicting
 4224 security interest created by the debtor.

4225 **Section 150. For the purpose of incorporating the**

4226 **amendment made by this act to section 677.106, Florida Statutes,**
 4227 **in a reference thereto, subsection (3) of section 672.103,**
 4228 **Florida Statutes, is reenacted to read:**

4229 672.103 Definitions and index of definitions.—

4230 (3) The following definitions in other chapters apply to
 4231 this chapter:

4232 "Check," s. 673.1041.

4233 "Consignee," s. 677.102.

4234 "Consignor," s. 677.102.

4235 "Consumer goods," s. 679.1021.

4236 "Control," s. 677.106.

4237 "Dishonor," s. 673.5021.

4238 "Draft," s. 673.1041.

4239 **Section 151. For the purpose of incorporating the**
 4240 **amendment made by this act to section 677.106, Florida Statutes,**
 4241 **in a reference thereto, subsection (3) of section 674.104,**
 4242 **Florida Statutes, is reenacted to read:**

4243 674.104 Definitions and index of definitions.—

4244 (3) The following definitions in other chapters apply to
 4245 this chapter:

4246 "Acceptance," s. 673.4091.

4247 "Alteration," s. 673.4071.

4248 "Cashier's check," s. 673.1041.

4249 "Certificate of deposit," s. 673.1041.

4250 "Certified check," s. 673.4091.

4251 "Check," s. 673.1041.
 4252 "Control," s. 677.106.
 4253 "Good faith," s. 673.1031.
 4254 "Holder in due course," s. 673.3021.
 4255 "Instrument," s. 673.1041.
 4256 "Notice of dishonor," s. 673.5031.
 4257 "Order," s. 673.1031.
 4258 "Ordinary care," s. 673.1031.
 4259 "Person entitled to enforce," s. 673.3011.
 4260 "Presentment," s. 673.5011.
 4261 "Promise," s. 673.1031.
 4262 "Prove," s. 673.1031.
 4263 "Teller's check," s. 673.1041.
 4264 "Unauthorized signature," s. 673.4031.

4265 **Section 152. For the purpose of incorporating the**
 4266 **amendment made by this act to section 678.1061, Florida**
 4267 **Statutes, in a reference thereto, subsection (3) of section**
 4268 **678.5101, Florida Statutes, is reenacted to read:**

4269 678.5101 Rights of purchaser of security entitlement from
 4270 entitlement holder.—

4271 (3) In a case not covered by the priority rules in chapter
 4272 679, a purchaser for value of a security entitlement, or an
 4273 interest therein, who obtains control has priority over a
 4274 purchaser of a security entitlement, or an interest therein, who
 4275 does not obtain control. Except as otherwise provided in

HB 515

2025

4276 subsection (4), purchasers who have control rank according to
4277 priority in time of:

4278 (a) The purchaser's becoming the person for whom the
4279 securities account, in which the security entitlement is
4280 carried, is maintained, if the purchaser obtained control under
4281 s. 678.1061(4) (a);

4282 (b) The securities intermediary's agreement to comply with
4283 the purchaser's entitlement orders with respect to security
4284 entitlements carried or to be carried in the securities account
4285 in which the security entitlement is carried, if the purchaser
4286 obtained control under s. 678.1061(4) (b); or

4287 (c) If the purchaser obtained control through another
4288 person under s. 678.1061(4) (c), the time on which priority would
4289 be based under this subsection if the other person were the
4290 secured party.

4291 **Section 153. For the purpose of incorporating the**
4292 **amendment made by this act to section 678.1061, Florida**
4293 **Statutes, in a reference thereto, subsection (1) of section**
4294 **679.1061, Florida Statutes, is reenacted to read:**

4295 679.1061 Control of investment property.—

4296 (1) A person has control of a certificated security,
4297 uncertificated security, or security entitlement as provided in
4298 s. 678.1061.

4299 **Section 154. For the purpose of incorporating the**
4300 **amendment made by this act to sections 678.1061, 679.3131,**

4301 **679.3141, and 679.323, Florida Statutes, in references thereto,**
 4302 **subsections (2), (5), and (7) of section 679.328, Florida**
 4303 **Statutes, are reenacted to read:**

4304 679.328 Priority of security interests in investment
 4305 property.—The following rules govern priority among conflicting
 4306 security interests in the same investment property:

4307 (2) Except as otherwise provided in subsections (3) and
 4308 (4), conflicting security interests held by secured parties each
 4309 of which has control under s. 679.1061 rank according to
 4310 priority in time of:

4311 (a) If the collateral is a security, obtaining control;

4312 (b) If the collateral is a security entitlement carried in
 4313 a securities account and:

4314 1. If the secured party obtained control under s.
 4315 678.1061(4) (a), the secured party's becoming the person for
 4316 which the securities account is maintained;

4317 2. If the secured party obtained control under s.
 4318 678.1061(4) (b), the securities intermediary's agreement to
 4319 comply with the secured party's entitlement orders with respect
 4320 to security entitlements carried or to be carried in the
 4321 securities account; or

4322 3. If the secured party obtained control through another
 4323 person under s. 678.1061(4) (c), the time on which priority would
 4324 be based under this paragraph if the other person were the
 4325 secured party; or

4326 (c) If the collateral is a commodity contract carried with
 4327 a commodity intermediary, the satisfaction of the requirement
 4328 for control specified in s. 679.1061(2) (b) with respect to
 4329 commodity contracts carried or to be carried with the commodity
 4330 intermediary.

4331 (5) A security interest in a certificated security in
 4332 registered form which is perfected by taking delivery under s.
 4333 679.3131(1) and not by control under s. 679.3141 has priority
 4334 over a conflicting security interest perfected by a method other
 4335 than control.

4336 (7) In all other cases, priority among conflicting
 4337 security interests in investment property is governed by ss.
 4338 679.322 and 679.323.

4339 **Section 155. For the purpose of incorporating the**
 4340 **amendment made by this act to sections 679.1041 and 679.3141,**
 4341 **Florida Statutes, in references thereto, subsections (1) and (2)**
 4342 **of section 679.327, Florida Statutes, are reenacted to read:**

4343 679.327 Priority of security interests in deposit
 4344 account.—The following rules govern priority among conflicting
 4345 security interests in the same deposit account:

4346 (1) A security interest held by a secured party having
 4347 control of the deposit account under s. 679.1041 has priority
 4348 over a conflicting security interest held by a secured party
 4349 that does not have control.

4350 (2) Except as otherwise provided in subsections (3) and

4351 (4), security interests perfected by control under s. 679.3141
 4352 rank according to priority in time of obtaining control.

4353 **Section 156. For the purpose of incorporating the**
 4354 **amendment made by this act to sections 679.2031 and 679.4041,**
 4355 **Florida Statutes, in a reference thereto, subsection (4) of**
 4356 **section 679.1091, Florida Statutes, is reenacted to read:**

4357 679.1091 Scope.—

4358 (4) This chapter does not apply to:

4359 (a) A landlord's lien, other than an agricultural lien;

4360 (b) A lien, other than an agricultural lien, given by
 4361 statute or other rule of law for services or materials, but s.
 4362 679.333 applies with respect to priority of the lien;

4363 (c) An assignment of a claim for wages, salary, or other
 4364 compensation of an employee;

4365 (d) A sale of accounts, chattel paper, payment
 4366 intangibles, or promissory notes as part of a sale of the
 4367 business out of which they arose;

4368 (e) An assignment of accounts, chattel paper, payment
 4369 intangibles, or promissory notes which is for the purpose of
 4370 collection only;

4371 (f) An assignment of a right to payment under a contract
 4372 to an assignee that is also obligated to perform under the
 4373 contract;

4374 (g) An assignment of a single account, payment intangible,
 4375 or promissory note to an assignee in full or partial

4376 satisfaction of a preexisting indebtedness;

4377 (h) A transfer of an interest in or an assignment of a
4378 claim under a policy of insurance, other than an assignment by
4379 or to a health-care provider of a health-care-insurance
4380 receivable and any subsequent assignment of the right to
4381 payment, but ss. 679.3151 and 679.322 apply with respect to
4382 proceeds and priorities in proceeds;

4383 (i) An assignment of a right represented by a judgment,
4384 other than a judgment taken on a right to payment that was
4385 collateral;

4386 (j) A right of recoupment or set-off, but:

4387 1. Section 679.340 applies with respect to the
4388 effectiveness of rights of recoupment or set-off against deposit
4389 accounts; and

4390 2. Section 679.4041 applies with respect to defenses or
4391 claims of an account debtor;

4392 (k) The creation or transfer of an interest in or lien on
4393 real property, including a lease or rents thereunder, except to
4394 the extent that provision is made for:

4395 1. Liens on real property in ss. 679.2031 and 679.3081;

4396 2. Fixtures in s. 679.334;

4397 3. Fixture filings in ss. 679.5011, 679.5021, 679.512,
4398 679.516, and 679.519; and

4399 4. Security agreements covering personal and real property
4400 in s. 679.604;

4401 (1) An assignment of a claim arising in tort, other than a
 4402 commercial tort claim, but ss. 679.3151 and 679.322 apply with
 4403 respect to proceeds and priorities in proceeds;

4404 (m) An assignment of a deposit account, other than a
 4405 nonnegotiable certificate of deposit, in a consumer transaction,
 4406 but ss. 679.3151 and 679.322 apply with respect to proceeds and
 4407 priorities in proceeds;

4408 (n) Any transfer by a government or governmental unit; or

4409 (o) A transfer or pledge of, or creation of a security
 4410 interest in, any interest or right or portion of any interest or
 4411 right in any storm-recovery property as defined in s. 366.8260.

4412 **Section 157. For the purpose of incorporating the**
 4413 **amendment made by this act to section 679.2031, Florida**
 4414 **Statutes, in a reference thereto, subsection (2) of section**
 4415 **679.709, Florida Statutes, is reenacted to read:**

4416 679.709 Priority.—

4417 (2) For purposes of s. 679.322(1), the priority of a
 4418 security interest that becomes enforceable under s. 679.2031 of
 4419 this act dates from the time this act takes effect if the
 4420 security interest is perfected under this act by the filing of a
 4421 financing statement before this act takes effect which would not
 4422 have been effective to perfect the security interest under
 4423 chapter 679, Florida Statutes 2000. This subsection does not
 4424 apply to conflicting security interests each of which is
 4425 perfected by the filing of such a financing statement.

4426 **Section 158. For the purpose of incorporating the**
 4427 **amendment made by this act to section 679.210, Florida Statutes,**
 4428 **in a reference thereto, subsection (2) of section 679.602,**
 4429 **Florida Statutes, is reenacted to read:**

4430 679.602 Waiver and variance of rights and duties.—Except
 4431 as otherwise provided in s. 679.624, to the extent that they
 4432 give rights to a debtor or obligor and impose duties on a
 4433 secured party, the debtor or obligor may not waive or vary the
 4434 rules stated in the following listed sections:

4435 (2) Section 679.210, which deals with requests for an
 4436 accounting and requests concerning a list of collateral and
 4437 statement of account;

4438 **Section 159. For the purpose of incorporating the**
 4439 **amendment made by this act to section 679.3141, Florida**
 4440 **Statutes, in a reference thereto, section 679.329, Florida**
 4441 **Statutes, is reenacted to read:**

4442 679.329 Priority of security interests in letter-of-credit
 4443 right.—The following rules govern priority among conflicting
 4444 security interests in the same letter-of-credit right:

4445 (1) A security interest held by a secured party having
 4446 control of the letter-of-credit right under s. 679.1071 has
 4447 priority to the extent of its control over a conflicting
 4448 security interest held by a secured party that does not have
 4449 control.

4450 (2) Security interests perfected by control under s.

4451 679.3141 rank according to priority in time of obtaining
4452 control.

4453 **Section 160. For the purpose of incorporating the**
4454 **amendment made by this act to section 679.3161, Florida**
4455 **Statutes, in a reference thereto, subsection (3) of section**
4456 **679.320, Florida Statutes, is reenacted to read:**

4457 679.320 Buyer of goods.—

4458 (3) To the extent that it affects the priority of a
4459 security interest over a buyer of goods under subsection (2),
4460 the period of effectiveness of a filing made in the jurisdiction
4461 in which the seller is located is governed by s. 679.3161(1) and
4462 (2).

4463 **Section 161. For the purpose of incorporating the**
4464 **amendment made by this act to section 679.3171, Florida**
4465 **Statutes, in a reference thereto, paragraph (b) of subsection**
4466 **(8) of section 727.109, Florida Statutes, is reenacted to read:**

4467 727.109 Power of the court.—The court shall have power to:

4468 (8) Hear and determine any of the following actions
4469 brought by the assignee, which she or he is empowered to
4470 maintain:

4471 (b) Determine the validity, priority, and extent of a lien
4472 or other interests in assets of the estate, or to subordinate or
4473 avoid an unperfected security interest pursuant to the
4474 assignee's rights as a lien creditor under s. 679.3171.

4475 **Section 162. For the purpose of incorporating the**

4476 **amendment made by this act to sections 679.3171 and 679.323,**
 4477 **Florida Statutes, in references thereto, subsection (3) of**
 4478 **section 680.307, Florida Statutes, is reenacted to read:**

4479 680.307 Priority of liens arising by attachment or levy
 4480 on, security interests in, and other claims to goods.—

4481 (3) Except as otherwise provided in ss. 679.3171, 679.321,
 4482 and 679.323, a lessee takes a leasehold interest subject to a
 4483 security interest held by a creditor or lessor.

4484 **Section 163. For the purpose of incorporating the**
 4485 **amendment made by this act to section 679.628, Florida Statutes,**
 4486 **in a reference thereto, subsection (3) of section 679.626,**
 4487 **Florida Statutes, is reenacted to read:**

4488 679.626 Action in which deficiency or surplus is in
 4489 issue.—In an action arising from a transaction in which the
 4490 amount of a deficiency or surplus is in issue, the following
 4491 rules apply:

4492 (3) Except as otherwise provided in s. 679.628, if a
 4493 secured party fails to prove that the collection, enforcement,
 4494 disposition, or acceptance was conducted in accordance with the
 4495 provisions of this part relating to collection, enforcement,
 4496 disposition, or acceptance, the liability of a debtor or a
 4497 secondary obligor for a deficiency is limited to an amount by
 4498 which the sum of the secured obligation, reasonable expenses,
 4499 and, to the extent provided for by agreement and not prohibited
 4500 by law, attorney's fees exceeds the greater of:

4501 (a) The proceeds of the collection, enforcement,
4502 disposition, or acceptance; or

4503 (b) The amount of proceeds that would have been realized
4504 had the noncomplying secured party proceeded in accordance with
4505 the provisions of this part relating to collection, enforcement,
4506 disposition, or acceptance.

4507 **Section 164.** This act shall take effect July 1, 2025.