

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

record does not owe any duty to the other person and is not required to confirm the acknowledgment to any other person; creating s. 669.106, F.S.; authorizing account debtors on a controllable account or controllable payment intangible to discharge obligations under certain circumstances; providing requirements for such discharge; prohibiting account debtors from waiving or varying certain rights and options; providing construction; creating s. 669.107, F.S.; specifying the governing laws and jurisdictions relating to controllable electronic records; creating part II of ch. 669, F.S., relating to transitional provisions; creating s. 669.501, F.S.; providing a short title; creating s. 669.502, F.S.; defining terms; creating ss. 669.601 and 669.701, F.S.; providing saving clauses for certain transactions; providing applicability; providing construction; creating s. 669.702, F.S.; specifying requirements for perfecting security interests that are enforceable and perfected before a specified date; creating s. 669.703, F.S.; specifying requirements for security interests that were unperfected before a specified date; creating s. 669.704, F.S.; specifying the effectiveness of certain actions relating to security interests taken before a specified date; creating ss.

669.705 and 669.706, F.S.; providing priority for
conflicting claims to collateral; amending s. 670.103,
F.S.; revising the definition of the term "payment
order"; amending s. 670.201, F.S.; revising
authorizations and requirements relating to security
procedures; amending s. 670.202, F.S.; revising the
circumstances under which payment orders received by
banks are effective as the order of a customer; making
technical changes; amending s. 670.203, F.S.; revising
rules that apply to payment orders that are not
authorized orders of certain customers; amending ss.
670.207, 670.208, 670.21, and 670.211, F.S.; making
technical changes; amending s. 670.305, F.S.; revising
liability requirements relating to payment orders;
creating part VI of ch. 670, F.S., relating to
transitional provisions; creating s. 670.601, F.S.;
providing applicability; amending s. 671.101, F.S.;
making technical changes; amending s. 671.105, F.S.;
revising applicability; amending s. 671.107, F.S.;
making a technical change; amending s. 671.201, F.S.;
revising definitions; defining terms; amending s.
671.211, F.S.; conforming a cross-reference; creating
part IV of ch. 671, F.S., relating to transitional
provisions; creating s. 671.401, F.S.; providing
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

required to acknowledge such control; specifying that such persons do not owe any duty to certain persons and are not required to confirm acknowledgment to any other person; amending s. 679.2031, F.S.; revising the circumstances under which a security interest is enforceable against a debtor and third parties; conforming a cross-reference and provisions to changes made by the act; amending s. 679.2041, F.S.; revising the circumstances under which a security interest does not attach under a term constituting an after-acquired property clause; amending s. 679.2071, F.S.; conforming a provision to changes made by the act; amending s. 679.2081, F.S.; revising duties relating to secured parties having control of collateral; amending s. 679.209, F.S.; revising duties relating to secured parties if an account debtor has been notified of an assignment; revising cross-references; amending s. 679.210, F.S.; conforming provisions to changes made by the act; amending s. 679.3011, F.S.; revising requirements relating to laws governing perfection and priority of security interests; revising a cross-reference; amending s. 679.3041, F.S.; specifying that the local law of a bank's jurisdiction governs even if a transaction does not bear any relation to the bank's 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;

amending s. 679.323, F.S.; revising the circumstances under which a buyer or lessee of goods takes free of a security interest or leasehold; amending s. 679.324, F.S.; conforming provisions to changes made by the act; creating s. 679.3251, F.S.; specifying that certain security interests in controllable accounts, controllable electronic records, or controllable payment intangibles have priority over conflicting security interests; amending s. 679.330, F.S.; revising the circumstances under which purchasers of chattel paper have priority over certain security interests in the chattel paper; revising applicability; making a technical change; amending s. 679.331, F.S.; revising construction; amending s. 679.332, F.S.; revising the circumstances under which a transferee takes money or funds free of a security interest; amending ss. 679.341 and 679.4041, F.S.; conforming provisions to changes made by the act; amending s. 679.4061, F.S.; defining the term "promissory note"; conforming provisions to changes made by the act; revising applicability; amending s. 679.4081, F.S.; defining the term "promissory note"; amending ss. 679.509, 679.513, 679.601, and 679.604, F.S.; conforming provisions to changes made by the 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.;

conforming cross-references; reenacting ss. 655.55(1) and (2) and 685.101(2), F.S., relating to law applicable to deposits in and contracts relating to extensions of credit by a deposit or lending institution located in this state and choice of law, respectively, to incorporate the amendment made to s. 671.105, F.S., in references thereto; reenacting ss. 90.953(1), 673.1061(1), (3), and (4), and 673.1151(2), F.S., relating to admissibility of duplicates, unconditional promise or order, and incomplete instruments, respectively, to incorporate the amendment made to s. 673.1041, F.S., in references thereto; reenacting s. 673.1031(2), F.S., relating to definitions, to incorporate the amendments made to ss. 673.1041 and 673.1051, F.S., in references thereto; reenacting s. 673.6051(2), F.S., relating to discharge of indorsers and accommodation parties, to incorporate the amendment made to s. 673.6041, F.S., in a reference thereto; reenacting s. 679.3061(2), F.S., relating to law governing perfection and priority of security interests in letter-of-credit rights, to incorporate the amendment made to s. 675.116, F.S., in a reference thereto; reenacting s. 675.103(1)(j), F.S., relating to definitions, to incorporate the amendment made to s. 675.104, F.S., in a reference

thereto; reenacting ss. 674.2101(3), 675.1181(2), and
679.1101, F.S., relating to security interest of
collecting bank in items, accompanying documents, and
proceeds; security interest of issuer or nominated
person; and security interests arising under chapter
672 or chapter 680, respectively, to incorporate the
amendment made to s. 679.2031, F.S., in references
thereto; reenacting ss. 672.103(3) and 674.104(3),
F.S., relating to definitions and index of
definitions, to incorporate the amendment made to s.
677.106, F.S., in references thereto; reenacting ss.
678.5101(3) and 679.1061(1), F.S., relating to rights
of purchaser of security entitlement from entitlement
holder and control of investment property,
respectively, to incorporate the amendment made to s.
678.1061, F.S., in references thereto; reenacting s.
679.328(2), (5), and (7), F.S., relating to priority
of security interests in investment property, to
incorporate the amendments made to ss. 678.1061,
679.3131, 679.3141, and 679.323, F.S., in references
thereto; reenacting s. 679.327(1) and (2), F.S.,
relating to priority of security interests in deposit
account, to incorporate the amendment made to ss.
679.1041 and 679.3141, F.S., in references thereto;
reenacting s. 679.1091(4), F.S., relating to scope, to

incorporate the amendment made to ss. 679.2031 and
679.4041, F.S., in references thereto; reenacting s.
679.709(2), F.S., relating to priority, to incorporate
the amendment made to s. 679.2031, F.S., in a
reference thereto; reenacting s. 679.602(2), F.S.,
relating to waiver and variance of rights and duties,
to incorporate the amendment made to s. 679.210, F.S.,
in a reference thereto; reenacting s. 679.329, F.S.,
relating to priority of security interests in deposit
account and priority of security interests in letter-
of-credit right, respectively, to incorporate the
amendment made to s. 679.3141, F.S., in references
thereto; reenacting s. 679.320(3), F.S., buyer of
goods, to incorporate the amendment made to s.
679.3161, F.S., in references thereto; reenacting s.
727.109(8)(b), F.S., relating to power of the court,
to incorporate the amendment made to s. 679.3171,
F.S., in a reference thereto reenacting s. 680.307(3),
F.S., relating to priority of liens arising by
attachment or levy on, security interests in, and
other claims to goods, to incorporate the amendment
made to ss. 679.3171 and 679.323, F.S., in references
thereto; reenacting s. 679.626(3), F.S., relating to
action in which deficiency or surplus is in issue, to
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) "Central bank digital currency" has the same meaning
346 as provided in s. 671.201.

347 (b) "Controllable electronic record" means a record in an
348 electronic medium, subject to control under s. 669.105. The term
349 does not include a central bank digital currency, a controllable
350 account, a controllable payment intangible, a deposit account,

351 an electronic chattel paper, an electronic document of title,
352 electronic money, investment property, or a transferable record.

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

359 (d) "Transferable record" has the same meaning as provided
360 in:

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

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

364 (e) "Value" has the meaning provided in s. 673.3031(1), as
365 if references in that subsection to an "instrument" were
366 references to a controllable account, controllable electronic
367 record, or controllable payment intangible. A controllable
368 electronic record is subject to control as specified in s.
369 669.105.

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

374 (3) Chapter 671 contains general definitions and
375 principles of construction and interpretation applicable

376 throughout this part.

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

379 669.103 Relation to chapter 679 and consumer laws.—

380 (1) If there is conflict between this part and chapter
381 679, chapter 679 governs.

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

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

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

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

397 (2) In determining whether a purchaser of a controllable
398 account or a controllable payment intangible is a qualifying
399 purchaser, the purchaser obtains control of the account or
400 payment intangible if it obtains control of the controllable

401 electronic record that evidences the account or payment
402 intangible.

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

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

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

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

423 (7) An action may not be asserted against a qualifying
424 purchaser based on both a purchase by the qualifying purchaser
425 of a controllable electronic record and a claim of a property

426 right in another controllable electronic record, regardless of
427 whether the action is framed in conversion, replevin,
428 constructive trust, equitable lien, or other theory.

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

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

434 669.105 Control of controllable electronic record.—

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

439 (a) Gives the person:

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

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

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

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

449 (b) Enables the person to identify itself readily in any
450 way, including by name, identifying number, cryptographic key,

451 office, or account number, as having the powers specified in
452 paragraph (a).

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

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

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

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

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

467 (b) The other person:

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

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

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

476 exclusive.

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

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

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

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

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

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

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

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

501 paying:

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

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

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

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

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

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

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

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

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

526 discharge the obligation by paying a person that formerly had
527 control.

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

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

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

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

542 1. Divide a payment;

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

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

547 (5) Subject to subsection (8), if requested by the account
548 debtor, the person giving the notification under subsection (2)
549 must seasonably furnish reasonable proof that, using the method
550 in the agreement referred to in paragraph (4) (a), control of the

551 controllable electronic record has been transferred. Unless the
552 person complies with the request, the account debtor may
553 discharge its obligation by paying a person that formerly had
554 control, even if the account debtor has received a notification
555 under subsection (2).

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

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

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

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

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

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

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

576 669.107 Governing law.—

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

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

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

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

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

601 jurisdiction.

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

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

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

618 (4) If paragraph (3)(e) applies, and Article 12 is not in
619 effect without material modification in the District of
620 Columbia, the governing law for a matter subject to this part is
621 the law of the District of Columbia as though Article 12 were in
622 effect without material modification in the District of
623 Columbia. For the purposes of this subsection, the term "Article
624 12" means Article 12 of the Uniform Commercial Code Amendments
625 (2022).

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

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

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

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

640 669.501 Short title.—This part may be cited as "Uniform
641 Commercial Code-Controllable Electronic Records."

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

644 669.502 Definitions.—As used in this part:

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

646 (b) "Article 12" means Article 12 of the Uniform
647 Commercial Code.

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

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

653 "Controllable account," s. 679.1021.

654 "Controllable electronic record," s. 669.102.

655 "Controllable payment intangible," s. 679.1021.

656 "Electronic money," s. 679.1021.

657 "Financing statement," s. 679.1021.

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

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

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

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

672 669.701 Saving clause.—

673 (1) Except as provided in this part, chapter 679 as it
674 existed on July 1, 2025, and Article 12 apply to a transaction,
675 lien, or other interest in property, even if the transaction,

lien, or interest was entered into, created, or acquired before July 1, 2025.

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

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

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

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

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

669.702 Security interest perfected before effective date.—

(1) A security interest that is enforceable and perfected immediately before July 1, 2025, is a perfected security interest under this act if, on July 1, 2025, the requirements

701 for enforceability and perfection under this section are fully
702 satisfied without further action.

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

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

711 (b) It remains enforceable thereafter only if the security
712 interest satisfies the requirements for enforceability under s.
713 679.2031, as it existed on July 1, 2025, before the adjustment
714 date.

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

718 **Section 16. Section 669.703, Florida Statutes, is created**
719 **to read:**

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

723 (1) Remains an enforceable security interest until the
724 adjustment date;

725 (2) Remains enforceable thereafter if the security

interest becomes enforceable under s. 679.2031, as it existed on
July 1, 2025, or before the adjustment date; and

(3) Becomes perfected:

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

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

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

669.704 Effectiveness of actions taken before effective
date.—

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

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

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

755 **Section 18. Section 669.705, Florida Statutes, is created**
756 **to read:**

757 669.705 Priority.—

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

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

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

768 **Section 19. Section 669.706, Florida Statutes, is created**
769 **to read:**

770 669.706 Priority of claims when priority rules of chapter
771 679 do not apply.—

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

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

781 (3) When the priority rules of chapter 679 as amended by
782 this part do not apply, to the extent the priorities determined
783 by this act modify the priorities established as of July 1,
784 2025, the priorities of claims to Article 12 property
785 established before July 1, 2025, cease to apply on the
786 adjustment date.

787 **Section 20. Paragraph (c) of subsection (1) of section**
788 **670.103, Florida Statutes, is amended to read:**

789 670.103 Payment order: definitions.—

790 (1) In this chapter, the term:

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

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

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

800 3. The instruction is transmitted by the sender directly

to the receiving bank or to an agent, funds-transfer system, or communication system for transmittal to the receiving bank.

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

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

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

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

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

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

670.202 Authorized and verified payment orders.—

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

(3) The commercial reasonableness of a security procedure is a question of law to be determined by considering the wishes of the customer expressed to the bank; the circumstances of the customer known to the bank, including the size, type, and frequency of payment orders normally issued by the customer to the bank; alternative security procedures offered to the customer; and security procedures in general use by customers

and receiving banks similarly situated. A security procedure is deemed to be commercially reasonable if:

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

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

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

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

670.203 Unenforceability of certain verified payment orders.—

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

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

876 **Section 24. Paragraph (b) of subsection (3) of section**
877 **670.207, Florida Statutes, is amended to read:**

878 670.207 Misdescription of beneficiary.—

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

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

897 **Section 25. Paragraph (b) of subsection (2) of section**
898 **670.208, Florida Statutes, is amended to read:**

899 670.208 Misdescription of intermediary bank or
900 beneficiary's bank.—

901 (2) This subsection applies to a payment order identifying
902 an intermediary bank or the beneficiary's bank both by name and
903 an identifying number if the name and number identify different
904 persons.

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

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

919 670.21 Rejection of payment order.—

920 (1) A payment order is rejected by the receiving bank by a
921 notice of rejection transmitted to the sender orally~~7~~
922 ~~electronically~~, or in a record ~~writing~~. A notice of rejection
923 need not use any particular words and is sufficient if it
924 indicates that the receiving bank is rejecting the order or will
925 not execute or pay the order. Rejection is effective when the

notice is given if transmission is by a means that is reasonable in the circumstances. If notice of rejection is given by a means that is not reasonable, rejection is effective when the notice is received. If an agreement of the sender and receiving bank establishes the means to be used to reject a payment order:

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

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

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

670.211 Cancellation and amendment of payment order.—

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

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

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

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

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

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

966 **Section 30. Section 670.601, Florida Statutes, is created**
967 **to read:**

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

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

978 671.101 Short title; scope of chapter.—

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

981 **Section 32. Paragraphs (a) through (g) of subsection (2)**
982 **of section 671.105, Florida Statutes, are redesignated as**
983 **paragraphs (b) through (h), respectively, a new paragraph (a) is**
984 **added to that subsection, and present paragraphs (d) and (e) of**
985 **that subsection are republished, to read:**

986 671.105 Territorial application of the code; parties'
987 power to choose applicable law.—

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

992 (a) Governing law in the chapter on controllable
993 electronic records. (s. 669.107).

994 (e)~~(d)~~ Applicability of the chapter on letters of credit.
995 (s. 675.116)

996 (f)~~(e)~~ Applicability of the chapter on investment
997 securities. (s. 678.1101)

998 **Section 33. Section 671.107, Florida Statutes, is amended**
999 **to read:**

1000 671.107 Waiver or renunciation of claim or right after

1001 breach.—A claim or right arising out of an alleged breach can be
1002 discharged in whole or in part without consideration by
1003 agreement of the aggrieved party in a signed ~~an authenticated~~
1004 record.

1005 **Section 34. Present subsections (18) through (47) of**
1006 **section 671.201, Florida Statutes, are redesignated as**
1007 **subsections (19) through (48), respectively, a new subsection**
1008 **(18) is added to that section, and present subsections (11),**
1009 **(16), (22), (26), (27), (31), (40), and (41) of that section are**
1010 **amended, to read:**

1011 671.201 General definitions.—Unless the context otherwise
1012 requires, words or phrases defined in this section, or in the
1013 additional definitions contained in other chapters of this code
1014 which apply to particular chapters or parts thereof, have the
1015 meanings stated. Subject to definitions contained in other
1016 chapters of this code which apply to particular chapters or
1017 parts thereof, the term:

1018 (11) "Conspicuous," with reference to a term, means so
1019 written, displayed, or presented that, based on the totality of
1020 the circumstances, a reasonable person against which it is to
1021 operate ought to have noticed it. Whether a term is
1022 "conspicuous" is a decision for the court. ~~Conspicuous terms~~
1023 ~~include the following:~~

1024 ~~(a) A heading in capitals equal to or greater in size than~~
1025 ~~the surrounding text, or in contrasting type, font, or color to~~

1026 ~~the surrounding text of the same or lesser size; and~~

1027 ~~(b) Language in the body of a record or display in larger~~
1028 ~~type than the surrounding text or set off from surrounding text~~
1029 ~~of the same size by symbols or other marks that call attention~~
1030 ~~to the language.~~

1031 (16) "Delivery," with respect to an electronic document of
1032 title, means voluntary transfer of control and, "delivery," with
1033 respect to instruments, tangible document of title, or an
1034 authoritative tangible copy of a record evidencing chattel
1035 paper, or certificated securities, means voluntary transfer of
1036 possession.

1037 (18) "Electronic" means relating to technology having
1038 electrical, digital, magnetic, wireless, optical,
1039 electromagnetic, or similar capabilities.

1040 (23) ~~(22)~~ "Holder" means:

1041 (a) The person in possession of a negotiable instrument
1042 that is payable either to bearer or to an identified person that
1043 is the person in possession;

1044 (b) The person in possession of a negotiable tangible
1045 document of title if the goods are deliverable either to bearer
1046 or to the order of the person in possession; or

1047 (c) The person in control, other than pursuant to s.
1048 677.106(7), of a negotiable electronic document of title.

1049 (27) ~~(26)~~ Subject to subsection (29) ~~(28)~~, a person has
1050 "notice" of a fact if the person:

(a) Has actual knowledge of it;

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

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

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

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

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

(32) ~~(31)~~ "Person" means an individual; corporation; business trust; estate; trust; partnership; limited liability company; association; joint venture; government; governmental subdivision, agency, or instrumentality; ~~public corporation; or~~

any other legal or commercial entity. The term includes a protected series, however denominated, of an entity if the protected series is established under law other than the Uniform Commercial Code which limits, or conditionally limits if conditions specified under the law are satisfied, the ability of a creditor of the entity or of any other protected series of the entity to satisfy a claim from assets of the protected series.

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

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

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

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

(a) Execute or adopt a tangible symbol; or

(b) Attach to or logically associate with the record an

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1101 electronic symbol, sound, or process ~~means bearing any symbol~~
1102 ~~executed or adopted by a party with present intention to adopt~~
1103 ~~or accept a writing.~~

1104 **Section 35. Section 671.211, Florida Statutes, is amended**
1105 **to read:**

1106 671.211 Value.—Except as otherwise provided with respect
1107 to negotiable instruments and bank collections as provided in
1108 chapter 669 and ss. 673.3031, 674.2101, and 674.2111, a person
1109 gives value for rights if the person acquires them:

1110 (1) In return for a binding commitment to extend credit or
1111 for the extension of immediately available credit whether or not
1112 drawn upon and whether or not a charge-back is provided for in
1113 the event of difficulties in collection;

1114 (2) As security for, or in total or partial satisfaction
1115 of, a preexisting claim;

1116 (3) By accepting delivery under a preexisting contract for
1117 purchase; or

1118 (4) In return for any consideration sufficient to support
1119 a simple contract.

1120 **Section 36. Part IV of chapter 671, Florida Statutes,**
1121 **consisting of s. 671.401, Florida Statutes, is created and**
1122 **entitled "Transitional Provisions."**

1123 **Section 37. Section 671.401, Florida Statutes, is created**
1124 **to read:**

1125 671.401 Saving clause.—Except as provided in ss. 669.501–

1126 669.706, a transaction validly entered into before July 1, 2025,
1127 and the rights, duties, and interests flowing from such
1128 transaction remain valid thereafter and may be terminated,
1129 completed, consummated, or enforced as required or permitted by
1130 law other than the Uniform Commercial Code or, if applicable, by
1131 the Uniform Commercial Code as though this act had not taken
1132 effect.

1133 **Section 38. Section 672.102, Florida Statutes, is amended**
1134 **to read:**

1135 672.102 Scope; certain security and other transactions
1136 excluded from this chapter.—

1137 (1) Unless the context otherwise requires, and except as
1138 provided in subsection (2), this chapter applies to transactions
1139 in goods and, in the case of a hybrid transaction:

1140 (a) If the sale-of-goods aspects do not predominate, only
1141 those provisions of this chapter which relate primarily to the
1142 sale-of-goods aspects of the transaction apply, and those
1143 provisions that relate primarily to the transaction as a whole
1144 do not apply.

1145 (b) If the sale-of-goods aspects predominate, this chapter
1146 applies to the transaction but does not preclude application in
1147 appropriate circumstances of other law to aspects of the
1148 transaction which do not relate to the sale of goods.

1149 (2) This chapter does not do the following:

1150 (a) Apply to a transaction that, even though in the form

1151 of an unconditional contract to sell or present sale, operates
1152 only to create a security interest.

1153 (b) Impair or repeal a statute regulating sales to
1154 consumers, farmers, or other specified classes of buyers; it
1155 ~~does not apply to any transaction which although in the form of~~
1156 ~~an unconditional contract to sell or present sale is intended to~~
1157 ~~operate only as a security transaction nor does this chapter~~
1158 ~~impair or repeal any statute regulating sales to consumers,~~
1159 ~~farmers or other specified classes of buyers.~~

1160 **Section 39. Section 672.106, Florida Statutes, is amended**
1161 **to read:**

1162 672.106 Definitions: "contract"; "agreement"; "contract
1163 for sale"; "sale"; "present sale"; "conforming" to contract;
1164 "termination"; "cancellation-"; "hybrid transaction."

1165 (1) In this chapter, unless the context clearly requires
1166 otherwise, the meaning of the terms ~~requires~~ "contract" and
1167 "agreement" is ~~are~~ limited to those contracts and agreements
1168 relating to the present or future sale of goods. The term
1169 "contract for sale" includes both a present sale of goods and a
1170 contract to sell goods at a future time. A "sale" consists in
1171 the passing of title from the seller to the buyer for a price
1172 (s. 672.401). A "present sale" means a sale which is
1173 accomplished by the making of the contract.

1174 (2) Goods or conduct including any part of a performance
1175 are "conforming" or conform to the contract when they are in

1176 accordance with the obligations under the contract.

1177 (3) "Termination" occurs when either party pursuant to a
1178 power created by agreement or law puts an end to the contract
1179 otherwise than for its breach. Upon ~~On~~ termination, all
1180 obligations that ~~which~~ are still executory on both sides are
1181 discharged but any right based on prior breach or performance
1182 survives.

1183 (4) "Cancellation" occurs when either party puts an end to
1184 the contract for breach by the other and its effect is the same
1185 as that of "termination" except that the canceling party also
1186 retains any remedy for breach of the whole contract or any
1187 unperformed balance.

1188 (5) The term "hybrid transaction" means a single
1189 transaction involving a sale of goods and any of the following:

1190 (a) The provision of services.

1191 (b) A lease of other goods.

1192 (c) A sale, lease, or license of property other than
1193 goods.

1194 **Section 40. Subsections (1) and (2) of section 672.201,**
1195 **Florida Statutes, are amended to read:**

1196 672.201 Formal requirements; statute of frauds.—

1197 (1) Except as otherwise provided in this section a
1198 contract for the sale of goods for the price of \$500 or more is
1199 not enforceable by way of action or defense unless there is a
1200 record ~~some writing~~ sufficient to indicate that a contract for

1201 sale has been made between the parties and signed by the party
1202 against whom enforcement is sought or by the party's ~~his or her~~
1203 authorized agent or broker. A record ~~writing~~ is not insufficient
1204 because it omits or incorrectly states a term agreed upon but
1205 the contract is not enforceable under this subsection ~~paragraph~~
1206 beyond the quantity of goods shown in the record ~~such writing~~.

1207 (2) Between merchants if within a reasonable time a record
1208 ~~writing~~ in confirmation of the contract and sufficient against
1209 the sender is received and the party receiving it has reason to
1210 know its contents, it satisfies the requirements of subsection
1211 (1) against the ~~such~~ party unless ~~written~~ notice in a record of
1212 objection to its contents is given within 10 days after it is
1213 received.

1214 **Section 41. Section 672.202, Florida Statutes, is amended**
1215 **to read:**

1216 672.202 Final ~~written~~ expression; parol or extrinsic
1217 evidence.—Terms with respect to which the confirmatory memoranda
1218 of the parties agree or which are otherwise set forth in a
1219 record ~~writing~~ intended by the parties as a final expression of
1220 their agreement with respect to such terms as are included
1221 therein may not be contradicted by evidence of any prior
1222 agreement or of a contemporaneous oral agreement but may be
1223 explained or supplemented:

1224 (1) By course of dealing or usage of trade (s. 671.205) or
1225 by course of performance (s. 672.208); and

1226 (2) By evidence of consistent additional terms unless the
1227 court finds the record ~~writing~~ to have been intended also as a
1228 complete and exclusive statement of the terms of the agreement.

1229 **Section 42. Section 672.203, Florida Statutes, is amended**
1230 **to read:**

1231 672.203 Seals inoperative.—The affixing of a seal to a
1232 record ~~writing~~ evidencing a contract for sale or an offer to buy
1233 or sell goods does not constitute a record ~~the writing~~ a sealed
1234 instrument and the law with respect to sealed instruments does
1235 not apply to such a contract or offer.

1236 **Section 43. Section 672.205, Florida Statutes, is amended**
1237 **to read:**

1238 672.205 Firm offers.—An offer by a merchant to buy or sell
1239 goods in a signed record ~~writing~~ which by its terms gives
1240 assurance that it will be held open is not revocable, for lack
1241 of consideration, during the time stated or if no time is stated
1242 for a reasonable time, but in no event may such period of
1243 irrevocability exceed 3 months; but any such term of assurance
1244 on a form supplied by the offeree must be separately signed by
1245 the offeror.

1246 **Section 44. Subsection (2) of section 672.209, Florida**
1247 **Statutes, is amended to read:**

1248 672.209 Modification, rescission, and waiver.—

1249 (2) A signed agreement which excludes modification or
1250 rescission except by a signed writing or other signed record

cannot be otherwise modified or rescinded, but except as between merchants such a requirement on a form supplied by the merchant must be separately signed by the other party.

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

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

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

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

673.1041 Negotiable instrument.—

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

(a) Is payable to bearer or to order at the time it is

1276 issued or first comes into possession of a holder;

1277 (b) Is payable on demand or at a definite time; and

1278 (c) Does not state any other undertaking or instruction by
1279 the person promising or ordering payment to do any act in
1280 addition to the payment of money, but the promise or order may
1281 contain:

1282 1. An undertaking or power to give, maintain, or protect
1283 collateral to secure payment;

1284 2. An authorization or power to the holder to confess
1285 judgment or realize on or dispose of collateral; ~~or~~

1286 3. A waiver of the benefit of any law intended for the
1287 advantage or protection of an obligor;

1288 4. A term that specifies the law that governs the promise
1289 or order; or

1290 5. An undertaking to resolve, in a specified forum, a
1291 dispute concerning the promise or order.

1292 **Section 48. Subsection (1) of section 673.1051, Florida**
1293 **Statutes, is amended to read:**

1294 673.1051 Issue of instrument.—

1295 (1) The term "issue" means:

1296 (a) The first delivery of an instrument by the maker or
1297 drawer, whether to a holder or nonholder, for the purpose of
1298 giving rights on the instrument to any person; or

1299 (b) If agreed to by the payee, the first transmission by
1300 the drawer to the payee of an image of an item and information

derived from the item which enables the depository bank to collect the item under federal law by transferring or presenting an electronic check.

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

673.4011 Signature.—

~~(1) A person is not liable on an instrument unless:~~
~~(a) the person signed the instrument; or~~
~~(b) the person is represented by an agent or representative who signed the instrument, and the signature is binding on the represented person under s. 673.4021.~~

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

~~(a) Manually or by means of a device or machine; and~~
~~(b) By the use of any name, including a trade or assumed name, or by a word, mark, or symbol executed or adopted by a person with present intention to authenticate a writing.~~

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

673.6041 Discharge by cancellation or renunciation.—

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

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

1. Surrender of the instrument to the party;
2. Destruction, mutilation, or cancellation of the

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instrument;

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

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

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

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

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

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

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

effect.

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

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

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

675.116 Choice of law and forum.—

(1) The liability of an issuer, nominated person, or adviser for action or omission is governed by the law of the jurisdiction chosen by an agreement in the form of a record signed ~~or otherwise authenticated~~ by the affected parties ~~in the manner provided in s. 675.104~~ or by a provision in the person's letter of credit, confirmation, or other undertaking. The jurisdiction whose law is chosen need not bear any relation to the transaction.

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

1376 is indicated, the person is considered to be located at the
1377 address from which the person's undertaking was issued.

1378 (a) For the purpose of jurisdiction, choice of law, and
1379 recognition of interbranch letters of credit, but not
1380 enforcement of a judgment, all branches of a bank are considered
1381 separate juridical entities and a bank is considered to be
1382 located at the place where its relevant branch is considered to
1383 be located under paragraph (b) ~~this subsection~~.

1384 (b) A bank branch is considered to be located at the
1385 address indicated in the branch's undertaking. If more than one
1386 address is indicated, the branch is considered to be located at
1387 the address from which the undertaking was issued.

1388 (c) ~~(3)~~ Except as otherwise provided in this paragraph
1389 ~~subsection~~, the liability of an issuer, nominated person, or
1390 adviser is governed by any rules of custom or practice, such as
1391 the Uniform Customs and Practice for Documentary Credits, to
1392 which the letter of credit, confirmation, or other undertaking
1393 is expressly made subject. If this chapter governs the liability
1394 of an issuer, nominated person, or adviser under subsection (1)
1395 or this subsection ~~(2)~~, the relevant undertaking incorporates
1396 rules of custom or practice, and there is conflict between this
1397 chapter and such rules as applied to that undertaking, such
1398 rules govern except to the extent of any conflict with the
1399 nonvariable provisions specified in s. 675.102(3).

1400 (3) ~~(4)~~ This chapter governs to the extent of any conflict

between this chapter and chapter 670, chapter 673, chapter 674, or chapter 679.

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

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

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

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

677.102 Definitions and index of definitions.—

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

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

~~(l) "Sign" means, with present intent to authenticate or~~

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1426 ~~adopt a record:~~

1427 ~~1. To execute or adopt a tangible symbol; or~~

1428 ~~2. To attach to or logically associate with the record an~~
1429 ~~electronic sound, symbol, or process.~~

1430 **Section 57. Subsection (2) of section 677.106, Florida**
1431 **Statutes, is amended, and subsections (3) through (9) are added**
1432 **to that section, to read:**

1433 677.106 Control of electronic document of title.—

1434 (2) A system satisfies subsection (1), and a person has ~~is~~
1435 ~~deemed to have~~ control of an electronic document of title, if
1436 the document is created, stored, and transferred ~~assigned~~ in a
1437 manner that:

1438 (a) A single authoritative copy of the document exists
1439 which is unique, identifiable, and, except as otherwise provided
1440 in paragraphs (d), (e), and (f), unalterable;

1441 (b) The authoritative copy identifies the person asserting
1442 control as:

1443 1. The person to which the document was issued; or

1444 2. If the authoritative copy indicates that the document
1445 has been transferred, the person to which the document was most
1446 recently transferred;

1447 (c) The authoritative copy is communicated to and
1448 maintained by the person asserting control or its designated
1449 custodian;

1450 (d) Copies or amendments that add or change an identified

1451 transferee ~~assignee~~ of the authoritative copy can be made only
1452 with the consent of the person asserting control;

1453 (e) Each copy of the authoritative copy and any copy of a
1454 copy is readily identifiable as a copy that is not the
1455 authoritative copy; and

1456 (f) Any amendment of the authoritative copy is readily
1457 identifiable as authorized or unauthorized.

1458 (3) A system satisfies subsection (1), and a person has
1459 control of an electronic document of title, if an authoritative
1460 electronic copy of the document, a record attached to or
1461 logically associated with the electronic copy, or a system in
1462 which the electronic copy is recorded:

1463 (a) Enables the person to readily identify each electronic
1464 copy as either an authoritative copy or a nonauthoritative copy;

1465 (b) Enables the person to readily identify itself in any
1466 way, including by name, identifying number, cryptographic key,
1467 office, or account number, as the person to which each
1468 authoritative electronic copy was issued or transferred; and

1469 (c) Gives the person exclusive power, subject to
1470 subsection (4), to:

1471 1. Prevent others from adding or changing the person to
1472 which each authoritative electronic copy has been issued or
1473 transferred; and

1474 2. Transfer control of each authoritative electronic copy.

1475 (4) Subject to subsection (5), a power is exclusive under

subparagraphs (3)(c)1. and 2. even if:

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

(b) The power is shared with another person.

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

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

(b) The other person:

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

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

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

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

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

1501 (b) Obtains control of the document after having
1502 acknowledged that it will obtain control of the document on
1503 behalf of the person.

1504 (8) A person that has control as provided under this
1505 section is not required to acknowledge that it has control on
1506 behalf of another person.

1507 (9) If a person acknowledges that it has or will obtain
1508 control on behalf of another person, unless the person otherwise
1509 agrees or law other than this chapter or chapter 679 otherwise
1510 provides, the person does not owe any duty to the other person
1511 and is not required to confirm the acknowledgment to any other
1512 person.

1513 **Section 58.** Part VII of chapter 677, Florida Statutes,
1514 consisting of s. 677.701, Florida Statutes, is created and
1515 entitled "Transitional Provisions."

1516 **Section 59. Section 677.701, Florida Statutes, is created**
1517 **to read:**

1518 677.701 Saving clause.—Except as provided in ss. 669.501–
1519 669.706, a transaction validly entered into before July 1, 2025,
1520 and the rights, duties, and interests flowing from such
1521 transaction remain valid thereafter and may be terminated,
1522 completed, consummated, or enforced as required or permitted by
1523 law other than the Uniform Commercial Code or, if applicable, by
1524 the Uniform Commercial Code as though this act had not have
1525 taken effect.

1526 **Section 60. Paragraph (f) of subsection (1) and subsection**
1527 **(2) of section 678.1021, Florida Statutes, are amended, and**
1528 **paragraph (i) of subsection (1) of that section is republished,**
1529 **to read:**

1530 678.1021 Definitions.—

1531 (1) In this chapter:

1532 (f) "Communicate" means to:

1533 1. Send a signed record ~~writing~~; or

1534 2. Transmit information by any mechanism agreed upon by
1535 the persons transmitting and receiving the information.

1536 (i) "Financial asset," except as otherwise provided in s.
1537 678.1031, means:

1538 1. A security;

1539 2. An obligation of a person or a share, participation, or
1540 other interest in a person or in property or an enterprise of a
1541 person, which is, or is of a type, dealt in or traded on
1542 financial markets, or which is recognized in any area in which
1543 it is issued or dealt in as a medium for investment; or

1544 3. Any property that is held by a securities intermediary
1545 for another person in a securities account if the securities
1546 intermediary has expressly agreed with the other person that the
1547 property is to be treated as a financial asset under this
1548 chapter. As context requires, the term means either the interest
1549 itself or the means by which a person's claim to it is
1550 evidenced, including a certificated or uncertificated security,

1551 a security certificate, or a security entitlement.

1552 (2) The following ~~Other~~ definitions in ~~applying to this~~
1553 chapter and other chapters apply to this section ~~the sections in~~
1554 ~~which they appear are:~~

1555 "Appropriate person," s. 678.1071.

1556 "Control," s. 678.1061.

1557 "Controllable account," s. 679.1021.

1558 "Controllable electronic record," s. 669.102.

1559 "Controllable payment intangible," s. 679.1021.

1560 "Delivery," s. 678.3011.

1561 "Investment company security," s. 678.1031(2).

1562 "Issuer," s. 678.2011.

1563 "Overissue," s. 678.2101.

1564 "Protected purchaser," s. 678.3031.

1565 "Securities account," s. 678.5011.

1566 **Section 61. Subsection (6) of section 678.1031, Florida**
1567 **Statutes, is amended, and subsection (8) is added to that**
1568 **section, to read:**

1569 678.1031 Rules for determining whether certain obligations
1570 and interests are securities or financial assets.—

1571 (6) A commodity contract, as defined in s. 679.1021(1) ~~s.~~
1572 ~~679.1021(1)(o)~~, is not a security or a financial asset.

1573 (8) A controllable account, controllable electronic
1574 record, or controllable payment intangible is not a financial
1575 asset unless s. 678.1021(1)(i) applies.

1576 **Section 62. Subsection (4) of section 678.1061, Florida**
1577 **Statutes, is amended, and subsections (8) and (9) are added to**
1578 **that section, to read:**

1579 678.1061 Control.—

1580 (4) A purchaser has "control" of a security entitlement
1581 if:

1582 (a) The purchaser becomes the entitlement holder;

1583 (b) The securities intermediary has agreed that it will
1584 comply with entitlement orders originated by the purchaser
1585 without further consent by the entitlement holder; or

1586 (c) Another person, other than the transferor to the
1587 purchaser of an interest in the security entitlement:

1588 1. Has control of the security entitlement and
1589 acknowledges that it has control on behalf of the purchaser; or

1590 2. Obtains control of the security entitlement after
1591 having acknowledged that it will obtain control of the security
1592 entitlement on behalf of the purchaser ~~has control of the~~
1593 ~~security entitlement on behalf of the purchaser or, having~~
1594 ~~previously acquired control of the security entitlement,~~
1595 ~~acknowledges that the person has control on behalf of the~~
1596 ~~purchaser.~~

1597 (8) A person that has control under this section is not
1598 required to acknowledge that it has control on behalf of a
1599 purchaser.

1600 (9) If a person acknowledges that it has or will obtain

control on behalf of a purchaser unless the person otherwise agrees, or law other than this section or chapter 679 otherwise provides, the person does not owe any duty to the purchaser and is not required to confirm the acknowledgment to any other person.

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

678.1101 Applicability; choice of law.—

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

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

678.3031 Protected purchaser.—

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

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

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

678.601 Saving clause.—Except as provided in ss. 669.501–

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

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

679.1021 Definitions and index of definitions.—

(1) In this chapter, the term:

(b) "Account," except as used in "account for," "account statement," "account to," "commodity account" as used in paragraph (o), "customer account," "deposit account" as used in paragraph (ff), "on account of," and "statement of account," means a right to payment of a monetary obligation, regardless of whether or not earned by performance, for property that has been or is to be sold, leased, licensed, assigned, or otherwise

disposed of; for services rendered or to be rendered; for a policy of insurance issued or to be issued; for a secondary obligation incurred or to be incurred; for energy provided or to be provided; for the use or hire of a vessel under a charter or other contract; arising out of the use of a credit or charge card or information contained on or for use with the card; or as winnings in a lottery or other game of chance operated or sponsored by a state, governmental unit of a state, or person licensed or authorized to operate the game by a state or governmental unit of a state. The term includes controllable accounts and health-care-insurance receivables. The term does not include ~~rights to payment evidenced by chattel paper or an instrument~~; commercial tort claims; deposit accounts; investment property; letter-of-credit rights or letters of credit; ~~or~~ rights to payment for money or funds advanced or sold, other than rights arising out of the use of a credit or charge card or information contained on or for use with the card; or rights to payment evidenced by an instrument.

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

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

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1. Signed ~~Authenticated~~ by a secured party;

2. Indicating the aggregate unpaid secured obligations as of a date not more than 35 days earlier or 35 days later than the date of the record; and

3. Identifying the components of the obligations in reasonable detail.

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

1. In whose favor a security interest that secures an obligation is created or provided for under a security agreement, regardless of whether the obligation is outstanding; or

2. To which an account, chattel paper, payment intangible, or promissory note has been sold.

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

(h) "Assignor" means a person that:

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

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

The term includes a secured party that has transferred a security interest to another person

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1701 ~~(g) "Authenticate" means:~~

1702 ~~1. To sign; or~~

1703 ~~2. With the present intent to adopt or accept a record, to~~
1704 ~~attach to or logically associate with the record an electronic~~
1705 ~~sound, symbol, or process.~~

1706 (1)(*) "Chattel paper" means:

1707 1. A right to payment of a monetary obligation secured by
1708 specific goods, if the right to payment and security agreement
1709 are evidenced by a record; or

1710 2. A right to payment of a monetary obligation owed by a
1711 lessee under a lease agreement with respect to specific goods
1712 and a monetary obligation owed by the lessee in connection with
1713 the transaction giving rise to the lease, if:

1714 a. The right to payment and lease agreement are evidenced
1715 by a record; and

1716 b. The predominant purpose of the transaction giving rise
1717 to the lease was to give the lessee the right to possession and
1718 use of the goods.

1719
1720 The term does not include a right to payment arising out of a
1721 charter or other contract involving the use or hire of a vessel
1722 or a right to payment arising out of the use of a credit or
1723 charge card or information contained on or for use with the card
1724 ~~a record or records that evidence both a monetary obligation and~~
1725 ~~a security interest in specific goods, a security interest in~~

~~specific goods and software used in the goods, a security interest in specific goods and license of software used in the goods, a lease of specific goods, or a lease of specific goods and license of software used in the goods. In this paragraph, "monetary obligation" means a monetary obligation secured by the goods or owed under a lease of the goods and includes a monetary obligation with respect to software used in the goods. The term does not include charters or other contracts involving the use or hire of a vessel or records that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card. If a transaction is evidenced by records that include an instrument or series of instruments, the group of records taken together constitutes chattel paper.~~

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

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

(hh) ~~(ee)~~ "Electronic money" means money in an electronic form ~~chattel paper" means chattel paper evidenced by a record or~~

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1751 ~~records consisting of information stored in an electronic~~
1752 ~~medium.~~

1753 (ss)~~(pp)~~ "General intangible" means any personal property,
1754 including things in action, other than accounts, chattel paper,
1755 commercial tort claims, deposit accounts, documents, goods,
1756 instruments, investment property, letter-of-credit rights,
1757 letters of credit, money, and oil, gas, or other minerals before
1758 extraction. The term includes controllable electronic records,
1759 payment intangibles, and software.

1760 (xx)~~(uu)~~ "Instrument" means a negotiable instrument or any
1761 other writing that evidences a right to the payment of a
1762 monetary obligation, is not itself a security agreement or
1763 lease, and is of a type that in the ordinary course of business
1764 is transferred by delivery with any necessary indorsement or
1765 assignment. The term does not include investment property,
1766 letters of credit, ~~or~~ writings that evidence a right to payment
1767 arising out of the use of a credit or charge card or information
1768 contained on or for use with the card, or writings that evidence
1769 chattel paper.

1770 (fff) "Money" has the same meaning as in s. 671.201, but
1771 does not include a deposit account, a central bank digital
1772 currency, or money in an electronic form that cannot be
1773 subjected to control under s. 679.1052.

1774 (mmm)~~(iii)~~ "Payment intangible" means a general intangible
1775 under which the account debtor's principal obligation is a

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monetary obligation. The term includes a controllable payment
intangible.

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

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

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

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

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

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

"Applicant," s. 675.103.

"Beneficiary," s. 675.103.

"Broker," s. 678.1021.

1801 "Certificated security," s. 678.1021.
1802 "Check," s. 673.1041.
1803 "Clearing corporation," s. 678.1021.
1804 "Contract for sale," s. 672.106.
1805 "Control," s. 677.106.
1806 "Controllable electronic record," s. 699.102.
1807 "Customer," s. 674.104.
1808 "Entitlement holder," s. 678.1021.
1809 "Financial asset," s. 678.1021.
1810 "Holder in due course," s. 673.3021.
1811 "Issuer" (with respect to a letter of credit
1812 or letter-of-credit right), s. 675.103.
1813 "Issuer" (with respect to a security), s. 678.2011.
1814 "Issuer" (with respect to documents
1815 of title), s. 677.102.
1816 "Lease," s. 680.1031.
1817 "Lease agreement," s. 680.1031.
1818 "Lease contract," s. 680.1031.
1819 "Leasehold interest," s. 680.1031.
1820 "Lessee," s. 680.1031.
1821 "Lessee in ordinary course of
1822 business," s. 680.1031.
1823 "Lessor," s. 680.1031.
1824 "Lessor's residual interest," s. 680.1031.
1825 "Letter of credit," s. 675.103.

1826 "Merchant," s. 672.104.
1827 "Negotiable instrument," s. 673.1041.
1828 "Nominated person," s. 675.103.
1829 "Note," s. 673.1041.
1830 "Proceeds of a letter of credit," s. 675.114.
1831 "Protected purchaser," s. 678.3031.
1832 "Prove," s. 673.1031.
1833 "Qualifying purchaser," s. 669.102.
1834 "Sale," s. 672.106.
1835 "Securities account," s. 678.5011.
1836 "Securities intermediary," s. 678.1021.
1837 "Security," s. 678.1021.
1838 "Security certificate," s. 678.1021.
1839 "Security entitlement," s. 678.1021.
1840 "Uncertificated security," s. 678.1021.
1841 **Section 68. Subsection (1) of section 679.1041, Florida**
1842 **Statutes, is amended to read:**
1843 679.1041 Control of deposit account.—
1844 (1) A secured party has control of a deposit account if
1845 any of the following applies:
1846 (a) The secured party is the bank with which the deposit
1847 account is maintained.;
1848 (b) The debtor, secured party, and bank have agreed in a
1849 signed ~~an authenticated~~ record that the bank will comply with
1850 instructions originated by the secured party directing

1851 disposition of the funds in the deposit account without further
1852 consent by the debtor. ~~or~~

1853 (c) The secured party becomes the bank's customer with
1854 respect to the deposit account.

1855 (d) Another person, other than the debtor:

1856 1. Has control of the deposit account and acknowledges
1857 that it has control on behalf of the secured party; or

1858 2. Obtains control of the deposit account after having
1859 acknowledged that it will obtain control of the deposit account
1860 on behalf of the secured party.

1861 **Section 69. Section 679.1051, Florida Statutes, is amended**
1862 **to read:**

1863 679.1051 Control of electronic chattel paper.—

1864 (1) A purchaser has control of an authoritative electronic
1865 copy of a record evidencing chattel paper if a system employed
1866 for evidencing the assignment of interests in the chattel paper
1867 reliably establishes the purchaser as the person to which the
1868 authoritative electronic copy was assigned.

1869 (2) A system satisfies subsection (1) if the record or
1870 records evidencing the chattel paper are created, stored, and
1871 assigned in a manner that:

1872 (a) A single authoritative copy of the record or records
1873 exists which is unique, identifiable, and, except as otherwise
1874 provided in paragraphs (d), (e), and (f), unalterable;

1875 (b) The authoritative copy identifies the purchaser as the

1876 assignee of the record or records;

1877 (c) The authoritative copy is communicated to and
1878 maintained by the purchaser or its designated custodian;

1879 (d) Copies or amendments that add or change an identified
1880 assignee of the authoritative copy can be made only with the
1881 consent of the purchaser;

1882 (e) Each copy of the authoritative copy and any copy of a
1883 copy is readily identifiable as a copy that is not the
1884 authoritative copy; and

1885 (f) Any amendment of the authoritative copy is readily
1886 identifiable as authorized or unauthorized.

1887 (3) A system satisfies subsection (1), and a purchaser has
1888 control of an authoritative electronic copy of a record
1889 evidencing chattel paper, if the electronic copy, a record
1890 attached to or logically associated with the electronic copy, or
1891 a system in which the electronic copy is recorded:

1892 (a) Enables the purchaser to readily identify each
1893 electronic copy as either an authoritative copy or a
1894 nonauthoritative copy;

1895 (b) Enables the purchaser to readily identify itself in
1896 any way, including by name, identifying number, cryptographic
1897 key, office, or account number, as the assignee of the
1898 authoritative electronic copy; and

1899 (c) Gives the purchaser exclusive power, subject to
1900 subsection (4), to:

1901 1. Prevent others from adding or changing an identified
1902 assignee of the authoritative electronic copy; and

1903 2. Transfer control of the authoritative electronic copy.

1904 (4) Subject to subsection (5), a power is exclusive under
1905 subparagraphs (3)(c)1. and 2. even if:

1906 (a) The authoritative electronic copy, a record attached
1907 to or logically associated with the authoritative electronic
1908 copy, or a system in which the authoritative electronic copy is
1909 recorded limits the use of the authoritative electronic copy or
1910 has a protocol programmed to cause a change, including a
1911 transfer or loss of control; or

1912 (b) The power is shared with another person.

1913 (5) A power of a purchaser is not shared with another
1914 person as provided in paragraph (4)(b) and the purchaser's power
1915 is not exclusive if:

1916 (a) The purchaser can exercise the power only if the power
1917 also is exercised by the other person; and

1918 (b) The other person:

1919 1. Can exercise the power without exercise of the power by
1920 the purchaser; or

1921 2. Is the transferor to the purchaser of an interest in
1922 the chattel paper.

1923 (6) If a purchaser has the powers specified in
1924 subparagraphs (3)(c)1. and 2., the powers are presumed to be
1925 exclusive.

1926 (7) A purchaser has control of an authoritative electronic
1927 copy of a record evidencing chattel paper if another person,
1928 other than the transferor to the purchaser of an interest in the
1929 chattel paper:

1930 (a) Has control of the authoritative electronic copy and
1931 acknowledges that it has control on behalf of the purchaser; or

1932 (b) Obtains control of the authoritative electronic copy
1933 after having acknowledged that it will obtain control of the
1934 electronic copy on behalf of the purchaser ~~A secured party has~~
1935 ~~control of electronic chattel paper if a system employed for~~
1936 ~~evidencing the transfer of interests in the chattel paper~~
1937 ~~reliably establishes the secured party as the person to which~~
1938 ~~the chattel paper was assigned.~~

1939 ~~(2) A system satisfies subsection (1), and a secured party~~
1940 ~~has control of electronic chattel paper, if the record or~~
1941 ~~records comprising the chattel paper are created, stored, and~~
1942 ~~assigned in such a manner that:~~

1943 ~~(a) A single authoritative copy of the record or records~~
1944 ~~exists which is unique, identifiable and, except as otherwise~~
1945 ~~provided in paragraphs (d), (e), and (f), unalterable;~~

1946 ~~(b) The authoritative copy identifies the secured party as~~
1947 ~~the assignee of the record or records;~~

1948 ~~(c) The authoritative copy is communicated to and~~
1949 ~~maintained by the secured party or its designated custodian;~~

1950 ~~(d) Copies or amendments that add or change an identified~~

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~~assignee of the authoritative copy can be made only with the
consent of the secured party;~~

~~(c) Each copy of the authoritative copy and any copy of a
copy is readily identifiable as a copy that is not the
authoritative copy; and~~

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

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

679.1052 Control of electronic money.—

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

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

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

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

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

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

(b) The electronic money, a record attached to or

1976 logically associated with the electronic money, or a system in
1977 which the electronic money is recorded enables the person
1978 readily to identify itself in any way, including by name,
1979 identifying number, cryptographic key, office, or account
1980 number, as having the powers under paragraph (a).

1981 (2) Subject to subsection (3), a power is exclusive under
1982 sub-subparagraphs (1)(a)2.a. and b. even if:

1983 (a) The electronic money, a record attached to or
1984 logically associated with the electronic money, or a system in
1985 which the electronic money is recorded limits the use of the
1986 electronic money or has a protocol programmed to cause a change,
1987 including a transfer or loss of control; or

1988 (b) The power is shared with another person.

1989 (3) A power of a person is not shared with another person
1990 under paragraph (2)(b) and the person's power is not exclusive
1991 if:

1992 (a) The person can exercise the power only if the power
1993 also is exercised by the other person; and

1994 (b) The other person:

1995 1. Can exercise the power without exercise of the power by
1996 the person; or

1997 2. Is the transferor to the person of an interest in the
1998 electronic money.

1999 (4) If a person has the powers specified in sub-
2000 subparagraphs (1)(a)2.a. and b., the powers are presumed to be

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exclusive.

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

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

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

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

679.1053 Control of controllable electronic record, controllable account, or controllable payment intangible.—

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

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

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

679.1054 No requirement to acknowledge or confirm; no duties.—

(1) A person that has control under s. 679.1051, s. 679.1052, or s. 679.1053 is not required to acknowledge that it

has control on behalf of another person.

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

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

679.2031 Attachment and enforceability of security interest; proceeds; supporting obligations; formal requisites.—

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

(a) Value has been given;

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

(c) One of the following conditions is met:

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

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

3. The collateral is a certificated security in registered

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form and the security certificate has been delivered to the secured party under s. 678.3011 pursuant to the debtor's security agreement; ~~or~~

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

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

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

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

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

(c) The description of the account in the security agreement conspicuously states that the real property is the

debtor's homestead; and

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

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

679.2041 After-acquired property; future advances.—

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

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

(b) A commercial tort claim.

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

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

(b) To a commercial tort claim as proceeds under s.

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2101 679.3151(1); or

2102 (c) Under an after-acquired property clause to property
2103 that is proceeds of consumer goods or a commercial tort claim.

2104 **Section 75. Subsection (3) of section 679.2071, Florida**
2105 **Statutes, is amended to read:**

2106 679.2071 Rights and duties of secured party having
2107 possession or control of collateral.—

2108 (3) Except as otherwise provided in subsection (4), a
2109 secured party having possession of collateral or control of
2110 collateral under s. 677.106, s. 679.1041, s. 679.1051, s.
2111 679.1052, s. 679.1061, or s. 679.1071:

2112 (a) May hold as additional security any proceeds, except
2113 money or funds, received from the collateral;

2114 (b) Shall apply money or funds received from the
2115 collateral to reduce the secured obligation, unless remitted to
2116 the debtor; and

2117 (c) May create a security interest in the collateral.

2118 **Section 76. Subsection (2) of section 679.2081, Florida**
2119 **Statutes, is amended to read:**

2120 679.2081 Additional duties of secured party having control
2121 of collateral.—

2122 (2) Within 10 days after receiving a signed an
2123 ~~authenticated~~ demand by the debtor:

2124 (a) A secured party having control of a deposit account
2125 under s. 679.1041(1)(b) shall send to the bank with which the

2126 deposit account is maintained a signed record ~~an authenticated~~
2127 ~~statement~~ that releases the bank from any further obligation to
2128 comply with instructions originated by the secured party;

2129 (b) A secured party having control of a deposit account
2130 under s. 679.1041(1)(c) shall:

2131 1. Pay the debtor the balance on deposit in the deposit
2132 account; or

2133 2. Transfer the balance on deposit into a deposit account
2134 in the debtor's name;

2135 (c) A secured party, other than a buyer, having control
2136 under s. 679.1051 of an authoritative electronic copy of a
2137 record evidencing chattel paper shall transfer control of the
2138 electronic copy to the debtor or a person designated by the
2139 debtor; a secured party, other than a buyer, having control of
2140 electronic chattel paper under s. 679.1051 shall:

2141 ~~1. Communicate the authoritative copy of the electronic~~
2142 ~~chattel paper to the debtor or its designated custodian;~~

2143 ~~2. If the debtor designates a custodian that is the~~
2144 ~~designated custodian with which the authoritative copy of the~~
2145 ~~electronic chattel paper is maintained for the secured party,~~
2146 ~~communicate to the custodian an authenticated record releasing~~
2147 ~~the designated custodian from any further obligation to comply~~
2148 ~~with instructions originated by the secured party and~~
2149 ~~instructing the custodian to comply with instructions originated~~
2150 ~~by the debtor; and~~

2151 ~~3. Take appropriate action to enable the debtor or the~~
2152 ~~debtor's designated custodian to make copies of or revisions to~~
2153 ~~the authoritative copy which add or change an identified~~
2154 ~~assignee of the authoritative copy without the consent of the~~
2155 ~~secured party;~~

2156 (d) A secured party having control of investment property
2157 under s. 678.1061(4)(b) or s. 679.1061(2) shall send to the
2158 securities intermediary or commodity intermediary with which the
2159 security entitlement or commodity contract is maintained a
2160 signed ~~an authenticated~~ record that releases the securities
2161 intermediary or commodity intermediary from any further
2162 obligation to comply with entitlement orders or directions
2163 originated by the secured party;

2164 (e) A secured party having control of a letter-of-credit
2165 right under s. 679.1071 shall send to each person having an
2166 unfulfilled obligation to pay or deliver proceeds of the letter
2167 of credit to the secured party a signed ~~an authenticated~~ release
2168 from any further obligation to pay or deliver proceeds of the
2169 letter of credit to the secured party; ~~and~~

2170 (f) A secured party having control under s. 677.106 of an
2171 authoritative electronic copy of an electronic document of title
2172 shall transfer control of the electronic copy to the debtor or a
2173 person designated by the debtor;

2174 (g) A secured party having control under s. 679.1052 of
2175 electronic money shall transfer control of the electronic money

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to the debtor or a person designated by the debtor; and

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

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

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

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

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

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

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

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

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

(1) In this section, the term:

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

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

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

2226 (d) "Request regarding a statement of account" means a
2227 record signed ~~authenticated~~ by a debtor requesting that the
2228 recipient approve or correct a statement indicating what the
2229 debtor believes to be the aggregate amount of unpaid obligations
2230 secured by collateral as of a specified date and reasonably
2231 identifying the transaction or relationship that is the subject
2232 of the request.

2233 (e) "Reasonably identifying the transaction or
2234 relationship" means that the request provides information
2235 sufficient for the person to identify the transaction or
2236 relationship and respond to the request. Pursuant to s.
2237 679.603(1), a secured party and debtor may determine by
2238 agreement the standards for measuring fulfillment of this duty.

2239 (f) "Person" means a person or entity that is or was a
2240 secured party or otherwise claims or has claimed an interest in
2241 the collateral.

2242 (2) Subject to subsections (3)-(6) ~~(3), (4), (5), and (6)~~,
2243 a secured party, other than a buyer of accounts, chattel paper,
2244 payment intangibles, or promissory notes or a consignor, shall
2245 comply with a request within 14 days after receipt:

2246 (a) In the case of a request for an accounting, by signing
2247 ~~authenticating~~ and sending to the debtor an accounting; and

2248 (b) In the case of a request regarding a list of
2249 collateral or a request regarding a statement of account, by
2250 signing ~~authenticating~~ and sending to the debtor an approval or

2251 correction.

2252 (3) A secured party that claims a security interest in all
2253 of a particular type of collateral owned by the debtor may
2254 comply with a request regarding a list of collateral by sending
2255 to the debtor a signed ~~an authenticated~~ record including a
2256 statement to that effect within 14 days after receipt.

2257 (4) A person who receives a request regarding a list of
2258 collateral, claims no interest in the collateral when the
2259 request is received, and claimed an interest in the collateral
2260 at an earlier time shall comply with the request within 14 days
2261 after receipt by sending to the debtor a signed ~~an authenticated~~
2262 record:

2263 (a) Disclaiming any interest in the collateral; and

2264 (b) If known to the recipient, providing the name and
2265 mailing address of any assignee of or successor to the
2266 recipient's interest in the collateral.

2267 (5) A person who receives a request for an accounting or a
2268 request regarding a statement of account, claims no interest in
2269 the obligations when the request is received, and claimed an
2270 interest in the obligations at an earlier time shall comply with
2271 the request within 14 days after receipt by sending to the
2272 debtor a signed ~~an authenticated~~ record:

2273 (a) Disclaiming any interest in the obligations; and

2274 (b) If known to the recipient, providing the name and
2275 mailing address of any assignee of or successor to the

2276 recipient's interest in the obligations.

2277 (6) A debtor is entitled under this section without charge
2278 to one response to a request for an accounting or a request
2279 regarding a statement of account for each secured obligation
2280 during any 6-month period. A debtor in a consumer transaction is
2281 entitled to a single response to a request regarding a list of
2282 collateral without charge during any 6-month period. The secured
2283 party may require payment of a charge not exceeding \$25 for each
2284 additional response to a request for an accounting, a request
2285 regarding a statement of account, or a request regarding a list
2286 of collateral for a consumer transaction. To the extent provided
2287 in a signed ~~an authenticated~~ record, the secured party may
2288 require the payment of reasonable expenses, including attorney's
2289 fees, reasonably incurred in providing a response to a request
2290 regarding a list of collateral for a transaction other than a
2291 consumer transaction under this section; otherwise, the secured
2292 party may not charge more than \$25 for each request regarding a
2293 list of collateral. Excluding a request related to a proposed
2294 satisfaction of the secured obligation, a secured party is not
2295 required to respond to more than 12 of each of the permitted
2296 requests in any 12-month period.

2297 **Section 79. Section 679.3011, Florida Statutes, is amended**
2298 **to read:**

2299 679.3011 Law governing perfection and priority of security
2300 interests.—Except as otherwise provided in ss. 679.1091,

2301 679.3031, 679.3041, 679.3051, ~~and~~ 679.3061, and 679.3062, the
2302 following rules determine the law governing perfection, the
2303 effect of perfection or nonperfection, and the priority of a
2304 security interest in collateral:

2305 (1) Except as otherwise provided in this section, while a
2306 debtor is located in a jurisdiction, the local law of that
2307 jurisdiction governs perfection, the effect of perfection or
2308 nonperfection, and the priority of a security interest in
2309 collateral.

2310 (2) While collateral is located in a jurisdiction, the
2311 local law of that jurisdiction governs perfection, the effect of
2312 perfection or nonperfection, and the priority of a possessory
2313 security interest in that collateral.

2314 (3) Except as otherwise provided in subsections (4) and
2315 (5), while tangible negotiable documents, goods, instruments, or
2316 tangible money, ~~or tangible chattel paper~~ is located in a
2317 jurisdiction, the local law of that jurisdiction governs:

2318 (a) Perfection of a security interest in the goods by
2319 filing a fixture filing;

2320 (b) Perfection of a security interest in timber to be cut;
2321 and

2322 (c) The effect of perfection or nonperfection and the
2323 priority of a nonpossessory security interest in the collateral.

2324 (4) The local law of the jurisdiction in which the
2325 wellhead or minehead is located governs perfection, the effect

of perfection or nonperfection, and the priority of a security interest in as-extracted collateral.

(5) The law of this state governs:

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

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

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

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

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

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

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

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

(e) Paragraphs (b), (c), and (d) apply even if the

transaction does not bear any relation to the jurisdiction.

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

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

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

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

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

(b) If paragraph (a) does not apply and the rules of the system in which the authoritative electronic copy is recorded are readily available for review and expressly provide that a

2376 particular jurisdiction is the chattel paper's jurisdiction for
2377 purposes of s. 679.3061, this chapter, or the Uniform Commercial
2378 Code, that jurisdiction is the chattel paper's jurisdiction.

2379 (c) If paragraphs (a) and (b) do not apply and the
2380 authoritative electronic copy, or a record attached to or
2381 logically associated with the electronic copy and readily
2382 available for review, expressly provides that the chattel paper
2383 is governed by the law of a particular jurisdiction, that
2384 jurisdiction is the chattel paper's jurisdiction.

2385 (d) If paragraphs (a), (b), and (c) do not apply and the
2386 rules of the system in which the authoritative electronic copy
2387 is recorded are readily available for review and expressly
2388 provide that the chattel paper or the system is governed by the
2389 law of a particular jurisdiction, that jurisdiction is the
2390 chattel paper's jurisdiction.

2391 (e) If paragraphs (a)-(d) do not apply, the chattel
2392 paper's jurisdiction is the jurisdiction in which the debtor is
2393 located.

2394 (3) If an authoritative tangible copy of a record
2395 evidences chattel paper and the chattel paper is not evidenced
2396 by an authoritative electronic copy, while the authoritative
2397 tangible copy of the record evidencing chattel paper is located
2398 in a jurisdiction, the local law of that jurisdiction governs:

2399 (a) Perfection of a security interest in the chattel paper
2400 by possession under s. 679.3152; and

2401 (b) The effect of perfection or nonperfection and the
2402 priority of a security interest in the chattel paper.

2403 (4) The local law of the jurisdiction in which the debtor
2404 is located governs perfection of a security interest in chattel
2405 paper by filing.

2406 **Section 83. Section 679.3063, Florida Statutes, is created**
2407 **to read:**

2408 679.3063 Law governing perfection and priority of security
2409 interests in controllable accounts, controllable electronic
2410 records, and controllable payment intangibles.—

2411 (1) Except as provided in subsection (2), the local law of
2412 the controllable electronic record's jurisdiction specified in
2413 s. 669.107(3) and (4) governs perfection, the effect of
2414 perfection or nonperfection, and the priority of a security
2415 interest in a controllable electronic record and a security
2416 interest in a controllable account or controllable payment
2417 intangible evidenced by the controllable electronic record.

2418 (2) The local law of the jurisdiction in which the debtor
2419 is located governs:

2420 (a) Perfection of a security interest in a controllable
2421 account, controllable electronic record, or controllable payment
2422 intangible by filing; and

2423 (b) Automatic perfection of a security interest in a
2424 controllable payment intangible created by a sale of the
2425 controllable payment intangible.

2426 **Section 84. Subsection (2) of section 679.3101, Florida**
2427 **Statutes, is amended, and subsection (1) of that section is**
2428 **republished, to read:**

2429 679.3101 When filing required to perfect security interest
2430 or agricultural lien; security interests and agricultural liens
2431 to which filing provisions do not apply.—

2432 (1) Except as otherwise provided in subsection (2) and s.
2433 679.3121(2), a financing statement must be filed to perfect all
2434 security interests and agricultural liens.

2435 (2) The filing of a financing statement is not necessary
2436 to perfect a security interest:

2437 (a) That is perfected under s. 679.3081(4), (5), (6), or
2438 (7);

2439 (b) That is perfected under s. 679.3091 when it attaches;

2440 (c) In property subject to a statute, regulation, or
2441 treaty described in s. 679.3111(1);

2442 (d) In goods in possession of a bailee which is perfected
2443 under s. 679.3121(4) (a) or (b);

2444 (e) In certificated securities, documents, goods, or
2445 instruments which is perfected without filing, control, or
2446 possession under s. 679.3121(5), (6), or (7);

2447 (f) In collateral in the secured party's possession under
2448 s. 679.3131;

2449 (g) In a certificated security which is perfected by
2450 delivery of the security certificate to the secured party under

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s. 679.3131;

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

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

(j) That is perfected under s. 679.3161.

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

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

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

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

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

2476 (b) And except as otherwise provided in s. 679.3081(4), a
2477 security interest in a letter-of-credit right may be perfected
2478 only by control under s. 679.3141.

2479 (c) A security interest in tangible money may be perfected
2480 only by the secured party's taking possession under s. 679.3131.

2481 (d) A security interest in electronic money may be
2482 perfected only by control under s. 679.3141.

2483 (3) While goods are in the possession of a bailee that has
2484 issued a negotiable document covering the goods:

2485 (a) A security interest in the goods may be perfected by
2486 perfecting a security interest in the document; and

2487 (b) A security interest perfected in the document has
2488 priority over any security interest that becomes perfected in
2489 the goods by another method during that time.

2490 (4) While goods are in the possession of a bailee that has
2491 issued a nonnegotiable document covering the goods, a security
2492 interest in the goods may be perfected by:

2493 (a) Issuance of a document in the name of the secured
2494 party;

2495 (b) The bailee's receipt of notification of the secured
2496 party's interest; or

2497 (c) Filing as to the goods.

2498 (5) A security interest in certificated securities,
2499 negotiable documents, or instruments is perfected without filing
2500 or the taking of possession or control for a period of 20 days

from the time it attaches to the extent that it arises for new value given under a signed ~~an authenticated~~ security agreement.

(6) A perfected security interest in a negotiable document or goods in possession of a bailee, other than one that has issued a negotiable document for the goods, remains perfected for 20 days without filing if the secured party makes available to the debtor the goods or documents representing the goods for the purpose of:

(a) Ultimate sale or exchange; or

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

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

(a) Ultimate sale or exchange; or

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

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

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

679.3131 When possession by or delivery to secured party

perfects security interest without filing.—

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

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

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

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

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

possession.

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

679.3141 Perfection by control.—

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

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

(3) A security interest in investment property is perfected by control under s. 679.1061 not earlier than ~~from~~ the

time the secured party obtains control and remains perfected by control until:

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

(b) One of the following occurs:

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

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

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

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

679.3152 Perfection by possession and control of chattel paper.—

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

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

(3) Section 679.3131(3) and (5)-(8) applies to perfection

2601 by possession of an authoritative tangible copy of a record
2602 evidencing chattel paper.

2603 **Section 89. Subsections (1) and (6) of section 679.3161,**
2604 **Florida Statutes, are amended to read:**

2605 679.3161 Continued perfection of security interest
2606 following change in governing law.—

2607 (1) A security interest perfected pursuant to the law of
2608 the jurisdiction designated in s. 679.3011(1), ~~or~~ s.
2609 679.3051(3), s. 679.3062(4), or s. 679.3063(2) remains perfected
2610 until the earliest of:

2611 (a) The time perfection would have ceased under the law of
2612 that jurisdiction;

2613 (b) The expiration of 4 months after a change of the
2614 debtor's location to another jurisdiction; or

2615 (c) The expiration of 1 year after a transfer of
2616 collateral to a person who thereby becomes a debtor and is
2617 located in another jurisdiction.

2618 (6) A security interest in chattel paper, controllable
2619 accounts, controllable electronic records, controllable payment
2620 intangibles, deposit accounts, letter-of-credit rights, or
2621 investment property which is perfected under the law of the
2622 chattel paper's jurisdiction, the controllable electronic
2623 record's jurisdiction, the bank's jurisdiction, the issuer's
2624 jurisdiction, a nominated person's jurisdiction, the securities
2625 intermediary's jurisdiction, or the commodity intermediary's

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jurisdiction, as applicable, remains perfected until the earlier of:

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

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

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

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

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

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

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

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

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

(2) Except as otherwise provided in subsection (5), a buyer, other than a secured party, of ~~tangible chattel paper,~~ tangible documents, goods, instruments, tangible documents, or a

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certificated security takes free of a security interest or agricultural lien if the buyer gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

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

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

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

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

(9) A buyer of an electronic document takes free of a security interest if, without knowledge of the security interest and before it is perfected, the buyer gives value and, if each authoritative electronic copy of the document can be subjected

2676 to control under s. 677.106, obtains control of each
2677 authoritative electronic copy.

2678 (10) A buyer of a controllable electronic record takes
2679 free of a security interest if, without knowledge of the
2680 security interest and before it is perfected, the buyer gives
2681 value and obtains control of the controllable electronic record.

2682 (11) A buyer, other than a secured party, of a
2683 controllable account or a controllable payment intangible 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 account or
2687 controllable payment intangible.

2688 **Section 91. Subsections (4) and (6) of section 679.323,**
2689 **Florida Statutes, are amended, and subsection (1) of that**
2690 **section is republished, to read:**

2691 679.323 Future advances.—

2692 (1) Except as otherwise provided in subsection (3), for
2693 purposes of determining the priority of a perfected security
2694 interest under s. 679.322(1)(a), perfection of the security
2695 interest dates from the time an advance is made to the extent
2696 that the security interest secures an advance that:

2697 (a) Is made while the security interest is perfected only:

- 2698 1. Under s. 679.3091 when it attaches; or
2699 2. Temporarily under s. 679.3121(5), (6), or (7); and

2700 (b) Is not made pursuant to a commitment entered into

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before or while the security interest is perfected by a method other than under s. 679.3091 or s. 679.3121(5), (6), or (7).

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

(a) The time the secured party acquires knowledge of the buyer's purchase; or

(b) Forty-five days after the purchase.

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

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

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

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

679.324 Priority of purchase-money security interests.—

(2) Subject to subsection (3) and except as otherwise provided in subsection (7), a perfected purchase-money security interest in inventory has priority over a conflicting security interest in the same inventory, has priority over a conflicting

2726 security interest in chattel paper or an instrument constituting
2727 proceeds of the inventory and in proceeds of the chattel paper,
2728 if so provided in s. 679.330, and, except as otherwise provided
2729 in s. 679.327, also has priority in identifiable cash proceeds
2730 of the inventory to the extent the identifiable cash proceeds
2731 are received on or before the delivery of the inventory to a
2732 buyer, if:

2733 (a) The purchase-money security interest is perfected when
2734 the debtor receives possession of the inventory;

2735 (b) The purchase-money secured party sends a signed ~~an~~
2736 ~~authenticated~~ notification to the holder of the conflicting
2737 security interest;

2738 (c) The holder of the conflicting security interest
2739 receives the notification within 5 years before the debtor
2740 receives possession of the inventory; and

2741 (d) The notification states that the person sending the
2742 notification has or expects to acquire a purchase-money security
2743 interest in inventory of the debtor and describes the inventory.

2744 (4) Subject to subsection (5) and except as otherwise
2745 provided in subsection (7), a perfected purchase-money security
2746 interest in livestock that are farm products has priority over a
2747 conflicting security interest in the same livestock, and, except
2748 as otherwise provided in s. 679.327, a perfected security
2749 interest in their identifiable proceeds and identifiable
2750 products in their unmanufactured states also has priority, if:

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

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

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

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

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

679.3251 Priority of security interest in controllable account, controllable electronic record, and controllable payment intangible.—A security interest in a controllable account, controllable electronic record, or controllable payment intangible held by a secured party having control of the account, electronic record, or payment intangible has priority over a conflicting security interest held by a secured party that does not have control.

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

679.330 Priority of purchaser of chattel paper or

instrument.—

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

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

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

(2) A purchaser of chattel paper has priority over a security interest in the chattel paper which is claimed other than merely as proceeds of inventory subject to a security interest if the purchaser gives new value, and takes possession of each authoritative copy of the record evidencing the chattel paper, and ~~or~~ obtains control under s. 679.1051 of each authoritative electronic copy of the record evidencing the chattel paper under s. 679.1051 in good faith, in the ordinary course of the purchaser's business, and without knowledge that the purchase violates the rights of the secured party.

(4) Except as otherwise provided in s. 679.331(1), a

2801 purchaser of an instrument has priority over a security interest
2802 in the instrument perfected by a method other than possession if
2803 the purchaser gives value and takes possession of the instrument
2804 in good faith and without knowledge that the purchase violates
2805 the rights of the secured party.

2806 (6) For purposes of subsections (2) and (4), if the
2807 authoritative copies of the record evidencing chattel paper or
2808 an instrument indicate ~~indicates~~ that the chattel paper or
2809 instrument ~~it~~ has been assigned to an identified secured party
2810 other than the purchaser, a purchaser of the chattel paper or
2811 instrument has knowledge that the purchase violates the rights
2812 of the secured party.

2813 **Section 95. Section 679.331, Florida Statutes, is amended**
2814 **to read:**

2815 679.331 Priority of rights of purchasers of controllable
2816 accounts, controllable electronic records, controllable payment
2817 intangibles ~~instruments~~, documents, instruments, and securities
2818 under other articles; priority of interests in financial assets
2819 and security entitlements and protection against assertion of
2820 claim under chapters 669 and ~~chapter~~ 678.—

2821 (1) This chapter does not limit the rights of a holder in
2822 due course of a negotiable instrument, a holder to which a
2823 negotiable document of title has been duly negotiated, or a
2824 protected purchaser of a security, or a qualifying purchase of a
2825 controllable account, controllable electronic record, or

2826 controllable payment intangible. These holders or purchasers
2827 take priority over an earlier security interest, even if
2828 perfected, to the extent provided in chapters 669, 673, 677, and
2829 678.

2830 (2) This chapter does not limit the rights of or impose
2831 liability on a person to the extent that the person is protected
2832 against the assertion of an adverse claim under chapter 669 or
2833 chapter 678.

2834 (3) Filing under this chapter does not constitute notice
2835 of a claim or defense to the holders, purchasers, or persons
2836 described in subsections (1) and (2).

2837 **Section 96. Section 679.332, Florida Statutes, is amended**
2838 **to read:**

2839 679.332 Transfer of money; transfer of funds from deposit
2840 account; transfer of electronic money.—

2841 (1) A transferee of tangible money takes the money free of
2842 a security interest if the transferee receives possession of the
2843 money without acting ~~unless the transferee acts~~ in collusion
2844 with the debtor in violating the rights of the secured party.

2845 (2) A transferee of funds from a deposit account takes the
2846 funds free of a security interest in the deposit account if the
2847 transferee receives the funds without acting ~~unless the~~
2848 ~~transferee acts~~ in collusion with the debtor in violating the
2849 rights of the secured party.

2850 (3) A transferee of electronic money takes the money free

of a security interest if the transferee obtains control of the money without acting in collusion with the debtor in violating the rights of the secured party.

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

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

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

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

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

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

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

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

(a) All terms of the agreement between the account debtor

2876 and assignor and any defense or claim in recoupment arising from
2877 the transaction that gave rise to the contract; and

2878 (b) Any other defense or claim of the account debtor
2879 against the assignor which accrues before the account debtor
2880 receives a notification of the assignment signed ~~authenticated~~
2881 by the assignor or the assignee.

2882 **Section 99. Subsections (1) through (4) and (7) of section**
2883 **679.4061, Florida Statutes, are amended, and subsection (13) is**
2884 **added to that section, to read:**

2885 679.4061 Discharge of account debtor; notification of
2886 assignment; identification and proof of assignment; restrictions
2887 on assignment of accounts, chattel paper, payment intangibles,
2888 and promissory notes ineffective.—

2889 (1) Subject to subsections (2)-(9) ~~(2) through (9)~~ and
2890 (13), an account debtor on an account, chattel paper, or a
2891 payment intangible may discharge its obligation by paying the
2892 assignor until, but not after, the account debtor receives a
2893 notification, signed ~~authenticated~~ by the assignor or the
2894 assignee, that the amount due or to become due has been assigned
2895 and that payment is to be made to the assignee. After receipt of
2896 the notification, the account debtor may discharge its
2897 obligation by paying the assignee and may not discharge the
2898 obligation by paying the assignor.

2899 (2) Subject to subsections (8) and (13) ~~subsection (8)~~,
2900 notification is ineffective under subsection (1):

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

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

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

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

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

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

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

(4) For the purposes of this subsection, the term "promissory note" includes a negotiable instrument that evidences chattel paper. Except as otherwise provided in subsections (5) and (12) and ss. 680.303 and 679.4071, and

subject to subsection (8), a term in an agreement between an account debtor and an assignor or in a promissory note is ineffective to the extent that it:

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

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

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

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

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

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

2951 (9) For the purposes of this section, the term "promissory
2952 note" includes a negotiable instrument that evidences chattel
2953 paper.

2954 **Section 101. Subsections (1) and (2) of section 679.509,**
2955 **Florida Statutes, are amended to read:**

2956 679.509 Persons entitled to file a record.—

2957 (1) A person may file an initial financing statement,
2958 amendment that adds collateral covered by a financing statement,
2959 or amendment that adds a debtor to a financing statement only
2960 if:

2961 (a) The debtor authorizes the filing in a signed an
2962 authenticated record or pursuant to subsection (2) or subsection
2963 (3); or

2964 (b) The person holds an agricultural lien that has become
2965 effective at the time of filing and the financing statement
2966 covers only collateral in which the person holds an agricultural
2967 lien.

2968 (2) By signing ~~authenticating~~ or becoming bound as a
2969 debtor by a security agreement, a debtor or new debtor
2970 authorizes the filing of an initial financing statement, and an
2971 amendment, covering:

2972 (a) The collateral described in the security agreement;
2973 and

2974 (b) Property that becomes collateral under s.
2975 679.3151(1)(b), whether or not the security agreement expressly

covers proceeds.

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

679.513 Termination statement.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

679.605 Unknown debtor or secondary obligor.—

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

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

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

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

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

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

3051 knows:

3052 1.~~(a)~~ That the person is a debtor; and

3053 2.~~(b)~~ The identity of the person.

3054 (2) A secured party owes a duty based on its status as a
3055 secured party to a person if, at the time the secured party
3056 obtains control of collateral that is a controllable account,
3057 controllable electronic record, or controllable payment
3058 intangible or at the time the security interest attaches to the
3059 collateral, whichever is later:

3060 (a) The person is a debtor or obligor; and

3061 (b) The secured party knows that the information relating
3062 to the person in subparagraph (1)(a)1., subparagraph (1)(a)2.,
3063 or subparagraph (1)(a)3. is not provided by the collateral, a
3064 record attached to or logically associated with the collateral,
3065 or the system in which the collateral is recorded.

3066 **Section 106. Paragraph (a) of subsection (1) and**
3067 **subsection (3) of section 679.608, Florida Statutes, are amended**
3068 **to read:**

3069 679.608 Application of proceeds of collection or
3070 enforcement; liability for deficiency and right to surplus.—

3071 (1) If a security interest or agricultural lien secures
3072 payment or performance of an obligation, the following rules
3073 apply:

3074 (a) A secured party shall apply or pay over for
3075 application the cash proceeds of collection or enforcement under

s. 679.607 in the following order to:

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

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

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

(3) If the secured party in good faith cannot determine the validity, extent, or priority of a subordinate security interest or other lien or there are conflicting claims of subordinate interests or liens, the secured party may commence an interpleader action with respect to remaining proceeds in excess of \$2,500 in the circuit or county court, as applicable based upon the amount to be deposited, where the collateral was located or collected or in the county where the debtor has its chief executive office or principal residence in this state, as applicable. If authorized in a signed ~~an authenticated~~ record, the interpleading secured party is entitled to be paid from the

remaining proceeds the actual costs of the filing fee and an attorney ~~attorney's~~ fee in the amount of \$250 incurred in connection with filing the interpleader action and obtaining an order approving the interpleader of funds. The debtor in a consumer transaction may not be assessed for the reasonable attorney ~~attorney's~~ fees and costs incurred in the interpleader action by the holders of subordinate security interests or other liens based upon disputes among said holders, and a debtor in a transaction other than a consumer transaction may only recover such fees and costs to the extent provided for in a signed ~~an authenticated~~ record. If authorized in a signed ~~an authenticated~~ record, the court in the interpleader action may award reasonable attorney ~~attorney's~~ fees and costs to the prevailing party in a dispute between the debtor and a holder of a security interest or lien which claims an interest in the remaining interplead proceeds, but only if the debtor challenges the validity, priority, or extent of said security interest or lien. Except as provided in this subsection, a debtor may not be assessed reasonable attorney ~~attorney's~~ fees and costs incurred by any party in an interpleader action commenced under this section.

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

679.611 Notification before disposition of collateral.—

(1) In this section, the term "notification date" means

the earlier of the date on which:

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

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

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

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

(a) The debtor;

(b) Any secondary obligor; and

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

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

2. Any other secured party or lienholder that, 10 days before the notification date, held a security interest in or other lien on the collateral perfected by the filing of a financing statement that:

a. Identified the collateral;

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

3151 and

3152 c. Was filed in the office in which to file a financing
3153 statement against the debtor covering the collateral as of that
3154 date; and

3155 3. Any other secured party that, 10 days before the
3156 notification date, held a security interest in the collateral
3157 perfected by compliance with a statute, regulation, or treaty
3158 described in s. 679.3111(1).

3159 (5) A secured party complies with the requirement for
3160 notification prescribed by subparagraph (3)(c)2. if:

3161 (a) Not later than 20 days or earlier than 30 days before
3162 the notification date, the secured party requests, in a
3163 commercially reasonable manner, information concerning financing
3164 statements indexed under the debtor's name in the office
3165 indicated in subparagraph (3)(c)2.; and

3166 (b) Before the notification date, the secured party:

3167 1. Did not receive a response to the request for
3168 information; or

3169 2. Received a response to the request for information and
3170 sent a signed ~~an authenticated~~ notification of disposition to
3171 each secured party or other lienholder named in that response
3172 whose financing statement covered the collateral.

3173 (6) For purposes of subsection (3), the secured party may
3174 send the signed ~~authenticated~~ notification as follows:

3175 (a) If the collateral is other than consumer goods, to the

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debtor at the address in the financing statement, unless the secured party has received a signed ~~an authenticated~~ record from the debtor notifying the secured party of a different address for such notification purposes or the secured party has actual knowledge of the address of the debtor's chief executive office or principal residence, as applicable, at the time the notification is sent;

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

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

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

2. To the person described in subparagraph (3)(c)2., at the address stated in the financing statement;

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

Section 108. Subsection (5) of section 679.613, Florida

Statutes, is amended to read:

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

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

NOTIFICATION OF DISPOSITION
OF COLLATERAL

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

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

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

~~{For a public disposition:}~~

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

Day and Date:

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Time:

Place:

~~[For a private disposition:]~~

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

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

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

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

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

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

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

3. Include and complete either Item 2, if the notification
relates to a public disposition of the collateral, or Item 3, if
the notification relates to a private disposition of the
collateral. If Item 2 is completed, include the words "to the

highest qualified bidder" only if applicable.

4. Include and complete Items 4 and 6.

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

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

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

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

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

...(Date)...

NOTICE OF OUR PLAN TO SELL PROPERTY

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

Subject:...(Identify ~~Identification~~ of Transaction)...

We have your ...(describe collateral)..., because you broke promises in our agreement.

~~{For a public disposition:}~~

Item 1. We will sell ...(describe collateral)... at public sale. A sale could include a lease or license. The sale will be

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3276 held as follows:

3277 Date:

3278 Time:

3279 Place:

3280

3281 You may attend the sale and bring bidders ~~if you want~~.

3282 ~~{For a private disposition:}~~

3283 Item 2. We will sell ...(describe collateral)... at private
3284 sale sometime after ...(date).... A sale could include a lease
3285 or license.

3286 Item 3. The money that we get from the sale (after paying
3287 our costs) will reduce the amount you owe. If we get less money
3288 than you owe, you ...(will or will not, as applicable)... still
3289 owe us the difference. If we get more money than you owe, you
3290 will get the extra money, unless we must pay it to someone else.

3291 Item 4. You can get the property back at any time before we
3292 sell it by paying us the full amount you owe, ~~not just the past~~
3293 ~~due payments~~, including our expenses. To learn the exact amount
3294 you must pay, call us at ...(telephone number)....

3295 Item 5. If you want us to explain to you ...(in writing or
3296 in description of electronic record)... how we have figured the
3297 amount that you owe us, Item 6. ~~you may~~ call us at ...(telephone
3298 number)...., ~~or~~ write us at ...(secured party's address)...., or
3299 contact us by ...(description of electronic communication
3300 method)... Item 7. and request a written explanation, an

3301 explanation in ...(description of electronic record)....

3302 Item 8. We will charge you \$.... for the explanation if we
3303 sent you another written explanation of the amount you owe us
3304 within the last 6 months.

3305 Item 9. If you need more information about the sale, call
3306 us at ...(telephone number)...., ~~or~~ write us at ...(secured
3307 party's address)...., or contact us by ...(description of
3308 electronic communication method)....

3309 Item 10. We are sending this notice to the following other
3310 people who have an interest in ...(describe collateral)... or
3311 who owe money under your agreement:

3312 ... (Names of all other debtors and obligors, if any)...

3313 (b) The following instructions apply to the form of
3314 notification in paragraph (a):

3315 1. The instructions in this paragraph refer to the numbers
3316 before items in the form of notification in paragraph (a). Do
3317 not include the numbers in the notification. The numbers are
3318 used only for the purpose of these instructions.

3319 2. Include and complete either Item 1, if the notification
3320 relates to a public disposition of the collateral, or Item 2, if
3321 the notification relates to a private disposition of the
3322 collateral.

3323 3. Include and complete Items 3, 4, 5, 6, and 7.

3324 4. In Item 5, include and complete any one of the three
3325 alternative methods for the explanation identified in paragraph

3326 (a) .

3327 5. In Item 6, include the telephone number. In addition,
3328 the sender may include and complete either or both of the two
3329 additional alternative methods of communication identified in
3330 paragraph (a) for the recipient of the notification to
3331 communicate with the sender. Neither of the two additional
3332 methods of communication is required to be included.

3333 6. In Item 7, include and complete the method or methods
3334 for the explanation—writing, writing or electronic record, or
3335 electronic record—included in Item 5.

3336 7. Include and complete Item 8 only if a written
3337 explanation is included in Item 5 as a method for communicating
3338 the explanation and the sender will charge the recipient for
3339 another written explanation.

3340 8. In Item 9, include either the telephone number or the
3341 address, or both. In addition, the sender may include and
3342 complete the additional method of communication identified in
3343 paragraph (a) for the recipient of the notification to
3344 communicate with the sender. The additional method of electronic
3345 communication is not required to be included.

3346 9. If Item 10 does not apply, insert "None" after
3347 "agreement:."

3348 **Section 110. Subsection (1) of section 679.615, Florida**
3349 **Statutes, is amended to read:**

3350 679.615 Application of proceeds of disposition; liability

for deficiency and right to surplus.—

(1) A secured party shall apply or pay over for application the cash proceeds of disposition under s. 679.610 in the following order to:

(a) The reasonable expenses of retaking, holding, preparing for disposition, processing, and disposing, and, to the extent provided for by agreement and not prohibited by law, reasonable attorney's fees and legal expenses incurred by the secured party;

(b) The satisfaction of obligations secured by the security interest or agricultural lien under which the disposition is made;

(c) The satisfaction of obligations secured by any subordinate security interest in or other subordinate lien on the collateral if:

1. The secured party receives from the holder of the subordinate security interest or other lien a signed ~~an authenticated~~ demand for proceeds before distribution of the proceeds is completed; and

2. In a case in which a consignor has an interest in the collateral, the subordinate security interest or other lien is senior to the interest of the consignor; and

(d) A secured party that is a consignor of the collateral if the secured party receives from the consignor a signed ~~an authenticated~~ demand for proceeds before distribution of the

proceeds is completed.

Section 111. Subsections (1), (2), and (3) of section 679.616, Florida Statutes, are amended to read:

679.616 Explanation of calculation of surplus or deficiency.—

(1) In this section, the term:

(a) "Explanation" means a record ~~writing~~ that:

1. States the amount of the surplus or deficiency;

2. Provides an explanation in accordance with subsection (3) of how the secured party calculated the surplus or deficiency;

3. States, if applicable, that future debits, credits, charges, including additional credit service charges or interest, rebates, and expenses may affect the amount of the surplus or deficiency; and

4. Provides a telephone number or mailing address from which additional information concerning the transaction is available.

(b) "Request" means a record:

1. Signed ~~Authenticated~~ by a debtor or consumer obligor;

2. Requesting that the recipient provide an explanation; and

3. Sent after disposition of the collateral under s. 679.610.

(2) In a consumer-goods transaction in which the debtor is

entitled to a surplus or a consumer obligor is liable for a deficiency under s. 679.615, the secured party shall:

(a) Send an explanation to the debtor or consumer obligor, as applicable, after the disposition and:

1. Before or when the secured party accounts to the debtor and pays any surplus or first makes ~~written~~ demand in a record on the consumer obligor after the disposition for payment of the deficiency; and

2. Within 14 days after receipt of a request; or

(b) In the case of a consumer obligor who is liable for a deficiency, within 14 days after receipt of a request, send to the consumer obligor a record waiving the secured party's right to a deficiency.

(3) To comply with subparagraph (1)(a)2., an explanation a ~~writing~~ must provide the following information in the following order:

(a) The aggregate amount of obligations secured by the security interest under which the disposition was made, and, if the amount reflects a rebate of unearned interest or credit service charge, an indication of that fact, calculated as of a specified date:

1. If the secured party takes or receives possession of the collateral after default, not more than 35 days before the secured party takes or receives possession; or

2. If the secured party takes or receives possession of

the collateral before default or does not take possession of the collateral, not more than 35 days before the disposition;

(b) The amount of proceeds of the disposition;

(c) The aggregate amount of the obligations after deducting the amount of proceeds;

(d) The amount, in the aggregate or by type, and types of expenses, including expenses of retaking, holding, preparing for disposition, processing, and disposing of the collateral, and attorney's fees secured by the collateral which are known to the secured party and relate to the current disposition;

(e) The amount, in the aggregate or by type, and types of credits, including rebates of interest or credit service charges, to which the obligor is known to be entitled and which are not reflected in the amount in paragraph (a); and

(f) The amount of the surplus or deficiency.

Section 112. Subsection (1) of section 679.619, Florida Statutes, is amended to read:

679.619 Transfer of record or legal title.—

(1) In this section, the term "transfer statement" means a record signed ~~authenticated~~ by a secured party stating:

(a) That the debtor has defaulted in connection with an obligation secured by specified collateral;

(b) That the secured party has exercised its post-default remedies with respect to the collateral;

(c) That, by reason of the exercise, a transferee has

3451 acquired the rights of the debtor in the collateral; and

3452 (d) The name and mailing address of the secured party,
3453 debtor, and transferee.

3454 **Section 113. Subsections (1), (2), (3), and (6) of section**
3455 **679.620, Florida Statutes, are amended to read:**

3456 679.620 Acceptance of collateral in full or partial
3457 satisfaction of obligation; compulsory disposition of
3458 collateral.—

3459 (1) Except as otherwise provided in subsection (7), a
3460 secured party may accept collateral in full or partial
3461 satisfaction of the obligation it secures only if:

3462 (a) The debtor consents to the acceptance under subsection
3463 (3);

3464 (b) The secured party does not receive, within the time
3465 set forth in subsection (4), a notification of objection to the
3466 proposal signed ~~authenticated~~ by:

3467 1. A person to whom the secured party was required to send
3468 a proposal under s. 679.621; or

3469 2. Any other person, other than the debtor, holding an
3470 interest in the collateral subordinate to the security interest
3471 that is the subject of the proposal;

3472 (c) If the collateral is consumer goods, the collateral is
3473 not in the possession of the debtor when the debtor consents to
3474 the acceptance; and

3475 (d) Subsection (5) does not require the secured party to

3476 dispose of the collateral or the debtor waives the requirement
3477 pursuant to s. 679.624.

3478 (2) A purported or apparent acceptance of collateral under
3479 this section is ineffective unless:

3480 (a) The secured party consents to the acceptance in a
3481 signed ~~an authenticated~~ record or sends a proposal to the
3482 debtor; and

3483 (b) The conditions of subsection (1) are met.

3484 (3) For purposes of this section:

3485 (a) A debtor consents to an acceptance of collateral in
3486 partial satisfaction of the obligation it secures only if the
3487 debtor agrees to the terms of the acceptance in a record signed
3488 ~~authenticated~~ after default; and

3489 (b) A debtor consents to an acceptance of collateral in
3490 full satisfaction of the obligation it secures only if the
3491 debtor agrees to the terms of the acceptance in a record signed
3492 ~~authenticated~~ after default or the secured party:

3493 1. Sends to the debtor after default a proposal that is
3494 unconditional or subject only to a condition that collateral not
3495 in the possession of the secured party be preserved or
3496 maintained;

3497 2. In the proposal, proposes to accept collateral in full
3498 satisfaction of the obligation it secures, and, in a consumer
3499 transaction, provides notice that the proposal will be deemed
3500 accepted if it is not objected to by an authenticated notice

3501 within 30 days after the date the proposal is sent by the
3502 secured party; and

3503 3. Does not receive a notification of objection signed
3504 ~~authenticated~~ by the debtor within 30 days after the proposal is
3505 sent.

3506 (6) To comply with subsection (5), the secured party shall
3507 dispose of the collateral:

3508 (a) Within 90 days after taking possession; or

3509 (b) Within any longer period to which the debtor and all
3510 secondary obligors have agreed in an agreement to that effect
3511 entered into and signed ~~authenticated~~ after default.

3512 **Section 114. Subsection (1) of section 679.621, Florida**
3513 **Statutes, is amended to read:**

3514 679.621 Notification of proposal to accept collateral.—

3515 (1) A secured party that desires to accept collateral in
3516 full or partial satisfaction of the obligation it secures shall
3517 send its proposal to:

3518 (a) Any person from whom the secured party has received,
3519 before the debtor consented to the acceptance, a signed ~~an~~
3520 ~~authenticated~~ notification of a claim of an interest in the
3521 collateral;

3522 (b) Any other secured party or lienholder that, 10 days
3523 before the debtor consented to the acceptance, held a security
3524 interest in or other lien on the collateral perfected by the
3525 filing of a financing statement that:

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- 3526 1. Identified the collateral;
3527 2. Was indexed under the debtor's name as of that date;
3528 and
3529 3. Was filed in the office or offices in which to file a
3530 financing statement against the debtor covering the collateral
3531 as of that date; and

3532 (c) Any other secured party that, 10 days before the
3533 debtor consented to the acceptance, held a security interest in
3534 the collateral perfected by compliance with a statute,
3535 regulation, or treaty described in s. 679.3111(1).

3536 **Section 115. Section 679.624, Florida Statutes, is amended**
3537 **to read:**

3538 679.624 Waiver.—

3539 (1) A debtor or secondary obligor may waive the right to
3540 notification of disposition of collateral under s. 679.611 only
3541 by an agreement to that effect entered into and signed
3542 ~~authenticated~~ after default.

3543 (2) A debtor may waive the right to require disposition of
3544 collateral under s. 679.620(5) only by an agreement to that
3545 effect entered into and signed ~~authenticated~~ after default.

3546 (3) Except in a consumer-goods transaction, a debtor or
3547 secondary obligor may waive the right to redeem collateral under
3548 s. 679.623 only by an agreement to that effect entered into and
3549 signed ~~authenticated~~ after default.

3550 **Section 116. Subsections (1) and (5) of section 679.625,**

3551 **Florida Statutes, are amended, and subsections (3), (6), and (7)**
3552 **are republished, to read:**

3553 679.625 Remedies for failure to comply with article.—

3554 (1) If it is established that a secured party is not
3555 proceeding in accordance with this chapter, a court may order or
3556 restrain collection, enforcement, or disposition of collateral
3557 on appropriate terms and conditions. This subsection does ~~shall~~
3558 not preclude a debtor other than a consumer and a secured party,
3559 or two or more secured parties in other than a consumer
3560 transaction, from agreeing in a signed ~~an authenticated~~ record
3561 that the debtor or secured party must first provide to the
3562 alleged offending secured party notice of a violation of this
3563 chapter and opportunity to cure before commencing any legal
3564 proceeding under this section.

3565 (3) Except as otherwise provided in s. 679.628:

3566 (a) A person who, at the time of the failure, was a
3567 debtor, was an obligor, or held a security interest in or other
3568 lien on the collateral may recover damages under subsection (2)
3569 for the person's loss; and

3570 (b) If the collateral is consumer goods, a person who was
3571 a debtor or a secondary obligor at the time a secured party
3572 failed to comply with this part may recover for that failure in
3573 any event an amount not less than the credit service charge plus
3574 10 percent of the principal amount of the obligation or the
3575 time-price differential plus 10 percent of the cash price.

3576 (5) In lieu of damages recoverable under subsection (2),
3577 the debtor, consumer obligor, or person named as a debtor in a
3578 filed record, as applicable, may recover \$500 in each case from
3579 a person who:

3580 (a) Fails to comply with s. 679.2081;

3581 (b) Fails to comply with s. 679.209;

3582 (c) Files a record that the person is not entitled to file
3583 under s. 679.509(1);

3584 (d) Fails to cause the secured party of record to file or
3585 send a termination statement as required by s. 679.513(1) or (3)
3586 after receipt of a signed ~~an authenticated~~ record notifying the
3587 person of such noncompliance;

3588 (e) Fails to comply with s. 679.616(2) (a) and whose
3589 failure is part of a pattern, or consistent with a practice, of
3590 noncompliance; or

3591 (f) Fails to comply with s. 679.616(2) (b).

3592 (6) A debtor or consumer obligor may recover damages under
3593 subsection (2) and, in addition, \$500 in each case from a person
3594 who, without reasonable cause, fails to comply with a request
3595 under s. 679.210. A recipient of a request under s. 679.210
3596 which never claimed an interest in the collateral or obligations
3597 that are the subject of a request under that section has a
3598 reasonable excuse for failure to comply with the request within
3599 the meaning of this subsection.

3600 (7) If a secured party fails to comply with a request

3601 regarding a list of collateral or a statement of account under
3602 s. 679.210, the secured party may claim a security interest only
3603 as shown in the list or statement included in the request as
3604 against a person who is reasonably misled by the failure.

3605 **Section 117. Subsections (1) and (2) of section 679.628,**
3606 **Florida Statutes, are amended, and subsection (6) is added to**
3607 **that section, to read:**

3608 679.628 Nonliability and limitation on liability of
3609 secured party; liability of secondary obligor.—

3610 (1) Subject to subsection (6), unless a secured party
3611 knows that a person is a debtor or obligor, knows the identity
3612 of the person, and knows how to communicate with the person:

3613 (a) The secured party is not liable to the person, or to a
3614 secured party or lienholder that has filed a financing statement
3615 against the person, for failure to comply with this chapter; and

3616 (b) The secured party's failure to comply with this
3617 chapter does not affect the liability of the person for a
3618 deficiency.

3619 (2) Subject to subsection (6), a secured party is not
3620 liable because of its status as a secured party:

3621 (a) To a person who is a debtor or obligor, unless the
3622 secured party knows:

- 3623 1. That the person is a debtor or obligor;
- 3624 2. The identity of the person; and
- 3625 3. How to communicate with the person; or

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

1. That the person is a debtor; and
2. The identity of the person.

(6) Subsections (1) and (2) do not apply to limit the liability of a secured party to a person if, at the time the secured party obtains control of collateral that is a controllable account, controllable electronic record, or controllable payment intangible or at the time the security interest attaches to the collateral, whichever is later:

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

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

Section 118. Part IX of chapter 679, Florida Statutes, consisting of ss. 679.901 and 679.902, Florida Statutes, is created and entitled "Transitional Provisions."

Section 119. Section 679.901, Florida Statutes, is created to read:

679.901 Saving clause.—Except as otherwise provided in ss. 669.501-669.706, a transaction validly entered into before July

1, 2025, and the rights duties, and interests flowing from such transaction remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by law other than the Uniform Commercial Code or, if applicable, by the Uniform Commercial Code as though this act had not taken effect.

Section 120. Section 679.902, Florida Statutes, is created to read:

679.902 Transitional provisions.—Effective July 1, 2025, chapter 679 shall be amended by this act, including the transitional provisions for chapters 669 and 679, as amended by this act, as provided in part II of chapter 669.

Section 121. Section 680.1021, Florida Statutes, is amended to read:

680.1021 Scope.—

(1) This chapter applies to any transaction, regardless of form, that creates a lease and, in the case of a hybrid lease, applies to the extent provided in subsection (2).

(2) In a hybrid lease, both of the following apply:

(a) If the lease-of-goods aspects do not predominate:

1. Only the provisions of this chapter which relate primarily to the lease-of-goods aspects of the transaction apply, and the provisions that relate primarily to the transaction as a whole do not apply;

2. Section 608.209 applies if the lease is a finance

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3676 lease; and

3677 3. Section 608.407 applies to the promises of the lessee
3678 in a finance lease to the extent that the promises are
3679 consideration for the right to possession and use of the leased
3680 goods.

3681 (b) If the lease-of-goods aspects predominate, this
3682 chapter applies to the transaction, but does not preclude
3683 application in appropriate circumstances of other law to aspects
3684 of the lease which do not relate to the lease of goods.

3685 **Section 122. Present paragraphs (i) through (z) of**
3686 **subsection (1) of section 680.1031, Florida Statutes, are**
3687 **redesignated as paragraphs (j) through (aa), respectively, a new**
3688 **paragraph (i) is added to that subsection, and paragraphs (a),**
3689 **(d), (e), (f), (h), (j), (l), and (m) of subsection (3) of that**
3690 **section are amended, to read:**

3691 680.1031 Definitions and index of definitions.—

3692 (1) In this chapter, unless the context otherwise
3693 requires:

3694 (i) "Hybrid lease" means a single transaction involving a
3695 lease of goods and:

3696 1. The provision of services;

3697 2. A sale of other goods; or

3698 3. A sale, lease, or license of property other than goods.

3699 (3) The following definitions in other chapters of this
3700 code apply to this chapter:

- (a) "Account," s. 679.1021(1) ~~s. 679.1021(1)(b)~~.
- (d) "Chattel paper," s. 679.1021(1) ~~s. 679.1021(1)(k)~~.
- (e) "Consumer goods," s. 679.1021(1) ~~s. 679.1021(1)(w)~~.
- (f) "Document," s. 679.1021(1) ~~s. 679.1021(1)(dd)~~.
- (h) "General intangible," s. 679.1021(1) ~~s. 679.1021(1)(pp)~~.
- (j) "Instrument," s. 679.1021(1) ~~s. 679.1021(1)(uu)~~.
- (l) "Mortgage," s. 679.1021(1) ~~s. 679.1021(1)(ccc)~~.
- (m) "Pursuant to a commitment," s. 679.1021(1) ~~s. 679.1021(1)(ppp)~~.

Section 123. Section 680.1071, Florida Statutes, is amended to read:

680.1071 Waiver or renunciation of claim or right after default.—Any claim or right arising out of an alleged default or breach of warranty may be discharged in whole or in part without consideration by a ~~written~~ waiver or renunciation in a signed record and delivered by the aggrieved party.

Section 124. Subsections (1), (3), and (5) of section 680.201, Florida Statutes, are amended to read:

680.201 Statute of frauds.—

(1) A lease contract is not enforceable by way of action or defense unless:

(a) In a lease contract that is not a consumer lease, the total payments to be made under the lease contract, excluding payments for options to renew or buy, are less than \$1,000; or

3726 (b) There is a record ~~writing~~, signed by the party against
3727 whom enforcement is sought or by that party's authorized agent,
3728 sufficient to indicate that a lease contract has been made
3729 between the parties and to describe the goods leased and the
3730 lease term.

3731 (3) A record ~~writing~~ is not insufficient because it omits
3732 or incorrectly states a term agreed upon, but the lease contract
3733 is not enforceable under paragraph (1)(b) beyond the lease term
3734 and the quantity of goods shown in the record ~~writing~~.

3735 (5) The lease term under a lease contract referred to in
3736 subsection (4) is:

3737 (a) If there is a record ~~writing~~ signed by the party
3738 against whom enforcement is sought or by that party's authorized
3739 agent specifying the lease term, the term so specified;

3740 (b) If the party against whom enforcement is sought admits
3741 in that party's pleading, testimony, or otherwise in court a
3742 lease term, the term so admitted; or

3743 (c) A reasonable lease term.

3744 **Section 125. Section 680.202, Florida Statutes, is amended**
3745 **to read:**

3746 680.202 Final ~~written~~ expression: parol or extrinsic
3747 evidence.—Terms with respect to which the confirmatory memoranda
3748 of the parties agree or which are otherwise set forth in a
3749 record ~~writing~~ intended by the parties as a final expression of
3750 their agreement with respect to such terms as are included

therein may not be contradicted by evidence of any prior agreement or of a contemporaneous oral agreement but may be explained or supplemented:

(1) By course of dealing or usage of trade or by course of performance; and

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

Section 126. Section 680.203, Florida Statutes, is amended to read:

680.203 Seals inoperative.—The affixing of a seal to a record ~~writing~~ evidencing a lease contract or an offer to enter into a lease contract does not render the record ~~writing~~ a sealed instrument, and the law with respect to sealed instruments does not apply to the lease contract or offer.

Section 127. Section 680.205, Florida Statutes, is amended to read:

680.205 Firm offers.—An offer by a merchant to lease goods to or from another person in a signed record ~~writing~~ that by its terms gives assurance it will be held open is not revocable, for lack of consideration, during the time stated or, if no time is stated, for a reasonable time, but in no event may the period of irrevocability exceed 3 months. Any such term of assurance on a form supplied by the offeree must be separately signed by the offeror.

3776 **Section 128. Subsection (2) of section 680.208, Florida**
3777 **Statutes, is amended to read:**

3778 680.208 Modification, rescission, and waiver.—

3779 (2) A signed lease agreement that excludes modification or
3780 rescission except by a signed record ~~writing~~ may not be
3781 otherwise modified or rescinded, but, except as between
3782 merchants, such a requirement on a form supplied by a merchant
3783 must be separately signed by the other party.

3784 **Section 129.** Part VI of chapter 680, Florida Statutes,
3785 consisting of s. 680.601, Florida Statutes, is created and
3786 entitled "Transitional Provisions."

3787 **Section 130. Section 680.601, Florida Statutes, is created**
3788 **to read:**

3789 680.601 Saving clause.—Except as provided in ss. 669.501–
3790 669.706, a transaction validly entered into before July 1, 2025,
3791 and the rights, duties, and interests flowing from such
3792 transaction remain valid thereafter and may be terminated,
3793 completed, consummated, or enforced as required or permitted by
3794 law other than the Uniform Commercial Code or, if applicable, by
3795 the Uniform Commercial Code as though this act had not taken
3796 effect.

3797 **Section 131. Subsection (6) of section 55.205, Florida**
3798 **Statutes, is amended to read:**

3799 55.205 Effect of judgment lien.—

3800 (6) A judgment lien acquired under s. 55.202 may be

enforced only through judicial process, including attachment under chapter 76; execution under chapter 56; garnishment under chapter 77; a charging order under s. 605.0503, s. 620.1703, or s. 620.8504; or proceedings supplementary to execution under s. 56.29. A holder of a judgment lien acquired under s. 55.202, who is not enforcing separate lien rights in a judgment debtor's property, may not enforce his or her rights under this section through self-help repossession or replevin without a court order or without the express consent of the judgment debtor contained in a record authenticated in accordance with s. 668.50 or s. 679.1021(1) ~~s. 679.1021(1)(g)~~ after the judgment lien attaches.

Section 132. Subsection (2) and paragraph (b) of subsection (3) of section 319.27, Florida Statutes, are amended to read:

319.27 Notice of lien on motor vehicles or mobile homes; notation on certificate; recording of lien.—

(2) No lien for purchase money or as security for a debt in the form of a security agreement, retain title contract, conditional bill of sale, chattel mortgage, or other similar instrument or any other nonpossessory lien, including a lien for child support, upon a motor vehicle or mobile home upon which a Florida certificate of title has been issued shall be enforceable in any of the courts of this state against creditors or subsequent purchasers for a valuable consideration and without notice, unless a sworn notice of such lien has been

3826 filed in the department and such lien has been noted upon the
3827 certificate of title of the motor vehicle or mobile home. Such
3828 notice shall be effective as constructive notice when filed. The
3829 interest of a statutory nonpossessory lienor; the interest of a
3830 nonpossessory execution, attachment, or equitable lienor; or the
3831 interest of a lien creditor as defined in s. 679.1021(1) ~~s.~~
3832 ~~679.1021(1)(zz)~~, if nonpossessory, is ~~shall~~ not be enforceable
3833 against creditors or subsequent purchasers for a valuable
3834 consideration unless such interest becomes a possessory lien or
3835 is noted upon the certificate of title for the subject motor
3836 vehicle or mobile home prior to the occurrence of the subsequent
3837 transaction. Provided the provisions of this subsection relating
3838 to a nonpossessory statutory lienor; a nonpossessory execution,
3839 attachment, or equitable lienor; or the interest of a lien
3840 creditor as defined in s. 679.1021(1) ~~does s. 679.1021(1)(zz)~~
3841 ~~shall~~ not apply to liens validly perfected before ~~prior to~~
3842 October 1, 1988. The notice of lien must ~~shall~~ provide the
3843 following information:

3844 (a) The date of the lien if a security agreement, retain
3845 title contract, conditional bill of sale, chattel mortgage, or
3846 other similar instrument was executed prior to the filing of the
3847 notice of lien;

3848 (b) The name and address of the registered owner;

3849 (c) A description of the motor vehicle or mobile home,
3850 showing the make, type, and vehicle identification number; and

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3851 (d) The name and address of the lienholder.
3852 (3)
3853 (b) As applied to a determination of the respective rights
3854 of a secured party under this chapter and a lien creditor as
3855 defined by s. 679.1021(1) ~~s. 679.1021(1)(zz)~~, or a nonpossessory
3856 statutory lienor, a security interest under this chapter shall
3857 be perfected upon the filing of the notice of lien with the
3858 department, the county tax collector, or their agents. Provided,
3859 however, the date of perfection of a security interest of such
3860 secured party shall be the same date as the execution of the
3861 security agreement or other similar instrument if the notice of
3862 lien is filed in accordance with this subsection within 15 days
3863 after the debtor receives possession of the motor vehicle or
3864 mobile home and executes such security agreement or other
3865 similar instrument. The date of filing of the notice of lien
3866 shall be the date of its receipt by the department central
3867 office in Tallahassee, if first filed there, or otherwise by the
3868 office of the county tax collector, or their agents.
3869 **Section 133. Subsection (2) of section 328.0015, Florida**
3870 **Statutes, is amended to read:**
3871 328.0015 Definitions.—
3872 (2) The following definitions and terms also apply to this
3873 part:
3874 (a) "Agreement" as defined in s. 671.201 ~~s. 671.201(3)~~.
3875 (b) "Buyer in ordinary course of business" as defined in

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s. 671.201 ~~s. 671.201(9)~~.

(c) "Conspicuous" as defined in s. 671.201 ~~s. 671.201(11)~~.

(d) "Consumer goods" as defined in s. 679.1021(1) ~~s. 679.1021(1)(w)~~.

(e) "Debtor" as defined in s. 679.1021(1) ~~s. 679.1021(1)(bb)~~.

(f) "Knowledge" as defined in s. 671.209.

(g) "Lease" as defined in s. 680.1031(1) ~~s. 680.1031(1)(j)~~.

(h) "Lessor" as defined in s. 680.1031(1) ~~s. 680.1031(1)(p)~~.

(i) "Notice" as defined s. 671.209.

(j) "Representative" as defined in s. 671.201 ~~s. 671.201(37)~~.

(k) "Sale" as defined in s. 672.106(1).

(l) "Security agreement" as defined in s. 679.1021(1) ~~s. 679.1021(1)(uuu)~~.

(m) "Seller" as defined in s. 672.103(1) ~~s. 672.103(1)(d)~~.

(n) "Send" as defined in s. 671.201 ~~s. 671.201(40)~~.

(o) "Value" as defined in s. 671.211.

Section 134. Subsection (13) of section 517.061, Florida Statutes, is amended to read:

517.061 Exempt transactions.—Except as otherwise provided in subsection (11), the exemptions provided herein from the registration requirements of s. 517.07 are self-executing and do

not require any filing with the office before being claimed. Any person who claims entitlement to an exemption under this section bears the burden of proving such entitlement in any proceeding brought under this chapter. The registration provisions of s. 517.07 do not apply to any of the following transactions; however, such transactions are subject to s. 517.301:

(13) By or for the account of a pledgeholder, a secured party as defined in s. 679.1021(1) ~~s. 679.1021(1) (ttt)~~, or a mortgagee selling or offering for sale or delivery in the ordinary course of business and not for the purposes of avoiding ~~the provisions of~~ this chapter, to liquidate a bona fide debt, a security pledged in good faith as security for such debt.

Section 135. Subsection (2) of section 559.9232, Florida Statutes, is amended to read:

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

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

(a) A lease or agreement that constitutes a credit sale as defined in 12 C.F.R. s. 226.2(a)(16) and s. 1602(g) of the federal Truth in Lending Act, 15 U.S.C. ss. 1601 et seq.;

(b) A lease that constitutes a "consumer lease" as defined in 12 C.F.R. s. 213.2(a)(6);

(c) Any lease for agricultural, business, or commercial

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purposes;

(d) Any lease made to an organization;

(e) A lease or agreement that constitutes a "retail installment contract" or "retail installment transaction" as those terms are defined in s. 520.31; or

(f) A security interest as defined in s. 671.201 ~~s. 671.201(39)~~.

Section 136. Paragraph (g) of subsection (2) of section 563.022, Florida Statutes, is amended to read:

563.022 Relations between beer distributors and manufacturers.—

(2) DEFINITIONS.—In construing this section, unless the context otherwise requires, the word, phrase, or term:

(g) "Good faith" means honesty in fact in the conduct or transaction concerned as defined and interpreted under s. 671.201 ~~s. 671.201(21)~~.

Section 137. Paragraph (d) of subsection (16) of section 668.50, Florida Statutes, is amended, and paragraph (b) of subsection (3) of that section is republished, to read:

668.50 Uniform Electronic Transaction Act.—

(3) SCOPE.—

(b) This section does not apply to a transaction to the extent the transaction is governed by:

1. A provision of law governing the creation and execution of wills, codicils, or testamentary trusts;

3951 2. The Uniform Commercial Code other than s. 671.107 and
3952 chapters 672 and 680; or

3953 3. The Uniform Computer Information Transactions Act.

3954 (16) TRANSFERABLE RECORDS.—

3955 (d) Except as otherwise agreed, a person having control of
3956 a transferable record is the holder, as defined in s. 671.201 ~~s.~~
3957 ~~671.201(22)~~, of the transferable record and has the same rights
3958 and defenses as a holder of an equivalent record or writing
3959 under the Uniform Commercial Code, including, if the applicable
3960 statutory requirements under s. 673.3021, s. 677.501, or s.
3961 679.330 are satisfied, the rights and defenses of a holder in
3962 due course, a holder to which a negotiable document of title has
3963 been duly negotiated, or a purchaser, respectively. Delivery,
3964 possession, and indorsement are not required to obtain or
3965 exercise any of the rights under this paragraph.

3966 **Section 138. For the purpose of incorporating the**
3967 **amendment made by this act to section 671.105, Florida Statutes,**
3968 **in a reference thereto, subsections (1) and (2) of section**
3969 **655.55, Florida Statutes, are reenacted to read:**

3970 655.55 Law applicable to deposits in and contracts
3971 relating to extensions of credit by a deposit or lending
3972 institution located in this state.—

3973 (1) The law of this state, excluding its law regarding
3974 comity and conflict of laws, governs all aspects, including
3975 without limitation the validity and effect, of any deposit

3976 account in a branch or office in this state of a deposit or
3977 lending institution, including a deposit account otherwise
3978 covered by s. 671.105(1), regardless of the citizenship,
3979 residence, location, or domicile of any other party to the
3980 contract or agreement governing such deposit account, and
3981 regardless of any provision of any law of the jurisdiction of
3982 the residence, location, or domicile of such other party,
3983 whether or not such deposit account bears any other relation to
3984 this state, except that this section does not apply to any such
3985 deposit account:

3986 (a) To the extent provided to the contrary in s.
3987 671.105(2); or

3988 (b) To the extent that all parties to the contract or
3989 agreement governing such deposit account have agreed in writing
3990 that the law of another jurisdiction will govern it.

3991 (2) The law of this state, excluding its law regarding
3992 comity and conflict of laws, governs all aspects, including
3993 without limitation the validity and effect, of any contract
3994 relating to an extension of credit made by a branch or office in
3995 this state of a deposit or lending institution, including a
3996 contract otherwise covered by s. 671.105(1), if the contract
3997 expressly provides that it will be governed by the law of this
3998 state, regardless of the citizenship, residence, location, or
3999 domicile of any other party to such contract and regardless of
4000 any provision of any law of the jurisdiction of the residence,

location, or domicile of such other party, whether or not such contract bears any other relation to this state, except that this section does not apply to any such contract to the extent provided to the contrary in s. 671.105(2).

Section 139. For the purpose of incorporating the amendment made by this act to section 671.105, Florida Statutes, in a reference thereto, subsection (2) of section 685.101, Florida Statutes, is reenacted to read:

685.101 Choice of law.—

(2) This section does not apply to any contract, agreement, or undertaking:

(a) Regarding any transaction which does not bear a substantial or reasonable relation to this state in which every party is either or a combination of:

1. A resident and citizen of the United States, but not of this state; or

2. Incorporated or organized under the laws of another state and does not maintain a place of business in this state;

(b) For labor or employment;

(c) Relating to any transaction for personal, family, or household purposes, unless such contract, agreement, or undertaking concerns a trust at least one trustee of which resides or transacts business as a trustee in this state, in which case this section applies;

(d) To the extent provided to the contrary in s.

671.105(2); or

(e) To the extent such contract, agreement, or undertaking is otherwise covered or affected by s. 655.55.

Section 140. For the purpose of incorporating the amendment made by this act to section 673.1041, Florida Statutes, in a reference thereto, subsection (1) of section 90.953, Florida Statutes, is reenacted to read:

90.953 Admissibility of duplicates.—A duplicate is admissible to the same extent as an original, unless:

(1) The document or writing is a negotiable instrument as defined in s. 673.1041, a security as defined in s. 678.1021, or any other writing that evidences a right to the payment of money, is not itself a security agreement or lease, and is of a type that is transferred by delivery in the ordinary course of business with any necessary endorsement or assignment.

Section 141. For the purpose of incorporating the amendment made by this act to section 673.1041, Florida Statutes, in a reference thereto, subsections (1), (3), and (4) of section 673.1061, Florida Statutes, are reenacted to read:

673.1061 Unconditional promise or order.—

(1) Except as provided in this section, for the purposes of s. 673.1041(1), a promise or order is unconditional unless it states:

(a) An express condition to payment;

(b) That the promise or order is subject to or governed by

another writing; or

(c) That rights or obligations with respect to the promise or order are stated in another writing.

A reference to another writing does not of itself make the promise or order conditional.

(3) If a promise or order requires, as a condition to payment, a countersignature by a person whose specimen signature appears on the promise or order, the condition does not make the promise or order conditional for the purposes of s. 673.1041(1). If the person whose specimen signature appears on an instrument fails to countersign the instrument, the failure to countersign is a defense to the obligation of the issuer, but the failure does not prevent a transferee of the instrument from becoming a holder of the instrument.

(4) If a promise or order at the time it is issued or first comes into possession of a holder contains a statement, required by applicable statutory or administrative law, to the effect that the rights of a holder or transferee are subject to claims or defenses that the issuer could assert against the original payee, the promise or order is not thereby made conditional for the purposes of s. 673.1041(1); but if the promise or order is an instrument, there cannot be a holder in due course of the instrument.

Section 142. For the purpose of incorporating the

4076 **amendment made by this act to section 673.1041, Florida**
4077 **Statutes, in a reference thereto, subsection (2) of section**
4078 **673.1151, Florida Statutes, is reenacted to read:**

4079 673.1151 Incomplete instrument.—

4080 (2) Subject to subsection (3), if an incomplete instrument
4081 is an instrument under s. 673.1041, it may be enforced according
4082 to its terms if it is not completed, or according to its terms
4083 as augmented by completion. If an incomplete instrument is not
4084 an instrument under s. 673.1041, but, after completion, the
4085 requirements of s. 673.1041 are met, the instrument may be
4086 enforced according to its terms as augmented by completion.

4087 **Section 143. For the purpose of incorporating the**
4088 **amendment made by this act to sections 673.1041 and 673.1051,**
4089 **Florida Statutes, in a reference thereto, subsection (2) of**
4090 **section 673.1031, Florida Statutes, is reenacted to read:**

4091 673.1031 Definitions.—

4092 (2) Other definitions applying to this chapter and the
4093 sections in which they appear are:

4094 "Acceptance," s. 673.4091.

4095 "Accommodated party," s. 673.4191.

4096 "Accommodation party," s. 673.4191.

4097 "Alteration," s. 673.4071.

4098 "Anomalous indorsement," s. 673.2051.

4099 "Blank indorsement," s. 673.2051.

4100 "Cashier's check," s. 673.1041.

4101 "Certificate of deposit," s. 673.1041.
4102 "Certified check," s. 673.4091.
4103 "Check," s. 673.1041.
4104 "Consideration," s. 673.3031.
4105 "Draft," s. 673.1041.
4106 "Holder in due course," s. 673.3021.
4107 "Incomplete instrument," s. 673.1151.
4108 "Indorsement," s. 673.2041.
4109 "Indorser," s. 673.2041.
4110 "Instrument," s. 673.1041.
4111 "Issue," s. 673.1051.
4112 "Issuer," s. 673.1051.
4113 "Negotiable instrument," s. 673.1041.
4114 "Negotiation," s. 673.2011.
4115 "Note," s. 673.1041.
4116 "Payable at a definite time," s. 673.1081.
4117 "Payable on demand," s. 673.1081.
4118 "Payable to bearer," s. 673.1091.
4119 "Payable to order," s. 673.1091.
4120 "Payment," s. 673.6021.
4121 "Person entitled to enforce," s. 673.3011.
4122 "Presentment," s. 673.5011.
4123 "Reacquisition," s. 673.2071.
4124 "Special indorsement," s. 673.2051.
4125 "Teller's check," s. 673.1041.

"Transfer of instrument," s. 673.2031.

"Traveler's check," s. 673.1041.

"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 nominated person's jurisdiction is the jurisdiction whose law governs the liability of the issuer or nominated person with respect to the letter-of-credit right as provided in s. 675.116.

Section 146. For the purpose of incorporating the amendment made by this act to section 675.104, Florida Statutes,

4151 **in a reference thereto, paragraph (j) of subsection (1) of**
4152 **section 675.103, Florida Statutes, is reenacted to read:**

4153 675.103 Definitions.—

4154 (1) For purposes of this chapter:

4155 (j) "Letter of credit" means a definite undertaking that
4156 satisfies the requirements of s. 675.104 by an issuer to a
4157 beneficiary at the request or for the account of an applicant
4158 or, in the case of a financial institution, to itself or for its
4159 own account, to honor a documentary presentation by payment or
4160 delivery of an item of value.

4161 **Section 147. For the purpose of incorporating the**
4162 **amendment made by this act to section 679.2031, Florida**
4163 **Statutes, in a reference thereto, subsection (3) of section**
4164 **674.2101, Florida Statutes, is reenacted to read:**

4165 674.2101 Security interest of collecting bank in items,
4166 accompanying documents, and proceeds.—

4167 (3) Receipt by a collecting bank of a final settlement for
4168 an item is a realization on its security interest in the item,
4169 accompanying documents, and proceeds. So long as the bank does
4170 not receive final settlement for the item or give up possession
4171 of the item or possession or control of the accompanying or
4172 associated documents for purposes other than collection, the
4173 security interest continues to that extent and is subject to
4174 chapter 679, but:

4175 (a) No security agreement is necessary to make the

security interest enforceable (s. 679.2031(2)(c)1.);

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

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

Section 148. For the purpose of incorporating the amendment made by this act to section 679.2031, Florida Statutes, in a reference thereto, subsection (2) of section 675.1181, Florida Statutes, is reenacted to read:

675.1181 Security interest of issuer or nominated person.—

(2) As long as and to the extent that an issuer or nominated person has not been reimbursed or has not otherwise recovered the value given with respect to a security interest in a document under subsection (1), the security interest continues and is subject to chapter 679, but a security agreement is not necessary to make the security interest enforceable under s. 679.2031(2)(c):

(a) If the document is presented in a medium other than a written or other tangible medium, the security interest is perfected; and

(b) If the document is presented in a written or other tangible medium and is not a certificated security, chattel paper, a document of title, an instrument, or a letter of credit, the security interest is perfected and has priority over

4201 a conflicting security interest in the document so long as the
4202 debtor does not have possession of the document.

4203 **Section 149. For the purpose of incorporating the**
4204 **amendment made by this act to section 679.2031, Florida**
4205 **Statutes, in a reference thereto, section 679.1101, Florida**
4206 **Statutes, is reenacted to read:**

4207 679.1101 Security interests arising under chapter 672 or
4208 chapter 680.—A security interest arising under s. 672.401, s.
4209 672.505, s. 672.711(3), or s. 680.508(5) is subject to this
4210 chapter. However, until the debtor obtains possession of the
4211 goods:

4212 (1) The security interest is enforceable, even if s.
4213 679.2031(2)(c) has not been satisfied;

4214 (2) Filing is not required to perfect the security
4215 interest;

4216 (3) The rights of the secured party after default by the
4217 debtor are governed by chapter 672 or chapter 680; and

4218 (4) The security interest has priority over a conflicting
4219 security interest created by the debtor.

4220 **Section 150. For the purpose of incorporating the**
4221 **amendment made by this act to section 677.106, Florida Statutes,**
4222 **in a reference thereto, subsection (3) of section 672.103,**
4223 **Florida Statutes, is reenacted to read:**

4224 672.103 Definitions and index of definitions.—

4225 (3) The following definitions in other chapters apply to

4226 this chapter:

4227 "Check," s. 673.1041.

4228 "Consignee," s. 677.102.

4229 "Consignor," s. 677.102.

4230 "Consumer goods," s. 679.1021.

4231 "Control," s. 677.106.

4232 "Dishonor," s. 673.5021.

4233 "Draft," s. 673.1041.

4234 **Section 151. For the purpose of incorporating the**
4235 **amendment made by this act to section 677.106, Florida Statutes,**
4236 **in a reference thereto, subsection (3) of section 674.104,**
4237 **Florida Statutes, is reenacted to read:**

4238 674.104 Definitions and index of definitions.—

4239 (3) The following definitions in other chapters apply to
4240 this chapter:

4241 "Acceptance," s. 673.4091.

4242 "Alteration," s. 673.4071.

4243 "Cashier's check," s. 673.1041.

4244 "Certificate of deposit," s. 673.1041.

4245 "Certified check," s. 673.4091.

4246 "Check," s. 673.1041.

4247 "Control," s. 677.106.

4248 "Good faith," s. 673.1031.

4249 "Holder in due course," s. 673.3021.

4250 "Instrument," s. 673.1041.

"Notice of dishonor," s. 673.5031.

"Order," s. 673.1031.

"Ordinary care," s. 673.1031.

"Person entitled to enforce," s. 673.3011.

"Presentment," s. 673.5011.

"Promise," s. 673.1031.

"Prove," s. 673.1031.

"Teller's check," s. 673.1041.

"Unauthorized signature," s. 673.4031.

Section 152. For the purpose of incorporating the amendment made by this act to section 678.1061, Florida Statutes, in a reference thereto, subsection (3) of section 678.5101, Florida Statutes, is reenacted to read:

678.5101 Rights of purchaser of security entitlement from entitlement holder.—

(3) In a case not covered by the priority rules in chapter 679, a purchaser for value of a security entitlement, or an interest therein, who obtains control has priority over a purchaser of a security entitlement, or an interest therein, who does not obtain control. Except as otherwise provided in subsection (4), purchasers who have control rank according to priority in time of:

(a) The purchaser's becoming the person for whom the securities account, in which the security entitlement is carried, is maintained, if the purchaser obtained control under

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s. 678.1061(4)(a);

(b) The securities intermediary's agreement to comply with the purchaser's entitlement orders with respect to security entitlements carried or to be carried in the securities account in which the security entitlement is carried, if the purchaser obtained control under s. 678.1061(4)(b); or

(c) If the purchaser obtained control through another person under s. 678.1061(4)(c), the time on which priority would be based under this subsection if the other person were the secured party.

Section 153. For the purpose of incorporating the amendment made by this act to section 678.1061, Florida Statutes, in a reference thereto, subsection (1) of section 679.1061, Florida Statutes, is reenacted to read:

679.1061 Control of investment property.—

(1) A person has control of a certificated security, uncertificated security, or security entitlement as provided in s. 678.1061.

Section 154. For the purpose of incorporating the amendment made by this act to sections 678.1061, 679.3131, 679.3141, and 679.323, Florida Statutes, in references thereto, subsections (2), (5), and (7) of section 679.328, Florida Statutes, are reenacted to read:

679.328 Priority of security interests in investment property.—The following rules govern priority among conflicting

4301 security interests in the same investment property:

4302 (2) Except as otherwise provided in subsections (3) and
4303 (4), conflicting security interests held by secured parties each
4304 of which has control under s. 679.1061 rank according to
4305 priority in time of:

4306 (a) If the collateral is a security, obtaining control;

4307 (b) If the collateral is a security entitlement carried in
4308 a securities account and:

4309 1. If the secured party obtained control under s.
4310 678.1061(4)(a), the secured party's becoming the person for
4311 which the securities account is maintained;

4312 2. If the secured party obtained control under s.
4313 678.1061(4)(b), the securities intermediary's agreement to
4314 comply with the secured party's entitlement orders with respect
4315 to security entitlements carried or to be carried in the
4316 securities account; or

4317 3. If the secured party obtained control through another
4318 person under s. 678.1061(4)(c), the time on which priority would
4319 be based under this paragraph if the other person were the
4320 secured party; or

4321 (c) If the collateral is a commodity contract carried with
4322 a commodity intermediary, the satisfaction of the requirement
4323 for control specified in s. 679.1061(2)(b) with respect to
4324 commodity contracts carried or to be carried with the commodity
4325 intermediary.

(5) A security interest in a certificated security in registered form which is perfected by taking delivery under s. 679.3131(1) and not by control under s. 679.3141 has priority over a conflicting security interest perfected by a method other than control.

(7) In all other cases, priority among conflicting security interests in investment property is governed by ss. 679.322 and 679.323.

Section 155. For the purpose of incorporating the amendment made by this act to sections 679.1041 and 679.3141, Florida Statutes, in references thereto, subsections (1) and (2) of section 679.327, Florida Statutes, are reenacted to read:

679.327 Priority of security interests in deposit account.—The following rules govern priority among conflicting security interests in the same deposit account:

(1) A security interest held by a secured party having control of the deposit account under s. 679.1041 has priority over a conflicting security interest held by a secured party that does not have control.

(2) Except as otherwise provided in subsections (3) and (4), security interests perfected by control under s. 679.3141 rank according to priority in time of obtaining control.

Section 156. For the purpose of incorporating the amendment made by this act to sections 679.2031 and 679.4041, Florida Statutes, in a reference thereto, subsection (4) of

4351 **section 679.1091, Florida Statutes, is reenacted to read:**

4352 679.1091 Scope.—

4353 (4) This chapter does not apply to:

4354 (a) A landlord's lien, other than an agricultural lien;

4355 (b) A lien, other than an agricultural lien, given by
4356 statute or other rule of law for services or materials, but s.
4357 679.333 applies with respect to priority of the lien;

4358 (c) An assignment of a claim for wages, salary, or other
4359 compensation of an employee;

4360 (d) A sale of accounts, chattel paper, payment
4361 intangibles, or promissory notes as part of a sale of the
4362 business out of which they arose;

4363 (e) An assignment of accounts, chattel paper, payment
4364 intangibles, or promissory notes which is for the purpose of
4365 collection only;

4366 (f) An assignment of a right to payment under a contract
4367 to an assignee that is also obligated to perform under the
4368 contract;

4369 (g) An assignment of a single account, payment intangible,
4370 or promissory note to an assignee in full or partial
4371 satisfaction of a preexisting indebtedness;

4372 (h) A transfer of an interest in or an assignment of a
4373 claim under a policy of insurance, other than an assignment by
4374 or to a health-care provider of a health-care-insurance
4375 receivable and any subsequent assignment of the right to

4376 payment, but ss. 679.3151 and 679.322 apply with respect to
4377 proceeds and priorities in proceeds;

4378 (i) An assignment of a right represented by a judgment,
4379 other than a judgment taken on a right to payment that was
4380 collateral;

4381 (j) A right of recoupment or set-off, but:

4382 1. Section 679.340 applies with respect to the
4383 effectiveness of rights of recoupment or set-off against deposit
4384 accounts; and

4385 2. Section 679.4041 applies with respect to defenses or
4386 claims of an account debtor;

4387 (k) The creation or transfer of an interest in or lien on
4388 real property, including a lease or rents thereunder, except to
4389 the extent that provision is made for:

4390 1. Liens on real property in ss. 679.2031 and 679.3081;

4391 2. Fixtures in s. 679.334;

4392 3. Fixture filings in ss. 679.5011, 679.5021, 679.512,
4393 679.516, and 679.519; and

4394 4. Security agreements covering personal and real property
4395 in s. 679.604;

4396 (l) An assignment of a claim arising in tort, other than a
4397 commercial tort claim, but ss. 679.3151 and 679.322 apply with
4398 respect to proceeds and priorities in proceeds;

4399 (m) An assignment of a deposit account, other than a
4400 nonnegotiable certificate of deposit, in a consumer transaction,

but ss. 679.3151 and 679.322 apply with respect to proceeds and priorities in proceeds;

(n) Any transfer by a government or governmental unit; or

(o) A transfer or pledge of, or creation of a security interest in, any interest or right or portion of any interest or right in any storm-recovery property as defined in s. 366.8260.

Section 157. For the purpose of incorporating the amendment made by this act to section 679.2031, Florida Statutes, in a reference thereto, subsection (2) of section 679.709, Florida Statutes, is reenacted to read:

679.709 Priority.—

(2) For purposes of s. 679.322(1), the priority of a security interest that becomes enforceable under s. 679.2031 of this act dates from the time this act takes effect if the security interest is perfected under this act by the filing of a financing statement before this act takes effect which would not have been effective to perfect the security interest under chapter 679, Florida Statutes 2000. This subsection does not apply to conflicting security interests each of which is perfected by the filing of such a financing statement.

Section 158. For the purpose of incorporating the amendment made by this act to section 679.210, Florida Statutes, in a reference thereto, subsection (2) of section 679.602, Florida Statutes, is reenacted to read:

679.602 Waiver and variance of rights and duties.—Except

as otherwise provided in s. 679.624, to the extent that they give rights to a debtor or obligor and impose duties on a secured party, the debtor or obligor may not waive or vary the rules stated in the following listed sections:

(2) Section 679.210, which deals with requests for an accounting and requests concerning a list of collateral and statement of account;

Section 159. For the purpose of incorporating the amendment made by this act to section 679.3141, Florida Statutes, in a reference thereto, section 679.329, Florida Statutes, is reenacted to read:

679.329 Priority of security interests in letter-of-credit right.—The following rules govern priority among conflicting security interests in the same letter-of-credit right:

(1) A security interest held by a secured party having control of the letter-of-credit right under s. 679.1071 has priority to the extent of its control over a conflicting security interest held by a secured party that does not have control.

(2) Security interests perfected by control under s. 679.3141 rank according to priority in time of obtaining control.

Section 160. For the purpose of incorporating the amendment made by this act to section 679.3161, Florida Statutes, in a reference thereto, subsection (3) of section

4451 **679.320, Florida Statutes, is reenacted to read:**

4452 679.320 Buyer of goods.—

4453 (3) To the extent that it affects the priority of a
4454 security interest over a buyer of goods under subsection (2),
4455 the period of effectiveness of a filing made in the jurisdiction
4456 in which the seller is located is governed by s. 679.3161(1) and
4457 (2).

4458 **Section 161. For the purpose of incorporating the**
4459 **amendment made by this act to section 679.3171, Florida**
4460 **Statutes, in a reference thereto, paragraph (b) of subsection**
4461 **(8) of section 727.109, Florida Statutes, is reenacted to read:**

4462 727.109 Power of the court.—The court shall have power to:

4463 (8) Hear and determine any of the following actions
4464 brought by the assignee, which she or he is empowered to
4465 maintain:

4466 (b) Determine the validity, priority, and extent of a lien
4467 or other interests in assets of the estate, or to subordinate or
4468 avoid an unperfected security interest pursuant to the
4469 assignee's rights as a lien creditor under s. 679.3171.

4470 **Section 162. For the purpose of incorporating the**
4471 **amendment made by this act to sections 679.3171 and 679.323,**
4472 **Florida Statutes, in references thereto, subsection (3) of**
4473 **section 680.307, Florida Statutes, is reenacted to read:**

4474 680.307 Priority of liens arising by attachment or levy
4475 on, security interests in, and other claims to goods.—

4476 (3) Except as otherwise provided in ss. 679.3171, 679.321,
4477 and 679.323, a lessee takes a leasehold interest subject to a
4478 security interest held by a creditor or lessor.

4479 **Section 163. For the purpose of incorporating the**
4480 **amendment made by this act to section 679.628, Florida Statutes,**
4481 **in a reference thereto, subsection (3) of section 679.626,**
4482 **Florida Statutes, is reenacted to read:**

4483 679.626 Action in which deficiency or surplus is in
4484 issue.—In an action arising from a transaction in which the
4485 amount of a deficiency or surplus is in issue, the following
4486 rules apply:

4487 (3) Except as otherwise provided in s. 679.628, if a
4488 secured party fails to prove that the collection, enforcement,
4489 disposition, or acceptance was conducted in accordance with the
4490 provisions of this part relating to collection, enforcement,
4491 disposition, or acceptance, the liability of a debtor or a
4492 secondary obligor for a deficiency is limited to an amount by
4493 which the sum of the secured obligation, reasonable expenses,
4494 and, to the extent provided for by agreement and not prohibited
4495 by law, attorney's fees exceeds the greater of:

4496 (a) The proceeds of the collection, enforcement,
4497 disposition, or acceptance; or

4498 (b) The amount of proceeds that would have been realized
4499 had the noncomplying secured party proceeded in accordance with
4500 the provisions of this part relating to collection, enforcement,

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4501 disposition, or acceptance.

4502 **Section 164.** This act shall take effect July 1, 2025.