

THE FLORIDA BAR BUSINESS LAW SECTION
CORPORATIONS, SECURITIES & FINANCIAL SERVICES
COMMITTEE MEETING

Thursday, July 20, 2024
Meeting: 1:00 PM – 3:00 PM
Location: Signia by Hilton Orlando Bonnet Creek & Waldorf Astoria
Taylor room (subject to change)

Toni Tsvetanova, Chair; Valeria Angelucci, Vice-Chair; Kelly Roberts, Second Vice-Chair;
Prof. Stuart Cohn, Academic Chair

AGENDA

1. **Call to Order and Welcome** Toni Tsvetanova
2. **Self-Introduction of Members Present** Toni Tsvetanova
3. **Approval of Meeting Minutes (January Meeting)** Toni Tsvetanova
 - a. *See* attached **Schedule 1** for January 2024 meeting minutes.
4. **Series LLC Task Force** Lou Conti
5. **Chapter 617 Task Force** Toni Tsvetanova/
Professor Stu Cohn
6. **Biz. Lit. Task Force, Voluntary Trial Resolution Statute** Allison Leonard
 - a. The Task Force is currently working on a rewrite of section 44.104, Florida Statutes. They aim to present a completed draft and white paper at the Labor Day Retreat, and will provide more information during the meeting.
7. **UCC Art. 12 – the New F.S. 669 and related UCC Amendments** Robert Kain
 - a. Presentation by UCC Art. 12 Task Force on proposed amendments and request of our committee for a vote.
 - b. *See* attached **Schedules 2-5** for White Paper, Draft Bill, CLE Florida's New UCC Art 12 - F.S. 669 - A Summary (June 2024), and FlaStat 678.1101 Choice of Law respectively. Our committee will be expected to vote on Issue 4, discussed on CLE pdf attached as Schedule 4, pg. 10 of such schedule, re: F.S. 678.1101, Choice of Law. Online Resources can be found at: <https://flabizlaw.org/committees-task-forces/task-forces/article-12-f-s-669-task-force/>. Any comments should be provided to Robert Kain (rkain@conceptlaw.com).
8. **Chapter 607 Task Force Update** Phil Schwartz/

- Gary Teblum
9. **Chapter 517 Task Force (FL's Securities Statute)** Professor Stu Cohn/
Willard Blair
10. **SB 882, Decentralized Autonomous Organizations – CSFS needed to lead Study Group**
11. **List of Sunsetting Provisions** Toni Tsvetanova
a. *See* attached **Schedule 6** for current list of sunseting positions and provide input on which positions should be retained for the next 2-year period.
12. **CLE's** Valeria Angelucci/
Kelly Roberts
13. **Other Matters for Discussion/Good Order** Toni Tsvetanova/
Members
14. **Adjourn** Toni Tsvetanova

SCHEDULE 1

January 2024 Minutes

THE FLORIDA BAR BUSINESS LAW SECTION
CORPORATIONS, SECURITIES & FINANCIAL SERVICES
COMMITTEE (CSFS) MEETING

Thursday, January 18, 2024
Meeting: 9:00 AM – 11:00 AM
Location: Renaissance Orlando at Seaworld
Palani Ballroom (subject to change)

Toni Tsvetanova, Chair; Valeria Angelucci, Vice-Chair; Kelly Roberts, Second Vice-Chair;
Prof. Stuart Cohn, Academic Chair

MEETING MINUTES

1. Toni Tsvetanova called the meeting to order and welcomed the attendees.
2. Toni Tsvetanova invited the members present to introduce themselves.
3. Mark Stain, Chair of the Section together with Peter Valori addressed the Committee in person.
4. The Legislative Committee Chair also addressed the committee, gave a brief update on the status of the legislative bills proposed by the CSFS Committee.
5. The CLE Committee Chair also addressed the committee and reminded the Committee that all Substantive Committees should be putting together at least four one-hour CLEs, and encouraged to reach out for assistance.
6. **UCC 12 Task Force.** Adam Dunn on behalf of the UCC 12 Task Force also addressed the Committee and provided an update on the Task Force work.
 - a. The Uniform Law Commission (“ULC”) proposed new UCC Article 12 (“Art. 12”), to be titled Fla. Stat. § 669, as an expansion of the Uniform Commercial Code (“UCC”), Fla. Stat. §§ 661 – 680. Art 12 establishes a baseline framework allowing creditors to secure liens on digital assets owned by debtors and updates UCC Article 9, Secured Transactions, Fla. Stat. § 679, for electronic assets (payment intangibles and payment accounts, § 679.1021), et al. The ULC’s goal is to modernize the UCC for basic transactions involving electronic money and digital assets on a national, state-by-state level much like it did in the 1950s for the transactions involving goods.
 - b. The Florida Bar Business Law Section (“BLS”) has an Art. 12 – F.S. 669 Task Force reviewing, editing, and commenting on the 140+ page version of F.S. 669. The Art 12 Task Force includes Business Law Section members, Real Property Probate and Trust Law Section members, and representatives from the Florida Bankers Association and interested industry groups.

- c. During 2024, the Art 12 Task Force’s goal is to seek the approval of the following BLS substantive law committees: Corporations, UCC/Bankruptcy, Business Litigation, and the Blockchain/Digital Assets Committees. Each of these substantive law committees has Art 12 study groups. The Art 12 Task Force plan, endorsed by the BLS leadership, is to seek substantive law committee approval of F.S. 669 at the Florida Bar Annual Meeting (June 2024), seek approval of the BLS Executive Committee at the BLS Labor Day Retreat, and thereafter the Florida Bar Executive Committee. F.S. 669 is a critical piece of legislation which, if passed as proposed by the ULC, will establish Florida as a national leader and support a variety of statewide interests. An updated version of the White Paper and the UCC – Fla Stat Chart and the Draft Legislation were included respectively as **Schedule 2** and **Schedule 3** to the Agenda. Toni encouraged committee members to provide any comments directly to Robert Kain (rkain@conceptlaw.com).
7. **Approval of the Minutes.** Valeria made a motion to approve the prior meeting minutes, which were attached as **Schedule 1** of the agenda for the meeting. Michelle Suarez seconded the motion. The motion was approved unanimously.
8. **Chapter 617 Task Force (FL’s Not-For Profit Statute).** Toni Tsvetanova provided a report on Chapter 617 Task Force (FL’s Not-For Profit Statute).
 - a. The Task Force has made good progress with completing review of the substantive memoranda of 6 out of 9 subgroups of the Task Force, and 4 out of the 6 subgroups have proposed actual revisions to the language of Chapter 617. The remaining subgroups whose memoranda have been reviewed are in the process of drafting proposed language revisions. The task force has continued to meet on an approximately bi-weekly basis to continue reviewing the remaining subgroups’ memoranda.
 - b. Toni also briefly discussed a current issue the Task Force is addressing, i.e. that Florida Statutes do not currently allow a non-501(c)(3) not-for-profit to merge with a for-profit corporation with the surviving entity being a for-profit corporation (which is allowed by other states, including Delaware, and the Model Nonprofit Corporation Act). The Task Force is evaluating whether to recommend the approach adopted by Delaware and the Model Act. Toni requested the committee for any comment, reaction or opinion. Michelle Suarez mentioned she had experience with not-for-profits discussing this issue, and supported a change in the direction that allows the merger with the surviving entity being a for-profit corporation and that would make Florida more appealing for not-for-profit corporations. Gary Teblum agreed and discussed practical experiences where Florida not-for-profits had to reincorporate in Delaware and merge thereafter. Gary also suggested we discuss this issue and ensure the Attorney General would be supportive or not oppose the change. Stephen Rubin also was supportive of a change to allow Florida non-501(c)(3) not-for-profits to merge into for profit corporations with the surviving entity being the for-profit entity but mentioned we should consider if any carveouts are necessary for other statutes like 718, 719, 720.

9. **Chapter 517 Task Force (FL's Securities Statute).** Professor Cohn provided an update on the status of the bill currently pending.
 - a. So far, the bill has passed both House and Senate Committees, and Prof. Cohn is optimistic the bill will pass.
 - b. A few bill items originally included have been removed due to lack of consensus: (i) Whether Florida should continue to be a merit state, and (ii) as it relates to Finders, not requesting registration of Finders, and (iii) attorneys' fees. These items may be reserved for future sessions and asked for comment by the Committee members. Greg Yadley mentioned we should push to get the Finders issue resolved because activities of the Finders often end up including activities that are likely broker activities.
10. **Chapter 607 Task Force Update.** Gary Teblum provided a brief recap of the Chapter 607 bill and an update regarding the status of the bill.
 - a. The Ratification of Defective Acts portion of the proposed legislation has been submitted to Bill Drafting with the Senate version close to being finalized as of late December.
 - b. The Task Force has been asked to add provisions to the proposed bill that would allow Florida registered agents for multiple entities that have been inactive for some time to be able to resign in bulk, with a single filing, rather than using a separate resignation filing for each entity. The Task Force has been receptive to allowing this concept to be added and has been working on related language for Chapters 605, 607, 617 and 620. However, there are some elements of the concept that need to be discussed further and aligned on (e.g., requirement of minimum period of being inactive and definition of such term).
 - c. Proper language for distinguishing direct actions from derivative actions in both Chapter 605 and 607 is also currently on the agenda of a special subcommittee of the Business Litigation committee to review. Any proposed revisions will not be a part of the 2024 legislative initiative, but could be a part of the 2025 one.
11. **Report from Series LLC Task Force.** Toni provided a brief update on the status of the bill:
 - a. Throughout the Fall the Task Force worked with House and Senate Bill Drafting and RPPIL's title insurance lawyers on the draft legislation. The Series legislation has been filed with the House and Senate Committees.
12. **CLEs.**
 - a. Toni discussed the CLEs coming out of this Committee and reminded attendees of the CLE on Corporate Transparency Act taking place after the meeting.
 - b. Valeria Angelucci discussed a few CLEs ideas:
 - i. Bills coming out of the CSFS Committee

- ii. Potential CLEs discussed with members of the Committee: Michelle Suarez proposed to present a CLE on Reg D with Will Blair and Michelle Suarez and Zach Evangelista proposed putting together a CLE regarding franchises.
 - iii. Christina Taylor also offered to assist on one of the Business Law Section Writing Workshop Series based on her experience as a litigation attorney.
 - c. Kelly Roberts reminded the Committee of the topics for the Writing Workshop Series, and that we can request fellows to assist with the preparation of the CLEs.
 - d. Greg Yadley reminded everyone of the 40th Annual Federal Securities Institute that will be taking place in Tampa on February 15 and 16 and invited members to attend the conference. Gary Teblum also mentioned AI will be discussed as part of the ethics portion of the program.
13. **SB 882, Decentralized Autonomous Organizations – Formation of Study Group.** Toni discussed the creation of the Study Group and encouraged members of the Committee to participate in the Study Group.
14. **The Legal Tech Challenge.**
- a. Toni also discussed the Legal Tech Challenge, which is an ideas competition where students throughout Florida solve problems in the legal profession using emerging technology. Students work in teams of 2-3 and pitch their idea to a panel of judges (composed of lawyers, tech entrepreneurs, and VC professionals). The winning team takes home a cash prize.
 - b. The Legal Tech Challenge will be held at Greenberg Traurig's Miami office on February 2nd, 2024. The event organizers have partnered with the HNBA, eMerge Americas, and Greenberg Traurig, who are collectively helping advertise the event across multiple platforms, including eMerge's 65,000+ email subscribers. More information can be found here: tec-fsu.com/legal-tech.
 - c. Toni invited anyone who would like to support the event (via sponsorship, serving as a judge or otherwise), to please reach out to Paul DeCoste at pd21d@fsu.edu.
15. The meeting was called to good order and adjourned at 10.10 and following the meeting a CLE Presentation on the Corporate Transparency Act, presented by Katie Pence from RASI (a sponsor of the section), Zach Evangelista, and Valeria Angelucci took place.

SCHEDULE 2

7.12 White Paper ver 20240606 + FS 669 Chart

Florida’s New UCC Article 12 – Fla. Stat. 669 [ver 20240606]

Secured Transactions for Digital Assets and Associated UCC Amendments¹

The Uniform Law Commission (“ULC”) proposed new UCC Article 12 (“Art. 12”), new Fla. Stat. § 669, as an expansion of the Uniform Commercial Code (“UCC”), Fla. Stat. §§ 661 - 680, which establishes a baseline framework allowing creditors to secure liens on digital assets owned by debtors. This White Paper consists of a nine (9) page summary and a 21 page summary comparison of Florida’s UCC and proposed Art. 12 changes to Fla. Stat. §§ 661 – 680.²

Art. 12 defines a “controllable electronic record” (CER), § 669.102(1), to be part of or logically attached to, a digital asset.³ The foundation of Art. 12 is UCC Article 9, Secured Transactions, § 679.1011, and many Art. 12 amendments effect § 679. Art. 12 updates and clarifies debtor-creditor relationships and emerging technology transactions involving cryptocurrencies, smart contracts, blockchains, non-fungible tokens (NFTs), and distributed ledger technologies (DTLs). Florida should adopt § 669, titled “Uniform Commercial Code—Controllable Electronic Records,” to reduce transaction costs while providing protections for market participants and traditional market players. As of May 2024, nine (9) states have adopted Art. 12, including the District of Columbia.⁴ If enacted, Florida would be the largest state to

¹ This White Paper was prepared by a Joint Task Force between the Business Law Section’s (“BLS”) Blockchain and Digital Assets Committee and BLS’ UCC/Bankruptcy Committee. Given the scope and breadth of the Art. 12 Amendments, the Task Force interacted with Florida’s Office of Financial Regulation (OFR), BLS’ Corporate and Securities Committee, the Business Litigation Committee, the Bar’s Real Property Probate and Trust Law Section (RPPTL), the Florida Bankers Assn., and the Florida Blockchain Business Assn.

² The UCC is codified at Fla. Stat. 668- 688 (2022). Art. 12 and its related amendments effect Florida’s Article 1, Fla. Stat. 671; Article 2, Fla. Stat. 672 (sales); Article 2a, Fla. Stat. 680 (leases); Article 3, Fla. Stat. 673 (negotiable instruments (e.g., bank checks)); Article 4a, Fla. Stat. 670, (funds transfers); Article 5, Fla. Stat. 675 (letters of credit); Article 7, Fla. Stat. 677 (documents of title); Article 8, Fla. Stat. 678 (investment securities); and Article 9, Fla. Stat. 679 (secured transactions). See addendum, Summary Comparison of Florida’s UCC and Proposed Art. 12 Amendments. **UCC-Bankruptcy Committee Note:** The Governor’s Office seeks to amend Art. 8, F.S. 678.1101(2), Choice of Law, as follows: (2) The local law of the ~~securities intermediary’s entitlement holder’s~~ jurisdiction, as specified in subsection (5), governs: (a) Acquisition of a security entitlement from the securities intermediary. (b) The rights and duties of the securities intermediary and entitlement holder arising out of a security entitlement. (c) Whether the securities intermediary owes any duties to an adverse claimant to a security entitlement. (d) Whether an adverse claim can be asserted against a person who acquires a security entitlement from the securities intermediary or a person who purchases a security entitlement or interest therein from an entitlement holder. (6) A securities intermediary’s jurisdiction is not determined by the physical location of certificates representing financial assets, or by the jurisdiction in which is organized the issuer of the financial asset with respect to which an entitlement holder has a security entitlement, or by the location of facilities for data processing or other record keeping concerning the account. The ULC proposed adding to the choice of law section, F.S. 678.1101(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.” Members of the Task Force have objected to the Governor’s amendment.

³ The Act and F.S. 669 does not define an “electronic record” nor does it refer to “digital assets.” The Act amends Art. 1, § 671.201, and adds a definition for “electronic” as “means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.” § 671.201(18).

⁴ NH, CO, DE, IN, HI, ND, NM, NV, and WA. Further information about adoption of Art. 12 is provided on the ULC’s website at <https://www.uniformlaws.org/committees/community-home?communitykey=1457c422-ddb7-40b0-8c76-39a1991651ac>.

adopt this new law. Florida's Office of Financial Regulation (OFR) wrote about the advantages of passing this legislation this fiscal year, 2024-2025.⁵

Florida law currently does not have provisions specifically addressing digital assets. A *traditional, common approach*, based on Art. 8, § 678 (investments), applies general intangible principles to the transaction, namely: (i) digital assets are transferred to a securities intermediary, (ii) the intermediary treats the assets as "financial assets" and credits them to debtor's account, creating a security entitlement with respect to the financial asset, (iii) the secured party then obtains complete "control," § 678.5011(2)(b), of the security entitlement, which perfects the secured party's security interest in the securities account. Alternatively, the lender may perfect his or her interest with Art. 9, § 679 (secured transactions), by filing a financing statement in the debtor's state registry per § 679.3011. The traditional approach does not address technologic issues associated with easily transferrable digital assets. A *technologic approach* obtains technical control of assets with the debtor giving private key or password control to the lender or its designee. The resulting secured party's interest is not perfected under the current UCC. This creates legal doubt in the transaction.

Art. 12, § 669, and the associated amendments to §§ 670 - 680, provide: (a) assurance to securities intermediaries and secured party creditors that they acquire their interests free of the property claims of others (the take-free rule), and (b) the security interests created thereby confer upon the intermediary and creditor a super-priority, secured party status.

UCC Article 12 and Related Amendments - Summary. New § 669.102(1)(a) defines a "controllable electronic record" (CER) and provides rules for transfers of CERs to buyers and secured parties. A transferee will take the CER free of any claim to the CER if the transferee is a "qualifying purchaser" ("QP"), §§ 669.102(1)(b) and 669.104(1) and (2). Additionally, a secured party that obtains control of a CER will have non-temporal priority, superior to another secured party that does not have control and has perfected its security interest only by filing a financing statement, § 669.104(8).

Examples and Exclusions. The following are generally *included*: (a) Electronic accounts (generally including accounts receivable) and electronic payment intangibles (including electronic promises to pay akin to notes and electronic loan agreements); (b) Cryptocurrencies; (c) NFTs that qualify as CERs and other tethered assets; and (d) Electronic (fiat) money other than central bank digital currencies, § 671.201(10) and (25). Controllable payment intangibles and controllable accounts may have an opt-out Art. 12 feature. The definition of CER *excludes* certain types of assets, even if they would otherwise meet the definition: (i) money (fiat); (ii)

⁵ The OFR indicated that "Blockchain technology created a new asset class or type of property in the form of digital assets. Digital assets, as a type of property, are not easily incorporated into Florida's commercial laws without some change. Amendments to Florida's Uniform Commercial Code, Florida's Business Organization Code, and Florida's Unclaimed Property Act are needed to accommodate digital assets in Florida's commercial laws and to facilitate commerce and the development of the blockchain technology industry in Florida. Further, as new technologies are developed additional amendments are likely." OFR, "Assessment of Commerce and Regulatory Issues Presented by Blockchain Technology and Virtual Currency," p. 25, Dec. 2022. The OFR explains a foundational principle of Art. 12 by recognizing that "to enable a lender to secure a lien with a digital asset represented on a blockchain, the lender must possess an exclusive right of access to the electronic code that uniquely represents the digital asset. The amendment to the UCC recognizes that control of a controllable electronic record equals possession, and thereby, the traditional rights, privileges, and remedies associated with possession of collateral and transactions in fungible mediums of exchange apply in the realm of digital assets." *Id.*, p. 27.

investment property; (iii) electronic accounts and payment intangibles, if not evidenced by a CER or that lack certain other characteristics; (iv) chattel paper in electronic form; (v) “transferable records” under the Uniform Electronic Transactions Act (UETA), § 668.001, and the Electronic Signature in Global Commerce Act (E-SIGN), 15 U.S.C. § 7021(a)(1)(B), and (vi) documents of title, § 677.101.

The definition of CER specifically excludes “investment property,” § 669.102(1)(a), and the Art. 12 amendments do not change the definitions of investment property or financial asset, § 678.1011.⁶ However, parties may agree to treat digital assets as investment property and transact them to a financial intermediary under Art. 12.

Controllable Electronic Records (CERs). New § 669 applies to outright transfers of CERs and security interests in CERs, controllable accounts, and controllable payment intangibles. These controllable accounts⁷ and controllable payment intangibles⁸ must have the “controllable” attribute to be a CER. *See* §§ 678.1021, 1061; §§ 679.1021, 1041(1)(d), 1051, 1053, and 1054. A CER must be a “record,” § 671.201(34), and be retrievable in a perceivable form (e.g., an identifiable digital asset, debtor and lender data, which may an identifiable account), § 669.105(1)(b). The record must be “electronic,” § 671.201(17). The electronic record must be “controllable,” § 669.105. An NFT can be a CER, if it meets the definition of a CER, and since NFTs are often tethered to other assets, the transfer of the NFT also transfers an interest in the other asset. However, other law may apply to the substantial use of the NFT, § 669.104(3). “Control” also requires that the person having control must have the power to avail itself of substantially all the benefits of the electronic record or the power to prevent others from having such benefits CER. *See* § 669.105(1)(a)(1).

Amended Art. 9: Controllable Accounts and Controllable Payment Intangibles:^{9,10} Certain CERs are subsets of payment intangibles and accounts, § 679.1021. A controllable

⁶ Art. 12 Comments for Article 8 state: “If the parties agree to treat a digital asset as a financial asset under Article 8 and the digital asset is in fact held in a securities account for an entitlement holder, the rules applicable to controllable electronic records under Article 12 would not apply to the entitlement holder’s security entitlement related to the financial asset. If the financial asset itself is a controllable electronic record, however, then the rules in Article 12 could apply to the securities intermediary’s rights with respect to the controllable electronic record if the intermediary holds the asset directly.” UCC section 8-102(9), Comment 18. The comments following the definition of “uncertified security,” section 8-102(9), provide further examples of Article 8 transactions.

⁷ In addition to being “controllable”, these controllable accounts and controllable payment intangibles must also have a provision that the “debtor undertakes to pay the person that has control.” §§ 679.1021(cc) and (dd). This feature is discussed later.

⁸ *Id.*

⁹ Controllable accounts and controllable payment accounts are discussed in more detail in the later section, Perfection of Security Interests: CERs, Controllable Accounts, and Controllable Payment Intangibles.

¹⁰ [SUBJECT TO UCC/Bkry Input and Approval] **Florida’s new Judgment Lien Improvement Act** amended Fla. Stat. 55.061 to provide that a judgment lien attaches to the judgment debtor’s “payment intangibles and accounts.” § 55.202(2)(a). Judgment liens on personal property are recorded with Florida’s Division of Corporations. §§ 55.201 and 202. The Act “makes it clear that a judgment lien certificate does not prime the existing rights of prior perfected secured parties under art. 9.” M. Wolfson, “Florida’s New Judgment Lien Improvement Act,” Fla Bar J., 24, 27 (Nov. 2023) (citing §55.202(2)(a)(1)). One solution to conform Art. 12 with the amended Judgment Liens Act is to exclude controllable payment intangibles and controllable accounts because CERs (i) are not subject to state recording statutes and (ii) controllable payment intangibles and controllable accounts are more akin to money since such CER intangibles and accounts require payment the person who has control. §§ 679.1021(1)(dd) and (cc), as amended by Art. 12. The Judgment Lien Act, currently excludes “money, negotiable instruments, and mortgages.” § 55.202(2). The Judgment Lien Act should be amended concurrent with other Art. 12 amendments to exclude

payment intangible, or a controllable account, is an “account,” § 679.1021(1)(b), or a “payment intangible,” § 679.1021(1)(mmm), that is: (a) evidenced by a CER, §§ 679.1021(1)(dd) and (cc); and (b) requires that the debtor is obligated “to pay the person that has control” of the CER that evidences the controllable account or controllable payment intangible, §§ 679.1021(1)(dd) and (cc). If the payment intangible or account does not have this “pay person in control” feature (the so-called “opt-out” provision in Art. 12 and amended Art. 9, F.S. § 679), the payment/account intangible is not a controllable payment intangible or a controllable account. A security interest in a CER, a controllable account, or a controllable payment intangible can be perfected by either a filing, § 679.3121(1), or the secured party obtaining “control” of the CER, § 679.3141(1). However, a security interest in a CER, controllable account, or controllable payment intangible perfected by “control” has priority over a security interest in the CER, controllable account, or controllable payment intangible perfected only by filing (or by another method other than control), § 679.3251. This is the non-temporal, super priority, security interest in the § 669.^{11, 12}

Control Defined. “Control” means that a person has each of the following powers:¹³ (a) the power to avail itself of “substantially” all of the “benefits” of the electronic record, (b) the “exclusive” power (as further defined below), to prevent others from enjoying the benefits of the electronic record, and (c) the power readily to identify itself as having these powers by name, office, account number, or otherwise, § 669.105(1)(a)(1). This identification may be on or in the CER, or digital asset or be “logically associated” via a program on the platform or the wallet permitting access to the CER or asset, § 669.105(1). “The goal is to embrace records and systems that are connected to a particular electronic record in such a manner that the information contained in or the functions performed by those ‘attached’ or ‘associated’ records are appropriately and reasonably attributable to and, identifiable as connected with, the electronic record itself.”¹⁴

Exclusive Defined. “Exclusive” may allow more than one person to have the relevant power, for example, when the asset is subject to multi-signature (multi-sig) controls, § 669.105(1) and (2). A power is still exclusive even if power is “shared” with others, except in stated circumstances. New § 669.105(3) establishes when the power is not “shared” and therefore is *not exclusive*. There is a statutory presumption of exclusivity, § 669.105(4), because of the difficulty of “proving the negative.” A person may have control through another person

controllable payment intangibles and controllable accounts similar to the Act’s current exclusion of “money, negotiable instruments, and mortgages.” § 55.202(2). A security interest in a CER, a controllable payment intangible, or a controllable account can be perfected by the filing of a financing statement under the Art. 12 amendments, § 679.3121(1), or by control of the CER or an acknowledgement of control, § 679.3141(1).

¹¹ Several examples describing perfecting a security interest on digital assets with CERs are provided in “Explaining the 2022 UCC Amendments through Illustrations,” *The Transactional Lawyer*, S. Sepinuck, vol. 12, Oct. 2022.

¹² An example of a post-transitional period, non-temporal event is: SP-1 lends to Debtor, (i) obtains a security interest in Debtor’s accounts, payment intangibles, and general intangibles, and (ii) perfects the security interest by the filing of a financing statement. SP-2 later lends to Debtor, obtains a security interest in a CER in which is functionally an electronic promissory note payable to the person in control of the CER, and files a financing statement to perfect its security interest. SP-1’s security interest has priority under the first to file or perfect priority rule of Article 9. If SP-2 obtains control of the CER, SP-2’s security interest in the electronic promissory note is senior to SP-1’s security interest in the electronic promissory note. In this example, the CER’s security interest is non-temporal.

¹³ The use of the word “power” is distinguished from “right.” See UCC § 12-105, Comment 2.

¹⁴ UCC 12-105, comment 2.

who acknowledges such control, § 669.105(5) and § 679.1053 (controllable accounts and controllable payment intangibles by reference to § 669.105(5)).

Take Free Rule and Qualified Purchasers (QP). Art. 12 applies to outright transfers of and security interests in CERs, controllable accounts, and controllable payment intangibles. Art. 12 provides many of the characteristics of negotiability for these types of assets.¹⁵ A QP, defined at § 669.102(1)(b), is similar to a bona fide purchaser, and acquires all rights in the CER that the transferor had or had power to transfer, § 669.104(3), and takes the asset free of any property claims, § 669.104(4) – (7). A QP is a person who: (a) acquires a CER in a transaction that constitutes a “purchase,” § 671.201(32); (b) has control of the CER; (c) gives value; (d) acts in good faith; and (e) does not have notice of a claim of a property right in the CER, § 669.102(1)(b) (QP defined). *See also* § 671.201(20) (good faith); and § 671.201(25) (notice).

Obtaining Control. A person obtains control of a controllable account or a controllable payment intangible by obtaining control of the CER that evidences the controllable account or controllable payment intangible. Correspondingly, a person will be a QP with respect to a controllable account or controllable payment intangible only if it is a QP with respect to the CER that represents the controllable account or controllable payment intangible.¹⁶

Choice of Law – Governing Law - Perfection. The choice-of-law rules for Art. 12, § 669.107, are relatively straightforward and are set forth in the statute. The same choice-of-law rule as for security interests in other property generally applies to the perfection and priority of a security interest in a CER.

Revisions to Art. 9, § 679, Secured Transactions.

Attachment, § 679.2031. There are very few changes that affect attachment of a security interest in a CER, a controllable account, or a controllable payment intangible. The assets, subject to Art. 9 and affected by the Art. 12 amendments, fall within the following types of collateral: (a) a CER is a “general intangible,” 679.1021(1)(ss); (b) a controllable account is an “account,” § 679.1021(1)(cc); and (c) a controllable payment intangible is a “payment intangible,” 679.1021(1)(mmm). Thus, a collateral description for a CER, a controllable account, or a controllable payment intangible will not need to be changed in documents.¹⁷

Perfection of Security Interests: CERs, Controllable Accounts, and Controllable Payment Intangibles. A security interest in a CER, a controllable payment intangible, or a

¹⁵ See generally, UCC Article 12, Prefatory Note. Article 12 rules make CERs negotiable, in the sense that a QP acting in good faith for value could take a CER free of third-party claims of a property interest in the CER. To receive these benefits, a person must have control of the CER.

¹⁶ UCC § 12-104(a) and Comment 2. “Applicability of Section to Controllable Account and Controllable Payment Intangible. This section applies to the acquisition and purchase of rights in a controllable account or controllable payment intangible, including the rights and benefits under subsections (c), (d), (e), (g), and (h) of a purchaser and qualifying purchaser, in the same manner this section applies to a controllable electronic record.”

¹⁷ It would be good practice for a buyer or secured party obtaining an interest in a controllable account or controllable payment intangible to also describe and obtain an interest in the CER that evidences the controllable account or controllable payment intangible. § 669.104(5) and (6), Rights in Controllable Account, Controllable Electronic Record, and Controllable Payment Intangible. Once the secured party obtains control of the CER, there is no need to change collateral descriptions in security agreements or financing statements because Art. 12 amendments are designed to preserve the availability of existing transaction patterns. See “Proposed 2022 Amendments to the Uniform Commercial Code: Digital Assets,” E. Smith, et al., ABA, Business Law Today, March 25, 2022, at <https://businesslawtoday.org/2022/03/proposed-2022-amendments-uniform-commercial-code-digital-assets/>.

controllable account can be perfected by the filing of a financing statement, § 679.3121(1), or by control of the CER or an acknowledgement of control, § 679.3141(1). The controllable payment intangible or controllable account as a CER must provide that the debtor is obligated “to pay the person that has control,” §§ 679.1021(1)(dd) and (cc). A sale of a controllable payment intangible, as with any payment intangible, is automatically perfected, § 679.3091(3). A sale of a CER (as a “general intangible”) is *not* automatically perfected. Amended § 679 incorporates the Art. 12 definition of “control” for CERs, controllable accounts, and controllable payment intangibles. See definitions §§ 679.1021(1)(cc) and (dd) referring to control in Art. 12, § 669.105. As discussed below, a security interest in “money” (amended and defined at § 679.1021(fff) as not being “subject[] to control”), other than electronic money (defined at § 679.1021(hh)), cannot be perfected by the filing of a financing statement, § 679.3121(2)(c). Security interests in CERs, controllable accounts, and controllable payment intangibles can be perfected by filing, § 679.3121(1), but super priority is established by control.

Priority of a Security Interests in CERs, Controllable Accounts, and Controllable Payment Intangibles. A security interest perfected by “control” of a CER, and any controllable account or controllable payment intangible evidenced by the CER, will have priority over a security interest not perfected by control, § 679.3251. This is the non-temporal, super-priority perfection function of the Art. 12 amendments.¹⁸ Unlike the QP provisions of § 669.102(1)(b), the amended Art. 9 priority does not require that the secured party not have notice of someone else’s property claim to the collateral. *See* § 679.331.

Choice of Law for CERs. The choice-of-law rule, as applied to CERs, controllable accounts, and controllable payment intangibles for matters covered by Art. 12, also applies to the perfection and priority of a security interest in a CER, § 679.3063(1), except for the perfection of a security interest in a CER by the filing of a financing statement, which is governed by the existing rule applying the “location” of the debtor, § 679.3063(2). Even for a security interest in a CER perfected by filing a financing statement, the priority of the security interest is governed by the CER’s jurisdiction, rather than location of the debtor, § 679.3063(1).

Revisions to § 679 - Money

General Meaning of “money.” The definition of “money” is amended, Art. 1, § 671.201(26), and money must be authorized by a government. In a nonuniform manner, Florida law defines central bank digital currency (CBDC) and then excludes CBDC from the scope of the UCC.¹⁹ For the purposes of secured transactions under Art. 9, § 679, the definition of “money” is further limited as described in next section of this paper. The current UCC definition of money already accommodates money in intangible form. Under the new definition of money: (a) the item must be a “medium of exchange”; and (b) the “medium of exchange” must have been adopted or authorized by a government, § 671.201(26).²⁰ As a result, *existing* types of digital assets (including bitcoin, which was adopted by El Salvador and the Central African

¹⁸ See examples in “Explaining the 2022 UCC Amendments through Illustrations,” Transactional Lawyer, S. Sepinuck, vol. 12, Oct. 2022.

¹⁹ Florida’s Central Bank Digital Currency Act (the “CBDC Act”), enacted July 2023, added a definition of central bank digital currency, § 671.201(10) and then excluded CBDC from the UCC’s definition of money. Hence, all CBDC issued by central banks are not subject to Florida’s version of Art. 12 and the related amendments.

²⁰ The ULC’s Art. 12 definition of money excluded an electronic record that “existed” before it was adopted or authorized by a government as a medium of exchange.

Republic as legal tender) are not “money” for UCC purposes because they existed before any government adopted the cryptocurrency as legal tender or money. Regardless, bitcoin and other cryptocurrencies can still be a CER.²¹ XXXHERE

“Money” under § 679. The new definition of money in Art. 12, § 679.1021(fff), places limits on the Art. 1, § 671.201(26), definition of money for purposes of § Art. 9, § 679. Money “has the meaning in § 671.201, but does not include a deposit account or money in an electronic form that cannot be subjected to control under § 679.1052,” § 679.1021(fff). Hence, (a) in connection with money in a deposit account for purposes of § 679, such money will be a “deposit account;” and (b) an electronic record that would be “money” under § 671.201(26) will not be “money” under Art. 9, § 679.1021(fff), if it is not “controllable,” per § 679.1052. “Electronic money,” defined in § 679.1021(hh), that is controllable under § 679.1052, is subject to the same control features as applied to CERs in § 669.105. As described below, money in electronic form that is not controllable will not be subject to the perfection procedures for tangible money (defined at § 679.1021(1)(cccc)) and “electronic money,” § 679.1021(hh). Instead, money in electronic form that is not controllable will be a “general intangible,” § 679.1031(ss), as amended.

Perfection of Security Interest in Money. A security interest in tangible money is perfected only by possession of the money, which continues the current rule, § 679.3121(2)(c). A security interest in “electronic money” can be perfected *only* by control, §§ 679.3121(2)(d) and 679.3141.²² There is no special choice-of-law rule for the perfection and priority of a security interest in electronic money, so the default rule of the debtor’s “location” applies (unless preempted by federal law), § 679.3011(1).

Priority of Security Interest in Money. The “take free” rules for transferees of “money” who are not in collusion with debtor are revised to apply to “electronic money” in a manner similar to their application to tangible money, § 679.332(1)(tangible money) and § 679.332(3)(electronic money). The effect of this is that a security interest in electronic money that is perfected by control has priority over a security interest that is not perfected by control because (i) the electronic money is subject to control, § 679.1052, and (ii) electronic record must readily identify the person or persons in control, § 669.105(1)(b), or be logically associated with a system having such identifying data.

Revisions to § 679 – Chattel Paper

Chattel Paper Defined. The term “chattel paper” itself has been modified, § 679.1021(1), to refer to the relevant “right to payment” and not to the record that evidences the right to payment. As result, the relevant record “evidences” the right to payment rather than being itself “chattel paper.” The terms “tangible chattel paper” and “electronic chattel paper” have been eliminated and have been replaced by references in other sections of the UCC to a “tangible copy of the record evidencing the chattel paper” and an “electronic copy of the record evidencing the chattel paper.” For tangible copy, see § 671.201(15) (delivery); § 671.3062 (governing law perfection and priority); § 679.3152 (possession and control); and § 679.3171 (take free); for

²¹ An existing cryptocurrency can be a CER if it is configured as a CER under § 669. Cryptocurrency, without the Art. 12 control features, is “money” under § 671.201(26).

²² Control is defined in a manner similar to the definition for control of a CER, including a presumption of exclusivity, the meaning of sharing, and holding control through another person.

electronic copy see § 679.1051 (control (similar to § 669.105)); § 679.2081 (duties of secured party); § 679.3051 (perfection and priority); § 679.3062 (law); § 679.3152 (possession); § 679.3171 (take free), *inter alia*.

Further Modifications. The definition of “chattel paper” has also been modified for hybrid transactions which are transaction that include both the sale or lease of goods and other aspects, such as the sale of services or the license of intellectual property, § 679.1021(1)(2.). In a hybrid transaction, the term “chattel paper” will apply to a lease of goods only if the “predominant” purpose of the lease transaction relates to the possession and use of the goods.

Perfection of Security Interest in Chattel Paper by Control. An additional method for perfection of a security interest in chattel paper in electronic form has been added, § 679.3101(2)(h)(filing of a financing statement is not necessary).²³ The new method has a definition, sharing rules, a presumption of exclusivity, and provision for control through another person comparable to the meaning of control for a CER in § 669.105. If the relevant right to payment that constitutes chattel paper is evidenced by both a tangible copy and an electronic copy, the secured party can perfect by possession and control by having possession of each authoritative tangible copy and control of each authoritative electronic copy, § 679.3152. That section provides “A security interest in a controllable account, controllable electronic record, or controllable payment intangible held by a secured party having control of the 2482 account, electronic record, or payment intangible has priority over a conflicting security interest held by a secured party that does not have control.” *Id.*

Perfection of Security Interest by Third Party Control. Provisions have been added to confirm that a secured party can perfect a security interest in chattel paper by control through a third party in control if the third party “acknowledges that it has control of behalf of” the secured party, § 679.1051(7), similar to Art. 12, § 669.105(5). In providing examples of CERs perfecting security interests, commentators often refer to acknowledgement by the system or platform holding the CER.²⁴

Revisions to Definitions in § 671

“Conspicuous” Updated. The current definition of conspicuous has statutory examples of what satisfies the requirements of the definition (e.g., “ALL CAPS”). The revised UCC definition has dropped the statutory examples and instead has a “totality of the circumstances” factors test, § 671.201(11).²⁵ The word “signed”²⁶ has been revised to include electronic signatures, § 671.201(42).

²³ The Art. 12 UCC amendments preserve the existing method of perfecting a security interest in the electronic record evidencing chattel paper. UCC § 9-105(b), § 679.1051(2). Comment 4 to amended UCC § 9-105(b), § 679.1051(2), states “Subsection (b) would not be applicable when the relevant record is maintained on a blockchain or another distributed ledger” because of the “single authoritative copy” requirement in § 679.1051(2)(a).

²⁴ Several examples describing perfecting a security interest in digital assets with CERs is provided in “Explaining the 2022 UCC Amendments through Illustrations,” S. Sepinuck, 12 Transactional Lawyer 1, 2 (Oct. 2022).

²⁵ Statutory examples are mentioned in the comments for UCC § 1-201(b)(10).

²⁶ The word “authenticate” has been replaced by “signed.” See, e.g., UCC § 9-203(b)(3)(A); § 679.2031(2)(c). Also, “record” replaces “writing” in some instances in reference to electronic records. See, e.g., UCC § 1-201(b)(36), § 671.201(39) (definition of “send”). Some instances of “writing” remain. See, e.g., UCC § 9-102(a)(47), § 679.1021(1)(uu) (definition of “instrument”). A writing signed electronically will ordinarily be sufficiently signed (in a non-UCC sense) under UETA or E-SIGN to be effective as a contract, but will not be a “signed writing” where

Transition Rules

General. The general rule is that the UCC amendments will have a certain effective date, such as July 1, 2025. As a result, the choice-of-law rules (discussed above) may be important to determine which state's transition rules apply.

Established Priorities. The key exception to the transition rule on the effective date is that any pre-effective date priority will stay in place for two (2) years following the statute's effective date, § 669.502(1)(a) (the Art. 12 "adjustment date"). See §§ 669.702 through 669.706 for further details. After the adjustment date, the new priority rules will apply, even to transactions completed before the effective date. Thus, as shown in the examples below, a secured party with pre-effective date "control" can jump ahead of a secured party that before the effective date had perfected only by the filing of a financing statement (a super priority perfection). The goal is to have the adjustment date be the same in a critical mass of states.

Example 1: *Before* the effective date, SP 1 perfects a security interest in the debtor's accounts and general intangibles by filing a financing statement, which indicates the collateral is "accounts" and "general intangibles". The accounts and general intangibles are evidenced by what would be a CER if the UCC amendments were in effect. *Before* the effective date and *after* SP 1 files its financing statement, SP 2 perfects in the same collateral in the same manner. SP 2 *also* takes actions that would give it control of the CER that evidences the controllable accounts and controllable payment intangibles if the new law were in effect. The "control" acts do not (yet) perfect the security interest because the new law is not yet in effect.

Example 1 (modified): On the *effective* date, SP 2 has "control" of the collateral and is perfected by control (as well as by the filing of a financing statement). Although under the amendments SP 2's perfection by control would have priority over SP 1's security interest (perfected only by the filing of a financing statement), because *before* the effective date SP 1 perfected only by filing a financing statement (the only available method at that time), SP 2 is still junior to SP 1 because their relative priority was established before the effective date.

Example 1 (further modified): On the *adjustment* date, SP 2 will then obtain priority under the new rules because SP 2 has "control" under the new rules.

Example 2: *Before* the effective date, SP 1 perfects a security interest in a CER by filing a financing statement. *After* the effective date, SP 2 perfects a security interest in the same CER by obtaining control of the CER. SP 2 immediately has priority under the amendments because the priorities between the two secured parties were not established before the effective date.

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required by the amended UCC. See UCC § 1-201, Comment 37 ("The definition of 'signed' adopted in the 2022 Amendment is broad – it encompasses the authentication or adoption of all records, not just writings.").

**SUMMARY COMPARISON OF EXISTING UCC ARTICLES TO
PROPOSED ADOPTION OF
UNIFORM COMMERCIAL CODE AMENDMENTS (2022)
INCLUDING NEW ART. 12.**

Uniform Law §	Fla. Stat. §	Bill Page & Line	Per Fla. Bill Draft 2024-XXX <u>Ver June 6, 2024</u> (herein the “ Bill ”)
Art 12	Ch. 669 (Part I)		UCC Article 12: UNIFORM COMMERCIAL CODE: CONTROLLABLE ELECTRONIC RECORDS
§ 12-101	§ 669.101	p. 11, lines 315-318. Lines 318-320.	Creating § 669.101, Part I, Title: Controllable Electronic Records (herein “ CERs ”). “Nothing in this chapter is intended or can be construed to create or adopt a central bank digital currency.” [Added by the OFR and the Governor’s Office] INCREMENT LINES by “2”
§ 12-102	§ 669.102	pp. 11-13, lines 319-351.	<p>Creating § 669.102, Definitions.</p> <p>§ 669.102(1)(a): “controllable electronic record” (here, “CER”) [means a record in an electronic medium, subject to control as defined in § 669.105. The term does not include controllable accounts, controllable payment intangibles, deposit accounts, electronic chattel paper, electronic documents of title, electronic money, investment property, or transferable records. However, see § 669.102(2) below for these excluded assets.]</p> <p>§ 669.102(1)(b): “qualifying purchaser” (here, “QP”) [means a purchaser of a CER or an interest in a CER that obtains control of the CER for value, in good faith, and without notice of an adverse property right claim in the CER.]</p> <p>§ 669.102(1)(c): “transferable record” [has same meaning as in § 201(a)(1) of the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. § 7021(a)(1) or F.S. § 668.50(16)(a).]</p> <p>§ 669.102(1)(d): “value” [has the same meaning as § 673.3031 (Secured Transactions)]. The CER must be subject to control as defined and specified in § 669.105.]</p> <p>§ 669.102(2): provides that UCC Art. 9 definitions for the terms “account debtor” “controllable account,” “controllable payment intangible,” “chattel paper,” “deposit account,” “electronic money,” and “investment property” are the same as defined in § 679.1021. See § 679.1021 for new or amended definitions.</p> <p>NOTE: For electronic documents of title, see Control of Electronic Documents of Title, § 677.106(2), (3), and (7).</p>

§ 12-103	§ 669.103	p. 13, lines 352-361.	<p>creating § 669.103, Relation to Article 9 and Consumer Laws.</p> <p>§ 669.103(1): in the event of conflict between § 669.101 et al. (Art. 12) and F.S. § 679 (Secured Transactions) then § 679 governs.</p> <p>§ 669.103(2): any transaction subject to Art. 12 that is subject to “any applicable rule of law” for consumers, then Ch. 669 (CERs, Art. 12) “is subject to” those consumer laws.</p> <p>§ 669.103(2): a similar “subject to” rule is applied to (i) “any other law or regulation that regulates the rates, charges, agreements, and practices for loans, credit sales, or other extensions of credit” and to (ii) F.S. § 501 (consumer protection laws, including FDUPTA, § 501.201, et seq.)</p>
§ 12-104	§ 669.104	pp. 13-14, lines 362-406.	<p>creating § 669.104, Rights in Controllable Account, Controllable Electronic Record, Controllable Payment Intangible.</p> <p>§ 669.104(2): the QP must “obtain control” per § 669.105 of CER/controllable account/controllable payment intangible account.</p> <p>§ 669.104(3): except as provided in § 669.104 otherwise, “law other than § 669.101 (Art. 12)” determines whether a person acquires a right in a CER and the right the person acquires. [As an example of application of an “other law”, the rights of a purchaser of an NFT token is determined by trademark law or copyright law. <i>See Hermès Int'l v. Rothschild</i>, No. 1:22-cv-00384-JSR (S.D.N.Y Jan. 14, 2022) (MetaBirkin NFTs violate Hermès rights in its BIRKIN trademarks).]</p> <p>§ 669.104(4): a purchaser of a CER acquires all rights in the CER that transferor had or had power to transfer. A purchaser who purchases a “limited interest” in the CER is limited to the extent of “the interest purchased.”</p> <p>§ 669.104 (5), (6) and (7): a QP acquires all CER rights free of claims of others; takes rights to payment, performance or “other interest” in CER property; and bars actions against a QP for conversion, replevin, constructive trust, equitable lien, or “other theory.” This is the Art. 12 “take free” provision.</p> <p>§ 669.104(8): filing a financial statement under Ch. 679 (Art. 9) is not notice of claim of a property right in a CER.</p>
§ 12-105	§ 669.105	pp. 14-16, lines 407-469.	<p>creating § 669.105, Control of Controllable Electronic Record. [Specifies when a person has “control” of a CER, or a record “attached to or logically associated with” the CER, or “a system” where the CER “is recorded.” In general, control of the CER is established by several “exclusive” powers, including the power to enjoy substantially all the CER benefits and the power to transfer, however Art. 12 recognizes that exclusivity may be shared with others.]</p> <p>§ 669.105(1)(a)(1): control of a CER is evidenced when the person has the power to avail itself of “substantially all” benefits of CER. In</p>

			<p>addition to this beneficial requirement, § 669.105(1)(b) further requires that the person having control must also “readily identify[] itself in any way including by name, [] number, cryptographic key, office, or account number” as having the powers of control in § 669.105(1)(a)(1) and (1)(a)(2).</p> <p>§ 669.105(1)(a)(2.a) and (1)(a)(2.b): control must be exclusive, but exclusivity can be shared. Exclusive control is evidenced by the power to prevent others from enjoying substantially all the benefits of the CER, § 669.105(1)(a)(2)(a), AND the power to transfer the CER to another, § 669.105(1)(a)(2.b). Shared exclusivity is defined by § 669.105(2)(a) and (2)(b).</p> <p>§ 669.105(2)(a): provides that the power is exclusive if the CER, or the record attached to the CER, or the system where the CER is recorded, “limits the use” of the CER or “has [] protocol programmed” to cause a change, transfer, loss of control, or modification “of the benefits afforded by” the CER. F.S. § 669.105(2)(b) provides that control of the CER may be shared with others and such sharing is exclusive.</p> <p>§ 669.105(3) establishes when the power is not a shared power with another. See § 669.105(3)(a) and (3)(b)(1) describing permissible multi-signature requirements. Also, the power is not shared when a person is a “transferor ... evidenced by” the CER/controllable account/controllable payment account. § 669.105(3)(b)(2).</p> <p>§ 669.105(4): establishes a presumption of exclusivity if the person has the powers in (1)(a)(2.a). and 1)(a)(2.b).</p> <p>§ 669.105(5) establishes that a person has control if acknowledgement of control is provided by another</p> <p>§ 669.105(6) and (7) provides that a person, who has control, has no duty to acknowledge control unless the person otherwise agrees OR acknowledgement is required by F.S. § 679 (secured transactions) or other law.</p>
§ 12-106	§ 669.106	pp. 17-19, lines 470-548.	<p>creating § 669.106, Discharge of Account Debtor on Controllable Account or Controllable Payment Intangible.</p> <p>§ 669.106(1): A debtor may discharge its controllable account/payment intangible by paying person having control or, under certain circumstances, a person formerly in control (see discharge exceptions to former CER controllers below)</p> <p>§ 669.106(2) and (3): providing requirements for such discharge when payment made to person formerly in control. Conditions per § 669.106(2) include notice (a) is signed by person formerly in control OR the person to which control was transferred; (b) identifies the controllable account/payment intangible; (c) of the transfer; (d)</p>

			<p>Identifies the transferee “in any reasonable way.” AND (e) provides a commercially reasonable way to pay. After such notice to debtor, § 669.106(3) affirms that payment to the person formerly in control does not discharge the debt.</p> <p>§ 669.106(4): notice under § 669.106(2) is NOT effective unless the debtor agrees, in a signed record, to the method of notice and proof when the controllable account/ payment intangible CER is transferred. Also, notice is not effective if the debtor’s agreement is limited by its terms or by law other than Art. 12. Notice is also not effective when the debtor can divide a payment, make partial payment, or “pay any part of a payment by more than one method or to 508 more than one person.” § 669.106(4)(c).</p> <p>§ 669.106(5) and (6): describes requests by debtor for proof of transfer and required responses by person in control.</p> <p>§ 669.106(7): Subject to § 669.106(8), an account debtor may not waive or vary its rights under § 669.106(4)(a) and (5) or its option under §§ (4)(c).</p> <p>§ 669.106(8) provides for the application of law other than Art. 12 when the debtor is an individual who incurred the obligation primarily for personal, family, or household purposes.</p>
§ 12-107	§ 669.107	pp. 19-21, lines 549-609.	<p>creating § 669.107, Governing Law.</p> <p>§ 669.107(1): specifies that for Art. 12 purposes, the CER’s jurisdictional law governs the CER.</p> <p>§ 669.107(2) specifies that, for a controllable account/payment intangible CER, the local law of the CER’s jurisdiction governs a matter covered by the debtor discharge provisions in § 669.106 “unless an effective agreement determines that the local law of another jurisdiction governs.”</p> <p>§ 669.107(3) determines the CER’s jurisdiction in a cascading manner. First, if the “CER’s jurisdiction” is listed in the CER or “a record attached to or logically associated” with the CER and is readily available for review, then that is the CER’s jurisdiction. See § 669.107(3)(a). Second, §§ 107(3)(b) looks to the jurisdiction of the system wherein the CER is recorded for its jurisdiction. Third, § 669.107(3)(c) looks to the “expressly provide[d]” jurisdiction of the CER. Fourth, § 669.107(3)(d) looks to rules of the system where the CER is recorded to determine the jurisdiction of the CER. Lastly, if all other subsections do not apply, then Washington, D.C. is the jurisdiction of the CER.</p>
			<p>PART II OF CH. 669 – TRANSITIONAL PROVISIONS FOR UNIFORM COMMERCIAL CODE AMENDMENTS (2022) – UCC ARTICLES 9 AND 12.</p>

Am. (2022) § A-101	Part II of Ch. 669	p. 21, lines 610- 613.	creating Part II of Ch. 669, “ Transitional Provisions for Chapter 669 and 2024 Amendments to Chapter 679. ” [Title is non-uniform since transitional provisions are adopted as Part II of Ch. 669].
	§ 669.501	p. 21, lines 614- 617.	§ 669.501: provides for effective date for Ch. 669 (both Part I and Part II) as July 1, 2014.
Am. (2022) § A-102	§ 669.502	p. 21, lines 618- 635.	creating § 669.502, Definitions for Part II. § 669.502(1)(a): defines “adjustment date” as July 1, 2025. § 669.502(2): defines “ Article 12 ”; “ Article 12 property ” (means a CER or a controllable account/payment intangible); and adopts the definitions from § 679.1021 for the terms, “ Controllable account ”; “ Controllable electronic record ”; “ Controllable payment intangible ”; “ Electronic money ”; and “ Financing statement. ” § 669.502(3): applies general definitions and principles of construction and interpretation from Ch. 671 to Part II.
Am. (2022) § A-201			NOT PART OF CH. 669: each UCC Chapter amended by the Bill is amended to include a separate savings clause based on the general savings clause language in § A-201.
Am. (2022) § A-301	§ 669.601 1	pp. 22-23, lines 636- 645.	creating § 669.601, Savings Clause for Existing Transactions Covered under Articles 9 and 12. § 669.601: preserves existing transactions, stating that “Except as provided in this part [Part II (§§ 669.501-669.706)] a transaction validly entered into before July 1, 2024, ... remain[s] valid” as through the Bill had not taken effect.
Am. (2022) § A-301	§ 669.701	pp. 23-24, lines 646- 670.	§ 669.701 in general creates a savings clause of transitional provisions of F.S. § 669 and F.S. § 679 (secured transactions). § 669.701(1) makes amendments to F.S. § 679 effective for transactions, liens, or “other interest[s] in property” that were entered into, created, or acquired before July 1, 2024. § 669.701(2)(a) provides that unless § 669.701(3) or § 669.702 – 706 applies, then, pursuant to § 669.701(2)(a), non-UCC transactions which would be subject to Art. 12, F.S. § 669.101, et seq., if entered into or created or transferred on or after July 1, 2024 will remain valid after July 1, 2024. F.S. § 669.701(2)(b) states “The transaction, lien, or interest may be terminated, completed, consummated, and enforced as required or permitted by [the Bill] or by the law that would apply if [this Bill] had not taken effect.”

			F.S. § 669.701(2)(c) states that “This section [F.S. § 669.701] does not affect an action, case, or proceeding commenced before July 1, 2024.” § 669.701(3), the Bill does not effect existing causes of action;
§ A-302	§ 669.702	p. 23, lines 671-693.	creating § 669.702, Security Interest Perfected Before Effective Date (of July 1, 2024) . § 669.702(1): provides that a security interest that is enforceable and perfected before July 1, 2024, is a perfected security interest under Art. 12, if “on July 1, 2024, the requirements for enforceability and perfection under [this Bill] are satisfied without further action.” § 669.702(2): covers the situation when a security interest is perfected before July 1, 2024, but the requirements for enforceability or perfection under [this Bill] are not satisfied on July 1, 2024, and provides guidelines for establishing compliance by the “adjustment date” of January 1, 2025.
§ A-303	§ 669.703	pp. 24-25, lines 694-710.	creating § 669.703, Security Interest Unperfected Before Effective Date (of July 1, 2024) . Concerns security interests that were enforceable but unperfected before July 1, 2024, and provides guidelines for establishing perfection by the “adjustment date” of January 1, 2025.
§ A-304	§ 669.704	pp. 25-26, lines 711-732.	creating § 669.704, Effectiveness of Actions Taken Before Effective Date (of July 1, 2024) . Specifies the effectiveness of certain actions relating to security interests taken before July 1, 2024.
§ A-305	§ 669.705	p. 26, lines 733-746.	creating § 669.705, Priority . Determines priority of conflicting claims to collateral on July 1, 2024, and on the adjustment date.
§ A-306	§ 669.706	pp. 26-27, lines 747-765.	creating § 669.706, Priority of Claims When Priority rules of Article 9 Do Not Apply . Determines priority of conflicting claims to collateral when Art. 9 rules do not apply on July 1, 2024, and on the adjustment date.
Art 4A	670		UNIFORM COMMERCIAL CODE: FUNDS TRANSFERS ... 670.101 et seq.
§ 4A-103	§ 670.103	p. 27, lines 766-781.	amending § 670.103, Payment Order – Definitions . Revises the definition of the term “payment order”; adds the new Art. 9 term “record” to replace “writing”; and adds that the bank may require the use of symbols or sounds or biometrics. See § 671.201 for new definitions.

§ 4A-201	§ 670.201	pp. 27-28, lines 782-801.	amending § 670.201, Security Procedure . Imposes an obligation on a receiving bank and expands list of identifiers for security procedures.
§ 4A-202	§ 670.202	pp. 28-29, lines 802-834.	amending § 670.202, Authorized and Verified Payment Orders . Revises the circumstances under which payment orders received by banks are effective as the order of a customer; making technical changes; now referring to a “record.” See § 671.201 for new definitions.
§ 4A-203	§ 670.203	pp. 29-30, lines 835-845.	amending § 670.203, Unenforceability of Certain Verified Payment Orders . Conforming change to use term “record,” i.e., to “an agreement evidenced by a record” instead of referring to a “written” agreement. See § 671.201 for new definitions.
§ 4A-207 § 4A-208 § 4A-210 § 4A-211 § 4A-305	§ 670.207 § 670.208 § 670.21 § 670.211 § 670.305	pp. 29-32, lines 846-932.	Amendment to new term “record.” See § 671.201 for new definitions.
Am. (2022) § A-201	§ 670.601	p. 32, lines 933-945.	creating § 670.601, Savings clause for 2024 Amendments . General savings clause for existing Ch. 670 transactions.
Art 1	671		UCC Article 1: UNIFORM COMMERCIAL CODE: GENERAL PROVISIONS ... 671.101 et seq.
§ 1-101	§ 671.101	p.33, lines 946-950.	amending § 671.101(1), Short title; scope of chapter , to include Chapter 669 (Art. 12) within the Florida chapters that constitute the Uniform Commercial Code as adopted in Florida.
§ 1-301	§ 671.105	pp. 33-34, lines 951-960.	amending § 671.105(2), Territorial applicable of the code; parties’ power to choose applicable law , to include Chapter 669 (Art. 12) within the territorial application provisions.
§ 1-306	§ 671.107	p. 34, lines 961-967.	Amendment to new term “record.” See § 671.201 for new definitions.
§ 1-201	§ 671.201*	pp. 34-37, lines 968-1075.	Amending 671.201, General Definitions . * revising definitions and defining: § 671.201(11)** conspicuous (to totality of circumstances); (16) *** delivery (adding “an authoritative copy of a record”); (18) *** adding definition of “electronic”; sign; (23) *** holder (edited); (26) *** money (Fla. Law differs from the ULC version by omitting the exclusion that “an electronic record that is a medium of exchange required and transferable in a system that existed and

			<p>operated for the medium of exchange before the medium of exchange was authorized or adopted by the government.”); (27) *** person has notice of a fact; (28) *** notifies; (32) *** person (now including a “protected series” of an entity); (41) *** send (delete writing, and add notification; refer to transmit); (42) *** sign (now including adopt a tangible symbol, or attach or logically associate an electronic symbol, sound or process); now referring to a record.</p> <p>NOTE: § 671.201 was amended, effective July 1, 2023, re the Central Bank Digital Currency (herein the “CBDC Act”). The CBDC Act defined the term “central bank digital currency,” § 671.201(10) and (25), and then excluded such CBDC from the definition of “money.” Florida law is non-uniform.</p> <p>TASK FORCE NOTE – the following subsections to be incremented by 1 unit due to added CBDC definition at § 671.201(10).</p>
§ 1-204	§ 671.211	p. 37, lines 1076-94.	amending § 671.211, Value , to reference chapter 669 as an exclusion if otherwise value is determined in such chapter.
Am. (2022) § A-201	§ 671.401	pp. 38-39, lines 1092-1104.	creating Part IV of chapter 671, “Transitional Provisions”, and § 671.401, Savings clause for 2024 Amendments . General savings clause for existing Ch. 671 transactions.
Art 2	672		UCC Article 2: UNIFORM COMMERCIAL CODE: SALES ... 672.101 et seq.
§ 2-102	§ 672.102	pp. 38-39, lines 1105-1133.	amending § 672.102, Scope; certain security and other transactions excluded from this chapter . The statute is restructured into three subsections; subsection (1) and (2) add within the scope “hybrid transactions” and the predominate aspects test determines a hybrid transaction. The Art. 12 amendments do not impair or replace statutes regulating sales to consumers, farmers or “other specified classes of buyers.” “Hybrid transaction” is defined in § 672.106.
§ 2-106	§ 672.106	pp. 39-40, lines 1134-1164.	amending § 672.106, Definitions . Defining new term “ hybrid transaction ”; making technical changes; re add record and delete “writing.”
§ 2-201 § 2-202 § 2-203 § 2-205 § 2-209	§ 672.201 § 672.202 § 672.203 § 672.205 § 672.209	pp. 40-42, lines 1165-1224.	Amendment to new term “record.” See § 671.201 for new definitions.

Am. (2022) § A-201	§ 672.801	p. 43, lines 1225- 1237.	creating Part VIII of chapter 672, Transitional Provisions , and § 671.401, Savings clause for 2024 Amendments . General savings clause for existing Ch. 672 transactions.
Art 3	673		UCC Article 3: UNIFORM COMMERCIAL CODE: NEGOTIABLE INSTRUMENTS .. 673.1011 et seq.
§ 3-104	§ 673.1041	pp. 43-44, lines 1239- 1260.	amending § 673.1041, Negotiable instrument , and expanding terms that a promise or order may contain to include governing law or dispute resolution forum that do not affect negotiability.
§ 3-105	§ 673.1051	p. 44, lines 1261- 1272.	amending § 673.1051, Issue of instrument , and expanding terms to include an electronic check under federal law.
§ 3-401	§ 673.4011	pp. 44-45, lines 1273- 1285.	amending § 673.4011, Signature , to eliminate how a signature is made with the adoption of the new term signed. See § 671.201 for new definitions.
§ 3-604	§ 673.6041	pp. 45-46, lines 1286- 1307.	amending § 673.6041, Discharge by cancellation or renunciation . Specifying that the obligation of a party to pay a check is not discharged solely by destruction of the check in connection with a specified process that extracts the information from the check.
Am. (2022) § A-201	§ 673.701	p. 46, lines 1308- 1320.	creating Part VII of chapter 673, Transitional Provisions , and § 673.701, Savings clause for 2024 Amendments . General savings clause for existing Ch. 673 transactions.
Art 4	674	N/A	UCC Article 4: UNIFORM COMMERCIAL CODE: BANK DEPOSITS AND COLLECTIONS: No amendments.
Art 5	675		UCC Article 5: UNIFORM COMMERCIAL CODE: LETTERS OF CREDIT
§ 5-104	§ 675.104	p. 46, lines 1321- 1328.	Amendment to new term "signed." See § 671.201 for new definitions.

§ 5-116	§ 675.116	p. 46-48, lines 1329- 1376.	amending § 675.116, Choice of law and forum. Conforming amendments to the new term “record” and specifying the location of a branch of a bank based on its undertaking or “the address from which the undertaking was issued.”
Am. (2022) § A-201	§ 675.119	p. 48, lines 1377- 1386.	creating § 675.119, Savings clause for 2024 Amendments. General savings clause for existing Ch. 675 transactions.
Art 6	676	N/A	UCC Article 6: Bulk Sales REPEALED
Art 7	677		UCC Article 7: UNIFORM COMMERCIAL CODE: DOCUMENTS OF TITLE
§ 7-102	§ 677.102	p. 48-49, lines 1387- 1403.	Amendment to new term “record” and “signed.” See § 671.201 for new definitions.
§ 7-106	§ 677.106	pp. 49-52, lines 1404- 1486.	amending § 677.106, Control of electronic document of title. Specifying when a system satisfies certain requirements and a person has control of an electronic document of title “if an authoritative electronic copy of the document, a record attached to or logically associated with the electronic copy, or a system in which the electronic copy is recorded” has certain characteristics and gives the person exclusive powers. See § 669.105 for similar CER exclusivity requirements.
Am. (2022) § A-201	§ 677.701	p. 52, lines 1487- 1499.	creating § 677.701, Savings clause for 2024 Amendments. General savings clause for existing Ch. 677 transactions.
Art 8	678		UCC Article 8: UNIFORM COMMERCIAL CODE: INVESTMENT SECURITIES

§ 8-102	§ 678.1021	pp. 52-53, lines 1500-1521.	Amending § 678.1021, Definitions . Adding references to the terms “controllable account” defined in § 679.1021, “controllable electronic record” defined in § 669.102 and “controllable payment intangible” defined in § 679.1021. NOTE under § 678.1021(1)(i)(3) that “[a]ny property that is held by a securities intermediary for another person in a securities account if the securities intermediary has expressly agreed with the other person that the property is to be treated as a financial asset under this chapter. As context requires, the term means either the interest itself or the means by which a person’s claim to it is evidenced, including a certificated or uncertificated security, a security certificate, or a security entitlement.”
§ 8-103	§ 678.1031	p. 53, lines 1522-1531.	amending § 678.1031, Rules for determining whether certain obligations and interest are securities or financial assets . Specifying that a “financial asset” does not include “a controllable account, controllable electronic record, or controllable payment intangible” unless such account, record or intangible qualifies as a financial asset under § 678.1021(1)(i)(3).
§ 8-106	§ 678.1061	pp. 53-54, lines 1532-1556.	amending § 678.1061, Control . Adding new subsections (8) and (9), and revising the circumstances under which purchasers have control of security entitlements § 678.1061(4)(c); specifying a person that has such control is not required to acknowledge such control on behalf of a purchaser; specifying that certain persons do not owe any duty to purchasers and are not required to confirm certain acknowledgment under certain circumstances. Note: “control” of a security entitlement in § 678.1061 is defined in a manner similar under § 669.105 in Art. 12.
§ 8-110	§ 678.1101	p. 54, lines 1557-1564.	amending § 678.1101, Applicability; choice of law . Adding a new subsection (7) to specify that the local law of the issuer’s jurisdiction governs in specific circumstances.
§ 8-303	§ 678.3031	pp. 54-55, lines 1565-1570.	amending § 678.3031, Protected Purchaser . Specifying that protected purchasers acquire interest in a security free of any adverse claim.
Am. (2022) § A-201	§ 678.601	p. 55, lines 1571-1583.	creating Part VI of chapter 678, Transitional Provisions , and § 678.601, Savings clause for 2024 Amendments . General savings clause for existing Ch. 678 transactions.
			UCC-Bankruptcy Committee Note: The Governor’s Office seeks to amend Art. 8, F.S. 678.1101, Choice of Law. (2) The local law of the securities intermediary’s entitlement holder’s jurisdiction, as specified in subsection (5), governs: (a) Acquisition of a security

			entitlement from the securities intermediary. (b) The rights and duties of the securities intermediary and entitlement holder arising out of a security entitlement. (c) Whether the securities intermediary owes any duties to an adverse claimant to a security entitlement. (d) Whether an adverse claim can be asserted against a person who acquires a security entitlement from the securities intermediary or a person who purchases a security entitlement or interest therein from an entitlement holder. Members of the Task Force have objected to this change.
Art 9	679		UCC Article 9: UNIFORM COMMERCIAL CODE: SECURED TRANSACTIONS .. 679.1011 et seq.
§ 9-102	§ 679.1021	pp.55-62, lines 1584-1788.	<p>amending § 679.1021, Definitions and index of definitions.</p> <p>amending § 679.1021(1)(b), to eliminate the terms, “Authenticate” and “Send.”</p> <p>amending existing definitions in § 679.1021(1)(b): “Account,” “Account debtor,” “Accounting,” “Chattel paper” “sign/signed/signature”, “General intangible” [to include controllable electronic records § 679.1021(1)(ss)], “Instrument,” “Payment intangible” [to include a controllable payment intangible], “Proposal.”</p> <p>amending § 679.1021(1)(b) to add new definitions: “Assignee,” “Assignor,” “Controllable account” [§ 679.1021(1)(w)], “Controllable payment intangible” [§ 679.1021(1)(x)], “Electronic money” [§ 679.1021(1)(hh)], “Money” [now excluding “deposit account or money in an electronic form that cannot be subjected to control under § 679.1052” § 679.1021(1)(fff)]; “Tangible money” [§ 679.1021(1)(cccc)];</p> <p>amending the index in § 679.1021(2) to reference “Controllable Electronic Record” in § 699.102, “Protected Purchaser” in § 678.3031, and “Qualifying Purchaser” in § 669.102.</p>
§ 9-104	§ 679.1041	pp.62-63, lines 1789-1807.	amending § 679.1041, Control of deposit account. Adding new subsection (1)(d) to specify the circumstances under which a secured party has control of a deposit account and adding that in another person, other than the debtor, acknowledges control on behalf of the secured party.
§ 9-105	§ 679.1051	pp. 62-66, lines 1808-1903.	amending § 679.1051, Control of electronic chattel paper. Specifying rules in detail when a person has control of electronic chattel paper; specifying when power of such control is exclusive or is not exclusive (including multi-signature exclusive control); “control of an authoritative electronic copy of a record evidencing chattel paper.”

			<p>Control may be evidenced by a system having an authoritative electronic copy of the electronic chattel paper; permitting the purchaser to readily to identify itself in any way, including by name, identifying number, cryptographic key, office, or account number, as the assignee of the authoritative electronic copy.</p> <p>For further explanation, see Art. 12, discussing “control” in § 669.105</p>
§ 9-105A	§ 679.1052	pp.66-68, lines 1904-1953.	<p>creating § 679.1052, Control of electronic money. Specifying when a person has control of electronic money; specifying when power of such control is exclusive or is not exclusive.</p> <p>“The electronic money, a record attached to or logically associated with the electronic money, or a system in which the electronic money is recorded enables the person readily to identify itself in any way, including by name, identifying number, cryptographic key, office, or account number, as having the powers under paragraph (a),” § 679.1052(1)(b)</p> <p>For further explanation, see similar terminology in Art. 12, discussing “control” in § 669.105</p>
§ 9-107A	§ 679.1053	p. 68, lines 1954-1963.	<p>creating § 679.1053, “Control of controllable electronic record, controllable account, or controllable payment intangible. Specifying when a person has control of controllable electronic records, controllable accounts, or controllable payment intangible; referring to § 679.1051, § 679.1052, or § 679.1053.</p> <p>For further explanation, see similar terminology in Art. 12, discussing “control” in § 669.105.</p>
§ 9-107B	§ 679.1054	pp. 68-69, lines 1964-1975.	<p>creating § 679.1054, “No requirement to acknowledge or confirm; no duties.” Generally addressing acknowledgement by a person who has control, and limit on duty by a person acknowledging it has control.</p> <p>For further explanation, see similar terminology in Art. 12, discussing “control” in § 669.105</p>
§ 9-203	§ 679.2031	pp. 69-70, lines 1976-2024.	<p>amending § 679.2031, Attachment and enforceability of security interest, proceeds, supporting obligations; formal requisites. Revisions to conform to new term “signed” and to address control by collateral types. Amendment adds new collateral categories of controllable accounts, controllable electronic records, controllable payment intangibles with 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 § 677.106, § 679.1041, § 679.105, § 679.1051, § 679.1061, or § 679.1071 pursuant to the debtor’s security agreement. Chattel paper is addressed in subparagraph 5, and references a secured party in possession and control under § 679.3152 pursuant to the debtor’s security agreement.”</p>

§ 9-204	§ 679.2041	pp. 70-71, lines 2025-2044.	amending § 679.2041, After-acquired property; future advances. Revising the circumstances under which a security interest can attach to consumer goods or a commercial tort claim as proceeds under an after-acquired property clause;
§ 9-207	§ 679.2071	p. 71, lines 2045-2058.	Amendment to new term “signed” and to cross-reference new § 679.1052. See § 671.201 for new definitions.
§ 9-208	§ 679.2081	pp. 71-74, lines 2059-2137.	amending § 679.2081, Additional duties of secured party having control of collateral. Revisions to conform to new terms “record” and “signed” and to conform to control of chattel papers under amended § 679.1051. § 679.2081(2)(f) discusses transfer of control of document of title. § 679.2081(2)(g) discusses transfer of control of electronic money. § 679.2081(2)(h) discusses transfer of control of controllable account or controllable payment intangible evidenced by the controllable electronic record.
§ 9-209	§ 679.209	pp. 74-75, lines 2138-2148.	amending § 679.209, Duties of secured party if account debtor has been notified of assignment. Conforming cross-reference to notice to an account debtor under § 679.4091 or § 669.106(2)
§ 9-210	§ 679.210	pp. 75-77, lines 2149-2226.	Amendment to new terms “record” and “signed.” See § 671.201 for new definitions.
§ 9-301	§ 679.3011	pp. 77-79, lines 2227-2264.	amending § 679.3011, Law governing perfection and priority of security interests. Revision to exclude chattel paper now addressed in § 679.3062 and to refer to “tangible money,”
§ 9-304	§ 679.3041	p. 79, lines 2265-2273.	amending § 679.3041, Law governing perfection and priority of security interests in deposit accounts. 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.
§ 9-305	§ 679.3051	p. 79, lines 2274-2281.	amending § 679.3051, Law governing perfection and priority of security interests in investment accounts. Specifying that paragraphs (b), (c) and (d) apply even if the transaction does not bear any relation to the jurisdiction.
§ 9-306A	§ 679.3062	pp. 79-81, lines	creating § 679.3062, Law governing perfection and priority of security interests in chattel paper. Specifying governing law based

		2282-2335.	on terms and relationship of authoritative electronic copy and authoritative tangible copies. For further explanation, see similar terminology in Art. 12, § 669.107
§ 9-306B	§ 679.3063	pp. 81-82, lines 2336-2355.	creating § 679.3063, Law governing perfection and priority of security interests in controllable accounts, controllable electronic records, and controllable payment intangibles. Specifying which local law applies between local law of controllable electronic record and in which debtor is located. Refers to Art. 12, § 669.107 for perfection and priority. For further explanation, see similar terminology in Art. 12, § 669.107.
§ 9-310	§ 679.3101	p.81, lines 2356-2367.	amending § 679.3101, When filing required to perfect security interest or agricultural lien; security interests and agricultural liens to which filing provisions do not apply. Revision to include “controllable accounts, controllable electronic records, controllable payment intangibles” as collateral category that does not require the filing of a financing statement.
§ 9-312	§ 679.3121	pp. 81-84, lines 2368-2431	amending § 679.3121, Perfection.... : Revisions to include controllable accounts, controllable electronic records, and controllable payment intangibles. § 679.3121(1) makes filing of a financing statement for chattel paper, controllable accounts, controllable electronic records, controllable payment intangibles negotiable documents, instruments, or investment property, or negotiable documents” permissive. § 679.3121(1)(c) specifies that a security interest in tangible money is only by taking possession under § 679.3131. § 679.3121(1)(d) specifies that a security interest in electronic money is perfected only by control under § 679.3141.
§ 9-313	§ 679.3131	pp. 84-85, lines 2432-2460.	Amendment to new terms “record” and “signed” and to conform to terminology of “negotiable tangible documents” and “tangible money.” See § 671.201 for new definitions.
§ 9-314	§ 679.3141	pp. 85-87, lines 2461-2495.	amending § 679.3141, Perfection by control. Conforming changes to include controllable accounts, controllable electronic records, controllable payment intangibles, electronic documents and electronic money along with deposit accounts, investment property, and letter-of-credit rights.
§ 9-314A	§ 679.3152	p. 87, lines 2496-2511.	creating § 679.3152, “Perfection by possession and control of chattel paper.” Provides for perfection of a security interest in chattel paper by possession and control.

§ 9-316	§ 679.3161	pp. 87-88, lines 2512- 2540.	amending § 679.3161, Continued perfection of security interest following change in governing law. Conforming changes to include controllable accounts, controllable electronic records, controllable payment intangibles, electronic documents, electronic money and tangible documents, along with deposit accounts, investment property, and letter-of-credit rights.
§ 9-317	§ 679.3171	pp. 88-90, lines 2541- 2585.	amending 679.3171, Interests that take priority over or take free of security interest or agricultural lien. Addresses rights of buyers and a licensee to take free of a security interest. § 679.3171(8) specifies when a buyer takes free of a security interest in chattel paper. § 679.3171(9) specifies when a buyer takes free of a security interest in an electronic document. § 679.3171(10) specifies when a buyer takes free of a security interest in a controllable electronic document. § 679.3171(11) specifies when a buyer takes free of a security interest in a controllable account or a controllable payment intangible.
§ 9-323	§ 679.323	p. 90, lines 2586- 2604.	amending § 679.323, Future Advances. Eliminates references to a buyer or lessee in the ordinary course of business as an exception to a buyer or lessee who takes free of a security interest.
§ 9-324	§ 679.324	pp. 90-92, lines 2605- 2647.	Amendment to new term “signed.” See § 671.201 for new definitions.
§ 9-326A	§ 679.3251	p. 92, lines 2648- 2657.	creating § 679.3251, “Priority of security interest in controllable account, controllable electronic record, and controllable payment intangible.” Specifies that perfection by control trumps any other method of perfection by a person not having control.
§ 9-330	§ 679.330	pp. 92-93, lines 2658- 2691.	amending § 679.330, Priority of purchaser of chattel paper or instrument. Specifies the requirements for a purchaser of chattel paper or an instrument to take free of a security interest based on taking possession of authoritative tangible or electronic records.
§ 9-331	§ 679.331	pp. 93-94, lines 2692- 2715.	amending § 679.331, Priority of rights of purchasers of controllable accounts, controllable electronic records, controllable payment intangibles instruments, documents, instruments, and securities under other articles; priority of interests in financial assets and security entitlements and protection against assertion of claim under chapters 669 and 678. Conforming amendments for new Art. 12, and to address rights of a QP.

§ 9-332	§ 679.332	pp. 94-95, lines 2716- 2732.	amending § 679.332, Transfer of money; transfer of funds from deposit account; transfer of electronic money. Specifying when a transferee takes free from a security interest for tangible money, funds from a deposit account, and electronic money.
§ 9-341 § 9-404	§ 679.341 § 679. 4041	pp. 95-96, lines 2733- 2760.	Amendment to confirm to new term “signed.” See § 671.201 for new definitions.
§ 9-406	§ 679.4061	pp. 96-98, lines 2761- 28230	amending § 679.4061, Discharge of account debtor; notification of assignment; identification and proof of assignment; restrictions on assignment of accounts, chattel paper, payment intangibles, and promissory notes ineffective. Conforming amendment to new term “signed.” Excluding subsections (1), (2), (3) and (7) from applying to a controllable account or controllable payment intangibles. Specifying that a promissory note includes a negotiable instrument that evidences chattel paper for subsection (4).
§ 9-408	§ 679.4081	p. 98, lines 2824- 2831.	amending § 679.4081, Restrictions on assignment of promissory notes, health-care-insurance receivables, and certain general intangibles ineffective. Conforming amendment that “For the purposes of this section, the term “promissory note” includes a negotiable instrument that evidences chattel paper.”
§ 9-509 § 9-513 § 9-601 § 9-604	§ 679.509 § 679.513 § 679.601 § 679.604	pp. 98- 101, lines 2832- 2911.	Amendment to confirm to new defined terms “record” and “signed.” See § 671.201 for new definitions. Conforming amendment to reference new § 679.1052 and § 679.1053 in § 679.601(2).
§ 9-605	§ 679.605	pp. 101- 102, lines 2912- 2938.	amending § 679.605, Unknown Debtor or secondary obligor. Conforming amendment to address a secured party’s duty when perfection is by control of a controllable account, controllable electronic record, or controllable payment intangible. See also Art. 12, § 669.105, and control of a CER.
§ 9-608 § 9-611	§ 679.608 § 679.611	pp. 102- 106, lines 2939- 3069.	Amendment to confirm to new defined term “signed.” See § 671.201 for new definitions.
§ 9-613	§ 679.613	pp. 106- 108, lines 3070- 3127.	amending § 679.613, Contents and form of notification before disposition of collateral; general. Revising sufficient form of notification under § 679.613 and updating cross-reference to § 679.614(3)(a).

§ 9-614	§ 679.614	pp. 108-112, lines 3128-3228.	amending § 679.614, Contents and form of notification before disposition of collateral; consumer-goods transaction. Revising sufficient form of notification under § 679.64.
§ 9-615 § 9-616 § 9-619 § 9-620 § 9-621 § 9-624 § 9-625	§ 679.615 § 679.616 § 679.619 § 679.620 § 679.621 § 679.624 § 679.625	pp. 112-120, lines 3229-3452.	Amendment to confirm to new defined terms “record” and “signed.” See § 671.201 for new definitions.
§ 9-628	§ 679.628	pp. 120-121, lines 3453-3489.	amending § 679.628, Nonliability and limitation on liability of secured party. Conforming amendment to address a secured party’s duty when perfection is by control of a controllable account, controllable electronic record, or controllable payment intangible.
Am. (2022) § A-201 § A-101 - 306	§ 679.901 § 679.902	pp. 121-122, lines 3490-3510.	creating Part IX of chapter 679, Transitional Provisions for 2024 Amendments , § 679.901, Savings clause for 2024 Amendments , and § 679.90, General savings clause for existing Ch. 679 transactions, and adopting by reference the transitional provisions in Part II of Chapter 669.
Art 2A	680		UCC Article 8 - UNIFORM COMMERCIAL CODE: LEASES ... 680.1011 et seq.
§ 2A-102	§ 680.1021	p. 122, lines 3511-3531.	amending § 680.1021, Scope. Revised to include hybrid lease and to address when certain provisions apply to a finance lease. Hybrid lease is defined in § 680.1031.
§ 2A-103	§ 680.1031	pp. 122-123, lines 3532-3554.	Amending § 680.1031, Definitions and Index of Definitions. amending § 680.1031(1) to add new definition: “Hybrid lease.” amending the index in § 680.1031(3) to conform reference to term in § 679.1021.
§ 2A-107 § 2A-201 § 2A-202 § 2A-203 § 2A-205 § 2A-208	§ 680.1071 § 680.201 § 680.202 § 680.203 § 680.205 § 680.208	pp. 123-125, lines 3555-3625.	Amendment to confirm to new defined terms “record” and “signed.” See § 671.201 for new definitions. Amending references to § 679.1021.

Am. (2022) § A-201	§ 680.601	p. 126, lines 3626- 3638.	creating Part VI of chapter 680, Transitional Provisions , and § 680.601, Savings clause for 2024 Amendments . General savings clause for existing Ch. 680 transactions.
			Miscellaneous Conforming Cross-Reference Changes
	§ 319.27 § 328.0015 § 559.9232 § 563.022 § 668.50	pp. 126- 129, lines 3639- 3743.	Amendments are solely to cross cross-references to amendments in the Bill.
		pp. 129- 146, lines 3744- 4230.	REENACTED Provisions – per Senate procedure. These sections have no additions nor deletions
		p. 146, line 4231.	Effective date of law, July 1, 2024.

SCHEDULE 3

13.4 Draft Fla Art 12 Bill (June 6 2024 ver.)

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1
2 A bill to be entitled (ver Aug_4_2023; May 2023 FBD)
3 An act relating to the Uniform Commercial Code;
4 providing a directive to the Division of Law Revision;
5 creating part I of ch. 669, F.S., relating to
6 controllable electronic records; creating s. 669.101,
7 F.S.; providing a short title; creating s. 669.102,
8 F.S.; defining terms; providing construction; creating
9 s. 669.103, F.S.; providing construction; creating s.
10 669.104, F.S.; providing applicability; specifying
11 when a purchaser of a controllable account or
12 controllable payment intangible is a qualifying
13 purchaser; specifying rights acquired relating to
14 controllable electronic records; prohibiting actions
15 from being asserted against qualifying purchasers
16 under certain circumstances; specifying that filing a
17 certain financial statement is not notice of claim of
18 a property right in a controllable electronic record;
19 creating s. 669.105, F.S.; specifying when a person
20 has control of a controllable electronic record;
21 providing when a person's power relating to
22 controllable electronic records is or is not
23 exclusive; creating s. 669.106, F.S.; authorizing
24 account debtors on a controllable account or
25 controllable payment intangible to discharge
26 obligations under certain circumstances; providing
27 requirements for such discharge; prohibiting account
28 debtors from waiving or varying certain rights and
29 options; providing construction; creating s. 669.107,

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30 F.S.; specifying the governing laws and jurisdictions
31 relating to controllable electronic records; creating
32 part II of ch. 669, F.S., relating to transitional
33 provisions; creating s. 669.501, F.S.; providing a
34 short title; creating s. 669.502, F.S.; defining
35 terms; creating ss. 669.601 and 669.701, F.S.;
36 providing saving clauses for certain transactions;
37 providing applicability; creating s. 669.702, F.S.;
38 specifying requirements for perfecting security
39 interests enforceable and perfected before a specified
40 date; creating s. 669.703, F.S.; specifying
41 requirements for security interests that were
42 unperfected before a specified date; creating s.
43 669.704, F.S.; specifying the effectiveness of certain
44 actions relating to security interests taken before a
45 specified date; creating ss. 669.705 and 669.706,
46 F.S.; providing priority for conflicting claims to
47 collateral; amending s. 670.103, F.S.; revising the
48 definition of the term "payment order"; amending s.
49 670.201, F.S.; revising authorizations and
50 requirements relating to security procedures; amending
51 s. 670.202, F.S.; revising the circumstances under
52 which payment orders received by banks are effective
53 as the order of a customer; making technical changes;
54 amending s. 670.203, F.S.; revising rules that apply
55 to payments orders that are not authorized orders of
56 certain customers; amending ss. 670.207, 670.208,
57 670.21, 670.211 and 670.305, F.S.; making technical
58 changes; amending s. 671.101, F.S.; revising liability

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59 requirements relating to payment orders; amending s.
60 671.105, F.S.; revising construction; amending s.
61 671.107, F.S.; making a technical change; amending s.
62 671.201, F.S.; revising definitions; defining the
63 terms "electronic," "sign," and "signature"; creating
64 s. 671.401, F.S.; savings provision; amending s.
65 672.102, F.S.; revising applicability; amending s.
66 672.106, F.S.; defining the term "hybrid transaction";
67 amending s. 672.201, 672.202, 672.203, and 672.205,
68 F.S.; making technical changes; amending s. 672.209,
69 F.S.; revising a prohibition on modifying or
70 rescinding a signed agreement that excludes
71 modification or rescission; creating Part VIII of
72 chapter 672, "Transitional Provisions", and s.
73 672.801, F.S.; savings provision; amending s.
74 673.1041, F.S.; revising the definition of the term
75 "negotiable instrument"; amending s. 673.1051, F.S.;
76 revising the definition of the term "issue"; amending
77 s. 673.4011, F.S.; conforming provisions to changes
78 made by the act; amending s. 673.6041, F.S.;
79 specifying that the obligation of a party to pay a
80 check is not discharged solely by destruction of the
81 check in connection with a specified process; creating
82 Part VII of chapter 673, "Transitional Provisions",
83 and s. 673.701, F.S.; amending s. 675.104, F.S.;
84 conforming provisions to changes made by the act;
85 amending s. 675.116, F.S.; making technical changes;
86 creating s. 675.119, F.S.; savings provision; amending
87 s. 677.102, F.S.; deleting definitions of the terms

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88 "record" and "sign"; amending s. 677.106, F.S.;
89 specifying when a system satisfies certain
90 requirements and a person has control of an electronic
91 document of title; specifying when certain powers are
92 or are not exclusive; specifying that a person does
93 not owe a duty to another person under certain
94 circumstances; creating s. 677.701, F.S.; savings
95 provision; amending s. 678.1021, F.S.; revising
96 definitions; revising applicability of definitions;
97 amending s. 678.1031, F.S.; specifying a controllable
98 account, controllable electronic record, or
99 controllable payment intangible is not a financial
100 asset under certain circumstances; conforming a cross-
101 reference; amending s. 678.1061, F.S.; revising the
102 circumstances under which purchasers have control of
103 security entitlements; specifying a person that has
104 such control is not required to acknowledge such
105 control on behalf of a purchaser; specifying that
106 certain persons do not owe any duty to purchasers and
107 are not required to confirm certain acknowledgment
108 under certain circumstances; amending s. 678.1101,
109 F.S.; providing applicability; amending s. 678.3031,
110 F.S.; specifying that protected purchasers acquire
111 interest in a security free of any adverse claim;
112 creating Part VI of chapter 678, "Transitional
113 Provisions", and s. 678.601, F.S.; savings provision;
114 amending s. 679.1021, F.S.; defining terms; revising
115 and deleting definitions; revising applicability of
116 definitions; amending s. 679.1041, F.S.; revising the

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117 circumstances under which a secured party has control
118 of a deposit account; amending s. 679.1051, F.S.;
119 revising when a person has control of electronic
120 chattel paper; specifying when power of such control
121 is or is not exclusive; creating s. 679.1052, F.S.;
122 specifying when a person has control of electronic
123 money; specifying when power of such control is or is
124 not exclusive; creating s. 679.1053, F.S.; specifying
125 when a person has control of controllable electronic
126 records, controllable accounts, or controllable
127 payment intangibles; creating s. 679.1054, F.S.;
128 providing that specified persons with certain control
129 are not required to acknowledge such control;
130 specifying that such persons do not owe any duty to
131 certain persons and are not required to confirm
132 acknowledgment to any other person; amending s.
133 679.2031, F.S.; revising the circumstances under which
134 a security interest is enforceable against a debtor
135 and third parties; amending s. 679.2041, F.S.;
136 revising the circumstances under which a security
137 interest does not attach to a term constituting an
138 after-acquired property clause; amending s. 679.2071,
139 F.S.; conforming a provision to changes made by the
140 act; amending s. 679.2081, F.S.; revising duties
141 relating to secured parties having control of
142 collateral; amending s. 679.209, F.S.; revising duties
143 relating to secured parties if an account debtor has
144 been notified of an assignment; amending s. 679.210,
145 F.S.; conforming provisions to changes made by the

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146 act; amending s. 679.3011, F.S.; revising requirements
147 relating to laws governing perfection and priority of
148 security interests; amending s. 679.3041, F.S.;
149 specifying that the local law of a bank's jurisdiction
150 governs even if a transaction does not bear any
151 relation to the bank's jurisdiction; amending s.
152 679.3051, F.S.; revising applicability; creating s.
153 679.3062, F.S.; specifying which laws govern the
154 perfection and priority of security interests in
155 chattel paper; creating s. 679.3063, F.S.; specifying
156 which laws govern the perfection and priority of
157 security interests in controllable accounts,
158 controllable electronic records, and controllable
159 payment intangibles; amending s. 679.3101, F.S.;
160 revising the circumstances under which the filing of a
161 financing statement is not necessary to perfect a
162 security interest; amending s. 679.3121, F.S.;
163 providing requirements for perfecting a security
164 interest in controllable accounts, controllable
165 electronic records, and controllable payment
166 intangibles; amending s. 679.3131, F.S.; conforming
167 provisions to changes made by the act; amending s.
168 679.3141, F.S.; revising requirements for perfection
169 by control; creating s. 679.3152, F.S.; providing
170 requirements for perfecting a security interest in
171 chattel paper by possession and control; amending s.
172 679.3161, F.S.; revising requirements relating to
173 maintaining perfection of security interests following
174 a change in governing law; amending s. 679.3171, F.S.;

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175 revising the circumstances under which persons take
176 free of a security interest; amending s. 679.323,
177 F.S.; revising the circumstances under which a buyer
178 of goods takes free of a security interest; amending
179 s. 679.324, F.S.; conforming provisions to changes
180 made by the act; creating s. 679.3251, F.S.;
181 specifying that certain security interests in
182 controllable accounts, controllable electronic
183 records, or controllable payment intangibles have
184 priority over conflicting security interests; amending
185 s. 679.330, F.S.; revising the circumstances under
186 which purchasers of chattel paper have priority over
187 certain security interests in the chattel paper;
188 amending s. 679.331, F.S.; revising construction;
189 amending s. 679.332, F.S.; revising the circumstances
190 under which a transferee takes money or funds free of
191 a security interest; amending ss. 679.341 and
192 679.4041, F.S.; conforming provisions to changes made
193 by the act; amending s. 679.4061, F.S.; defining the
194 term "promissory note"; conforming provisions to
195 changes made by the act; revising applicability;
196 amending s. 679.4081, F.S.; defining the term
197 "promissory note"; amending s. 679.509, 679.513, and
198 679.601, F.S.; conforming provisions to changes made
199 by the act; amending s. 679.605, F.S.; specifying when
200 a secured party owes a duty to a person based on the
201 party's status as a secured party; amending s. 679.608
202 and 679.611, F.S.; conforming provisions to changes
203 made by the act; amending s. 679.613, F.S.; revising

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204 the form for a notification of disposition of
205 collateral; providing requirements relating to such
206 form; amending s. 679.614, F.S.; revising form
207 requirements for a notice of a plan to sell property;
208 providing requirements relating to such form; amending
209 ss. 679.615, 679.616, 679.619, 679.620, 679.621,
210 679.624 and 679.625, F.S.; conforming provisions to
211 changes made by the act; amending s. 679.628, F.S.;
212 providing applicability; creating Part IX of chapter
213 679, "Transitional Provisions for 2024 Amendments",
214 and s. 679.901 and s. 679.902, F.S.; savings
215 provision; adopting transition provisions in Part II
216 of Chapter 679; amending s. 680.1021, F.S.; revising
217 applicability; amending s. 680.1031, F.S.; defining
218 the term "hybrid lease"; conforming cross-references;
219 amending ss. 680.1071, 680.201, 680.202, 680.203,
220 680.205, and 680.208, F.S.; conforming provisions to
221 changes made by the act; amending ss. 319.27,
222 328.0015, 559.9232, 563.022, 668.50, 671.101, and
223 680.1031, F.S.; conforming cross-references;
224 reenacting s. 328.0015(2)(c), F.S., relating to
225 definitions, to incorporate the amendments made to s.
226 671.201, F.S., in references thereto; reenacting ss.
227 655.55(1) and (2) and 685.101(2), F.S., relating to
228 law applicable to deposits in and contracts relating
229 to extensions of credit by a deposit or lending
230 institution located in this state and choice of law,
231 respectively, to incorporate the amendments made to s.
232 671.105, F.S., in references thereto; reenacting ss.

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233 90.953(1), 673.1061(1), (3), and (4), and 673.1151(2),
234 F.S., relating to admissibility of duplicates,
235 unconditional promise or order, and incomplete
236 instruments, respectively, to incorporate the
237 amendments made to s. 673.1041, F.S., in references
238 thereto; reenacting s. 673.1031(2), F.S., relating to
239 definitions, to incorporate the amendments made to ss.
240 673.1041 and 673.1051, F.S., in references thereto;
241 reenacting s. 675.103(1)(j), F.S., relating to
242 definitions, to incorporate the amendments made to s.
243 675.104, F.S., in references thereto; reenacting ss.
244 678.5101(3), 679.1061(1), and 679.328(2), F.S.,
245 relating to rights of purchaser of security
246 entitlement from entitlement holder, control of
247 investment property, and priority of security
248 interests in investment property, respectively, to
249 incorporate the amendments made to s. 678.1061, F.S.,
250 in references thereto; reenacting s. 671.105(2)(e),
251 F.S., relating to territorial application of the code
252 and parties' power to choose applicable law, to
253 incorporate the amendments made to s. 678.1101, F.S.,
254 in references thereto; reenacting s. 680.1031(3)(a),
255 F.S., relating to definitions, to incorporate the
256 amendments made to s. 679.1021, F.S., in references
257 thereto; reenacting s. 679.327(1), F.S., relating to
258 priority of security interests in deposit account, to
259 incorporate the amendments made to s. 679.1041, F.S.,
260 in references thereto; reenacting ss. 679.1091(4)(k),
261 679.3171(1)(b), and 679.709(2), F.S., relating to

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262 scope, interests that take priority over or take free
263 of security interest or agricultural lien, and
264 priority, respectively, to incorporate the amendments
265 made to s. 679.2031, F.S., in references thereto;
266 reenacting s. 679.625(5), F.S., relating to remedies
267 for failure to comply with article, to incorporate the
268 amendments made to s. 679.2081, F.S., in references
269 thereto; reenacting s. 679.3101(1), F.S., relating to
270 when filing required to perfect security interest or
271 agricultural lien and security interests and
272 agricultural liens to which filing provisions do not
273 apply, to incorporate the amendments made to s.
274 679.3121, F.S., in references thereto; reenacting ss.
275 679.327(2), 679.328(5), and 679.329(2), F.S., relating
276 to priority of security interests in deposit account,
277 priority of security interests in investment property,
278 and priority of security interests in letter-of-credit
279 right, respectively, to incorporate the amendments
280 made to s. 679.3141, F.S., in references thereto;
281 reenacting ss. 679.3101(2)(j) and 679.320(3), F.S.,
282 relating to when filing required to perfect security
283 interest or agricultural lien and buyer of goods,
284 respectively, to incorporate the amendments made to s.
285 679.3161, F.S., in references thereto; reenacting ss.
286 680.307(3) and 727.109(8)(b), F.S., relating to
287 priority of liens arising by attachment or levy on,
288 security interests in, and other claims to goods and
289 power of the court, respectively, to incorporate the
290 amendments made to s. 679.3171, F.S., in references

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291 thereto; reenacting s. 668.50(16) (d), F.S., relating
292 to the Uniform Electronic Transaction Act, to
293 incorporate the amendments made to s. 679.330, F.S.,
294 in references thereto; reenacting s. 679.330(4), F.S.,
295 relating to priority of purchaser of chattel paper or
296 instrument, to incorporate the amendments made to s.
297 679.331, F.S., in references thereto; reenacting s.
298 679.601(4), F.S., relating to rights after default, to
299 incorporate the amendments made to s. 679.605, F.S.,
300 in references thereto; reenacting ss. 679.625(3) and
301 679.626(3), F.S., relating to remedies for failure to
302 comply with article and action in which deficiency or
303 surplus is in issue, to incorporate the amendments
304 made to s. 679.628, F.S., in references thereto;
305 providing an effective date.
306

307 Be It Enacted by the Legislature of the State of Florida:

308
309 Section 1. The Division of Law Revision is directed to
310 create chapter 669, Florida Statutes, to be entitled "Uniform
311 Commercial Code: Controllable Electronic Records and
312 Transitional Provisions."

313 Section 2. Part I of chapter 669, Florida Statutes,
314 consisting of sections 669.101-669.107 is created and entitled
315 "Controllable Electronic Records."

316 Section 3. Section 669.101, Florida Statutes, is created to
317 read:

318 669.101 Short title.—This chapter may be cited as "Uniform
319 Commercial Code—Controllable Electronic Records." Nothing in

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320 this chapter is intended or can be construed to create or adopt
321 a central bank digital currency.

322 Section 4. Section 669.102, Florida Statutes, is created to
323 read:

324 669.102 Definitions.-

325 (1) As used in this chapter, the term:

326 (a) "Controllable electronic record" means a record stored
327 in an electronic medium that can be subjected to control under
328 s. 669.105. The term does not include a controllable account, a
329 controllable payment intangible, a deposit account, an
330 electronic copy of a record evidencing chattel paper, an
331 electronic document of title, electronic money, investment
332 property, or a transferable record.

333 (b) "Qualifying purchaser" means a purchaser of a
334 controllable electronic record or an interest in a controllable
335 electronic record that obtains control of the controllable
336 electronic record for value, in good faith, and without notice
337 of a claim of a property right in the controllable electronic
338 record.

339 (c) "Transferable record" has the meaning provided for that
340 term in:

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

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

344 (d) "Value" has the meaning provided in s. 673.3031, as if
345 references in that subsection to an "instrument" were references
346 to a controllable account, controllable electronic record, or
347 controllable payment intangible.

348 (2) The definitions in s. 679.1021 for the terms "account

Commented [RK1]: Proposed by the OFR and Florida's Governor.

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349 debtor," "controllable account," "controllable payment
350 intangible," "chattel paper," "deposit account," "electronic
351 money," and "investment property" apply to this part.

352 (3) Chapter 671 contains general definitions and principles
353 of construction and interpretation applicable throughout this
354 chapter.

355 Section 5. Section 669.103, Florida Statutes, is created to
356 read:

357 669.103 Relation to chapter 679 and consumer laws.-

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

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

365 Section 6. Section 669.104, Florida Statutes, is created to
366 read:

367 669.104 Rights in controllable account, controllable
368 electronic record, and controllable payment intangible.-

369 (1) This section applies to the acquisition and purchase of
370 rights in a controllable account or controllable payment
371 intangible, including the rights and benefits under subsections
372 (3), (4), (5), (7), and (8) of a purchaser and qualifying
373 purchaser, in the same manner this section applies to a
374 controllable electronic record.

375 (2) To determine whether a purchaser of a controllable
376 account or a controllable payment intangible is a qualifying
377 purchaser, the purchaser obtains control of the account or

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378 payment intangible if it obtains control of the controllable
379 electronic record that evidences the account or payment
380 intangible.

381 (3) Except as provided in this section, law other than this
382 chapter determines whether a person acquires a right in a
383 controllable electronic record and the right the person
384 acquires.

385 (4) A purchaser of a controllable electronic record
386 acquires all rights in the controllable electronic record that
387 the transferor had or had power to transfer, except that a
388 purchaser of a limited interest in a controllable electronic
389 record acquires rights only to the extent of the interest
390 purchased.

391 (5) A qualifying purchaser acquires its rights in the
392 controllable electronic record free of a claim of a property
393 right in the controllable electronic record.

394 (6) Except as provided in subsections (1) and (5) for a
395 controllable account and a controllable payment intangible or
396 law other than this part, a qualifying purchaser takes a right
397 to payment, right to performance, or other interest in property
398 evidenced by the controllable electronic record subject to a
399 claim of a property right in the right to payment, right to
400 performance, or other interest in property.

401 (7) An action may not be asserted against a qualifying
402 purchaser based on both a purchase by the qualifying purchaser
403 of a controllable electronic record and a claim of a property
404 right in another controllable electronic record, whether the
405 action is framed in conversion, replevin, constructive trust,
406 equitable lien, or other theory.

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407 (8) Filing of a financing statement under chapter 679 is
408 not notice of a claim of a property right in a controllable
409 electronic record.

410 Section 7. Section 669.105, Florida Statutes, is created to
411 read:

412 669.105 Control of controllable electronic record.-

413 (1) A person has control of a controllable electronic
414 record if the electronic record, a record attached to or
415 logically associated with the electronic record, or a system in
416 which the electronic record is recorded:

417 (a) Gives the person:

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

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

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

423 b. Transfer control of the electronic record to another
424 person or cause another person to obtain control of another
425 controllable electronic record as a result of the transfer of
426 the electronic record; and

427 (b) Enables the person readily to identify itself in any
428 way, including by name, identifying number, cryptographic key,
429 office, or account number, as having the powers specified in
430 paragraph (a).

431 (2) Subject to subsection (3), a power is exclusive under
432 subsection (1)(a)2.a. and b. even if:

433 (a) The controllable electronic record, a record attached
434 to or logically associated with the electronic record, or a
435 system in which the electronic record is recorded limits the use

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436 of the electronic record or has a protocol programmed to cause a
437 change, including a transfer or loss of control or a
438 modification of benefits afforded by the electronic record; or

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

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

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

445 (b) The other person:

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

448 2. Is the transferor to the person of an interest in the
449 controllable electronic record or a controllable account or
450 controllable payment intangible evidenced by the controllable
451 electronic record.

452 (4) If a person has the powers specified in subsection
453 (1) (a) 2.a. and b., the powers are presumed to be exclusive.

454 (5) A person has control of a controllable electronic
455 record if another person, other than the transferor to the
456 person of an interest in the controllable electronic record or a
457 controllable account or controllable payment intangible
458 evidenced by the controllable electronic record:

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

461 (b) Obtains control of the electronic record after having
462 acknowledged that it will obtain control of the electronic
463 record on behalf of the person.

464 (6) A person that has control under this section is not

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465 required to acknowledge that it has control on behalf of another
466 person.

467 (7) If a person acknowledges that it has or will obtain
468 control on behalf of another person, unless the person otherwise
469 agrees or law other than this part or chapter 679 otherwise
470 provides, the person does not owe any duty to the other person
471 and is not required to confirm the acknowledgment to any other
472 person.

473 Section 8. Section 669.106, Florida Statutes, is created to
474 read:

475 669.106 Discharge of account debtor on controllable account
476 or controllable payment intangible.—

477 (1) An account debtor on a controllable account or
478 controllable payment intangible may discharge its obligation by
479 paying:

480 (a) The person having control of the controllable
481 electronic record that evidences the controllable account or
482 controllable payment intangible; or

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

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

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

491 (b) Reasonably identifies the controllable account or
492 controllable payment intangible;

493 (c) Notifies the account debtor that control of the

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494 controllable electronic record that evidences the controllable
495 account or controllable payment intangible was transferred;

496 (d) Identifies the transferee, in any reasonable way,
497 including by name, identifying number, cryptographic key,
498 office, or account number; and

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

501 (3) After receipt of a notification that complies with
502 subsection (2), the account debtor may discharge its obligation
503 by paying in accordance with the notification and may not
504 discharge the obligation by paying a person that formerly had
505 control.

506 (4) Subject to subsection (8), notification is ineffective
507 under subsection (2):

508 (a) Unless, before the notification is sent, the account
509 debtor and the person that, at that time, had control of the
510 controllable electronic record that evidences the controllable
511 account or controllable payment intangible agree in a signed
512 record to a commercially reasonable method by which a person may
513 furnish reasonable proof that control has been transferred;

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

518 (c) At the option of the account debtor, if the
519 notification notifies the account debtor to:

- 520 1. Divide a payment;
521 2. Make less than the full amount of an installment or
522 other periodic payment; or

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

525 (5) Subject to subsection (8), if requested by the account
526 debtor, the person giving the notification under subsection (2)
527 seasonably shall furnish reasonable proof, using the method in
528 the agreement referred to in subsection(4) (a), that control of
529 the controllable electronic record has been transferred. Unless
530 the person complies with the request, the account debtor may
531 discharge its obligation by paying a person that formerly had
532 control, even if the account debtor has received a notification
533 under subsection (2).

534 (6) A person furnishes reasonable proof under subsection
535 (5) that control has been transferred if the person
536 demonstrates, using the method in the agreement referred to in
537 paragraph (4) (a), that the transferee has the power to:

538 (a) Avail itself of substantially all the benefit from the
539 controllable electronic record;

540 (b) Prevent others from availing themselves of
541 substantially all the benefit from the controllable electronic
542 record; and

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

545 (7) Subject to subsection (8), an account debtor may not
546 waive or vary its rights under subsection (4) (a) and subsection
547 (5) or its option under subsection (4) (c).

548 (8) This section is subject to law other than this chapter
549 which establishes a different rule for an account debtor who is
550 an individual and who incurred the obligation primarily for
551 personal, family, or household purposes.

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552 Section 9. Section 669.107, Florida Statutes, is created to
553 read:

554 669.107 Governing law.—

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

558 (2) For a controllable electronic record that evidences a
559 controllable account or controllable payment intangible, the
560 local law of the controllable electronic record's jurisdiction
561 governs a matter covered by s. 669.106 unless an effective
562 agreement determines that the local law of another jurisdiction
563 governs.

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

566 (a) If the controllable electronic record, or a record
567 attached to or logically associated with the controllable
568 electronic record and readily available for review, expressly
569 provides that a particular jurisdiction is the controllable
570 electronic record's jurisdiction for purposes of this part or
571 the Uniform Commercial Code, that jurisdiction is the
572 controllable electronic record's jurisdiction.

573 (b) If paragraph (a) does not apply and the rules of the
574 system in which the controllable electronic record is recorded
575 are readily available for review and expressly provide that a
576 particular jurisdiction is the controllable electronic record's
577 jurisdiction for purposes of this part or the Uniform Commercial
578 Code, that jurisdiction is the controllable electronic record's
579 jurisdiction.

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

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581 controllable electronic record, or a record attached to or
582 logically associated with the controllable electronic record and
583 readily available for review, expressly provides that the
584 controllable electronic record is governed by the law of a
585 particular jurisdiction, that jurisdiction is the controllable
586 electronic record's jurisdiction.

587 (d) If paragraphs (a), (b), and (c) do not apply and the
588 rules of the system in which the controllable electronic record
589 is recorded are readily available for review and expressly
590 provide that the controllable electronic record or the system is
591 governed by the law of a particular jurisdiction, that
592 jurisdiction is the controllable electronic record's
593 jurisdiction.

594 (e) If paragraphs (a) through (d) do not apply, the
595 controllable electronic record's jurisdiction is the District of
596 Columbia.

597 (4) If paragraph (3)(e) applies and Article 12 is not in
598 effect in the District of Columbia without material
599 modification, the governing law for a matter covered by this
600 part is the law of the District of Columbia as though Article 12
601 were in effect in the District of Columbia without material
602 modification. For the purposes of this subsection, "Article 12"
603 means Article 12 of Uniform Commercial Code Amendments (2022).

604 (5) To the extent subsections (1) and (2) provide that the
605 local law of the controllable electronic record's jurisdiction
606 governs a matter covered by this part, that law governs even if
607 the matter or a transaction to which the matter relates does not
608 bear any relation to the controllable electronic record's
609 jurisdiction.

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

613 Section 10. Part II of chapter 669, Florida Statutes,
614 consisting of sections 669.501-669.706 is created and entitled
615 "Transitional Provisions for Chapter 669 and 2024 Amendments to
616 Chapter 679."

617 Section 11. Section 669.501, Florida Statutes, is created
618 to read:

619 669.501 Effective Date.— This chapter takes effect on July
620 1, 2024."

621 Section 12. Section 669.502, Florida Statutes, is created
622 to read:

623 669.502 Definitions.—As used in this part:

624 (1) (a) "Adjustment date" means July 1, 2025.

625 (b) "Article 12" means Part I of chapter 669.

626 (c) "Article 12 property" means a controllable account,
627 controllable electronic record, or controllable payment
628 intangible.

629 (2) Other definitions applying to this part, or to
630 specified parts thereof, and the sections in which they appear:

631 "Controllable account," s. 679.1021.

632 "Controllable electronic record," s. 669.102.

633 "Controllable payment intangible," s. 679.1021.

634 "Electronic money," s. 679.1021.

635 "Financing statement," s. 679.1021.

636 (3) Chapter 671 contains general definitions and principles
637 of construction and interpretation applicable throughout this
638 part.

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639 Section 13. Section 669.601, Florida Statutes, is created
640 to read:

641 669.601 Saving clause for general transitional provision.-
642 Except as provided in this part, a transaction validly entered
643 into before July 1, 2024, and the rights, duties, and interests
644 flowing from the transaction remain valid thereafter and may be
645 terminated, completed, consummated, or enforced as required or
646 permitted by law other than the Uniform Commercial Code or, if
647 applicable, the Uniform Commercial Code as though ch. 2024-XX,
648 Laws of Florida, had not taken effect.

649 Section 14. Section 669.701, Florida Statutes, is created
650 to read:

651 669.701 Saving clause for transitional provisions for
652 chapters 669 and 679.-

653 (1) Except as provided in this part, chapter 679, as
654 amended by ch. 2024-XX, Laws of Florida, and Article 12 apply to
655 a transaction, lien, or other interest in property, even if the
656 transaction, lien, or interest was entered into, created, or
657 acquired before July 1, 2024.

658 (2) Except as provided in subsection (3) and ss. 669.702-
659 669.706:

660 (a) A transaction, lien, or interest in property that was
661 validly entered into, created, or transferred before July 1,
662 2024, and was not governed by the Uniform Commercial Code, but
663 would be subject to chapter 679, as amended by ch. 2024-XX, Laws
664 of Florida, or Article 12 if it had been entered into, created,
665 or transferred on or after July 1, 2024, including the rights,
666 duties, and interests flowing from the transaction, lien, or
667 interest, remains valid on and after July 1, 2024; and

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668 (b) The transaction, lien, or interest may be terminated,
669 completed, consummated, and enforced as required or permitted by
670 ch. 2024-XX, Laws of Florida, or by the law that would apply if
671 ch. 2024-XX, Laws of Florida, had not taken effect.

672 (3) Ch. 2024-XX, Laws of Florida, does not affect an
673 action, case, or proceeding commenced before July 1, 2024.

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

676 669.702 Security interest perfected before effective date.—

677 (1) A security interest that is enforceable and perfected
678 immediately before July 1, 2024, is a perfected security
679 interest under ch. 2024-XX, Laws of Florida, if, on July 1,
680 2024, the requirements for enforceability and perfection under
681 ch. 2024-XX, Laws of Florida, are satisfied without further
682 action.

683 (2) If a security interest is enforceable and perfected
684 immediately before July 1, 2024, but the requirements for
685 enforceability or perfection under ch. 2024-XX, Laws of Florida,
686 are not satisfied on July 1, 2024, the security interest:

687 (a) Is a perfected security interest until the earlier of
688 the time perfection would have ceased under the law in effect
689 immediately before July 1, 2024, or the adjustment date;

690 (b) Remains enforceable thereafter only if the security
691 interest satisfies the requirements for enforceability under s.
692 679.2031, as amended by ch. 2024-XX, Laws of Florida, before the
693 adjustment date; and

694 (c) Remains perfected thereafter only if the requirements
695 for perfection under ch. 2024-XX, Laws of Florida, are satisfied
696 before the time specified in paragraph (a).

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697 Section 16. Section 669.703, Florida Statutes, is created
698 to read:

699 669.703 Security interest unperfected before effective
700 date.—A security interest that is enforceable immediately before
701 July 1, 2024, but is unperfected at that time:

702 (1) Remains an enforceable security interest until the
703 adjustment date;

704 (2) Remains enforceable thereafter if the security interest
705 becomes enforceable under s. 679.2031, as amended by ch. 2024-
706 XX, Laws of Florida, on July 1, 2024, or before the adjustment
707 date; and

708 (3) Becomes perfected:

709 (a) Without further action, on July 1, 2024, if the
710 requirements for perfection under ch. 2024-XX, Laws of Florida,
711 are satisfied before or at that time; or

712 (b) When the requirements for perfection are satisfied if
713 the requirements are satisfied after that time.

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

716 669.704 Effectiveness of actions taken before effective
717 date.—

718 (1) If action, other than the filing of a financing
719 statement, is taken before July 1, 2024, and the action would
720 have resulted in perfection of the security interest had the
721 security interest become enforceable before July 1, 2024, the
722 action is effective to perfect a security interest that attaches
723 under ch. 2024-XX, Laws of Florida, before the adjustment date.
724 An attached security interest becomes unperfected on the
725 adjustment date unless the security interest becomes a perfected

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726 security interest under ch. 2024-XX, Laws of Florida, before the
727 adjustment date.

728 (2) The filing of a financing statement before July 1,
729 2024, is effective to perfect a security interest on July 1,
730 2024, to the extent the filing would satisfy the requirements
731 for perfection under ch. 2024-XX, Laws of Florida.

732 (3) The taking of an action before July 1, 2024, is
733 sufficient for the enforceability of a security interest on July
734 1, 2024, if the action would satisfy the requirements for
735 enforceability under ch. 2024-XX, Laws of Florida.

736 Section 18. Section 669.705, Florida Statutes, is created
737 to read:

738 669.705 Priority.—

739 (1) Subject to subsections (2) and (3), ch. 2024-XX, Laws
740 of Florida, determines the priority of conflicting claims to
741 collateral.

742 (2) Subject to subsection (3), if the priorities of claims
743 to collateral were established before July 1, 2024, chapter 679
744 as in effect before July 1, 2024, determines priority.

745 (3) On the adjustment date, to the extent the priorities
746 determined by chapter 679, as amended by ch. 2024-XX, Laws of
747 Florida, modify the priorities established before July 1, 2024,
748 the priorities of claims to Article 12 property and electronic
749 money established before July 1, 2024, cease to apply.

750 Section 19. Section 669.706, Florida Statutes, is created
751 to read:

752 669.706 Priority of claims when priority rules of chapter
753 679 do not apply.—

754 (1) Subject to subsections (2) and (3), Article 12

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755 determines the priority of conflicting claims to Article 12
756 property when the priority rules of chapter 679, as amended by
757 ch. 2024-XX , Laws of Florida, do not apply.

758 (2) Subject to subsection (3), when the priority rules of
759 chapter 679, as amended by ch. 2024-XX, Laws of Florida, do not
760 apply and the priorities of claims to Article 12 property were
761 established before July 1, 2024, law other than Article 12
762 determines priority.

763 (3) When the priority rules of chapter 679, as amended by
764 ch. 2024-XX, Laws of Florida, do not apply, to the extent the
765 priorities determined by ch. 2024-XX, Laws of Florida, modify
766 the priorities established before July 1, 2024, the priorities
767 of claims to Article 12 property established before July 1,
768 2024, cease to apply on the adjustment date.

769 Section 20. Paragraph (c) of subsection (1) of section
770 670.103, Florida Statutes, is amended to read:

771 670.103 Payment order: definitions.—

772 (1) In this chapter, the term:

773 (c) "Payment order" means an instruction of a sender to a
774 receiving bank, transmitted orally or in a record,
775 ~~electronically, or in writing,~~ to pay, or to cause another bank
776 to pay, a fixed or determinable amount of money to a beneficiary
777 if:

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

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

782 3. The instruction is transmitted by the sender directly to
783 the receiving bank or to an agent, funds-transfer system, or

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784 communication system for transmittal to the receiving bank.

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

787 670.201 Security procedure.—“Security procedure” means a
788 procedure established by agreement of a customer and a receiving
789 bank for the purpose of:

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

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

795
796 A security procedure may impose an obligation on the receiving
797 bank or the customer and may require the use of algorithms or
798 other codes, identifying words, ~~or~~ numbers, symbols, sounds,
799 biometrics, encryption, callback procedures, or similar security
800 devices. Comparison of a signature on a payment order or
801 communication with an authorized specimen signature of the
802 customer or requiring a payment order to be sent from a known e-
803 mail address, IP address, or telephone number is not by itself a
804 security procedure.

805 Section 22. Subsection (2) and paragraph (b) of subsection
806 (3) of section 670.202, Florida Statutes, are amended to read:

807 670.202 Authorized and verified payment orders.—

808 (2) If a bank and its customer have agreed that the
809 authenticity of payment orders issued to the bank in the name of
810 the customer as sender will be verified pursuant to a security
811 procedure, a payment order received by the receiving bank is
812 effective as the order of the customer, whether or not

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813 authorized, if the security procedure is a commercially
814 reasonable method of providing security against unauthorized
815 payment orders and the bank proves that it accepted the payment
816 order in good faith and in compliance with the bank's
817 obligations under the security procedure and any ~~written~~
818 agreement or instruction of the customer, evidenced by a record,
819 restricting acceptance of payment orders issued in the name of
820 the customer. The bank is not required to follow an instruction
821 that violates an a ~~written~~ agreement with the customer,
822 evidenced by a record, or notice of which is not received at a
823 time and in a manner affording the bank a reasonable opportunity
824 to act on it before the payment order is accepted.

825 (3) The commercial reasonableness of a security procedure
826 is a question of law to be determined by considering the wishes
827 of the customer expressed to the bank; the circumstances of the
828 customer known to the bank, including the size, type, and
829 frequency of payment orders normally issued by the customer to
830 the bank; alternative security procedures offered to the
831 customer; and security procedures in general use by customers
832 and receiving banks similarly situated. A security procedure is
833 deemed to be commercially reasonable if:

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

838 Section 23. Paragraph (a) of subsection (1) of section
839 670.203, Florida Statutes, is amended to read:

840 670.203 Unenforceability of certain verified payment
841 orders.-

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842 (1) If an accepted payment order is not, under s.
843 670.202(1), an authorized order of a customer identified as
844 sender, but is effective as an order of the customer pursuant to
845 s. 670.202(2), the following rules apply:

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

849 Section 24. Paragraph (b) of subsection (3) of section
850 670.207, Florida Statutes, is amended to read:

851 670.207 Misdescription of beneficiary.—

852 (3) If a payment order described in subsection (2) is
853 accepted, the originator's payment order described the
854 beneficiary inconsistently by name and number, and the
855 beneficiary's bank pays the person identified by number as
856 permitted by paragraph (2)(a), the following rules apply:

857 (b) If the originator is not a bank and proves that the
858 person identified by number was not entitled to receive payment
859 from the originator, the originator is not obliged to pay its
860 order unless the originator's bank proves that the originator,
861 before acceptance of the originator's order, had notice that
862 payment of a payment order issued by the originator might be
863 made by the beneficiary's bank on the basis of an identifying or
864 bank account number even if it identifies a person different
865 from the named beneficiary. Proof of notice may be made by any
866 admissible evidence. The originator's bank satisfies the burden
867 of proof if it proves that the originator, before the payment
868 order was accepted, signed a record ~~writing~~ stating the
869 information to which the notice relates.

870 Section 25. Paragraph (b) of subsection (2) of section

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871 670.208, Florida Statutes, is amended to read:

872 670.208 Misdescription of intermediary bank or
873 beneficiary's bank.—

874 (2) This subsection applies to a payment order identifying
875 an intermediary bank or the beneficiary's bank both by name and
876 an identifying number if the name and number identify different
877 persons.

878 (b) If the sender is not a bank and the receiving bank
879 proves that the sender, before the payment order was accepted,
880 had notice that the receiving bank might rely on the number as
881 the proper identification of the intermediary or beneficiary's
882 bank even if it identifies a person different from the bank
883 identified by name, the rights and obligations of the sender and
884 the receiving bank are governed by paragraph (a), as though the
885 sender were a bank. Proof of notice may be made by any
886 admissible evidence. The receiving bank satisfies the burden of
887 proof if it proves that the sender, before the payment order was
888 accepted, signed a record writing stating the information to
889 which the notice relates.

890 Section 26. The numbering of section 670.21 and Subsection
891 (1) of section 670.21, Florida Statutes, are amended to read:

892 670.21 Rejection of payment order.—

893 (1) A payment order is rejected by the receiving bank by a
894 notice of rejection transmitted to the sender orally~~7~~
895 ~~electronically~~, or in a record writing. A notice of rejection
896 need not use any particular words and is sufficient if it
897 indicates that the receiving bank is rejecting the order or will
898 not execute or pay the order. Rejection is effective when the
899 notice is given if transmission is by a means that is reasonable

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

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

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

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

911 670.211 Cancellation and amendment of payment order.—

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

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

922 670.305 Liability for late or improper execution or failure
923 to execute payment order.—

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

928 (4) If a receiving bank fails to execute a payment order it

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929 was obliged by express agreement to execute, the receiving bank
930 is liable to the sender for its expenses in the transaction and
931 for incidental expenses and interest losses resulting from the
932 failure to execute. Additional damages, including consequential
933 damages, are recoverable to the extent provided in an express
934 ~~written~~ agreement of the receiving bank, evidenced by a record,
935 but are not otherwise recoverable.

936 Section 29. Part VI of chapter 670, Florida Statutes,
937 consisting of section 670.601, is created and entitled
938 "Transitional Provisions."

939 Section 30. Section 670.601, Florida Statutes, is created
940 to read:

941 670.601 Saving clause for 2024 Amendments.—Except as
942 provided in ss. 669.501-669.706, a transaction validly entered
943 into before July 1, 2024, and the rights, duties, and interests
944 flowing from the transaction remain valid thereafter and may be
945 terminated, completed, consummated, or enforced as required or
946 permitted by law other than the Uniform Commercial Code or, if
947 applicable, the Uniform Commercial Code as though ch. 2024-XX,
948 Laws of Florida, had not taken effect.

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

951 671.101 Short title; scope of chapter.—

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

954 Section 32. Paragraph (h) is added to subsection (2) of
955 section 671.105, Florida Statutes, to read:

956 671.105 Territorial application of the code; parties' power
957 to choose applicable law.—

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

962 (h) Governing law in the chapter on controllable electronic
963 records. (s. 669.107).

964 Section 33. Section 671.107, Florida Statutes, is amended
965 to read:

966 671.107 Waiver or renunciation of claim or right after
967 breach.—A claim or right arising out of an alleged breach can be
968 discharged in whole or in part without consideration by
969 agreement of the aggrieved party in a signed ~~an authenticated~~
970 record.

971 Section 34. Present subsections (18) through (47) of
972 section 671.201, Florida Statutes, are redesignated as
973 subsections (19) through (48), respectively, a new subsection
974 (18) is added to that section, and present subsections (11),
975 (16), (22), (25), (26), (27), (31), (40), and (41) of that
976 section are amended, to read:

977 671.201 General definitions.—Unless the context otherwise
978 requires, words or phrases defined in this section, or in the
979 additional definitions contained in other chapters of this code
980 which apply to particular chapters or parts thereof, have the
981 meanings stated. Subject to definitions contained in other
982 chapters of this code which apply to particular chapters or
983 parts thereof, the term:

984 (11) "Conspicuous," with reference to a term, means so
985 written, displayed, or presented that, based on the totality of
986 the circumstances, a reasonable person against which it is to

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987 operate ought to have noticed it. Whether a term is
988 "conspicuous" is a decision for the court. ~~Conspicuous terms~~
989 ~~include the following:~~

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

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

997 (16) "Delivery," with respect to an electronic document of
998 title, means voluntary transfer of control and, "delivery," with
999 respect to an instrument, tangible document of title, or an
1000 authoritative tangible copy of a record evidencing chattel
1001 paper, ~~or certificated securities,~~ means voluntary transfer of
1002 possession.

1003 (18) "Electronic" means relating to technology having
1004 electrical, digital, magnetic, wireless, optical,
1005 electromagnetic, or similar capabilities.

1006 (23)(22) "Holder" means:

1007 (a) The person in possession of a negotiable instrument
1008 that is payable either to bearer or to an identified person that
1009 is the person in possession;

1010 (b) The person in possession of a negotiable tangible
1011 document of title if the goods are deliverable either to bearer
1012 or to the order of the person in possession; or

1013 (c) The person in control, other than pursuant to s.
1014 677.106(7), of a negotiable electronic document of title.

1015 (26)(25) "Money" means a medium of exchange that is

Commented [DW2]: Fla is non-uniform. Is "or certificated securities" to remain or be deleted. the ULC definition excludes "or certificated securities."

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1016 currently authorized or adopted by a domestic or foreign
1017 government. The term includes a monetary unit of account
1018 established by an intergovernmental organization or by agreement
1019 between two or more countries. The term does not include a
1020 central bank digital currency. [SUBJECT TO DELETION The term
1021 does not include an electronic record that is a medium of
1022 exchange recorded and transferable in a system that existed and
1023 operated for the medium of exchange before the medium of
1024 exchange was authorized or adopted by the government.]

1025 (27)~~(26)~~ Subject to subsection (29) ~~(28)~~, a person has
1026 "notice" of a fact if the person:

- 1027 (a) Has actual knowledge of it;
1028 (b) Has received a notice or notification of it; or
1029 (c) From all the facts and circumstances known to the
1030 person at the time in question, has reason to know that it
1031 exists. A person "knows" or has "knowledge" of a fact when the
1032 person has actual knowledge of it. "Discover" or "learn" or a
1033 word or phrase of similar import refers to knowledge rather than
1034 to reason to know. The time and circumstances under which a
1035 notice or notification may cease to be effective are not
1036 determined by this section.

1037 (28)~~(27)~~ A person "notifies" or "gives" a notice or
1038 notification to another person by taking such steps as may be
1039 reasonably required to inform the other person in ordinary
1040 course, whether or not the other person actually comes to know
1041 of it. Subject to subsection (29) ~~(28)~~, a person "receives" a
1042 notice or notification when:

- 1043 (a) It comes to that person's attention; or
1044 (b) It is duly delivered in a form reasonable under the

Commented [RK3]: Deletion proposed by OFR and the Governor's Office. Deletion acceptable to Art. 12 Task Force.

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1045 circumstances at the place of business through which the
1046 contract was made or at another location held out by that person
1047 as the place for receipt of such communications.

1048 ~~(32)(31)~~ "Person" means an individual; corporation;
1049 business trust; estate; trust; partnership; limited liability
1050 company; association; joint venture; government; governmental
1051 subdivision, agency, or instrumentality; ~~public corporation~~; or
1052 any other legal or commercial entity. The term includes a
1053 protected series, however denominated, of an entity if the
1054 protected series is established under law other than the Uniform
1055 Commercial Code that limits, or limits if conditions specified
1056 under the law are satisfied, the ability of a creditor of the
1057 entity or of any other protected series of the entity to satisfy
1058 a claim from assets of the protected series.

1059 ~~(41)(40)~~ "Send," in connection with a ~~writing, record,~~ or
1060 ~~notification notice,~~ means:

1061 (a) To deposit in the mail, ~~or~~ deliver for transmission, or
1062 transmit by any other usual means of communication, with postage
1063 or cost of transmission provided for, ~~and properly~~ addressed
1064 ~~and, in the case of an instrument, to an address specified~~
1065 ~~thereon or otherwise agreed or, if there be none, to any address~~
1066 ~~reasonable under the circumstances; or~~

1067 (b) To cause the record or notification to be received
1068 within the time it would have been received if properly sent
1069 ~~under paragraph (a) In any other way to cause to be received any~~
1070 ~~record or notice within the time it would have arrived if~~
1071 ~~properly sent.~~

1072 ~~(42)(41)~~ "Sign," "signing," "signed," or "signature" means,
1073 with present intent to authenticate or adopt a record:

Commented [DW4]: This ULC text is for series LLC amendments. What is section position?

Commented [DW5]: Matches ULC. Verify if change of Fla law.

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- 1074 (a) Execute or adopt a tangible symbol; or
1075 (b) Attach to or logically associate with the record an
1076 electronic symbol, sound, or process ~~means bearing any symbol~~
1077 ~~executed or adopted by a party with present intention to adopt~~
1078 ~~or accept a writing.~~

1079 Section 35. Section 671.211, Florida Statutes, is amended
1080 to read:

1081 671.211 Value.—Except as otherwise provided with respect to
1082 negotiable instruments and bank collections as provided in ss.
1083 673.3031, 674.2101, ~~and~~ 674.2111, and chapter 669, a person
1084 gives value for rights if the person acquires them:

1085 (1) In return for a binding commitment to extend credit or
1086 for the extension of immediately available credit whether or not
1087 drawn upon and whether or not a charge-back is provided for in
1088 the event of difficulties in collection;

1089 (2) As security for, or in total or partial satisfaction
1090 of, a preexisting claim;

1091 (3) By accepting delivery under a preexisting contract for
1092 purchase; or

1093 (4) In return for any consideration sufficient to support a
1094 simple contract.

1095 Section 36. Part IV of chapter 671, Florida Statutes,
1096 consisting of section 671.401, is created and entitled
1097 "Transitional Provisions."

1098 Section 37. Section 671.401, Florida Statutes, is created
1099 to read:

1100 671.401 Saving clause for 2024 Amendments.—Except as
1101 provided in ss. 669.501-669.706, a transaction validly entered
1102 into before July 1, 2024, and the rights, duties, and interests

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1103 flowing from the transaction remain valid thereafter and may be
1104 terminated, completed, consummated, or enforced as required or
1105 permitted by law other than the Uniform Commercial Code or, if
1106 applicable, the Uniform Commercial Code as though ch. 2024-XX,
1107 Laws of Florida, had not taken effect.

1108 Section 38. Section 672.102, Florida Statutes, is amended
1109 to read:

1110 672.102 Scope; certain security and other transactions
1111 excluded from this chapter.—

1112 (1) Unless the context otherwise requires, and except as
1113 provided in subsection (3), this chapter applies to transactions
1114 in goods and, in the case of a hybrid transaction, this chapter
1115 applies to the extent provided in subsection (2).

1116 (2) In a hybrid transaction:

1117 (a) If the sale-of-goods aspects do not predominate, only
1118 the provisions of this chapter which relate primarily to the
1119 sale-of-goods aspects of the transaction apply, and the
1120 provisions that relate primarily to the transaction as a whole
1121 do not apply.

1122 (b) If the sale-of-goods aspects predominate, this chapter
1123 applies to the transaction but does not preclude application in
1124 appropriate circumstances of other law to aspects of the
1125 transaction which do not relate to the sale of goods.

1126 (3) This chapter does not:

1127 (a) Apply to a transaction that, even though in the form of
1128 an unconditional contract to sell or present sale, operates only
1129 to create a security interest; or

1130 (b) Impair or repeal a statute regulating sales to
1131 consumers, farmers, or other specified classes of buyers; ~~it~~

Commented [DW6]: Text is correct to ULC. But change is less than shown because deleted existing text without should the word changes. Same concept.

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1132 ~~670 does not apply to any transaction which although in the form~~
1133 ~~of an unconditional contract to sell or present sale is intended~~
1134 ~~to operate only as a security transaction nor does this chapter~~
1135 ~~impair or repeal any statute regulating sales to consumers,~~
1136 ~~farmers or other specified classes of buyers.~~

1137 Section 39. Section 672.106, Florida Statutes, is amended
1138 to read:

1139 672.106 Definitions: "contract"; "agreement"; "contract for
1140 sale"; "sale"; "present sale"; "conforming" to contract;
1141 "termination"; "cancellation-"; "hybrid transaction."-

1142 (1) In this chapter unless the context otherwise requires
1143 "contract" and "agreement" are limited to those relating to the
1144 present or future sale of goods. "Contract for sale" includes
1145 both a present sale of goods and a contract to sell goods at a
1146 future time. A "sale" consists in the passing of title from the
1147 seller to the buyer for a price (s. 672.401). A "present sale"
1148 means a sale which is accomplished by the making of the
1149 contract.

1150 (2) Goods or conduct including any part of a performance
1151 are "conforming" or conform to the contract when they are in
1152 accordance with the obligations under the contract.

1153 (3) "Termination" occurs when either party pursuant to a
1154 power created by agreement or law puts an end to the contract
1155 otherwise than for its breach. On termination, all obligations
1156 which are still executory on both sides are discharged but any
1157 right based on prior breach or performance survives.

1158 (4) "Cancellation" occurs when either party puts an end to
1159 the contract for breach by the other and its effect is the same
1160 as that of "termination" except that the canceling party also

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1161 retains any remedy for breach of the whole contract or any
1162 unperformed balance.

1163 (5) "Hybrid transaction" means a single transaction
1164 involving a sale of goods and:

1165 (a) The provision of services;

1166 (b) A lease of other goods; or

1167 (c) A sale, lease, or license of property other than goods.

1168 Section 40. Subsections (1) and (2) of section 672.201,
1169 Florida Statutes, are amended to read:

1170 672.201 Formal requirements; statute of frauds.—

1171 (1) Except as otherwise provided in this section a contract
1172 for the sale of goods for the price of \$500 or more is not
1173 enforceable by way of action or defense unless there is a record
1174 ~~some writing~~ sufficient to indicate that a contract for sale has
1175 been made between the parties and signed by the party against
1176 whom enforcement is sought or by the party's ~~his or her~~
1177 authorized agent or broker. A record ~~writing~~ is not insufficient
1178 because it omits or incorrectly states a term agreed upon but
1179 the contract is not enforceable under this subsection ~~paragraph~~
1180 beyond the quantity of goods shown in the record ~~such writing~~.

1181 (2) Between merchants if within a reasonable time a record
1182 ~~writing~~ in confirmation of the contract and sufficient against
1183 the sender is received and the party receiving it has reason to
1184 know its contents, it satisfies the requirements of subsection
1185 (1) against the ~~such~~ party unless ~~written~~ notice in a record of
1186 objection to its contents is given within 10 days after it is
1187 received.

1188 Section 41. Section 672.202, Florida Statutes, is amended
1189 to read:

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1190 672.202 Final ~~written~~ expression; parol or extrinsic
1191 evidence.—Terms with respect to which the confirmatory memoranda
1192 of the parties agree or which are otherwise set forth in a
1193 record ~~writing~~ intended by the parties as a final expression of
1194 their agreement with respect to such terms as are included
1195 therein may not be contradicted by evidence of any prior
1196 agreement or of a contemporaneous oral agreement but may be
1197 explained or supplemented:

1198 (1) By course of dealing or usage of trade (s. 671.205) or
1199 by course of performance (s. 672.208); and

1200 (2) By evidence of consistent additional terms unless the
1201 court finds the record ~~writing~~ to have been intended also as a
1202 complete and exclusive statement of the terms of the agreement.

1203 Section 42. Section 672.203, Florida Statutes, is amended
1204 to read:

1205 672.203 Seals inoperative.—The affixing of a seal to a
1206 record ~~writing~~ evidencing a contract for sale or an offer to buy
1207 or sell goods does not constitute the record of writing a sealed
1208 instrument and the law with respect to sealed instruments does
1209 not apply to such a contract or offer.

1210 Section 43. Section 672.205, Florida Statutes, is amended
1211 to read:

1212 672.205 Firm offers.—An offer by a merchant to buy or sell
1213 goods in a signed record ~~writing~~ which by its terms gives
1214 assurance that it will be held open is not revocable, for lack
1215 of consideration, during the time stated or if no time is stated
1216 for a reasonable time, but in no event may such period of
1217 irrevocability exceed 3 months; but any such term of assurance
1218 on a form supplied by the offeree must be separately signed by

Commented [DW7]: Matches ULC. But is there a typo? ...does not constitute the record "of" a sealed instrument? .. or record sealed instrument with no "a"? Verify wording.

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1219 the offeror.

1220 Section 44. Subsection (2) of section 672.209, Florida
1221 Statutes, is amended to read:

1222 672.209 Modification, rescission, and waiver.—

1223 (2) A signed agreement which excludes modification or
1224 rescission except by a signed writing or other signed record
1225 cannot be otherwise modified or rescinded, but except as between
1226 merchants such a requirement on a form supplied by the merchant
1227 must be separately signed by the other party.

1228 Section 45. Part VIII of chapter 672, Florida Statutes,
1229 consisting of section 672.801, is created and entitled
1230 "Transitional Provisions."

1231 Section 46. Section 672.801, Florida Statutes, is created
1232 to read:

1233 672.801 Saving clause for 2024 Amendments.—Except as
1234 provided in ss. 669.501-669.706, a transaction validly entered
1235 into before July 1, 2024, and the rights, duties, and interests
1236 flowing from the transaction remain valid thereafter and may be
1237 terminated, completed, consummated, or enforced as required or
1238 permitted by law other than the Uniform Commercial Code or, if
1239 applicable, the Uniform Commercial Code as though ch. 2024-XX,
1240 Laws of Florida, had not taken effect.

1241
1242 Section 47. Paragraph (c) of subsection (1) of section
1243 673.1041, Florida Statutes, is amended to read:

1244 673.1041 Negotiable instrument.—

1245 (1) Except as provided in subsections (3), (4), and (11),
1246 the term "negotiable instrument" means an unconditional promise
1247 or order to pay a fixed amount of money, with or without

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1248 interest or other charges described in the promise or order, if
1249 it:

1250 (c) Does not state any other undertaking or instruction by
1251 the person promising or ordering payment to do any act in
1252 addition to the payment of money, but the promise or order may
1253 contain:

1254 1. An undertaking or power to give, maintain, or protect
1255 collateral to secure payment;

1256 2. An authorization or power to the holder to confess
1257 judgment or realize on or dispose of collateral; ~~or~~

1258 3. A waiver of the benefit of any law intended for the
1259 advantage or protection of an obligor;

1260 4. A term that specifies the law that governs the promise
1261 or order; or

1262 5. An undertaking to resolve in a specified forum a dispute
1263 concerning the promise or order.

1264 Section 48. Subsection (1) of section 673.1051, Florida
1265 Statutes, is amended to read:

1266 673.1051 Issue of instrument.—

1267 (1) The term "issue" means:

1268 (a) The first delivery of an instrument by the maker or
1269 drawer, whether to a holder or nonholder, for the purpose of
1270 giving rights on the instrument to any person; or

1271 (b) If agreed to by the payee, the first transmission by
1272 the drawer to the payee of an image of an item and information
1273 derived from the item that enables the depository bank to
1274 collect the item by transferring or presenting under federal law
1275 an electronic check.

1276 Section 49. Section 673.4011, Florida Statutes, is amended

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1277 to read:
1278 673.4011 Signature.-
1279 ~~(1)~~ A person is not liable on an instrument unless+
1280 ~~(a)~~ the person signed the instrument, or
1281 ~~(b)~~ the person is represented by an agent or representative
1282 who signed the instrument and the signature is binding on the
1283 represented person under s. 673.4021.
1284 ~~(2) A signature may be made:~~
1285 ~~(a) Manually or by means of a device or machine; and~~
1286 ~~(b) By the use of any name, including a trade or assumed~~
1287 ~~name, or by a word, mark, or symbol executed or adopted by a~~
1288 ~~person with present intention to authenticate a writing.~~
1289 Section 50. Subsection (1) of section 673.6041, Florida
1290 Statutes, is amended to read:
1291 673.6041 Discharge by cancellation or renunciation.-
1292 (1) A person entitled to enforce an instrument, with or
1293 without consideration, may discharge the obligation of a party
1294 to pay the instrument:
1295 (a) By an intentional voluntary act, such as:
1296 1. Surrender of the instrument to the party;
1297 2. Destruction, mutilation, or cancellation of the
1298 instrument;
1299 3. Cancellation or striking out of the party's signature;
1300 or
1301 4. Addition of words to the instrument indicating
1302 discharge; or
1303 (b) By agreeing not to sue or otherwise renouncing rights
1304 against the party by a signed writing.
1305

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1306 The obligation of a party to pay a check is not discharged
1307 solely by destruction of the check in connection with a process
1308 in which information is extracted from the check and an image of
1309 the check is made and, subsequently, the information and image
1310 are transmitted for payment.

1311 Section 51. Part VII of chapter 673, Florida Statutes,
1312 consisting of section 673.701, is created and entitled
1313 "Transitional Provisions."

1314 Section 52. Section 673.701, Florida Statutes, is created
1315 to read:

1316 673.701 Saving clause for 2024 Amendments.—Except as
1317 provided in ss. 669.501-669.706, a transaction validly entered
1318 into before July 1, 2024, and the rights, duties, and interests
1319 flowing from the transaction remain valid thereafter and may be
1320 terminated, completed, consummated, or enforced as required or
1321 permitted by law other than the Uniform Commercial Code or, if
1322 applicable, the Uniform Commercial Code as though ch. 2024-XX,
1323 Laws of Florida, had not taken effect.

1324 Section 53. Section 675.104, Florida Statutes, is amended
1325 to read:

1326 675.104 Formal requirements.—A letter of credit,
1327 confirmation, advice, transfer, amendment, or cancellation may
1328 be issued in any form that is a signed record ~~and is~~
1329 ~~authenticated by a signature or in accordance with the agreement~~
1330 ~~of the parties or the standard practice referred to in s.~~
1331 ~~675.108(5).~~

1332 Section 54. Section 675.116, Florida Statutes, is amended
1333 to read:

1334 675.116 Choice of law and forum.—

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1335 (1) The liability of an issuer, nominated person, or
1336 adviser for action or omission is governed by the law of the
1337 jurisdiction chosen by an agreement in the form of a record
1338 signed ~~or otherwise authenticated~~ by the affected parties ~~in the~~
1339 ~~manner provided in s. 675.104~~ or by a provision in the person's
1340 letter of credit, confirmation, or other undertaking. The
1341 jurisdiction whose law is chosen need not bear any relation to
1342 the transaction.

1343 (2) Unless subsection (1) applies, the liability of an
1344 issuer, nominated person, or adviser for action or omission is
1345 governed by the law of the jurisdiction in which the person is
1346 located. The person is considered to be located at the address
1347 indicated in the person's undertaking. If more than one address
1348 is indicated, the person is considered to be located at the
1349 address from which the person's undertaking was issued.

1350 (a) For the purpose of jurisdiction, choice of law, and
1351 recognition of interbranch letters of credit, but not
1352 enforcement of a judgment, all branches of a bank are considered
1353 separate juridical entities and a bank is considered to be
1354 located at the place where its relevant branch is considered to
1355 be located under paragraph (b) ~~this subsection~~.

1356 (b) A branch of a bank is considered to be located at the
1357 address indicated in the branch's undertaking. If more than one
1358 address is indicated, the branch is considered to be located at
1359 the address from which the undertaking was issued.

1360 (c) ~~(3)~~ Except as otherwise provided in this paragraph
1361 ~~subsection~~, the liability of an issuer, nominated person, or
1362 adviser is governed by any rules of custom or practice, such as
1363 the Uniform Customs and Practice for Documentary Credits, to

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1364 which the letter of credit, confirmation, or other undertaking
1365 is expressly made subject. If this chapter governs the liability
1366 of an issuer, nominated person, or adviser under subsection (1)
1367 or this subsection ~~subsection (2)~~, the relevant undertaking
1368 incorporates rules of custom or practice, and there is conflict
1369 between this chapter and such rules as applied to that
1370 undertaking, such rules govern except to the extent of any
1371 conflict with the nonvariable provisions specified in s.
1372 675.102(3).

1373 ~~(3)(4)~~ This chapter governs to the extent of any conflict
1374 between this chapter and chapter 670, chapter 673, chapter 674,
1375 or chapter 679.

1376 ~~(4)(5)~~ The forum for settling disputes arising out of an
1377 undertaking within this chapter may be chosen in the manner and
1378 with the binding effect that governing law may be chosen in
1379 accordance with subsection (1).

1380 Section 55. Section 675.119, Florida Statutes, is created
1381 to read:

1382 675.119 Saving clause 2024 Amendments.—Except as provided
1383 in ss. 669.501-669.706, a transaction validly entered into
1384 before July 1, 2024, and the rights, duties, and interests
1385 flowing from the transaction remain valid thereafter and may be
1386 terminated, completed, consummated, or enforced as required or
1387 permitted by law other than the Uniform Commercial Code or, if
1388 applicable, the Uniform Commercial Code as though ch. 2024-XX,
1389 Laws of Florida, had not taken effect.

1390 Section 56. Paragraphs (j) and (l) of subsection (1) of
1391 section 677.102, Florida Statutes, are deleted and such
1392 subsection (1) is amended to read:

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1393 ~~677.102 Definitions and index of definitions.-~~
1394 (1) In this chapter, unless the context otherwise requires:
1395 (j) ~~"Record" means information that is inscribed on a~~
1396 ~~tangible medium or that is stored in an electronic or other~~
1397 ~~medium and is retrievable in perceivable form.~~
1398 (k) "Shipper" means a person that enters into a contract
1399 of transportation with a carrier.
1400 ~~(l) "Sign" means, with present intent to authenticate or~~
1401 ~~adopt a record:~~
1402 1. ~~To execute or adopt a tangible symbol; or~~
1403 2. ~~To attach to or logically associate with the record an~~
1404 ~~electronic sound, symbol, or process.~~
1405 (m) "Warehouse" means a person engaged in the business of
1406 storing goods for hire.]
1407 Section 57. Subsection (2) of section 677.106, Florida
1408 Statutes, is amended, and subsections (3) through (9) are added
1409 to that section, to read:
1410 677.106 Control of electronic document of title.-
1411 (2) A system satisfies subsection (1), and a person has ~~is~~
1412 ~~deemed to have~~ control of an electronic document of title, if
1413 the document is created, stored, and transferred ~~assigned~~ in a
1414 manner that:
1415 (a) A single authoritative copy of the document exists
1416 which is unique, identifiable, and, except as otherwise provided
1417 in paragraphs (d), (e), and (f), unalterable;
1418 (b) The authoritative copy identifies the person asserting
1419 control as:
1420 1. The person to which the document was issued; or
1421 2. If the authoritative copy indicates that the document

- Commented [DW8]: fix - need to override format
- Commented [RK9R8]: In the May23 Fla Bill Draft, there are NO edits to 677.102(k) (shipper) and 677.102(m (warehouse_). Therefore this Markup seems to be acceptable
- Commented [DW10]: fix - need to overwrite format
- Commented [RK11R10]: See comment above, subsection (m)

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1422 has been transferred, the person to which the document was most
1423 recently transferred;

1424 (c) The authoritative copy is communicated to and
1425 maintained by the person asserting control or its designated
1426 custodian;

1427 (d) Copies or amendments that add or change an identified
1428 ~~transferee assignee~~ of the authoritative copy can be made only
1429 with the consent of the person asserting control;

1430 (e) Each copy of the authoritative copy and any copy of a
1431 copy is readily identifiable as a copy that is not the
1432 authoritative copy; and

1433 (f) Any amendment of the authoritative copy is readily
1434 identifiable as authorized or unauthorized.

1435 (3) A system satisfies subsection (1), and a person has
1436 control of an electronic document of title, if an authoritative
1437 electronic copy of the document, a record attached to or
1438 logically associated with the electronic copy, or a system in
1439 which the electronic copy is recorded:

1440 (a) Enables the person readily to identify each electronic
1441 copy as either an authoritative copy or a nonauthoritative copy;

1442 (b) Enables the person readily to identify itself in any
1443 way, including by name, identifying number, cryptographic key,
1444 office, or account number, as the person to which each
1445 authoritative electronic copy was issued or transferred; and

1446 (c) Gives the person exclusive power, subject to subsection
1447 (4), to:

1448 1. Prevent others from adding or changing the person to
1449 which each authoritative electronic copy has been issued or
1450 transferred; and

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1451 2. Transfer control of each authoritative electronic copy.
1452 (4) Subject to subsection (5), a power is exclusive under
1453 subparagraphs (3)(c)1. and 2. even if:
1454 (a) The authoritative electronic copy, a record attached to
1455 or logically associated with the authoritative electronic copy,
1456 or a system in which the authoritative electronic copy is
1457 recorded limits the use of the document of title or has a
1458 protocol that is programmed to cause a change, including a
1459 transfer or loss of control; or
1460 (b) The power is shared with another person.
1461 (5) A power of a person is not shared with another person
1462 under paragraph (4)(b) and the person's power is not exclusive
1463 if:
1464 (a) The person can exercise the power only if the power
1465 also is exercised by the other person; and
1466 (b) The other person:
1467 1. Can exercise the power without exercise of the power by
1468 the person; or
1469 2. Is the transferor to the person of an interest in the
1470 document of title.
1471 (6) If a person has the powers specified in subparagraphs
1472 (3)(c)1. and 2., the powers are presumed to be exclusive.
1473 (7) A person has control of an electronic document of title
1474 if another person, other than the transferor to the person of an
1475 interest in the document:
1476 (a) Has control of the document and acknowledges that it
1477 has control on behalf of the person; or
1478 (b) Obtains control of the document after having
1479 acknowledged that it will obtain control of the document on

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1480 behalf of the person.

1481 (8) A person that has control under this section is not
1482 required to acknowledge that it has control on behalf of another
1483 person.

1484 (9) If a person acknowledges that it has or will obtain
1485 control on behalf of another person, unless the person otherwise
1486 agrees or law other than this chapter or chapter 679 otherwise
1487 provides, the person does not owe any duty to the other person
1488 and is not required to confirm the acknowledgment to any other
1489 person.

1490 Section 58. Part VII of chapter 677, Florida Statutes,
1491 consisting of section 677.701, is created and entitled
1492 "Transitional Provisions."

1493 Section 59. Section 677.701, Florida Statutes, is created
1494 to read:

1495 677.701 Saving clause for 2024 Amendments.—Except as
1496 provided in ss. 669.501-669.706, a transaction validly entered
1497 into before July 1, 2024, and the rights, duties, and interests
1498 flowing from the transaction remain valid thereafter and may be
1499 terminated, completed, consummated, or enforced as required or
1500 permitted by law other than the Uniform Commercial Code or, if
1501 applicable, the Uniform Commercial Code as though ch. 2024-XX,
1502 Laws of Florida, had not taken effect.

1503 Section 60. Paragraph (f) of subsection (1) and subsection
1504 (2) of section 678.1021, Florida Statutes, are amended to read:

1505 678.1021 Definitions.—

1506 (1) In this chapter:

1507 (f) "Communicate" means to:

1508 1. Send a signed record ~~writing~~; or

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1509 2. Transmit information by any mechanism agreed upon by the
1510 persons transmitting and receiving the information.

1511 (2) The following other definitions in applying to this
1512 chapter and other chapters apply to this section the sections in
1513 which they appear are:

1514 "Appropriate person," s. 678.1071.

1515 "Control," s. 678.1061.

1516 "Controllable account," s. 679.1021.

1517 "Controllable electronic record," s. 669.102.

1518 "Controllable payment intangible," s. 679.1021.

1519 "Delivery," s. 678.3011.

1520 "Investment company security," s. 678.1031.

1521 "Issuer," s. 678.2011.

1522 "Overissue," s. 678.2101.

1523 "Protected purchaser," s. 678.3031.

1524 "Securities account," s. 678.5011.

1525 Section 61. Subsection (6) of section 678.1031, Florida
1526 Statutes, is amended, and subsection (8) is added to that
1527 section, to read:

1528 678.1031 Rules for determining whether certain obligations
1529 and interests are securities or financial assets.—

1530 (6) A commodity contract, as defined in s. 679.1021(1)(p)
1531 ~~s. 679.1021(1)(e)~~, is not a security or a financial asset.

1532 (8) A controllable account, controllable electronic record,
1533 or controllable payment intangible is not a financial asset
1534 unless s. 678.1021(1)(i)(3) applies.

1535 Section 62. Paragraph (c) of subsection (4) of section
1536 678.1061, Florida Statutes, is amended, and subsections (8) and
1537 (9) are added to that section, to read:

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1538 678.1061 Control.—
1539 (4) A purchaser has “control” of a security entitlement if:
1540 (c) Another person, other than the transferor to the
1541 purchaser of an interest in the security entitlement:
1542 1. Has control of the security entitlement and acknowledges
1543 that it has control on behalf of the purchaser; or
1544 2. Obtains control of the security entitlement after having
1545 acknowledged that it will obtain control of the security
1546 entitlement on behalf of the purchaser ~~has control of the~~
1547 ~~security entitlement on behalf of the purchaser or, having~~
1548 ~~previously acquired control of the security entitlement,~~
1549 ~~acknowledges that the person has control on behalf of the~~
1550 ~~purchaser.~~
1551 (8) A person that has control under this section is not
1552 required to acknowledge that it has control on behalf of a
1553 purchaser.
1554 (9) If a person acknowledges that it has or will obtain
1555 control on behalf of a purchaser, unless the person otherwise
1556 agrees or law other than this chapter or chapter 679 otherwise
1557 provides, the person does not owe any duty to the purchaser and
1558 is not required to confirm the acknowledgment to any other
1559 person.
1560 Section 63. Subsection (7) is added to section 678.1101,
1561 Florida Statutes, to read:
1562 678.1101 Applicability; choice of law.—
1563 (7) The local law of the issuer’s jurisdiction or the
1564 securities intermediary’s jurisdiction governs a matter or
1565 transaction specified in subsection (1) or subsection (2) even
1566 if the matter or transaction does not bear any relation to the

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1567 jurisdiction.

1568 Section 64. Subsection (2) of section 678.3031, Florida
1569 Statutes, is amended to read:

1570 678.3031 Protected purchaser.—

1571 (2) ~~In addition to acquiring the rights of a purchaser, A~~
1572 protected purchaser ~~also~~ acquires its interest in the security
1573 free of any adverse claim.

1574 Section 65. Part VI of chapter 678, Florida Statutes,
1575 consisting of section 678.601, is created and entitled
1576 "Transitional Provisions."

1577 Section 66. Section 678.601, Florida Statutes, is created
1578 to read:

1579 678.601 Saving clause for 2024 Amendments.—Except as
1580 provided in ss. 669.501-669.706, a transaction validly entered
1581 into before July 1, 2024, and the rights, duties, and interests
1582 flowing from the transaction remain valid thereafter and may be
1583 terminated, completed, consummated, or enforced as required or
1584 permitted by law other than the Uniform Commercial Code or, if
1585 applicable, the Uniform Commercial Code as though ch. 2024-XX,
1586 Laws of Florida, had not taken effect.

1587 Section 67. Present paragraphs (h) through (aa), (bb)
1588 through (bbb), and (ccc) through (bbbb) of subsection (1) of
1589 section 679.1021, Florida Statutes, are redesignated as
1590 paragraphs (i) through (bb), (cc) through (eee), and (ggg)
1591 through (eeee), respectively, new paragraphs (g), (h), (cc),
1592 (dd), and (fff) are added to that subsection, and paragraphs
1593 (b), (c), (d), and (g) and present paragraphs (k), (hh), (pp),
1594 (uu), (iii), (nnn), (vvv), and (zzz) of subsection (1) and
1595 subsection (2) of that section are amended, to read:

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1596 679.1021 Definitions and index of definitions.-
1597 (1) In this chapter, the term:
1598 (b) "Account," except as used in "account for," "account
1599 statement," "account to," "commodity account" as used in
1600 paragraph (o), "customer account," "deposit account" as used in
1601 paragraph (ff), "on account of," and "statement of account"
1602 means a right to payment of a monetary obligation, whether or
1603 not earned by performance, for property that has been or is to
1604 be sold, leased, licensed, assigned, or otherwise disposed of;
1605 for services rendered or to be rendered; for a policy of
1606 insurance issued or to be issued; for a secondary obligation
1607 incurred or to be incurred; for energy provided or to be
1608 provided; for the use or hire of a vessel under a charter or
1609 other contract; arising out of the use of a credit or charge
1610 card or information contained on or for use with the card; or as
1611 winnings in a lottery or other game of chance operated or
1612 sponsored by a state, governmental unit of a state, or person
1613 licensed or authorized to operate the game by a state or
1614 governmental unit of a state. The term includes controllable
1615 accounts and health-care-insurance receivables. The term does
1616 not include ~~rights to payment evidenced by chattel paper or an~~
1617 ~~instrument~~; commercial tort claims; deposit accounts; investment
1618 property; letter-of-credit rights or letters of credit; ~~or~~
1619 rights to payment for money or funds advanced or sold, other
1620 than rights arising out of the use of a credit or charge card or
1621 information contained on or for use with the card; or rights to
1622 payment evidenced by an instrument.
1623 (c) "Account debtor" means a person obligated on an
1624 account, chattel paper, or general intangible. The term does not

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1625 include persons obligated to pay a negotiable instrument, even
1626 if the negotiable instrument evidences~~constitutes part of~~
1627 chattel paper.

1628 (d) "Accounting," except as used in the term "accounting
1629 for," means a record:

- 1630 1. Signed ~~Authenticated~~ by a secured party;
1631 2. Indicating the aggregate unpaid secured obligations as
1632 of a date not more than 35 days earlier or 35 days later than
1633 the date of the record; and
1634 3. Identifying the components of the obligations in
1635 reasonable detail.

1636 (g) "Assignee," except as used in "assignee for benefit of
1637 creditors," means a person:

- 1638 1. In whose favor a security interest that secures an
1639 obligation is created or provided for under a security
1640 agreement, whether or not the obligation is outstanding; or
1641 2. To which an account, chattel paper, payment intangible,
1642 or promissory note has been sold.

1643
1644 The term includes a person to which a security interest has been
1645 transferred by a secured party.

1646 (h) "Assignor" means a person that:

- 1647 1. Under a security agreement creates or provides for a
1648 security interest that secures an obligation; or
1649 2. Sells an account, chattel paper, payment intangible, or
1650 promissory note.

1651
1652 The term includes a secured party that has transferred a
1653 security interest to another person ~~"Authenticate" means:~~

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1654 ~~1. To sign; or~~
1655 ~~2. With the present intent to adopt or accept a record, to~~
1656 ~~attach to or logically associate with the record an electronic~~
1657 ~~sound, symbol, or process.~~
1658 (1) (4) "Chattel paper" means:
1659 1. A right to payment of a monetary obligation secured by
1660 specific goods, if the right to payment and security agreement
1661 are evidenced by a record; or
1662 2. A right to payment of a monetary obligation owed by a
1663 lessee under a lease agreement with respect to specific goods
1664 and a monetary obligation owed by the lessee in connection with
1665 the transaction giving rise to the lease, if:
1666 a. The right to payment and lease agreement are evidenced
1667 by a record; and
1668 b. The predominant purpose of the transaction giving rise
1669 to the lease was to give the lessee the right to possession and
1670 use of the goods.
1671
1672 The term does not include a right to payment arising out of a
1673 charter or other contract involving the use or hire of a vessel
1674 or a right to payment arising out of the use of a credit or
1675 charge card or information contained on or for use with the card
1676 ~~a record or records that evidence both a monetary obligation and~~
1677 ~~a security interest in specific goods, a security interest in~~
1678 ~~specific goods and software used in the goods, a security~~
1679 ~~interest in specific goods and license of software used in the~~
1680 ~~goods, a lease of specific goods, or a lease of specific goods~~
1681 ~~and license of software used in the goods. In this paragraph,~~
1682 ~~"monetary obligation" means a monetary obligation secured by the~~

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1683 ~~goods or owed under a lease of the goods and includes a monetary~~
1684 ~~obligation with respect to software used in the goods. The term~~
1685 ~~does not include charters or other contracts involving the use~~
1686 ~~or hire of a vessel or records that evidence a right to payment~~
1687 ~~arising out of the use of a credit or charge card or information~~
1688 ~~contained on or for use with the card. If a transaction is~~
1689 ~~evidenced by records that include an instrument or series of~~
1690 ~~instruments, the group of records taken together constitutes~~
1691 ~~chattel paper.~~

1692 (cc) "Controllable account" means an account evidenced by a
1693 controllable electronic record that provides that the account
1694 debtor undertakes to pay the person that has control under s.
1695 669.105 of the controllable electronic record.

1696 (dd) "Controllable payment intangible" means a payment
1697 intangible evidenced by a controllable electronic record that
1698 provides that the account debtor undertakes to pay the person
1699 that has control under s. 669.105 of the controllable electronic
1700 record.

1701 (hh) ~~(ee)~~ "Electronic money" means money in an electronic
1702 form ~~chattel paper" means chattel paper evidenced by a record or~~
1703 ~~records consisting of information stored in an electronic~~
1704 ~~medium.~~

1705 (ss) ~~(pp)~~ "General intangible" means any personal property,
1706 including things in action, other than accounts, chattel paper,
1707 commercial tort claims, deposit accounts, documents, goods,
1708 instruments, investment property, letter-of-credit rights,
1709 letters of credit, money, and oil, gas, or other minerals before
1710 extraction. The term includes controllable electronic records,
1711 payment intangibles, and software.

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1712 ~~(xx)(uu)~~ "Instrument" means a negotiable instrument or any
1713 other writing that evidences a right to the payment of a
1714 monetary obligation, is not itself a security agreement or
1715 lease, and is of a type that in the ordinary course of business
1716 is transferred by delivery with any necessary indorsement or
1717 assignment. The term does not include investment property,
1718 letters of credit, ~~or~~ writings that evidence a right to payment
1719 arising out of the use of a credit or charge card or information
1720 contained on or for use with the card, or writings that evidence
1721 chattel paper.

1722 (fff) "Money" has the meaning in s. 671.201, but does not
1723 include a deposit account or money in an electronic form that
1724 cannot be subjected to control under s. 679.1052.

1725 ~~(mmm)(iii)~~ "Payment intangible" means a general intangible
1726 under which the account debtor's principal obligation is a
1727 monetary obligation. The term includes a controllable payment
1728 intangible.

1729 ~~(rrr)(nnn)~~ "Proposal" means a record signed ~~authenticated~~
1730 by a secured party which includes the terms on which the secured
1731 party is willing to accept collateral in full or partial
1732 satisfaction of the obligation it secures pursuant to ss.
1733 679.620, 679.621, and 679.622.

1734 ~~(vvv) "Send," in connection with a record or notification,~~
1735 ~~means:~~

1736 ~~1. To deposit in the mail, deliver for transmission, or~~
1737 ~~transmit by any other usual means of communication, with postage~~
1738 ~~or cost of transmission provided for, addressed to any address~~
1739 ~~reasonable under the circumstances; or~~

1740 ~~2. To cause the record or notification to be received~~

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1741 ~~within the time that it would have been received if properly~~
1742 ~~sent under subparagraph 1.~~

1743 ~~(cccc)(zzz)~~ "Tangible money chattel paper" means money in
1744 tangible form ~~chattel paper evidenced by a record or records~~
1745 ~~consisting of information that is inscribed on a tangible~~
1746 ~~medium.~~

1747 (2) The following definitions in other chapters apply to
1748 this chapter:

1749 "Applicant," s. 675.103.

1750 "Beneficiary," s. 675.103.

1751 "Broker," s. 678.1021.

1752 "Certificated security," s. 678.1021.

1753 "Check," s. 673.1041.

1754 "Clearing corporation," s. 678.1021.

1755 "Contract for sale," s. 672.106.

1756 "Control," s. 677.106.

1757 "Controllable electronic record," s. 699.102.

1758 "Customer," s. 674.104.

1759 "Entitlement holder," s. 678.1021.

1760 "Financial asset," s. 678.1021.

1761 "Holder in due course," s. 673.3021.

1762 "Issuer" (with respect to a letter of credit
1763 or letter-of-credit right), s. 675.103.

1764 "Issuer" (with respect to a security), s. 678.2011.

1765 "Issuer" (with respect to documents
1766 of title), s. 677.102.

1767 "Lease," s. 680.1031.

1768 "Lease agreement," s. 680.1031.

1769 "Lease contract," s. 680.1031.

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1770 "Leasehold interest," s. 680.1031.
1771 "Lessee," s. 680.1031.
1772 "Lessee in ordinary course of
1773 business," s. 680.1031.
1774 "Lessor," s. 680.1031.
1775 "Lessor's residual interest," s. 680.1031.
1776 "Letter of credit," s. 675.103.
1777 "Merchant," s. 672.104.
1778 "Negotiable instrument," s. 673.1041.
1779 "Nominated person," s. 675.103.
1780 "Note," s. 673.1041.
1781 "Proceeds of a letter of credit," s. 675.114.
1782 "Protected purchaser," s. 678.3031.
1783 "Prove," s. 673.1031.
1784 "Qualifying purchaser," s. 669.102
1785 "Sale," s. 672.106.
1786 "Securities account," s. 678.5011.
1787 "Securities intermediary," s. 678.1021.
1788 "Security," s. 678.1021.
1789 "Security certificate," s. 678.1021.
1790 "Security entitlement," s. 678.1021.
1791 "Uncertificated security," s. 678.1021.
1792 Section 68. Subsection (1) of section 679.1041, Florida
1793 Statutes, is amended to read:
1794 679.1041 Control of deposit account.—
1795 (1) A secured party has control of a deposit account if:
1796 (a) The secured party is the bank with which the deposit
1797 account is maintained;
1798 (b) The debtor, secured party, and bank have agreed in a

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1799 signed an authenticated record that the bank will comply with
1800 instructions originated by the secured party directing
1801 disposition of the funds in the deposit account without further
1802 consent by the debtor; ~~or~~

1803 (c) The secured party becomes the bank's customer with
1804 respect to the deposit account; or

1805 (d) Another person, other than the debtor:

1806 1. Has control of the deposit account and acknowledges that
1807 it has control on behalf of the secured party; or

1808 2. Obtains control of the deposit account after having
1809 acknowledged that it will obtain control of the deposit account
1810 on behalf of the secured party.

1811 Section 69. Section 679.1051, Florida Statutes, is amended
1812 to read:

1813 679.1051 Control of electronic chattel paper.—

1814 (1) A purchaser has control of an authoritative electronic
1815 copy of a record evidencing chattel paper if a system employed
1816 for evidencing the assignment of interests in the chattel paper
1817 reliably establishes the purchaser as the person to which the
1818 authoritative electronic copy was assigned.

1819 (2) A system satisfies subsection (1) if the record or
1820 records evidencing the chattel paper are created, stored, and
1821 assigned in a manner that:

1822 (a) A single authoritative copy of the record or records
1823 exists which is unique, identifiable, and, except as otherwise
1824 provided in paragraphs (d), (e), and (f), unalterable;

1825 (b) The authoritative copy identifies the purchaser as the
1826 assignee of the record or records;

1827 (c) The authoritative copy is communicated to and

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1828 maintained by the purchaser or its designated custodian;
1829 (d) Copies or amendments that add or change an identified
1830 assignee of the authoritative copy can be made only with the
1831 consent of the purchaser;
1832 (e) Each copy of the authoritative copy and any copy of a
1833 copy is readily identifiable as a copy that is not the
1834 authoritative copy; and
1835 (f) Any amendment of the authoritative copy is readily
1836 identifiable as authorized or unauthorized.
1837 (3) A system satisfies subsection (1), and a purchaser has
1838 control of an authoritative electronic copy of a record
1839 evidencing chattel paper, if the electronic copy, a record
1840 attached to or logically associated with the electronic copy, or
1841 a system in which the electronic copy is recorded:
1842 (a) Enables the purchaser readily to identify each
1843 electronic copy as either an authoritative copy or a
1844 nonauthoritative copy;
1845 (b) Enables the purchaser readily to identify itself in any
1846 way, including by name, identifying number, cryptographic key,
1847 office, or account number, as the assignee of the authoritative
1848 electronic copy; and
1849 (c) Gives the purchaser exclusive power, subject to
1850 subsection (4), to:
1851 1. Prevent others from adding or changing an identified
1852 assignee of the authoritative electronic copy; and
1853 2. Transfer control of the authoritative electronic copy.
1854 (4) Subject to subsection (5), a power is exclusive under
1855 subsection (3)(c)1. and 2. even if:
1856 (a) The authoritative electronic copy, a record attached to

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1857 or logically associated with the authoritative electronic copy,
1858 or a system in which the authoritative electronic copy is
1859 recorded limits the use of the authoritative electronic copy or
1860 has a protocol programmed to cause a change, including a
1861 transfer or loss of control; or
1862 (b) The power is shared with another person.
1863 (5) A power of a purchaser is not shared with another
1864 person under subsection(4) (b) and the purchaser's power is not
1865 exclusive if:
1866 (a) The purchaser can exercise the power only if the power
1867 also is exercised by the other person; and
1868 (b) The other person:
1869 1. Can exercise the power without exercise of the power by
1870 the purchaser; or
1871 2. Is the transferor to the purchaser of an interest in the
1872 chattel paper.
1873 (6) If a purchaser has the powers specified in subsection
1874 (3) (c) 1. and 2., the powers are presumed to be exclusive.
1875 (7) A purchaser has control of an authoritative electronic
1876 copy of a record evidencing chattel paper if another person,
1877 other than the transferor to the purchaser of an interest in the
1878 chattel paper:
1879 (a) Has control of the authoritative electronic copy and
1880 acknowledges that it has control on behalf of the purchaser; or
1881 (b) Obtains control of the authoritative electronic copy
1882 after having acknowledged that it will obtain control of the
1883 electronic copy on behalf of the purchaser ~~A secured party has~~
1884 ~~control of electronic chattel paper if a system employed for~~
1885 ~~evidencing the transfer of interests in the chattel paper~~

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1886 ~~reliably establishes the secured party as the person to which~~
1887 ~~the chattel paper was assigned.~~

1888 ~~(2) A system satisfies subsection (1), and a secured party~~
1889 ~~has control of electronic chattel paper, if the record or~~
1890 ~~records comprising the chattel paper are created, stored, and~~
1891 ~~assigned in such a manner that:~~

1892 ~~(a) A single authoritative copy of the record or records~~
1893 ~~exists which is unique, identifiable and, except as otherwise~~
1894 ~~provided in paragraphs (d), (e), and (f), unalterable;~~

1895 ~~(b) The authoritative copy identifies the secured party as~~
1896 ~~the assignee of the record or records;~~

1897 ~~(c) The authoritative copy is communicated to and~~
1898 ~~maintained by the secured party or its designated custodian;~~

1899 ~~(d) Copies or amendments that add or change an identified~~
1900 ~~assignee of the authoritative copy can be made only with the~~
1901 ~~consent of the secured party;~~

1902 ~~(e) Each copy of the authoritative copy and any copy of a~~
1903 ~~copy is readily identifiable as a copy that is not the~~
1904 ~~authoritative copy; and~~

1905 ~~(f) Any amendment of the authoritative copy is readily~~
1906 ~~identifiable as authorized or unauthorized.~~

1907 Section 70. Section 679.1052, Florida Statutes, is created
1908 to read:

1909 679.1052 Control of electronic money.—

1910 (1) A person has control of electronic money if:

1911 (a) The electronic money, a record attached to or logically
1912 associated with the electronic money, or a system in which the
1913 electronic money is recorded gives the person:

1914 1. Power to avail itself of substantially all the benefit

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1915 from the electronic money; and
1916 2. Exclusive power, subject to subsection (2), to:
1917 a. Prevent others from availing themselves of substantially
1918 all the benefit from the electronic money; and
1919 b. Transfer control of the electronic money to another
1920 person or cause another person to obtain control of other
1921 electronic money as a result of the transfer of the electronic
1922 money; and
1923 (b) The electronic money, a record attached to or logically
1924 associated with the electronic money, or a system in which the
1925 electronic money is recorded enables the person readily to
1926 identify itself in any way, including by name, identifying
1927 number, cryptographic key, office, or account number, as having
1928 the powers under paragraph (a).
1929 (2) Subject to subsection (3), a power is exclusive under
1930 subsection (1)(a)2.a. and b. even if:
1931 (a) The electronic money, a record attached to or logically
1932 associated with the electronic money, or a system in which the
1933 electronic money is recorded limits the use of the electronic
1934 money or has a protocol programmed to cause a change, including
1935 a transfer or loss of control; or
1936 (b) The power is shared with another person.
1937 (3) A power of a person is not shared with another person
1938 under subsection (2)(b) and the person's power is not exclusive
1939 if:
1940 (a) The person can exercise the power only if the power
1941 also is exercised by the other person; and
1942 (b) The other person:
1943 1. Can exercise the power without exercise of the power by

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1944 the person; or

1945 2. Is the transferor to the person of an interest in the
1946 electronic money.

1947 (4) If a person has the powers specified in subsection
1948 (1)(a)2.a. and b., the powers are presumed to be exclusive.

1949 (5) A person has control of electronic money if another
1950 person, other than the transferor to the person of an interest
1951 in the electronic money:

1952 (a) Has control of the electronic money and acknowledges
1953 that it has control on behalf of the person; or

1954 (b) Obtains control of the electronic money after having
1955 acknowledged that it will obtain control of the electronic money
1956 on behalf of the person.

1957 Section 71. Section 679.1053, Florida Statutes, is created
1958 to read:

1959 679.1053 Control of controllable electronic record,
1960 controllable account, or controllable payment intangible.-

1961 (1) A secured party has control of a controllable
1962 electronic record as provided in s. 669.105.

1963 (2) A secured party has control of a controllable account
1964 or controllable payment intangible if the secured party has
1965 control of the controllable electronic record that evidences the
1966 controllable account or controllable payment intangible.

1967 Section 72. Section 679.1054, Florida Statutes, is created
1968 to read:

1969 679.1054 No requirement to acknowledge or confirm; no
1970 duties.-

1971 (1) A person that has control under s 679.1051, s 679.1052,
1972 or s 679.1053 is not required to acknowledge that it has control

Commented [DW12]: Can repetition in s. 679.1052 be reduced?

Commented [RK13R12]: I think it best to match the ULC version, which includes "electronic money"

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1973 on behalf of another person.

1974 (2) If a person acknowledges that it has or will obtain
1975 control on behalf of another person, unless the person otherwise
1976 agrees or law other than this chapter otherwise provides, the
1977 person does not owe any duty to the other person and is not
1978 required to confirm the acknowledgment to any other person.

1979 Section 73. Paragraph (c) of subsection (2) and Paragraph
1980 (d) of subsection (10) of section 679.2031, Florida Statutes,
1981 are amended to read:

1982 679.2031 Attachment and enforceability of security
1983 interest; proceeds; supporting obligations; formal requisites.-

1984 (2) Except as otherwise provided in subsections (3) through
1985 (10), a security interest is enforceable against the debtor and
1986 third parties with respect to the collateral only if:

1987 (c) One of the following conditions is met:

1988 1. The debtor has signed ~~authenticated~~ a security agreement
1989 that provides a description of the collateral and, if the
1990 security interest covers timber to be cut, a description of the
1991 land concerned;

1992 2. The collateral is not a certificated security and is in
1993 the possession of the secured party under s. 679.3131 pursuant
1994 to the debtor's security agreement;

1995 3. The collateral is a certificated security in registered
1996 form and the security certificate has been delivered to the
1997 secured party under s. 678.3011 pursuant to the debtor's
1998 security agreement; ~~or~~

1999 4. The collateral is controllable accounts, controllable
2000 electronic records, controllable payment intangibles, deposit
2001 accounts, electronic documents, electronic money ~~chattel paper,~~

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2002 investment property, or letter-of-credit rights, ~~or electronic~~
2003 ~~documents,~~ and the secured party has control under s. 677.106,
2004 s. 679.1041, s. 679.105, s. 679.1051, s. 679.1061, or s.
2005 679.1071 pursuant to the debtor's security agreement; or

2006 5. The collateral is chattel paper and the secured party
2007 has possession and control under s. 679.3152 pursuant to the
2008 debtor's security agreement.

2009 (10) A security interest in an account consisting of a
2010 right to payment of a monetary obligation for the sale of real
2011 property that is the debtor's homestead under the laws of this
2012 state is not enforceable unless:

2013 (a) The description of the account in the security
2014 agreement conspicuously states that the collateral includes the
2015 debtor's right to payment of a monetary obligation for the sale
2016 of real property;

2017 (b) The description of the account in the security
2018 agreement includes a legal description of the real property;

2019 (c) The description of the account in the security
2020 agreement conspicuously states that the real property is the
2021 debtor's homestead; and

2022 (d) The security agreement is also signed ~~authenticated~~ by
2023 the debtor's spouse, if the debtor is married; if the debtor's
2024 spouse is incompetent, then the method of authentication by the
2025 debtor's spouse is the same as provided by the laws of this
2026 state, other than this chapter, which apply to the alienation or
2027 encumbrance of homestead property by an incompetent person.

2028 Section 74. Present subsection (3) of section 679.2041,
2029 Florida Statutes, is redesignated as subsection (4), a new
2030 subsection (3) is added to that section, and subsection (2) of

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2031 that section is amended, to read:

2032 679.2041 After-acquired property; future advances.—

2033 (2) Subject to subsection (3), a security interest does not

2034 attach under a term constituting an after-acquired property

2035 clause to:

2036 (a) Consumer goods, other than an accession when given as

2037 additional security, unless the debtor acquires rights in them

2038 within 10 days after the secured party gives value; or

2039 (b) A commercial tort claim.

2040 (3) Subsection (2) does not prevent a security interest

2041 from attaching:

2042 (a) To a consumer good as proceeds under s. 679.3151(1) or

2043 commingled goods under s. 679.336(3);

2044 (b) To a commercial tort claim as proceeds under s.

2045 679.3151(1); or

2046 (c) Under an after-acquired property clause to property

2047 that is proceeds of consumer goods or a commercial tort claim.

2048 Section 75. Subsection (3) of section 679.2071, Florida

2049 Statutes, is amended to read:

2050 679.2071 Rights and duties of secured party having

2051 possession or control of collateral.—

2052 (3) Except as otherwise provided in subsection (4), a

2053 secured party having possession of collateral or control of

2054 collateral under s. 677.106, s. 679.1041, s. 679.1051, s.

2055 679.1052, s. 679.1061, or s. 679.1071:

2056 (a) May hold as additional security any proceeds, except

2057 money or funds, received from the collateral;

2058 (b) Shall apply money or funds received from the collateral

2059 to reduce the secured obligation, unless remitted to the debtor;

Commented [DW14]: This language needs to be underlined as new language. Formatting lost.

Commented [RK15R14]: The text seems to be locked. NOTE: 679.2041(3) is all added by the Bill.

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2060 and
2061 (c) May create a security interest in the collateral.
2062 Section 76. Subsection (2) of section 679.2081, Florida
2063 Statutes, is amended to read:
2064 679.2081 Additional duties of secured party having control
2065 of collateral.—
2066 (2) Within 10 days after receiving a signed ~~an~~
2067 ~~authenticated~~ demand by the debtor:
2068 (a) A secured party having control of a deposit account
2069 under s. 679.1041(1) (b) shall send to the bank with which the
2070 deposit account is maintained a signed record ~~an authenticated~~
2071 ~~statement~~ that releases the bank from any further obligation to
2072 comply with instructions originated by the secured party;
2073 (b) A secured party having control of a deposit account
2074 under s. 679.1041(1) (c) shall:
2075 1. Pay the debtor the balance on deposit in the deposit
2076 account; or
2077 2. Transfer the balance on deposit into a deposit account
2078 in the debtor's name;
2079 (c) A secured party, other than a buyer, having control
2080 under s. 679.1051 of an authoritative electronic copy of a
2081 record evidencing chattel paper shall transfer control of the
2082 electronic copy to the debtor or a person designated by the
2083 debtor; a secured party, other than a buyer, having control of
2084 electronic chattel paper under s. 679.1051 shall:
2085 ~~1. Communicate the authoritative copy of the electronic~~
2086 ~~chattel paper to the debtor or its designated custodian;~~
2087 ~~2. If the debtor designates a custodian that is the~~
2088 ~~designated custodian with which the authoritative copy of the~~

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2089 ~~electronic chattel paper is maintained for the secured party,~~
2090 ~~communicate to the custodian an authenticated record releasing~~
2091 ~~the designated custodian from any further obligation to comply~~
2092 ~~with instructions originated by the secured party and~~
2093 ~~instructing the custodian to comply with instructions originated~~
2094 ~~by the debtor; and~~

2095 ~~3. Take appropriate action to enable the debtor or the~~
2096 ~~debtor's designated custodian to make copies of or revisions to~~
2097 ~~the authoritative copy which add or change an identified~~
2098 ~~assignee of the authoritative copy without the consent of the~~
2099 ~~secured party;~~

2100 (d) A secured party having control of investment property
2101 under s. 678.1061(4)(b) or s. 679.1061(2) shall send to the
2102 securities intermediary or commodity intermediary with which the
2103 security entitlement or commodity contract is maintained a
2104 signed ~~an authenticated~~ record that releases the securities
2105 intermediary or commodity intermediary from any further
2106 obligation to comply with entitlement orders or directions
2107 originated by the secured party;

2108 (e) A secured party having control of a letter-of-credit
2109 right under s. 679.1071 shall send to each person having an
2110 unfulfilled obligation to pay or deliver proceeds of the letter
2111 of credit to the secured party a signed ~~an authenticated~~ release
2112 from any further obligation to pay or deliver proceeds of the
2113 letter of credit to the secured party; ~~and~~

2114 (f) A secured party having control under s. 677.106 of an
2115 authoritative electronic copy of an electronic document of title
2116 shall transfer control of the electronic copy to the debtor or a
2117 person designated by the debtor;

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2118 (g) A secured party having control under s. 679.1052 of
2119 electronic money shall transfer control of the electronic money
2120 to the debtor or a person designated by the debtor; and

2121 (h) A secured party having control under s. 669.105 of a
2122 controllable electronic record, other than a buyer of a
2123 controllable account or controllable payment intangible
2124 evidenced by the controllable electronic record, shall transfer
2125 control of the controllable electronic record to the debtor or a
2126 person designated by the debtor of an electronic document shall:

2127 ~~1. Give control of the electronic document to the debtor or~~
2128 ~~its designated custodian;~~

2129 ~~2. If the debtor designates a custodian that is the~~
2130 ~~designated custodian with which the authoritative copy of the~~
2131 ~~electronic document is maintained for the secured party,~~
2132 ~~communicate to the custodian an authenticated record releasing~~
2133 ~~the designated custodian from any further obligation to comply~~
2134 ~~with instructions originated by the secured party and~~
2135 ~~instructing the custodian to comply with instructions originated~~
2136 ~~by the debtor; and~~

2137 ~~3. Take appropriate action to enable the debtor or its~~
2138 ~~designated custodian to make copies of or revisions to the~~
2139 ~~authenticated copy which add or change an identified assignee of~~
2140 ~~the authoritative copy without the consent of the secured party.~~

2141 Section 77. Subsection (2) of section 679.209, Florida
2142 Statutes, is amended to read:

2143 679.209 Duties of secured party if account debtor has been
2144 notified of assignment.—

2145 (2) Within 10 days after receiving a signed an
2146 ~~authenticated~~ demand by the debtor, a secured party shall send

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2147 to an account debtor that has received notification under s.
2148 679.4016(1) or 669.106(2) of an assignment to the secured party
2149 as assignee a signed ~~under s. 679.4061(1) an authenticated~~
2150 record that releases the account debtor from any further
2151 obligation to the secured party.

2152 Section 78. Paragraphs (b), (c), and (d) of subsection (1)
2153 and subsections (2) through (6) of section 679.210, Florida
2154 Statutes, are amended to read:

2155 679.210 Request for accounting; request regarding list of
2156 collateral or statement of account.—

2157 (1) In this section, the term:

2158 (b) "Request for an accounting" means a record signed
2159 ~~authenticated~~ by a debtor requesting that the recipient provide
2160 an accounting of the unpaid obligations secured by collateral
2161 and reasonably identifying the transaction or relationship that
2162 is the subject of the request.

2163 (c) "Request regarding a list of collateral" means a record
2164 signed ~~authenticated~~ by a debtor requesting that the recipient
2165 approve or correct a list of what the debtor believes to be the
2166 collateral securing an obligation and reasonably identifying the
2167 transaction or relationship that is the subject of the request.

2168 (d) "Request regarding a statement of account" means a
2169 record signed ~~authenticated~~ by a debtor requesting that the
2170 recipient approve or correct a statement indicating what the
2171 debtor believes to be the aggregate amount of unpaid obligations
2172 secured by collateral as of a specified date and reasonably
2173 identifying the transaction or relationship that is the subject
2174 of the request.

2175 (2) Subject to subsections (3), (4), (5), and (6), a

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2176 secured party, other than a buyer of accounts, chattel paper,
2177 payment intangibles, or promissory notes or a consignor, shall
2178 comply with a request within 14 days after receipt:

2179 (a) In the case of a request for an accounting, by signing
2180 ~~authenticating~~ and sending to the debtor an accounting; and

2181 (b) In the case of a request regarding a list of collateral
2182 or a request regarding a statement of account, by signing
2183 ~~authenticating~~ and sending to the debtor an approval or
2184 correction.

2185 (3) A secured party that claims a security interest in all
2186 of a particular type of collateral owned by the debtor may
2187 comply with a request regarding a list of collateral by sending
2188 to the debtor a signed ~~an authenticated~~ record including a
2189 statement to that effect within 14 days after receipt.

2190 (4) A person who receives a request regarding a list of
2191 collateral, claims no interest in the collateral when the
2192 request is received, and claimed an interest in the collateral
2193 at an earlier time shall comply with the request within 14 days
2194 after receipt by sending to the debtor a signed ~~an authenticated~~
2195 record:

2196 (a) Disclaiming any interest in the collateral; and

2197 (b) If known to the recipient, providing the name and
2198 mailing address of any assignee of or successor to the
2199 recipient's interest in the collateral.

2200 (5) A person who receives a request for an accounting or a
2201 request regarding a statement of account, claims no interest in
2202 the obligations when the request is received, and claimed an
2203 interest in the obligations at an earlier time shall comply with
2204 the request within 14 days after receipt by sending to the

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2205 debtor a signed ~~an authenticated~~ record:

2206 (a) Disclaiming any interest in the obligations; and

2207 (b) If known to the recipient, providing the name and
2208 mailing address of any assignee of or successor to the
2209 recipient's interest in the obligations.

2210 (6) A debtor is entitled under this section without charge
2211 to one response to a request for an accounting or a request
2212 regarding a statement of account for each secured obligation
2213 during any 6-month period. A debtor in a consumer transaction is
2214 entitled to a single response to a request regarding a list of
2215 collateral without charge during any 6-month period. The secured
2216 party may require payment of a charge not exceeding \$25 for each
2217 additional response to a request for an accounting, a request
2218 regarding a statement of account, or a request regarding a list
2219 of collateral for a consumer transaction. To the extent provided
2220 in a signed ~~an authenticated~~ record, the secured party may
2221 require the payment of reasonable expenses, including attorney's
2222 fees, reasonably incurred in providing a response to a request
2223 regarding a list of collateral for a transaction other than a
2224 consumer transaction under this section; otherwise, the secured
2225 party may not charge more than \$25 for each request regarding a
2226 list of collateral. Excluding a request related to a proposed
2227 satisfaction of the secured obligation, a secured party is not
2228 required to respond to more than 12 of each of the permitted
2229 requests in any 12-month period.

2230 Section 79. Section 679.3011, Florida Statutes, is amended
2231 to read:

2232 679.3011 Law governing perfection and priority of security
2233 interests. ~~Except as otherwise provided in ss. 679.1091,~~

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2234 679.3031, 679.3041, 679.3051, ~~and~~ 679.3061, and 679.3062, the
2235 following rules determine the law governing perfection, the
2236 effect of perfection or nonperfection, and the priority of a
2237 security interest in collateral:

2238 (1) Except as otherwise provided in this section, while a
2239 debtor is located in a jurisdiction, the local law of that
2240 jurisdiction governs perfection, the effect of perfection or
2241 nonperfection, and the priority of a security interest in
2242 collateral.

2243 (2) While collateral is located in a jurisdiction, the
2244 local law of that jurisdiction governs perfection, the effect of
2245 perfection or nonperfection, and the priority of a possessory
2246 security interest in that collateral.

2247 (3) Except as otherwise provided in subsections (4) and
2248 (5), while tangible negotiable documents, goods, instruments, or
2249 tangible money, ~~or tangible chattel paper~~ is located in a
2250 jurisdiction, the local law of that jurisdiction governs:

2251 (a) Perfection of a security interest in the goods by
2252 filing a fixture filing;

2253 (b) Perfection of a security interest in timber to be cut;
2254 and

2255 (c) The effect of perfection or nonperfection and the
2256 priority of a nonpossessory security interest in the collateral.

2257 (4) The local law of the jurisdiction in which the wellhead
2258 or minehead is located governs perfection, the effect of
2259 perfection or nonperfection, and the priority of a security
2260 interest in as-extracted collateral.

2261 (5) The law of this state governs:

2262 (a) The perfection of a security interest in goods that are

Commented [DW16]: Need to verify this list. ULC says: 9-303 through 9-306(B).
Commented [RK17R16]: Bkry-UCC Committee -- Please cross check citations.

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2263 or are to become fixtures in this state by the filing of a
2264 fixture filing.

2265 (b) The effect of perfection or nonperfection and the
2266 priority of a security interest in goods that are or are to
2267 become fixtures in this state.

2268 Section 80. Subsection (1) of section 679.3041, Florida
2269 Statutes, is amended to read:

2270 679.3041 Law governing perfection and priority of security
2271 interests in deposit accounts.—

2272 (1) The local law of a bank’s jurisdiction governs
2273 perfection, the effect of perfection or nonperfection, and the
2274 priority of a security interest in a deposit account maintained
2275 with that bank even if the transaction does not bear any
2276 relation to the bank’s jurisdiction.

Commented [DW18]: Verify if this is a change of Fla law.

2277 Section 81. Paragraph (e) is added to subsection (1) of
2278 section 679.3051, Florida Statutes, to read:

2279 679.3051 Law governing perfection and priority of security
2280 interests in investment property.—

2281 (1) Except as otherwise provided in subsection (3), the
2282 following rules apply:

2283 (e) Paragraphs (b), (c), and (d) apply even if the
2284 transaction does not bear any relation to the jurisdiction.

Commented [DW19]: Verify if this is a change of Fla law.

2285 Section 82. Section 679.3062, Florida Statutes, is created
2286 to read:

2287 679.3062 Law governing perfection and priority of security
2288 interests in chattel paper.—

2289 (1) Except as provided in section (4), if chattel paper is
2290 evidenced only by an authoritative electronic copy of the
2291 chattel paper or is evidenced by an authoritative electronic

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2292 copy and an authoritative tangible copy, the local law of the
2293 chattel paper's jurisdiction governs perfection, the effect of
2294 perfection or nonperfection, and the priority of a security
2295 interest in the chattel paper, ~~even if the transaction does not~~
2296 bear any relation to the chattel paper's jurisdiction.

Commented [DW20]: Verify if this a change of Fla law.

2297 (2) .-The following rules determine the chattel paper's
2298 jurisdiction under this section:

2299 (a) If the authoritative electronic copy of the record
2300 evidencing chattel paper, or a record attached to or logically
2301 associated with the electronic copy and readily available for
2302 review, expressly provides that a particular jurisdiction is the
2303 chattel paper's jurisdiction for purposes of this ~~part~~, this
2304 chapter, or the Uniform Commercial Code, that jurisdiction is
2305 the chattel paper's jurisdiction.

Commented [DW21]: Verify that "part" is correct cross-reference.

2306 (b) If paragraph (a) does not apply and the rules of the
2307 system in which the authoritative electronic copy is recorded
2308 are readily available for review and expressly provide that a
2309 particular jurisdiction is the chattel paper's jurisdiction for
2310 purposes of this ~~part~~, this chapter, or the Uniform Commercial
2311 Code, that jurisdiction is the chattel paper's jurisdiction.

Commented [DW22]: Verify that "part" is correct cross-reference.

2312 (c) If paragraphs (a) and (b) do not apply and the
2313 authoritative electronic copy, or a record attached to or
2314 logically associated with the electronic copy and readily
2315 available for review, expressly provides that the chattel paper
2316 is governed by the law of a particular jurisdiction, that
2317 jurisdiction is the chattel paper's jurisdiction.

2318 (d) If paragraphs (a), (b), and (c) do not apply and the
2319 rules of the system in which the authoritative electronic copy
2320 is recorded are readily available for review and expressly

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2321 provide that the chattel paper or the system is governed by the
2322 law of a particular jurisdiction, that jurisdiction is the
2323 chattel paper's jurisdiction.

2324 (e) If paragraphs (a) through (d) do not apply, the chattel
2325 paper's jurisdiction is the jurisdiction in which the debtor is
2326 located.

2327 (3) If an authoritative tangible copy of a record
2328 evidences chattel paper and the chattel paper is not evidenced
2329 by an authoritative electronic copy, while the authoritative
2330 tangible copy of the record evidencing chattel paper is located
2331 in a jurisdiction, the local law of that jurisdiction governs:

2332 (a) perfection of a security interest in the chattel paper
2333 by possession under s. 679.3152; and

2334 (b) the effect of perfection or nonperfection and the
2335 priority of a security interest in the chattel paper.

2336 (4) The local law of the jurisdiction in which the debtor
2337 is located governs perfection of a security interest in chattel
2338 paper by filing.

2339 Section 83. Section 679.3063, Florida Statutes, is created
2340 to read:

2341 679.3063 Law governing perfection and priority of security
2342 interests in controllable accounts, controllable electronic
2343 records, and controllable payment intangibles.—

2344 (1) Except as provided in subsection (2), the local law of
2345 the controllable electronic record's jurisdiction specified in
2346 s. 669.107(3) and (4) governs perfection, the effect of
2347 perfection or nonperfection, and the priority of a security
2348 interest in a controllable electronic record and a security
2349 interest in a controllable account or controllable payment

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2350 intangible evidenced by the controllable electronic record.

2351 (2) The local law of the jurisdiction in which the debtor
2352 is located governs:

2353 (a) Perfection of a security interest in a controllable
2354 account, controllable electronic record, or controllable payment
2355 intangible by filing; and

2356 (b) Automatic perfection of a security interest in a
2357 controllable payment intangible created by a sale of the
2358 controllable payment intangible.

2359 Section 84. Paragraph (h) of subsection (2) of section
2360 679.3101, Florida Statutes, is amended to read:

2361 679.3101 When filing required to perfect security interest
2362 or agricultural lien; security interests and agricultural liens
2363 to which filing provisions do not apply.-

2364 (2) The filing of a financing statement is not necessary to
2365 perfect a security interest:

2366 (h) In controllable accounts, controllable electronic
2367 records, controllable payment intangibles, deposit accounts,
2368 ~~electronic chattel paper,~~ electronic documents, investment
2369 property, or letter-of-credit rights which is perfected by
2370 control under s. 679.3141(1);

2371 Section 85. Section 679.3121, Florida Statutes, is amended
2372 to read:

2373 679.3121 Perfection of security interests in chattel paper,
2374 controllable accounts, controllable electronic records,
2375 controllable payment intangibles, deposit accounts, documents,
2376 goods covered by documents, instruments, investment property,
2377 letter-of-credit rights, and money; perfection by permissive
2378 filing; temporary perfection without filing or transfer of

Commented [DW23]: Corrected to ULC reference.

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2379 possession.-

2380 (1) A security interest in chattel paper, controllable
2381 accounts, controllable electronic records, controllable payment
2382 intangibles ~~negotiable documents~~, instruments, ~~or~~ investment
2383 property, or negotiable documents may be perfected by filing.

2384 (2) Except as otherwise provided in s. 679.3151(3) and (4)
2385 for proceeds:

2386 (a) A security interest in a deposit account may be
2387 perfected only by control under s. 679.3141.

2388 (b) And except as otherwise provided in s. 679.3081(4), a
2389 security interest in a letter-of-credit right may be perfected
2390 only by control under s. 679.3141.

2391 (c) A security interest in tangible money may be perfected
2392 only by the secured party's taking possession under s. 679.3131.

2393 (d) A security interest in electronic money may be
2394 perfected only by control under s. 679.3141.

2395 (3) While goods are in the possession of a bailee that has
2396 issued a negotiable document covering the goods:

2397 (a) A security interest in the goods may be perfected by
2398 perfecting a security interest in the document; and

2399 (b) A security interest perfected in the document has
2400 priority over any security interest that becomes perfected in
2401 the goods by another method during that time.

2402 (4) While goods are in the possession of a bailee that has
2403 issued a nonnegotiable document covering the goods, a security
2404 interest in the goods may be perfected by:

2405 (a) Issuance of a document in the name of the secured
2406 party;

2407 (b) The bailee's receipt of notification of the secured

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2408 party's interest; or
2409 (c) Filing as to the goods.
2410 (5) A security interest in certificated securities,
2411 negotiable documents, or instruments is perfected without filing
2412 or the taking of possession or control for a period of 20 days
2413 from the time it attaches to the extent that it arises for new
2414 value given under a signed ~~an authenticated~~ security agreement.
2415 (6) A perfected security interest in a negotiable document
2416 or goods in possession of a bailee, other than one that has
2417 issued a negotiable document for the goods, remains perfected
2418 for 20 days without filing if the secured party makes available
2419 to the debtor the goods or documents representing the goods for
2420 the purpose of:
2421 (a) Ultimate sale or exchange; or
2422 (b) Loading, unloading, storing, shipping, transshipping,
2423 manufacturing, processing, or otherwise dealing with them in a
2424 manner preliminary to their sale or exchange.
2425 (7) A perfected security interest in a certificated
2426 security or instrument remains perfected for 20 days without
2427 filing if the secured party delivers the security certificate or
2428 instrument to the debtor for the purpose of:
2429 (a) Ultimate sale or exchange; or
2430 (b) Presentation, collection, enforcement, renewal, or
2431 registration of transfer.
2432 (8) After the 20-day period specified in subsection (5),
2433 subsection (6), or subsection (7) expires, perfection depends
2434 upon compliance with this chapter.
2435 Section 86. Subsections (1), (3), and (4) of section
2436 679.3131, Florida Statutes, are amended to read:

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2437 679.3131 When possession by or delivery to secured party
2438 perfects security interest without filing.-

2439 (1) Except as otherwise provided in subsection (2), a
2440 secured party may perfect a security interest in ~~tangible~~
2441 ~~negotiable documents,~~ goods, instruments, negotiable tangible
2442 documents, or tangible money, ~~or tangible chattel paper~~ by
2443 taking possession of the collateral. A secured party may perfect
2444 a security interest in certificated securities by taking
2445 delivery of the certificated securities under s. 678.3011.

2446 (3) With respect to collateral other than certificated
2447 securities and goods covered by a document, a secured party
2448 takes possession of collateral in the possession of a person
2449 other than the debtor, the secured party, or a lessee of the
2450 collateral from the debtor in the ordinary course of the
2451 debtor's business, when:

2452 (a) The person in possession signs ~~authenticates~~ a record
2453 acknowledging that it holds possession of the collateral for the
2454 secured party's benefit; or

2455 (b) The person takes possession of the collateral after
2456 having signed ~~authenticated~~ a record acknowledging that the
2457 person will hold possession of the collateral for the secured
2458 party's benefit.

2459 (4) If perfection of a security interest depends upon
2460 possession of the collateral by a secured party, perfection
2461 occurs not ~~no~~ earlier than the time the secured party takes
2462 possession and continues only while the secured party retains
2463 possession.

2464 Section 87. Section 679.3141, Florida Statutes, is amended
2465 to read:

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2466 679.3141 Perfection by control.-
2467 (1) A security interest in controllable accounts,
2468 controllable electronic records, controllable payment
2469 intangibles, deposit accounts, electronic documents, electronic
2470 money, investment property, or letter-of-credit rights
2471 ~~investment property, deposit accounts, letter of credit rights,~~
2472 ~~electronic chattel paper, or electronic documents~~ may be
2473 perfected by control of the collateral under s. 677.106, s.
2474 679.1041, s. 679.1052, s. 679.1053 ~~s. 679.1051~~, s. 679.1061, or
2475 s. 679.1071.

2476 (2) A security interest in controllable accounts,
2477 controllable electronic records, controllable payment
2478 intangibles, deposit accounts, electronic documents, electronic
2479 money, or letter-of-credit rights ~~deposit accounts, electronic~~
2480 ~~chattel paper, letter of credit rights, or electronic documents~~
2481 is perfected by control under s. 677.106, s. 679.1041, s.
2482 679.1052, s. 679.1053 ~~s. 679.1051~~, or s. 679.1071 not earlier
2483 than the time ~~when~~ the secured party obtains control and remains
2484 perfected by control only while the secured party retains
2485 control.

2486 (3) A security interest in investment property is perfected
2487 by control under s. 679.1061 not earlier than ~~from~~ the time the
2488 secured party obtains control and remains perfected by control
2489 until:

- 2490 (a) The secured party does not have control; and
2491 (b) One of the following occurs:
2492 1. If the collateral is a certificated security, the debtor
2493 has or acquires possession of the security certificate;
2494 2. If the collateral is an uncertificated security, the

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2495 issuer has registered or registers the debtor as the registered
2496 owner; or

2497 3. If the collateral is a security entitlement, the debtor
2498 is or becomes the entitlement holder.

2499 Section 88. Section 679.3152, Florida Statutes, is created
2500 to read:

2501 679.3152 Perfection by possession and control of chattel
2502 paper.—

2503 (1) A secured party may perfect a security interest in
2504 chattel paper by taking possession of each authoritative
2505 tangible copy of the record evidencing the chattel paper and
2506 obtaining control of each authoritative electronic copy of the
2507 electronic record evidencing the chattel paper.

2508 (2) A security interest is perfected under subsection (1)
2509 not earlier than the time the secured party takes possession and
2510 obtains control and remains perfected under subsection (1) only
2511 while the secured party retains possession and control.

2512 (3) Sections 679.3131(3) and (5) through (8) apply to
2513 perfection by possession of an authoritative tangible copy of a
2514 record evidencing chattel paper.

2515 Section 89. Subsections (1) and (6) of section 679.3161,
2516 Florida Statutes, are amended to read:

2517 679.3161 Continued perfection of security interest
2518 following change in governing law.—

2519 (1) A security interest perfected pursuant to the law of
2520 the jurisdiction designated in s. 679.3011(1), ~~or~~ s.
2521 679.3051(3), s. 679.3062(4), or s. 679.3063(2) remains perfected
2522 until the earliest of:

2523 (a) The time perfection would have ceased under the law of

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2524 that jurisdiction;

2525 (b) The expiration of 4 months after a change of the
2526 debtor's location to another jurisdiction; or

2527 (c) The expiration of 1 year after a transfer of collateral
2528 to a person who thereby becomes a debtor and is located in
2529 another jurisdiction.

2530 (6) A security interest in chattel paper, controllable
2531 accounts, controllable electronic records, controllable payment
2532 intangibles, deposit accounts, letter-of-credit rights, or
2533 investment property which is perfected under the law of the
2534 chattel paper's jurisdiction, the controllable electronic
2535 record's jurisdiction, the bank's jurisdiction, the issuer's
2536 jurisdiction, a nominated person's jurisdiction, the securities
2537 intermediary's jurisdiction, or the commodity intermediary's
2538 jurisdiction, as applicable, remains perfected until the earlier
2539 of:

2540 (a) The time the security interest would have become
2541 unperfected under the law of that jurisdiction; or

2542 (b) The expiration of 4 months after a change of the
2543 applicable jurisdiction to another jurisdiction.

2544 Section 90. Subsections (2) and (4) of section 679.3171,
2545 Florida Statutes, are amended, and subsections (8) through (11)
2546 are added to that section, to read:

2547 679.3171 Interests that take priority over or take free of
2548 security interest or agricultural lien.—

2549 (2) Except as otherwise provided in subsection (5), a
2550 buyer, other than a secured party, of ~~tangible chattel paper,~~
2551 ~~tangible documents,~~ goods, instruments, tangible documents, or a
2552 certificated security takes free of a security interest or

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2553 agricultural lien if the buyer gives value and receives delivery
2554 of the collateral without knowledge of the security interest or
2555 agricultural lien and before it is perfected.

2556 (4) Subject to subsections (6), (7), and (8), a licensee of
2557 a general intangible or a buyer, other than a secured party, of
2558 collateral other than electronic money ~~tangible chattel paper,~~
2559 tangible documents, goods, instruments, tangible documents, or a
2560 certificated security takes free of a security interest if the
2561 licensee or buyer gives value without knowledge of the security
2562 interest and before it is perfected.

2563 (8) A buyer, other than a secured party, of chattel paper
2564 takes free of a security interest if, without knowledge of the
2565 security interest and before it is perfected, the buyer gives
2566 value and:

2567 (a) Receives delivery of each authoritative tangible copy
2568 of the record evidencing the chattel paper; and

2569 (b) If each authoritative electronic copy of the record
2570 evidencing the chattel paper can be subjected to control under
2571 s. 679.1052, obtains control of each authoritative electronic
2572 copy.

2573 (9) A buyer of an electronic document takes free of a
2574 security interest if, without knowledge of the security interest
2575 and before it is perfected, the buyer gives value and, if each
2576 authoritative electronic copy of the document can be subjected
2577 to control under s. 677.106, obtains control of each
2578 authoritative electronic copy.

2579 (10) A buyer of a controllable electronic record takes free
2580 of a security interest if, without knowledge of the security
2581 interest and before it is perfected, the buyer gives value and

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2582 obtains control of the controllable electronic record.

2583 (11) A buyer, other than a secured party, of a controllable
2584 account or a controllable payment intangible takes free of a
2585 security interest if, without knowledge of the security interest
2586 and before it is perfected, the buyer gives value and obtains
2587 control of the controllable account or controllable payment
2588 intangible.

2589 Section 91. Subsections (4) and (6) of section 679.323,
2590 Florida Statutes, are amended to read:

2591 679.323 Future advances.—

2592 (4) Except as otherwise provided in subsection (5), a buyer
2593 of goods ~~other than a buyer in ordinary course of business~~ takes
2594 free of a security interest to the extent that it secures
2595 advances made after the earlier of:

Commented [DW24]: Is this a change of law?

2596 (a) The time the secured party acquires knowledge of the
2597 buyer's purchase; or

2598 (b) Forty-five days after the purchase.

2599 (6) Except as otherwise provided in subsection (7), a
2600 lessee of goods, ~~other than a lessee in ordinary course of~~
2601 ~~business~~, takes the leasehold interest free of a security
2602 interest to the extent that it secures advances made after the
2603 earlier of:

Commented [DW25]: Is this a change of law?

2604 (a) The time the secured party acquires knowledge of the
2605 lease; or

2606 (b) Forty-five days after the lease contract becomes
2607 enforceable.

2608 Section 92. Subsections (2) and (4) of section 679.324,
2609 Florida Statutes, are amended to read:

2610 679.324 Priority of purchase-money security interests.—

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2611 (2) Subject to subsection (3) and except as otherwise
2612 provided in subsection (7), a perfected purchase-money security
2613 interest in inventory has priority over a conflicting security
2614 interest in the same inventory, has priority over a conflicting
2615 security interest in chattel paper or an instrument constituting
2616 proceeds of the inventory and in proceeds of the chattel paper,
2617 if so provided in s. 679.330, and, except as otherwise provided
2618 in s. 679.327, also has priority in identifiable cash proceeds
2619 of the inventory to the extent the identifiable cash proceeds
2620 are received on or before the delivery of the inventory to a
2621 buyer, if:

2622 (a) The purchase-money security interest is perfected when
2623 the debtor receives possession of the inventory;

2624 (b) The purchase-money secured party sends a signed an
2625 ~~authenticated~~ notification to the holder of the conflicting
2626 security interest;

2627 (c) The holder of the conflicting security interest
2628 receives the notification within 5 years before the debtor
2629 receives possession of the inventory; and

2630 (d) The notification states that the person sending the
2631 notification has or expects to acquire a purchase-money security
2632 interest in inventory of the debtor and describes the inventory.

2633 (4) Subject to subsection (5) and except as otherwise
2634 provided in subsection (7), a perfected purchase-money security
2635 interest in livestock that are farm products has priority over a
2636 conflicting security interest in the same livestock, and, except
2637 as otherwise provided in s. 679.327, a perfected security
2638 interest in their identifiable proceeds and identifiable
2639 products in their unmanufactured states also has priority, if:

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2640 (a) The purchase-money security interest is perfected when
2641 the debtor receives possession of the livestock;

2642 (b) The purchase-money secured party sends a signed an
2643 ~~authenticated~~ notification to the holder of the conflicting
2644 security interest;

2645 (c) The holder of the conflicting security interest
2646 receives the notification within 6 months before the debtor
2647 receives possession of the livestock; and

2648 (d) The notification states that the person sending the
2649 notification has or expects to acquire a purchase-money security
2650 interest in livestock of the debtor and describes the livestock.

2651 Section 93. Section 679.3251, Florida Statutes, is created
2652 to read:

2653 679.3251 Priority of security interest in controllable
2654 account, controllable electronic record, and controllable
2655 payment intangible.—A security interest in a controllable
2656 account, controllable electronic record, or controllable payment
2657 intangible held by a secured party having control of the
2658 account, electronic record, or payment intangible has priority
2659 over a conflicting security interest held by a secured party
2660 that does not have control.

2661 Section 94. Subsections (1), (2), and (6) of section
2662 679.330, Florida Statutes, are amended to read:

2663 679.330 Priority of purchaser of chattel paper or
2664 instrument.—

2665 (1) A purchaser of chattel paper has priority over a
2666 security interest in the chattel paper which is claimed merely
2667 as proceeds of inventory subject to a security interest if:

2668 (a) In good faith and in the ordinary course of the

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2669 purchaser's business, the purchaser gives new value, and takes
2670 possession of each authoritative tangible copy of the record
2671 evidencing the chattel paper, and ~~or~~ obtains control under s.
2672 679.1051 of each authoritative electronic copy of the record
2673 evidencing chattel paper ~~under s. 679.1051~~; and

2674 (b) The authoritative copies of the record evidencing the
2675 chattel paper ~~do~~ ~~does~~ not indicate that the chattel paper ~~it~~ has
2676 been assigned to an identified assignee other than the
2677 purchaser.

2678 (2) A purchaser of chattel paper has priority over a
2679 security interest in the chattel paper which is claimed other
2680 than merely as proceeds of inventory subject to a security
2681 interest if the purchaser gives new value, and takes possession
2682 of each authoritative copy of the record evidencing the chattel
2683 paper, and ~~or~~ obtains control under s. 679.1051 of each
2684 authoritative electronic copy of the record evidencing the
2685 chattel paper ~~under s. 679.1051~~ in good faith, in the ordinary
2686 course of the purchaser's business, and without knowledge that
2687 the purchase violates the rights of the secured party.

2688 (6) For purposes of subsections (2) and (4), if the
2689 authoritative copies of the record evidencing chattel paper or
2690 an instrument ~~indicate~~ ~~indicates~~ that the chattel paper or
2691 instrument ~~it~~ has been assigned to an identified secured party
2692 other than the purchaser, a purchaser of the chattel paper or
2693 instrument has knowledge that the purchase violates the rights
2694 of the secured party.

2695 Section 95. Section 679.331, Florida Statutes, is amended
2696 to read:

2697 679.331 Priority of rights of purchasers of controllable

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2698 accounts, controllable electronic records, controllable payment
2699 intangibles instruments, documents, instruments, and securities
2700 under other articles; priority of interests in financial assets
2701 and security entitlements and protection against assertion of
2702 claim under chapters 669 and 678 ~~chapter 678.~~-

2703 (1) This chapter does not limit the rights of a holder in
2704 due course of a negotiable instrument, a holder to which a
2705 negotiable document of title has been duly negotiated, or a
2706 protected purchaser of a security, or a qualifying purchaser of
2707 a controllable account, controllable electronic record, or
2708 controllable payment intangible. These holders or purchasers
2709 take priority over an earlier security interest, even if
2710 perfected, to the extent provided in chapters 669, 673, 677, and
2711 678.

2712 (2) This chapter does not limit the rights of or impose
2713 liability on a person to the extent that the person is protected
2714 against the assertion of an adverse claim under chapter 669 or
2715 chapter 678.

2716 (3) Filing under this chapter does not constitute notice of
2717 a claim or defense to the holders, purchasers, or persons
2718 described in subsections (1) and (2).

2719 Section 96. Section 679.332, Florida Statutes, is amended
2720 to read:

2721 679.332 Transfer of money; transfer of funds from deposit
2722 account; transfer of electronic money.~~-. .~~

2723 (1) A transferee of tangible money takes the money free of
2724 a security interest if the transferee receives possession of the
2725 money without acting ~~unless the transferee acts~~ in collusion
2726 with the debtor in violating the rights of the secured party.

Commented [NK26]: ULC says "a claim under." Here it says of "an adverse claim under" which follows the FL statutes language. Check if 669 is the correct inserted chapter. HIGHLIGHTS existing non-uniform language.

Commented [RK27R26]: Chapter 669 reference is correct; also Ch. 669 refers to a claim, not an adverse claim. Apparently, F.S. 679.331(2) re "adverse" is different than the ULC 9-331(b), which does NOT use "adverse"

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2727 (2) A transferee of funds from a deposit account takes the
2728 funds free of a security interest in the deposit account if the
2729 transferee receives the funds without acting ~~unless the~~
2730 ~~transferee acts~~ in collusion with the debtor in violating the
2731 rights of the secured party.

2732 (3) A transferee of electronic money takes the money free
2733 of a security interest if the transferee obtains control of the
2734 money without acting in collusion with the debtor in violating
2735 the rights of the secured party.

2736 Section 97. Section 679.341, Florida Statutes, is amended
2737 to read:

2738 679.341 Bank's rights and duties with respect to deposit
2739 account.—Except as otherwise provided in s. 679.340(3), and
2740 unless the bank otherwise agrees in a signed ~~an authenticated~~
2741 record, a bank's rights and duties with respect to a deposit
2742 account maintained with the bank are not terminated, suspended,
2743 or modified by:

2744 (1) The creation, attachment, or perfection of a security
2745 interest in the deposit account;

2746 (2) The bank's knowledge of the security interest; or

2747 (3) The bank's receipt of instructions from the secured
2748 party.

2749 Section 98. Subsection (1) of section 679.4041, Florida
2750 Statutes, is amended to read:

2751 679.4041 Rights acquired by assignee; claims and defenses
2752 against assignee.—

2753 (1) Unless an account debtor has made an enforceable
2754 agreement not to assert defenses or claims, and subject to
2755 subsections (2) through (5), the rights of an assignee are

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2756 subject to:

2757 (a) All terms of the agreement between the account debtor
2758 and assignor and any defense or claim in recoupment arising from
2759 the transaction that gave rise to the contract; and

2760 (b) Any other defense or claim of the account debtor
2761 against the assignor which accrues before the account debtor
2762 receives a notification of the assignment signed ~~authenticated~~
2763 by the assignor or the assignee.

2764 Section 99. Subsections (1) through (4) and (7) of section
2765 679.4061, Florida Statutes, are amended, and subsection (13) is
2766 added to that section, to read:

2767 679.4061 Discharge of account debtor; notification of
2768 assignment; identification and proof of assignment; restrictions
2769 on assignment of accounts, chattel paper, payment intangibles,
2770 and promissory notes ineffective.—

2771 (1) Subject to subsections (2) through (9) and (13), an
2772 account debtor on an account, chattel paper, or a payment
2773 intangible may discharge its obligation by paying the assignor
2774 until, but not after, the account debtor receives a
2775 notification, signed ~~authenticated~~ by the assignor or the
2776 assignee, that the amount due or to become due has been assigned
2777 and that payment is to be made to the assignee. After receipt of
2778 the notification, the account debtor may discharge its
2779 obligation by paying the assignee and may not discharge the
2780 obligation by paying the assignor.

2781 (2) Subject to subsections (8) and (13) ~~subsection (8)~~,
2782 notification is ineffective under subsection (1):

- 2783 (a) If it does not reasonably identify the rights assigned;
2784 (b) To the extent that an agreement between an account

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2785 debtor and a seller of a payment intangible limits the account
2786 debtor's duty to pay a person other than the seller and the
2787 limitation is effective under law other than this chapter; or
2788 (c) At the option of an account debtor, if the notification
2789 notifies the account debtor to make less than the full amount of
2790 any installment or other periodic payment to the assignee, even
2791 if:
2792 1. Only a portion of the account, chattel paper, or payment
2793 intangible has been assigned to that assignee;
2794 2. A portion has been assigned to another assignee; or
2795 3. The account debtor knows that the assignment to that
2796 assignee is limited.
2797 (3) Subject to subsections (8) and (13) ~~subsection (8)~~, if
2798 requested by the account debtor, an assignee shall seasonably
2799 furnish reasonable proof that the assignment has been made.
2800 Unless the assignee complies, the account debtor may discharge
2801 its obligation by paying the assignor, even if the account
2802 debtor has received a notification under subsection (1).
2803 (4) For the purposes of this subsection, the term
2804 "promissory note" includes a negotiable instrument that
2805 evidences chattel paper. Except as otherwise provided in
2806 subsections (5) and (12) and ss. 680.303 and 679.4071, and
2807 subject to subsection (8), a term in an agreement between an
2808 account debtor and an assignor or in a promissory note is
2809 ineffective to the extent that it:
2810 (a) Prohibits, restricts, or requires the consent of the
2811 account debtor or person obligated on the promissory note to the
2812 assignment or transfer of, or the creation, attachment,
2813 perfection, or enforcement of a security interest in, the

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2814 account, chattel paper, payment intangible, or promissory note;
2815 or

2816 (b) Provides that the assignment or transfer or the
2817 creation, attachment, perfection, or enforcement of the security
2818 interest may give rise to a default, breach, right of
2819 recoupment, claim, defense, termination, right of termination,
2820 or remedy under the account, chattel paper, payment intangible,
2821 or promissory note.

2822 (7) Subject to subsections (8) and (13) ~~subsection (8)~~, an
2823 account debtor may not waive or vary its option under paragraph
2824 (2)(c).

2825 (13) Subsections (1), (2), (3), and (7) do not apply to a
2826 controllable account or controllable payment intangible.

2827 Section 100. Subsection (9) is added to section 679.4081,
2828 Florida Statutes, to read:

2829 679.4081 Restrictions on assignment of promissory notes,
2830 health-care-insurance receivables, and certain general
2831 intangibles ineffective.—

2832 (9) For the purposes of this section, the term "promissory
2833 note" includes a negotiable instrument that evidences chattel
2834 paper.

2835 Section 101. Subsections (1) and (2) of section 679.509,
2836 Florida Statutes, are amended to read:

2837 679.509 Persons entitled to file a record.—

2838 (1) A person may file an initial financing statement,
2839 amendment that adds collateral covered by a financing statement,
2840 or amendment that adds a debtor to a financing statement only
2841 if:

2842 (a) The debtor authorizes the filing in a signed an

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2843 ~~authenticated~~ record or pursuant to subsection (2) or subsection
2844 (3); or

2845 (b) The person holds an agricultural lien that has become
2846 effective at the time of filing and the financing statement
2847 covers only collateral in which the person holds an agricultural
2848 lien.

2849 (2) By signing ~~authenticating~~ or becoming bound as a debtor
2850 by a security agreement, a debtor or new debtor authorizes the
2851 filing of an initial financing statement, and an amendment,
2852 covering:

2853 (a) The collateral described in the security agreement; and

2854 (b) Property that becomes collateral under s.
2855 679.3151(1)(b), whether or not the security agreement expressly
2856 covers proceeds.

2857 Section 102. Subsections (2) and (3) of section 679.513,
2858 Florida Statutes, are amended to read:

2859 679.513 Termination statement.-

2860 (2) To comply with subsection (1), a secured party shall
2861 cause the secured party of record to file the termination
2862 statement:

2863 (a) Within 1 month after there is no obligation secured by
2864 the collateral covered by the financing statement and no
2865 commitment to make an advance, incur an obligation, or otherwise
2866 give value; or

2867 (b) If earlier, within 20 days after the secured party
2868 receives a signed ~~an authenticated~~ demand from a debtor.

2869 (3) In cases not governed by subsection (1), within 20 days
2870 after a secured party receives a signed ~~an authenticated~~ demand
2871 from a debtor, the secured party shall cause the secured party

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2872 of record for a financing statement to send to the debtor a
2873 termination statement for the financing statement or file the
2874 termination statement in the filing office if:

2875 (a) Except in the case of a financing statement covering
2876 accounts or chattel paper that has been sold or goods that are
2877 the subject of a consignment, there is no obligation secured by
2878 the collateral covered by the financing statement and no
2879 commitment to make an advance, incur an obligation, or otherwise
2880 give value;

2881 (b) The financing statement covers accounts or chattel
2882 paper that has been sold but as to which the account debtor or
2883 other person obligated has discharged its obligation;

2884 (c) The financing statement covers goods that were the
2885 subject of a consignment to the debtor but are not in the
2886 debtor's possession; or

2887 (d) The debtor did not authorize the filing of the initial
2888 financing statement.

2889 Section 103. Subsection (2) of section 679.601, Florida
2890 Statutes, is amended to read:

2891 679.601 Rights after default; judicial enforcement;
2892 consignor or buyer of accounts, chattel paper, payment
2893 intangibles, or promissory notes.—

2894 (2) A secured party in possession of collateral or control
2895 of collateral under s. 679.1041, s. 679.1051, s. 679.1052, s.
2896 679.1053, s. 679.1061, or s. 679.1071 has the rights and duties
2897 provided in s. 679.2071.

2898 Section 104. Subsection (4) of Section 679.604, Florida
2899 Statutes, is amended to read:

2900 679.604 Procedure if security agreement covers real

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2901 property or fixtures.-
2902 4) A secured party that removes collateral shall promptly
2903 reimburse any encumbrancer or owner of the real property, other
2904 than the debtor, for the cost of repair of any physical injury
2905 caused by the removal. The secured party need not reimburse the
2906 encumbrancer or owner for any diminution in value of the real
2907 property caused by the absence of the goods removed or by any
2908 necessity of replacing them. A person entitled to reimbursement
2909 may refuse permission to remove until the secured party gives
2910 adequate assurance for the performance of the obligation to
2911 reimburse. This subsection does not prohibit a secured party and
2912 the person entitled to reimbursement from entering into a signed
2913 ~~an authenticated~~ record providing for the removal of fixtures
2914 and reimbursement for any damage caused thereby.

2915 Section 105. Section 679.605, Florida Statutes, is amended
2916 to read:

2917 679.605 Unknown debtor or secondary obligor.-

2918 (1) Except as provided in subsection (2), a secured party
2919 does not owe a duty based on its status as secured party:

2920 (a) (1) To a person who is a debtor or obligor, unless the
2921 secured party knows:

2922 1. (a) That the person is a debtor or obligor;

2923 2. (b) The identity of the person; and

2924 3. (c) How to communicate with the person; or

2925 (b) (2) To a secured party or lienholder that has filed a
2926 financing statement against a person, unless the secured party
2927 knows:

2928 1. (a) That the person is a debtor; and

2929 2. (b) The identity of the person.

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2930 (2) A secured party owes a duty based on its status as a
2931 secured party to a person if, at the time the secured party
2932 obtains control of collateral that is a controllable account,
2933 controllable electronic record, or controllable payment
2934 intangible or at the time the security interest attaches to the
2935 collateral, whichever is later:

2936 (a) The person is a debtor or obligor; and
2937 (b) The secured party knows that the information relating
2938 to the person in subparagraphs (1), (2) or (3) of subsection
2939 (1)(a) is not provided by the collateral, a record attached to
2940 or logically associated with the collateral, or the system in
2941 which the collateral is recorded.

2942 Section 106. Paragraph (a) of subsection (1) and subsection
2943 (3) of section 679.608, Florida Statutes, are amended to read:

2944 679.608 Application of proceeds of collection or
2945 enforcement; liability for deficiency and right to surplus.-

2946 (1) If a security interest or agricultural lien secures
2947 payment or performance of an obligation, the following rules
2948 apply:

2949 (a) A secured party shall apply or pay over for application
2950 the cash proceeds of collection or enforcement under s. 679.607
2951 in the following order to:

2952 1. The reasonable expenses of collection and enforcement
2953 and, to the extent provided for by agreement and not prohibited
2954 by law, reasonable attorney's fees and legal expenses incurred
2955 by the secured party;

2956 2. The satisfaction of obligations secured by the security
2957 interest or agricultural lien under which the collection or
2958 enforcement is made; and

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2959 3. The satisfaction of obligations secured by any
2960 subordinate security interest in or other lien on the collateral
2961 subject to the security interest or agricultural lien under
2962 which the collection or enforcement is made if the secured party
2963 receives a signed ~~an authenticated~~ demand for proceeds before
2964 distribution of the proceeds is completed.

2965 (3) If the secured party in good faith cannot determine the
2966 validity, extent, or priority of a subordinate security interest
2967 or other lien or there are conflicting claims of subordinate
2968 interests or liens, the secured party may commence an
2969 interpleader action with respect to remaining proceeds in excess
2970 of \$2,500 in the circuit or county court, as applicable based
2971 upon the amount to be deposited, where the collateral was
2972 located or collected or in the county where the debtor has its
2973 chief executive office or principal residence in this state, as
2974 applicable. If authorized in a signed ~~an authenticated~~ record,
2975 the interpleading secured party is entitled to be paid from the
2976 remaining proceeds the actual costs of the filing fee and an
2977 attorney's fee in the amount of \$250 incurred in connection with
2978 filing the interpleader action and obtaining an order approving
2979 the interpleader of funds. The debtor in a consumer transaction
2980 may not be assessed for the attorney's fees and costs incurred
2981 in the interpleader action by the holders of subordinate
2982 security interests or other liens based upon disputes among said
2983 holders, and a debtor in a transaction other than a consumer
2984 transaction may only recover such fees and costs to the extent
2985 provided for in a signed ~~an authenticated~~ record. If authorized
2986 in a signed ~~an authenticated~~ record, the court in the
2987 interpleader action may award reasonable attorney's fees and

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2988 costs to the prevailing party in a dispute between the debtor
2989 and a holder of a security interest or lien which claims an
2990 interest in the remaining interplead proceeds, but only if the
2991 debtor challenges the validity, priority, or extent of said
2992 security interest or lien. Except as provided in this
2993 subsection, a debtor may not be assessed attorney's fees and
2994 costs incurred by any party in an interpleader action commenced
2995 under this section.

2996 Section 107. Subsections (1), (2), (3), (5) and (6) of
2997 section 679.611, Florida Statutes, are amended to read:

2998 679.611 Notification before disposition of collateral.-

2999 (1) In this section, the term "notification date" means the
3000 earlier of the date on which:

3001 (a) A secured party sends to the debtor and any secondary
3002 obligor a signed ~~an authenticated~~ notification of disposition;
3003 or

3004 (b) The debtor and any secondary obligor waive the right to
3005 notification.

3006 (2) Except as otherwise provided in subsection (4), a
3007 secured party that disposes of collateral under s. 679.610 shall
3008 send to the persons specified in subsection (3) a reasonable
3009 signed ~~authenticated~~ notification of disposition.

3010 (3) To comply with subsection (2), the secured party shall
3011 send a signed ~~an authenticated~~ notification of disposition to:

3012 (a) The debtor;

3013 (b) Any secondary obligor; and

3014 (c) If the collateral is other than consumer goods:

3015 1. Any other person from whom the secured party has
3016 received, before the notification date, a signed ~~an~~

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3017 ~~authenticated~~ notification of a claim of an interest in the
3018 collateral;
3019 2. Any other secured party or lienholder that, 10 days
3020 before the notification date, held a security interest in or
3021 other lien on the collateral perfected by the filing of a
3022 financing statement that:
3023 a. Identified the collateral;
3024 b. Was indexed under the debtor's name as of that date; and
3025 c. Was filed in the office in which to file a financing
3026 statement against the debtor covering the collateral as of that
3027 date; and
3028 3. Any other secured party that, 10 days before the
3029 notification date, held a security interest in the collateral
3030 perfected by compliance with a statute, regulation, or treaty
3031 described in s. 679.3111(1).
3032 (5) A secured party complies with the requirement for
3033 notification prescribed by subparagraph (3)(c)2. if:
3034 (a) Not later than 20 days or earlier than 30 days before
3035 the notification date, the secured party requests, in a
3036 commercially reasonable manner, information concerning financing
3037 statements indexed under the debtor's name in the office
3038 indicated in subparagraph (3)(c)2.; and
3039 (b) Before the notification date, the secured party:
3040 1. Did not receive a response to the request for
3041 information; or
3042 2. Received a response to the request for information and
3043 sent a signed ~~an authenticated~~ notification of disposition to
3044 each secured party or other lienholder named in that response
3045 whose financing statement covered the collateral.

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3046 (6) For purposes of subsection (3), the secured party may
3047 send the signed ~~authenticated~~ notification as follows:
3048 (a) If the collateral is other than consumer goods, to the
3049 debtor at the address in the financing statement, unless the
3050 secured party has received a signed ~~an authenticated~~ record from
3051 the debtor notifying the secured party of a different address
3052 for such notification purposes or the secured party has actual
3053 knowledge of the address of the debtor's chief executive office
3054 or principal residence, as applicable, at the time the
3055 notification is sent;
3056 (b) If the collateral is other than consumer goods, to any
3057 secondary obligor at the address, if any, in the signed
3058 ~~authenticated~~ agreement, unless the secured party has received a
3059 signed ~~an authenticated~~ record from the secondary obligor
3060 notifying the secured party of a different address for such
3061 notification purposes or the secured party has actual knowledge
3062 of the address of the secondary obligor's chief executive office
3063 or principal residence, as applicable, at the time the
3064 notification is sent; and
3065 (c) If the collateral is other than consumer goods:
3066 1. To the person described in subparagraph (3)(c)1., at the
3067 address stated in the notification;
3068 2. To the person described in subparagraph (3)(c)2., at the
3069 address stated in the financing statement;
3070 3. To the person described in subparagraph (3)(c)3., at the
3071 address stated in the official records of the recording or
3072 registration agency.
3073 Section 108. Subsection (5) of section 679.613, Florida
3074 Statutes, is amended to read:

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3075 679.613 Contents and form of notification before
3076 disposition of collateral; general.—Except in a consumer-goods
3077 transaction, the following rules apply:

3078 (5) (a) The following form of notification and the form
3079 appearing in s. 679.614(3) (a) ~~s. 679.614(3)~~, when completed in
3080 accordance with the instructions in paragraph (b), each provides
3081 sufficient information:

3082
3083 NOTIFICATION OF DISPOSITION
3084 OF COLLATERAL
3085

3086 To:... (Name of debtor, obligor, or other person to which the
3087 notification is sent)...

3088 From:... (Name, address, and telephone number of secured
3089 party)...

3090 {1} Name of any debtor that is not an addressee
3091 ~~Debtor(s):... (Name of each debtor Include only if debtor(s) are~~
3092 ~~not an addressee)...~~

3093 ~~{For a public disposition:}~~

3094 {2} We will sell ~~{for lease or license, as applicable} the~~
3095 ... (describe collateral)... to the highest qualified bidder at
3096 public sale. A sale could include a lease or a license. The sale
3097 will be held in public as follows:

3098 Date:

3099 Time:

3100 Place:

3101 ~~{For a private disposition:}~~

3102 {3} We will sell ~~{for lease or license, as applicab (le} the~~
3103 ... (describe collateral)... at a private sale privately sometime

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3104 after ...(~~day and~~ date).... A sale could include a lease or a
3105 license.

3106 {4} You are entitled to an accounting of the unpaid
3107 indebtedness secured by the property that we intend to sell or,
3108 as applicable, ~~for~~ lease or license.

3109 {5} If you request an accounting, you must pay, ~~as~~
3110 ~~applicable~~ for a charge of \$...(amount)..

3111 {6} You may request an accounting by calling us at
3112 ...(telephone number)....

3113 (b) The following instructions apply to the form of
3114 notification in paragraph(a):

3115 1. The instructions in this paragraph refer to the numbers
3116 in braces before items in the form of notification in paragraph
3117 (a). Do not include the numbers or braces in the notification.
3118 The numbers and braces are used only for the purpose of these
3119 instructions.

3120 2. Include and complete item {1} only if there is a debtor
3121 that is not an addressee of the notification and list the name
3122 or names.

3123 3. Include and complete either item {2}, if the
3124 notification relates to a public disposition of the collateral,
3125 or item {3}, if the notification relates to a private
3126 disposition of the collateral. If item {2} is included, include
3127 the words "to the highest qualified bidder" only if applicable.

3128 4. Include and complete items {4} and {6}.

3129 5. Include and complete item {5} only if the sender will
3130 charge the recipient for an accounting.

3131 Section 109. Subsection (3) of section 679.614, Florida
3132 Statutes, is amended to read:

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3133 679.614 Contents and form of notification before
3134 disposition of collateral; consumer-goods transaction.—In a
3135 consumer-goods transaction, the following rules apply:
3136 (3) (a) The following form of notification, when completed
3137 in accordance with the instructions in paragraph (b), provides
3138 sufficient information:

3139
3140 ...(Name and address of secured party) ...
3141 ...(Date) ...

3142
3143 NOTICE OF OUR PLAN TO SELL PROPERTY
3144

3145 ...(Name and address of any obligor who is also a debtor) ...
3146 Subject: ... (Identify ~~Identification of~~ Transaction) ...

3147 We have your ...(describe collateral) ..., because you broke
3148 promises in our agreement.

3149 ~~{For a public disposition:}~~

3150 {1} We will sell ...(describe collateral) ... at public
3151 sale. A sale could include a lease or license. The sale will be
3152 held as follows:

3153 Date:
3154 Time:
3155 Place:

3156
3157 You may attend the sale and bring bidders if you want.

3158 ~~{For a private disposition:}~~

3159 {2} We will sell ...(describe collateral) ... at private
3160 sale sometime after ...(date) A sale could include a lease
3161 or license.

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3162
3163 {3} The money that we get from the sale (after paying our
3164 costs) will reduce the amount you owe. If we get less money than
3165 you owe, you ... (will or will not, as applicable)... still owe
3166 us the difference. If we get more money than you owe, you will
3167 get the extra money, unless we must pay it to someone else.

3168
3169 {4} You can get the property back at any time before we
3170 sell it by paying us the full amount you owe, ~~(not just the past~~
3171 ~~due payments),~~ including our expenses. To learn the exact amount
3172 you must pay, call us at ... (telephone number)....

3173
3174 {5} If you want us to explain to you ...(in writing or in
3175 description of electronic record)... how we have figured the
3176 amount that you owe us, {6} ~~you may~~ call us at ... (telephone
3177 number)...., ~~or~~ write us at ... (secured party's address)...., or
3178 contact us by ... (description of electronic communication
3179 method)... {7} and request a written explanation, an explanation
3180 in ... (description of electronic record)....

3181
3182 {8} We will charge you \$.... for the explanation if we sent
3183 you another written explanation of the amount you owe us within
3184 the last 6 months.

3185
3186 {9} If you need more information about the sale, call us at
3187 ... (telephone number)...., ~~or~~ write us at ... (secured party's
3188 address)...., or contact us by ... (description of electronic
3189 communication method)....

3190

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3191 ~~{10}~~ We are sending this notice to the following other
3192 people who have an interest in ...(describe collateral)... or
3193 who owe money under your agreement:
3194 ...(Names of all other debtors and obligors, if any)..
3195 (b) The following instructions apply to the form of
3196 notification in paragraph (a):
3197 1. The instructions in this paragraph refer to the numbers
3198 in braces before items in the form of notification in paragraph
3199 (a). Do not include the numbers or braces in the notification.
3200 The numbers and braces are used only for the purpose of these
3201 instructions.
3202 2. Include and complete either item {1}, if the
3203 notification relates to a public disposition of the collateral,
3204 or item {2}, if the notification relates to a private
3205 disposition of the collateral.
3206 3. Include and complete items {3}, {4}, {5}, {6}, and {7}.
3207 4. In item {5}, include and complete any one of the three
3208 alternative methods for the explanation-writing, writing or
3209 electronic record, or electronic record.
3210 5. In item {6}, include the telephone number. In addition,
3211 the sender may include and complete either or both of the two
3212 additional alternative methods of communication-writing or
3213 electronic communication-for the recipient of the notification
3214 to communicate with the sender. Neither of the two additional
3215 methods of communication is required to be included.
3216 6. In item {7}, include and complete the method or methods
3217 for the explanation-writing, writing or electronic record, or
3218 electronic record-included in item {5}.
3219 7. Include and complete item {8} only if a written

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3220 explanation is included in item {5} as a method for
3221 communicating the explanation and the sender will charge the
3222 recipient for another written explanation.

3223 8. In item {9}, include either the telephone number or the
3224 address or both the telephone number and the address. In
3225 addition, the sender may include and complete the additional
3226 method of communication—electronic communication—for the
3227 recipient of the notification to communicate with the sender.
3228 The additional method of electronic communication is not
3229 required to be included.

3230 9. If item {10} does not apply, insert "None" after
3231 "agreement+."."

3232 Section 110. Subsection (1) of section 679.615, Florida
3233 Statutes, are amended to read:

3234 679.615 Application of proceeds of disposition; liability
3235 for deficiency and right to surplus.—

3236 (1) A secured party shall apply or pay over for application
3237 the cash proceeds of disposition under s. 679.610 in the
3238 following order to:

3239 (a) The reasonable expenses of retaking, holding, preparing
3240 for disposition, processing, and disposing, and, to the extent
3241 provided for by agreement and not prohibited by law, reasonable
3242 attorney's fees and legal expenses incurred by the secured
3243 party;

3244 (b) The satisfaction of obligations secured by the security
3245 interest or agricultural lien under which the disposition is
3246 made;

3247 (c) The satisfaction of obligations secured by any
3248 subordinate security interest in or other subordinate lien on

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3249 the collateral if:

3250 1. The secured party receives from the holder of the
3251 subordinate security interest or other lien a signed an
3252 ~~authenticated~~ demand for proceeds before distribution of the
3253 proceeds is completed; and

3254 2. In a case in which a consignor has an interest in the
3255 collateral, the subordinate security interest or other lien is
3256 senior to the interest of the consignor; and

3257 (d) A secured party that is a consignor of the collateral
3258 if the secured party receives from the consignor a signed an
3259 ~~authenticated~~ demand for proceeds before distribution of the
3260 proceeds is completed.

3261 Section 111. Subsections (1), (2), and (3) of section
3262 679.616, Florida Statutes, are amended to read:

3263 679.616 Explanation of calculation of surplus or
3264 deficiency.—

3265 (1) In this section, the term:

3266 (a) "Explanation" means a record ~~writing~~ that:

3267 1. States the amount of the surplus or deficiency;

3268 2. Provides an explanation in accordance with subsection
3269 (3) of how the secured party calculated the surplus or
3270 deficiency;

3271 3. States, if applicable, that future debits, credits,
3272 charges, including additional credit service charges or
3273 interest, rebates, and expenses may affect the amount of the
3274 surplus or deficiency; and

3275 4. Provides a telephone number or mailing address from
3276 which additional information concerning the transaction is
3277 available.

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3278 (b) "Request" means a record:
3279 1. Signed ~~Authenticated~~ by a debtor or consumer obligor;
3280 2. Requesting that the recipient provide an explanation;
3281 and
3282 3. Sent after disposition of the collateral under s.
3283 679.610.
3284 (2) In a consumer-goods transaction in which the debtor is
3285 entitled to a surplus or a consumer obligor is liable for a
3286 deficiency under s. 679.615, the secured party shall:
3287 (a) Send an explanation to the debtor or consumer obligor,
3288 as applicable, after the disposition and:
3289 1. Before or when the secured party accounts to the debtor
3290 and pays any surplus or first makes ~~written~~ demand in a record
3291 on the consumer obligor after the disposition for payment of the
3292 deficiency; and
3293 2. Within 14 days after receipt of a request; or
3294
3295 (b) In the case of a consumer obligor who is liable for a
3296 deficiency, within 14 days after receipt of a request, send to
3297 the consumer obligor a record waiving the secured party's right
3298 to a deficiency.
3299 (3) To comply with subparagraph (1)(a)2., an explanation ~~a~~
3300 ~~writing~~ must provide the following information in the following
3301 order:
3302 (a) The aggregate amount of obligations secured by the
3303 security interest under which the disposition was made, and, if
3304 the amount reflects a rebate of unearned interest or credit
3305 service charge, an indication of that fact, calculated as of a
3306 specified date:

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3307 1. If the secured party takes or receives possession of the
3308 collateral after default, not more than 35 days before the
3309 secured party takes or receives possession; or
3310 2. If the secured party takes or receives possession of the
3311 collateral before default or does not take possession of the
3312 collateral, not more than 35 days before the disposition;
3313 (b) The amount of proceeds of the disposition;
3314 (c) The aggregate amount of the obligations after deducting
3315 the amount of proceeds;
3316 (d) The amount, in the aggregate or by type, and types of
3317 expenses, including expenses of retaking, holding, preparing for
3318 disposition, processing, and disposing of the collateral, and
3319 attorney's fees secured by the collateral which are known to the
3320 secured party and relate to the current disposition;
3321 (e) The amount, in the aggregate or by type, and types of
3322 credits, including rebates of interest or credit service
3323 charges, to which the obligor is known to be entitled and which
3324 are not reflected in the amount in paragraph (a); and
3325 (f) The amount of the surplus or deficiency.
3326 Section 112. Subsection (1) of section 679.619, Florida
3327 Statutes, is amended to read:
3328 679.619 Transfer of record or legal title.-
3329 (1) In this section, the term "transfer statement" means a
3330 record signed ~~authenticated~~ by a secured party stating:
3331 (a) That the debtor has defaulted in connection with an
3332 obligation secured by specified collateral;
3333 (b) That the secured party has exercised its post-default
3334 remedies with respect to the collateral;
3335 (c) That, by reason of the exercise, a transferee has

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3336 acquired the rights of the debtor in the collateral; and
3337 (d) The name and mailing address of the secured party,
3338 debtor, and transferee.
3339 Section 113. Subsections (1), (2), (3), and (6) of section
3340 679.620, Florida Statutes, are amended to read:
3341 679.620 Acceptance of collateral in full or partial
3342 satisfaction of obligation; compulsory disposition of
3343 collateral.—
3344 (1) Except as otherwise provided in subsection (7), a
3345 secured party may accept collateral in full or partial
3346 satisfaction of the obligation it secures only if:
3347 (b) The secured party does not receive, within the time set
3348 forth in subsection (4), a notification of objection to the
3349 proposal signed ~~authenticated~~ by:
3350 1. A person to whom the secured party was required to send
3351 a proposal under s. 679.621; or
3352 2. Any other person, other than the debtor, holding an
3353 interest in the collateral subordinate to the security interest
3354 that is the subject of the proposal;
3355 (2) A purported or apparent acceptance of collateral under
3356 this section is ineffective unless:
3357 (a) The secured party consents to the acceptance in a a
3358 signed ~~an authenticated~~ record or sends a proposal to the
3359 debtor; and
3360 (b) The conditions of subsection (1) are met.
3361 (3) For purposes of this section:
3362 (a) A debtor consents to an acceptance of collateral in
3363 partial satisfaction of the obligation it secures only if the
3364 debtor agrees to the terms of the acceptance in a record signed

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3365 ~~authenticated~~ after default; and
3366 (b) A debtor consents to an acceptance of collateral in
3367 full satisfaction of the obligation it secures only if the
3368 debtor agrees to the terms of the acceptance in a record signed
3369 ~~authenticated~~ after default or the secured party:
3370 1. Sends to the debtor after default a proposal that is
3371 unconditional or subject only to a condition that collateral not
3372 in the possession of the secured party be preserved or
3373 maintained;
3374 2. In the proposal, proposes to accept collateral in full
3375 satisfaction of the obligation it secures, and, in a consumer
3376 transaction, provides notice that the proposal will be deemed
3377 accepted if it is not objected to by a signed ~~an authenticated~~
3378 notice within 30 days after the date the proposal is sent by the
3379 secured party; and
3380 3. Does not receive a notification of objection signed
3381 ~~authenticated~~ by the debtor within 30 days after the proposal is
3382 sent.
3383 (6) To comply with subsection (5), the secured party shall
3384 dispose of the collateral:
3385 (a) Within 90 days after taking possession; or
3386 (b) Within any longer period to which the debtor and all
3387 secondary obligors have agreed in an agreement to that effect
3388 entered into and signed ~~authenticated~~ after default.
3389 Section 114. Subsection (1) of section 679.621, Florida
3390 Statutes, is amended to read:
3391 679.621 Notification of proposal to accept collateral.-
3392 (1) A secured party that desires to accept collateral in
3393 full or partial satisfaction of the obligation it secures shall

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3394 send its proposal to:

3395 (a) Any person from whom the secured party has received,
3396 before the debtor consented to the acceptance, a signed ~~an~~
3397 ~~authenticated~~ notification of a claim of an interest in the
3398 collateral;

3399 (b) Any other secured party or lienholder that, 10 days
3400 before the debtor consented to the acceptance, held a security
3401 interest in or other lien on the collateral perfected by the
3402 filing of a financing statement that:

- 3403 1. Identified the collateral;
3404 2. Was indexed under the debtor's name as of that date; and
3405 3. Was filed in the office or offices in which to file a
3406 financing statement against the debtor covering the collateral
3407 as of that date; and

3408 (c) Any other secured party that, 10 days before the debtor
3409 consented to the acceptance, held a security interest in the
3410 collateral perfected by compliance with a statute, regulation,
3411 or treaty described in s. 679.3111(1).

3412 Section 115. Section 679.624, Florida Statutes, is amended
3413 to read:

3414 679.624 Waiver.—

3415 (1) A debtor or secondary obligor may waive the right to
3416 notification of disposition of collateral under s. 679.611 only
3417 by an agreement to that effect entered into and signed
3418 ~~authenticated~~ after default.

3419 (2) A debtor may waive the right to require disposition of
3420 collateral under s. 679.620(5) only by an agreement to that
3421 effect entered into and signed ~~authenticated~~ after default.

3422 (3) Except in a consumer-goods transaction, a debtor or

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3423 secondary obligor may waive the right to redeem collateral under
3424 s. 679.623 only by an agreement to that effect entered into and
3425 signed ~~authenticated~~ after default.

3426 Section 116. Subsections (1) and (5) of section 679.625,
3427 Florida Statutes, are amended, to read:

3428 679.625 Remedies for failure to comply with article.-

3429 (1) If it is established that a secured party is not
3430 proceeding in accordance with this chapter, a court may order or
3431 restrain collection, enforcement, or disposition of collateral
3432 on appropriate terms and conditions. This subsection shall not
3433 preclude a debtor other than a consumer and a secured party, or
3434 two or more secured parties in other than a consumer
3435 transaction, from agreeing in a signed ~~an authenticated~~ record
3436 that the debtor or secured party must first provide to the
3437 alleged offending secured party notice of a violation of this
3438 chapter and opportunity to cure before commencing any legal
3439 proceeding under this section.

3440 (5) In lieu of damages recoverable under subsection (2),
3441 the debtor, consumer obligor, or person named as a debtor in a
3442 filed record, as applicable, may recover \$500 in each case from
3443 a person who:

3444 (a) Fails to comply with s. 679.2081;

3445 (b) Fails to comply with s. 679.209;

3446 (c) Files a record that the person is not entitled to file
3447 under s. 679.509(1);

3448 (d) Fails to cause the secured party of record to file or
3449 send a termination statement as required by s. 679.513(1) or (3)
3450 after receipt of a signed ~~an authenticated~~ record notifying the
3451 person of such noncompliance;

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3452 (e) Fails to comply with s. 679.616(2) (a) and whose
3453 failure is part of a pattern, or consistent with a practice, of
3454 noncompliance; or

3455 (f) Fails to comply with s. 679.616(2) (b).

3456 Section 117. Subsections (1) and (2) of section 679.628,
3457 Florida Statutes, are amended, and subsection (6) is added to
3458 that section, to read:

3459 679.628 Nonliability and limitation on liability of secured
3460 party; liability of secondary obligor.—

3461 (1) Subject to subsection (6), unless a secured party knows
3462 that a person is a debtor or obligor, knows the identity of the
3463 person, and knows how to communicate with the person:

3464 (a) The secured party is not liable to the person, or to a
3465 secured party or lienholder that has filed a financing statement
3466 against the person, for failure to comply with this chapter; and

3467 (b) The secured party's failure to comply with this chapter
3468 does not affect the liability of the person for a deficiency.

3469 (2) Subject to subsection (6), a secured party is not
3470 liable because of its status as a secured party:

3471 (a) To a person who is a debtor or obligor, unless the
3472 secured party knows:

3473 1. That the person is a debtor or obligor;

3474 2. The identity of the person; and

3475 3. How to communicate with the person; or

3476 (b) To a secured party or lienholder that has filed a
3477 financing statement against a person, unless the secured party
3478 knows:

3479 1. That the person is a debtor; and

3480 2. The identity of the person.

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3481 (6) Subsections (1) and (2) do not apply to limit the
3482 liability of a secured party to a person if, at the time the
3483 secured party obtains control of collateral that is a
3484 controllable account, controllable electronic record, or
3485 controllable payment intangible or at the time the security
3486 interest attaches to the collateral, whichever is later:

3487 (a) The person is a debtor or obligor; and

3488 (b) The secured party knows that the information in
3489 subparagraph (2) (a)1., (a)2., or (a)3. is not provided by the
3490 collateral, a record attached to or logically associated with
3491 the collateral, or the system in which the collateral is
3492 recorded.

3493 Section 118. Part IX of chapter 679, Florida Statutes,
3494 consisting of section 679.901 through 679.902, is created and
3495 entitled "Transitional Provisions for 2024 Amendments."

3496 Section 119. Section 679.901, Florida Statutes, is created
3497 to read:

3498 679.901 Saving clause for 2024 Amendments.—Except as
3499 provided in ss. 669.501-669.706, a transaction validly entered
3500 into before July 1, 2024, and the rights, duties, and interests
3501 flowing from the transaction remain valid thereafter and may be
3502 terminated, completed, consummated, or enforced as required or
3503 permitted by law other than the Uniform Commercial Code or, if
3504 applicable, the Uniform Commercial Code as though ch. 2024-XX,
3505 Laws of Florida, had not taken effect.

3506 Section 120. Section 679.902, Florida Statutes, is created
3507 to read:

3508 679.902 Transitional Provisions for 2024 Amendments.—
3509 Effective July 1, 2024, chapter 679 shall be amended by ch.

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3510 2024-XX, Laws of Florida, including the transitional provisions
3511 for chapters 669 and 679, as amended by ch. 2024-XX, Laws of
3512 Florida, as provided in part II of chapter 669 (ss. 669.501-
3513 669.706).

3514 Section 121. Section 680.1021, Florida Statutes, is amended
3515 to read:

3516 680.1021 Scope.—

3517 (1) This chapter applies to any transaction, regardless of
3518 form, that creates a lease and, in the case of a hybrid lease,
3519 applies to the extent provided in subsection (2).

3520 (2) In a hybrid lease:

3521 (a) If the lease-of-goods aspects do not predominate:

3522 1. Only the provisions of this chapter which relate
3523 primarily to the lease-of-goods aspects of the transaction
3524 apply, and the provisions that relate primarily to the
3525 transaction as a whole do not apply;

3526 2. Section 608.209 applies if the lease is a finance lease;
3527 and

3528 3. Section 608.407 applies to the promises of the lessee in
3529 a finance lease to the extent the promises are consideration for
3530 the right to possession and use of the leased goods; and

3531 (b) If the lease-of-goods aspects predominate, this chapter
3532 applies to the transaction, but does not preclude application in
3533 appropriate circumstances of other law to aspects of the lease
3534 which do not relate to the lease of goods.

3535 Section 122. Present paragraphs (i) through (z) of
3536 subsection (1) of section 680.1031, Florida Statutes, are
3537 redesignated as paragraphs (j) through (aa), respectively, a new
3538 paragraph (i) is added to that subsection, and paragraphs (d),

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3539 (e), (f), (h), (j), (l), and (m) of subsection (3) of that
3540 section are amended, to read:
3541 680.1031 Definitions and index of definitions.—
3542 (1) In this chapter, unless the context otherwise requires:
3543 (i) "Hybrid lease" means a single transaction involving a
3544 lease of goods and:
3545 1. The provision of services;
3546 2. A sale of other goods; or
3547 3. A sale, lease, or license of property other than goods.
3548 (3) The following definitions in other chapters of this
3549 code apply to this chapter:
3550 (d) "Chattel paper," s. 679.1021~~s. 679.1021(1)(k)~~.
3551 (e) "Consumer goods," s. 679.1021~~s. 679.1021(1)(w)~~.
3552 (f) "Document," s. 679.1021~~s. 679.1021(1)(dd)~~.
3553 (h) "General intangible," s. 679.1021~~s. 679.1021(1)(pp)~~.
3554 (j) "Instrument," s. 679.1021~~s. 679.1021(1)(uu)~~.
3555 (l) "Mortgage," s. 679.1021~~s. 679.1021(1)(ccc)~~.
3556 (m) "Pursuant to a commitment," s. 679.1021~~s.~~
3557 ~~679.1021(1)(ppp)~~.
3558 Section 123. Section 680.1071, Florida Statutes, is amended
3559 to read:
3560 680.1071 Waiver or renunciation of claim or right after
3561 default.—Any claim or right arising out of an alleged default or
3562 breach of warranty may be discharged in whole or in part without
3563 consideration by a ~~written~~ waiver or renunciation in a signed
3564 record and delivered by the aggrieved party.
3565 Section 124. Paragraph (b) of subsection (1), and
3566 subsections (3) and (5) of section 680.201, Florida Statutes,
3567 are amended to read:

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3568 680.201 Statute of frauds.-
3569 (1) A lease contract is not enforceable by way of action or
3570 defense unless:
3571 (b) There is a record writing, signed by the party against
3572 whom enforcement is sought or by that party's authorized agent,
3573 sufficient to indicate that a lease contract has been made
3574 between the parties and to describe the goods leased and the
3575 lease term.
3576 (3) A record writing is not insufficient because it omits
3577 or incorrectly states a term agreed upon, but the lease contract
3578 is not enforceable under paragraph (1)(b) beyond the lease term
3579 and the quantity of goods shown in the record writing.
3580 (5) The lease term under a lease contract referred to in
3581 subsection (4) is:
3582 (a) If there is a record writing signed by the party
3583 against whom enforcement is sought or by that party's authorized
3584 agent specifying the lease term, the term so specified;
3585 (b) If the party against whom enforcement is sought admits
3586 in that party's pleading, testimony, or otherwise in court a
3587 lease term, the term so admitted; or
3588 (c) A reasonable lease term.
3589 Section 125. Section 680.202, Florida Statutes, is amended
3590 to read:
3591 680.202 Final ~~written~~ expression: parol or extrinsic
3592 evidence.-Terms with respect to which the confirmatory memoranda
3593 of the parties agree or which are otherwise set forth in a
3594 record writing intended by the parties as a final expression of
3595 their agreement with respect to such terms as are included
3596 therein may not be contradicted by evidence of any prior

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3597 agreement or of a contemporaneous oral agreement but may be
3598 explained or supplemented:

3599 (1) By course of dealing or usage of trade or by course of
3600 performance; and

3601 (2) By evidence of consistent additional terms unless the
3602 court finds the record writing to have been intended also as a
3603 complete and exclusive statement of the terms of the agreement.

3604 Section 126. Section 680.203, Florida Statutes, is amended
3605 to read:

3606 680.203 Seals inoperative.—The affixing of a seal to a
3607 record writing evidencing a lease contract or an offer to enter
3608 into a lease contract does not render the record writing a
3609 sealed instrument, and the law with respect to sealed
3610 instruments does not apply to the lease contract or offer.

3611 Section 127. Section 680.205, Florida Statutes, is amended
3612 to read:

3613 680.205 Firm offers.—An offer by a merchant to lease goods
3614 to or from another person in a signed record writing that by its
3615 terms gives assurance it will be held open is not revocable, for
3616 lack of consideration, during the time stated or, if no time is
3617 stated, for a reasonable time, but in no event may the period of
3618 irrevocability exceed 3 months. Any such term of assurance on a
3619 form supplied by the offeree must be separately signed by the
3620 offeror.

3621 Section 128. Subsection (2) of section 680.208, Florida
3622 Statutes, is amended to read:

3623 680.208 Modification, rescission, and waiver.—

3624 (2) A signed lease agreement that excludes modification or
3625 rescission except by a signed record writing may not be

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3626 otherwise modified or rescinded, but, except as between
3627 merchants, such a requirement on a form supplied by a merchant
3628 must be separately signed by the other party.

3629 Section 129. Part VI of chapter 680 Florida Statutes,
3630 consisting of section 680.601, is created and entitled
3631 "Transitional Provisions."

3632 Section 130. Section 680.601, Florida Statutes, is created
3633 to read:

3634 680.601 Saving clause for 2024 Amendments.—Except as
3635 provided in ss. 669.501-669.706, a transaction validly entered
3636 into before July 1, 2024, and the rights, duties, and interests
3637 flowing from the transaction remain valid thereafter and may be
3638 terminated, completed, consummated, or enforced as required or
3639 permitted by law other than the Uniform Commercial Code or, if
3640 applicable, the Uniform Commercial Code as though ch. 2024-XX,
3641 Laws of Florida, had not taken effect.

3642 Section 131. Subsection (2) and paragraph (b) of
3643 subsection (3) of section 319.27, Florida Statutes, are amended
3644 to read:

3645 319.27 Notice of lien on motor vehicles or mobile homes;
3646 notation on certificate; recording of lien.—

3647 (2) No lien for purchase money or as security for a debt in
3648 the form of a security agreement, retain title contract,
3649 conditional bill of sale, chattel mortgage, or other similar
3650 instrument or any other nonpossessory lien, including a lien for
3651 child support, upon a motor vehicle or mobile home upon which a
3652 Florida certificate of title has been issued shall be
3653 enforceable in any of the courts of this state against creditors
3654 or subsequent purchasers for a valuable consideration and

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3655 without notice, unless a sworn notice of such lien has been
3656 filed in the department and such lien has been noted upon the
3657 certificate of title of the motor vehicle or mobile home. Such
3658 notice shall be effective as constructive notice when filed. The
3659 interest of a statutory nonpossessory lienor; the interest of a
3660 nonpossessory execution, attachment, or equitable lienor; or the
3661 interest of a lien creditor as defined in s. 679.1021s.
3662 ~~679.1021(1)(zz)~~, if nonpossessory, shall not be enforceable
3663 against creditors or subsequent purchasers for a valuable
3664 consideration unless such interest becomes a possessory lien or
3665 is noted upon the certificate of title for the subject motor
3666 vehicle or mobile home prior to the occurrence of the subsequent
3667 transaction. Provided the provisions of this subsection relating
3668 to a nonpossessory statutory lienor; a nonpossessory execution,
3669 attachment, or equitable lienor; or the interest of a lien
3670 creditor as defined in s. 679.1021s. ~~679.1021(1)(zz)~~ shall not
3671 apply to liens validly perfected prior to October 1, 1988. The
3672 notice of lien shall provide the following information:

3673 (a) The date of the lien if a security agreement, retain
3674 title contract, conditional bill of sale, chattel mortgage, or
3675 other similar instrument was executed prior to the filing of the
3676 notice of lien;

3677 (b) The name and address of the registered owner;

3678 (c) A description of the motor vehicle or mobile home,
3679 showing the make, type, and vehicle identification number; and

3680 (d) The name and address of the lienholder.

3681 (3)

3682 (b) As applied to a determination of the respective rights
3683 of a secured party under this chapter and a lien creditor as

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3684 defined by s. 679.1021 ~~s. 679.1021(1)(zz)~~, or a nonpossessory
3685 statutory lienor, a security interest under this chapter shall
3686 be perfected upon the filing of the notice of lien with the
3687 department, the county tax collector, or their agents. Provided,
3688 however, the date of perfection of a security interest of such
3689 secured party shall be the same date as the execution of the
3690 security agreement or other similar instrument if the notice of
3691 lien is filed in accordance with this subsection within 15 days
3692 after the debtor receives possession of the motor vehicle or
3693 mobile home and executes such security agreement or other
3694 similar instrument. The date of filing of the notice of lien
3695 shall be the date of its receipt by the department central
3696 office in Tallahassee, if first filed there, or otherwise by the
3697 office of the county tax collector, or their agents.

3698 Section 132. Paragraphs (d), (e), (g), (h), (j), (l), and
3699 (n) of subsection (2) of section 328.0015, Florida Statutes, are
3700 amended to read:

3701 328.0015 Definitions.—

3702 (2) The following definitions and terms also apply to this
3703 part:

3704 (d) "Consumer goods" as defined in s. 679.1021~~s.~~

3705 ~~679.1021(1)(w)~~.

3706 (e) "Debtor" as defined in s. 679.1021 ~~s. 679.1021(1)(bb)~~.

3707 (g) "Lease" as defined in s. 680.1031~~s. 680.1031(1)(j)~~.

3708 (h) "Lessor" as defined in s. 680.1031~~s. 680.1031(1)(p)~~.

3709 (j) "Representative" as defined in s. 671.201~~s.~~

3710 ~~671.201(37)~~.

3711 (l) "Security agreement" as defined in s. 679.1021~~s.~~

3712 ~~679.1021(1)(uuu)~~.

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3713 (n) "Send" as defined in s. 671.201~~s. 671.201(40)~~.
3714 Section 133. Paragraph (f) of subsection (2) of section
3715 559.9232, Florida Statutes, is amended to read:
3716 559.9232 Definitions; exclusion of rental-purchase
3717 agreements from certain regulations.—
3718 (2) A rental-purchase agreement that complies with this act
3719 shall not be construed to be, nor be governed by, any of the
3720 following:
3721 (f) A security interest as defined in s. 671.201~~s.~~
3722 ~~671.201(39)~~.
3723 Section 134. Paragraph (g) of subsection (2) of section
3724 563.022, Florida Statutes, is amended to read:
3725 563.022 Relations between beer distributors and
3726 manufacturers.—
3727 (2) DEFINITIONS.—In construing this section, unless the
3728 context otherwise requires, the word, phrase, or term:
3729 (g) "Good faith" means honesty in fact in the conduct or
3730 transaction concerned as defined and interpreted under s.
3731 671.201 ~~s. 671.201(21)~~.
3732 Section 135. Paragraph (d) of subsection (16) of section
3733 668.50, Florida Statutes, is amended to read:
3734 668.50 Uniform Electronic Transaction Act.—
3735 (16) TRANSFERABLE RECORDS.—
3736 (d) Except as otherwise agreed, a person having control of
3737 a transferable record is the holder, as defined in s. 671.201~~s.~~
3738 ~~671.201(21)~~, of the transferable record and has the same rights
3739 and defenses as a holder of an equivalent record or writing
3740 under the Uniform Commercial Code, including, if the applicable
3741 statutory requirements under s. 673.3021, s. 677.501, or s.

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3742 679.330 are satisfied, the rights and defenses of a holder in
3743 due course, a holder to which a negotiable document of title has
3744 been duly negotiated, or a purchaser, respectively. Delivery,
3745 possession, and indorsement are not required to obtain or
3746 exercise any of the rights under this paragraph.

3747 Section 136. For the purpose of incorporating the amendment
3748 made by this act to section 671.105, Florida Statutes,
3749 subsections (1) and (2) of section 655.55, Florida Statutes, are
3750 reenacted to read:

3751 655.55 Law applicable to deposits in and contracts relating
3752 to extensions of credit by a deposit or lending institution
3753 located in this state.—

3754 (1) The law of this state, excluding its law regarding
3755 comity and conflict of laws, governs all aspects, including
3756 without limitation the validity and effect, of any deposit
3757 account in a branch or office in this state of a deposit or
3758 lending institution, including a deposit account otherwise
3759 covered by s. 671.105(1), regardless of the citizenship,
3760 residence, location, or domicile of any other party to the
3761 contract or agreement governing such deposit account, and
3762 regardless of any provision of any law of the jurisdiction of
3763 the residence, location, or domicile of such other party,
3764 whether or not such deposit account bears any other relation to
3765 this state, except that this section does not apply to any such
3766 deposit account:

3767 (a) To the extent provided to the contrary in s.
3768 671.105(2); or

3769 (b) To the extent that all parties to the contract or
3770 agreement governing such deposit account have agreed in writing

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3771 that the law of another jurisdiction will govern it.

3772 (2) The law of this state, excluding its law regarding
3773 comity and conflict of laws, governs all aspects, including
3774 without limitation the validity and effect, of any contract
3775 relating to an extension of credit made by a branch or office in
3776 this state of a deposit or lending institution, including a
3777 contract otherwise covered by s. 671.105(1), if the contract
3778 expressly provides that it will be governed by the law of this
3779 state, regardless of the citizenship, residence, location, or
3780 domicile of any other party to such contract and regardless of
3781 any provision of any law of the jurisdiction of the residence,
3782 location, or domicile of such other party, whether or not such
3783 contract bears any other relation to this state, except that
3784 this section does not apply to any such contract to the extent
3785 provided to the contrary in s. 671.105(2).

3786 Section 137. For the purpose of incorporating the amendment
3787 made by this act to section 671.105, Florida Statutes, in a
3788 reference thereto, subsection (2) of section 685.101, Florida
3789 Statutes, is reenacted to read:

3790 685.101 Choice of law.—

3791 (2) This section does not apply to any contract, agreement,
3792 or undertaking:

3793 (a) Regarding any transaction which does not bear a
3794 substantial or reasonable relation to this state in which every
3795 party is either or a combination of:

3796 1. A resident and citizen of the United States, but not of
3797 this state; or

3798 2. Incorporated or organized under the laws of another
3799 state and does not maintain a place of business in this state;

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3800 (b) For labor or employment;

3801 (c) Relating to any transaction for personal, family, or
3802 household purposes, unless such contract, agreement, or
3803 undertaking concerns a trust at least one trustee of which
3804 resides or transacts business as a trustee in this state, in
3805 which case this section applies;

3806 (d) To the extent provided to the contrary in s.
3807 671.105(2); or

3808 (e) To the extent such contract, agreement, or undertaking
3809 is otherwise covered or affected by s. 655.55.

3810 Section 138. For the purpose of incorporating the amendment
3811 made by this act to section 673.1041, Florida Statutes, in a
3812 reference thereto, subsection (1) of section 90.953, Florida
3813 Statutes, is reenacted to read:

3814 90.953 Admissibility of duplicates.—A duplicate is
3815 admissible to the same extent as an original, unless:

3816 (1) The document or writing is a negotiable instrument as
3817 defined in s. 673.1041, a security as defined in s. 678.1021, or
3818 any other writing that evidences a right to the payment of
3819 money, is not itself a security agreement or lease, and is of a
3820 type that is transferred by delivery in the ordinary course of
3821 business with any necessary endorsement or assignment.

3822 Section 139. For the purpose of incorporating the amendment
3823 made by this act to section 673.1041, Florida Statutes, in a
3824 reference thereto, subsections (1), (3), and (4) of section
3825 673.1061, Florida Statutes, are reenacted to read:

3826 673.1061 Unconditional promise or order.—

3827 (1) Except as provided in this section, for the purposes of
3828 s. 673.1041(1), a promise or order is unconditional unless it

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3829 states:

3830 (a) An express condition to payment;

3831 (b) That the promise or order is subject to or governed by
3832 another writing; or

3833 (c) That rights or obligations with respect to the promise
3834 or order are stated in another writing.

3835

3836 A reference to another writing does not of itself make the
3837 promise or order conditional.

3838 (3) If a promise or order requires, as a condition to
3839 payment, a countersignature by a person whose specimen signature
3840 appears on the promise or order, the condition does not make the
3841 promise or order conditional for the purposes of s. 673.1041(1).
3842 If the person whose specimen signature appears on an instrument
3843 fails to countersign the instrument, the failure to countersign
3844 is a defense to the obligation of the issuer, but the failure
3845 does not prevent a transferee of the instrument from becoming a
3846 holder of the instrument.

3847 (4) If a promise or order at the time it is issued or first
3848 comes into possession of a holder contains a statement, required
3849 by applicable statutory or administrative law, to the effect
3850 that the rights of a holder or transferee are subject to claims
3851 or defenses that the issuer could assert against the original
3852 payee, the promise or order is not thereby made conditional for
3853 the purposes of s. 673.1041(1); but if the promise or order is
3854 an instrument, there cannot be a holder in due course of the
3855 instrument.

3856 Section 140. For the purpose of incorporating the amendment
3857 made by this act to section 673.1041, Florida Statutes, in a

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3858 reference thereto, subsection (2) of section 673.1151, Florida
3859 Statutes, is reenacted to read:

3860 673.1151 Incomplete instrument.—

3861 (2) Subject to subsection (3), if an incomplete instrument
3862 is an instrument under s. 673.1041, it may be enforced according
3863 to its terms if it is not completed, or according to its terms
3864 as augmented by completion. If an incomplete instrument is not
3865 an instrument under s. 673.1041, but, after completion, the
3866 requirements of s. 673.1041 are met, the instrument may be
3867 enforced according to its terms as augmented by completion.

3868 Section 141. For the purpose of incorporating the amendment
3869 made by this act to sections 673.1041 and 673.1051, Florida
3870 Statutes, in a reference thereto, subsection (2) of section
3871 673.1031, Florida Statutes, is reenacted to read:

3872 673.1031 Definitions.—

3873 (2) Other definitions applying to this chapter and the
3874 sections in which they appear are:

3875 "Acceptance," s. 673.4091.

3876 "Accommodated party," s. 673.4191.

3877 "Accommodation party," s. 673.4191.

3878 "Alteration," s. 673.4071.

3879 "Anomalous indorsement," s. 673.2051.

3880 "Blank indorsement," s. 673.2051.

3881 "Cashier's check," s. 673.1041.

3882 "Certificate of deposit," s. 673.1041.

3883 "Certified check," s. 673.4091.

3884 "Check," s. 673.1041.

3885 "Consideration," s. 673.3031.

3886 "Draft," s. 673.1041.

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3887 "Holder in due course," s. 673.3021.
3888 "Incomplete instrument," s. 673.1151.
3889 "Indorsement," s. 673.2041.
3890 "Indorser," s. 673.2041.
3891 "Instrument," s. 673.1041.
3892 "Issue," s. 673.1051.
3893 "Issuer," s. 673.1051.
3894 "Negotiable instrument," s. 673.1041.
3895 "Negotiation," s. 673.2011.
3896 "Note," s. 673.1041.
3897 "Payable at a definite time," s. 673.1081.
3898 "Payable on demand," s. 673.1081.
3899 "Payable to bearer," s. 673.1091.
3900 "Payable to order," s. 673.1091.
3901 "Payment," s. 673.6021.
3902 "Person entitled to enforce," s. 673.3011.
3903 "Presentment," s. 673.5011.
3904 "Reacquisition," s. 673.2071.
3905 "Special indorsement," s. 673.2051.
3906 "Teller's check," s. 673.1041.
3907 "Transfer of instrument," s. 673.2031.
3908 "Traveler's check," s. 673.1041.
3909 "Value," s. 673.3031.
3910 Section 142. For the purpose of incorporating the amendment
3911 made by this act to section 675.104, Florida Statutes, in a
3912 reference thereto, paragraph (j) of subsection (1) of section
3913 675.103, Florida Statutes, is reenacted to read:
3914 675.103 Definitions.—
3915 (1) For purposes of this chapter:

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3916 (j) "Letter of credit" means a definite undertaking that
3917 satisfies the requirements of s. 675.104 by an issuer to a
3918 beneficiary at the request or for the account of an applicant
3919 or, in the case of a financial institution, to itself or for its
3920 own account, to honor a documentary presentation by payment or
3921 delivery of an item of value.

3922 Section 143. For the purpose of incorporating the amendment
3923 made by this act to section 678.1061, Florida Statutes, in a
3924 reference thereto, subsection (3) of section 678.5101, Florida
3925 Statutes, is reenacted to read:

3926 678.5101 Rights of purchaser of security entitlement from
3927 entitlement holder.-

3928 (3) In a case not covered by the priority rules in chapter
3929 679, a purchaser for value of a security entitlement, or an
3930 interest therein, who obtains control has priority over a
3931 purchaser of a security entitlement, or an interest therein, who
3932 does not obtain control. Except as otherwise provided in
3933 subsection (4), purchasers who have control rank according to
3934 priority in time of:

3935 (a) The purchaser's becoming the person for whom the
3936 securities account, in which the security entitlement is
3937 carried, is maintained, if the purchaser obtained control under
3938 s. 678.1061(4) (a);

3939 (b) The securities intermediary's agreement to comply with
3940 the purchaser's entitlement orders with respect to security
3941 entitlements carried or to be carried in the securities account
3942 in which the security entitlement is carried, if the purchaser
3943 obtained control under s. 678.1061(4) (b); or

3944 (c) If the purchaser obtained control through another

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3945 person under s. 678.1061(4)(c), the time on which priority would
3946 be based under this subsection if the other person were the
3947 secured party.

3948 Section 144. For the purpose of incorporating the amendment
3949 made by this act to section 678.1061, Florida Statutes, in a
3950 reference thereto, subsection (1) of section 679.1061, Florida
3951 Statutes, is reenacted to read:

3952 679.1061 Control of investment property.—

3953 (1) A person has control of a certificated security,
3954 uncertificated security, or security entitlement as provided in
3955 s. 678.1061.

3956 Section 145. For the purpose of incorporating the amendment
3957 made by this act to section 678.1061, Florida Statutes, in a
3958 reference thereto, subsection (2) of section 679.328, Florida
3959 Statutes, is reenacted to read:

3960 679.328 Priority of security interests in investment
3961 property.—The following rules govern priority among conflicting
3962 security interests in the same investment property:

3963 (2) Except as otherwise provided in subsections (3) and
3964 (4), conflicting security interests held by secured parties each
3965 of which has control under s. 679.1061 rank according to
3966 priority in time of:

3967 (a) If the collateral is a security, obtaining control;

3968 (b) If the collateral is a security entitlement carried in
3969 a securities account and:

3970 1. If the secured party obtained control under s.
3971 678.1061(4)(a), the secured party's becoming the person for
3972 which the securities account is maintained;

3973 2. If the secured party obtained control under s.

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3974 678.1061(4)(b), the securities intermediary's agreement to
3975 comply with the secured party's entitlement orders with respect
3976 to security entitlements carried or to be carried in the
3977 securities account; or

3978 3. If the secured party obtained control through another
3979 person under s. 678.1061(4)(c), the time on which priority would
3980 be based under this paragraph if the other person were the
3981 secured party; or

3982 (c) If the collateral is a commodity contract carried with
3983 a commodity intermediary, the satisfaction of the requirement
3984 for control specified in s. 679.1061(2)(b) with respect to
3985 commodity contracts carried or to be carried with the commodity
3986 intermediary.

3987 Section 146. For the purpose of incorporating the amendment
3988 made by this act to section 678.1101, Florida Statutes, in a
3989 reference thereto, paragraph (e) of subsection (2) of section
3990 671.105, Florida Statutes, is reenacted to read:

3991 671.105 Territorial application of the code; parties' power
3992 to choose applicable law.—

3993 (2) When one of the following provisions of this code
3994 specifies the applicable law, that provision governs; and a
3995 contrary agreement is effective only to the extent permitted by
3996 the law (including the conflict-of-laws rules) so specified:

3997 (e) Applicability of the chapter on investment securities.
3998 (s. 678.1101)

3999 Section 147. For the purpose of incorporating the amendment
4000 made by this act to section 679.1041, Florida Statutes, in a
4001 reference thereto, subsection (1) of section 679.327, Florida
4002 Statutes, is reenacted to read:

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4003 679.327 Priority of security interests in deposit account.—
4004 The following rules govern priority among conflicting security
4005 interests in the same deposit account:

4006 (1) A security interest held by a secured party having
4007 control of the deposit account under s. 679.1041 has priority
4008 over a conflicting security interest held by a secured party
4009 that does not have control.

4010 Section 148. For the purpose of incorporating the amendment
4011 made by this act to section 679.2031, Florida Statutes, in a
4012 reference thereto, paragraph (k) of subsection (4) of section
4013 679.1091, Florida Statutes, is reenacted to read:

4014 679.1091 Scope.—

4015 (4) This chapter does not apply to:

4016 (k) The creation or transfer of an interest in or lien on
4017 real property, including a lease or rents thereunder, except to
4018 the extent that provision is made for:

4019 1. Liens on real property in ss. 679.2031 and 679.3081;

4020 2. Fixtures in s. 679.334;

4021 3. Fixture filings in ss. 679.5011, 679.5021, 679.512,
4022 679.516, and 679.519; and

4023 4. Security agreements covering personal and real property
4024 in s. 679.604;

4025 Section 149. For the purpose of incorporating the amendment
4026 made by this act to section 679.2031, Florida Statutes, in a
4027 reference thereto, paragraph (b) of subsection (1) of section
4028 679.3171, Florida Statutes, is reenacted to read:

4029 679.3171 Interests that take priority over or take free of
4030 security interest or agricultural lien.—

4031 (1) A security interest or agricultural lien is subordinate

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4032 to the rights of:

4033 (b) Except as otherwise provided in subsection (5), a
4034 person who becomes a lien creditor before the earlier of the
4035 time:

4036 1. The security interest or agricultural lien is perfected;
4037 or

4038 2. One of the conditions specified in s. 679.2031(2)(c) is
4039 met and a financing statement covering the collateral is filed.

4040 Section 150. For the purpose of incorporating the amendment
4041 made by this act to section 679.2031, Florida Statutes, in a
4042 reference thereto, subsection (2) of section 679.709, Florida
4043 Statutes, is reenacted to read:

4044 679.709 Priority.—

4045 (2) For purposes of s. 679.322(1), the priority of a
4046 security interest that becomes enforceable under s. 679.2031 of
4047 this act dates from the time this act takes effect if the
4048 security interest is perfected under this act by the filing of a
4049 financing statement before this act takes effect which would not
4050 have been effective to perfect the security interest under
4051 chapter 679, Florida Statutes 2000. This subsection does not
4052 apply to conflicting security interests each of which is
4053 perfected by the filing of such a financing statement.

4054 Section 151. For the purpose of incorporating the amendment
4055 made by this act to section 679.2081, Florida Statutes, in a
4056 reference thereto, subsection (5) of section 679.625, Florida
4057 Statutes, is reenacted to read:

4058 679.625 Remedies for failure to comply with article.—

4059 (5) In lieu of damages recoverable under subsection (2),
4060 the debtor, consumer obligor, or person named as a debtor in a

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4061 filed record, as applicable, may recover \$500 in each case from
4062 a person who:

4063 (a) Fails to comply with s. 679.2081;

4064 (b) Fails to comply with s. 679.209;

4065 (c) Files a record that the person is not entitled to file
4066 under s. 679.509(1);

4067 (d) Fails to cause the secured party of record to file or
4068 send a termination statement as required by s. 679.513(1) or (3)
4069 after receipt of an authenticated record notifying the person of
4070 such noncompliance;

4071 (e) Fails to comply with s. 679.616(2) (a) and whose failure
4072 is part of a pattern, or consistent with a practice, of
4073 noncompliance; or

4074 (f) Fails to comply with s. 679.616(2) (b).

4075 Section 152. For the purpose of incorporating the amendment
4076 made by this act to section 679.3121, Florida Statutes, in a
4077 reference thereto, subsection (1) of section 679.3101, Florida
4078 Statutes, is reenacted to read:

4079 679.3101 When filing required to perfect security interest
4080 or agricultural lien; security interests and agricultural liens
4081 to which filing provisions do not apply.—

4082 (1) Except as otherwise provided in subsection (2) and s.
4083 679.3121(2), a financing statement must be filed to perfect all
4084 security interests and agricultural liens.

4085 Section 153. For the purpose of incorporating the amendment
4086 made by this act to section 679.3141, Florida Statutes, in a
4087 reference thereto, subsection (2) of section 679.327, Florida
4088 Statutes, is reenacted to read:

4089 679.327 Priority of security interests in deposit account.—

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4090 The following rules govern priority among conflicting security
4091 interests in the same deposit account:

4092 (2) Except as otherwise provided in subsections (3) and
4093 (4), security interests perfected by control under s. 679.3141
4094 rank according to priority in time of obtaining control.

4095 Section 154. For the purpose of incorporating the amendment
4096 made by this act to section 679.3141, Florida Statutes, in a
4097 reference thereto, subsection (5) of section 679.328, Florida
4098 Statutes, is reenacted to read:

4099 679.328 Priority of security interests in investment
4100 property.—The following rules govern priority among conflicting
4101 security interests in the same investment property:

4102 (5) A security interest in a certificated security in
4103 registered form which is perfected by taking delivery under s.
4104 679.3131(1) and not by control under s. 679.3141 has priority
4105 over a conflicting security interest perfected by a method other
4106 than control.

4107 Section 155. For the purpose of incorporating the amendment
4108 made by this act to section 679.3141, Florida Statutes, in a
4109 reference thereto, subsection (2) of section 679.329, Florida
4110 Statutes, is reenacted to read:

4111 679.329 Priority of security interests in letter-of-credit
4112 right.—The following rules govern priority among conflicting
4113 security interests in the same letter-of-credit right:

4114 (2) Security interests perfected by control under s.
4115 679.3141 rank according to priority in time of obtaining
4116 control.

4117 Section 156. For the purpose of incorporating the amendment
4118 made by this act to section 679.3161, Florida Statutes, in a

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4119 reference thereto, paragraph (j) of subsection (2) of section
4120 679.3101, Florida Statutes, is reenacted to read:

4121 679.3101 When filing required to perfect security interest
4122 or agricultural lien; security interests and agricultural liens
4123 to which filing provisions do not apply.—

4124 (2) The filing of a financing statement is not necessary to
4125 perfect a security interest:

4126 (j) That is perfected under s. 679.3161.

4127 Section 157. For the purpose of incorporating the amendment
4128 made by this act to section 679.3161, Florida Statutes, in a
4129 reference thereto, subsection (3) of section 679.320, Florida
4130 Statutes, is reenacted to read:

4131 679.320 Buyer of goods.—

4132 (3) To the extent that it affects the priority of a
4133 security interest over a buyer of goods under subsection (2),
4134 the period of effectiveness of a filing made in the jurisdiction
4135 in which the seller is located is governed by s. 679.3161(1) and
4136 (2).

4137 Section 158. For the purpose of incorporating the amendment
4138 made by this act to section 679.3171, Florida Statutes, in a
4139 reference thereto, subsection (3) of section 680.307, Florida
4140 Statutes, is reenacted to read:

4141 680.307 Priority of liens arising by attachment or levy on,
4142 security interests in, and other claims to goods.—

4143 (3) Except as otherwise provided in ss. 679.3171, 679.321,
4144 and 679.323, a lessee takes a leasehold interest subject to a
4145 security interest held by a creditor or lessor.

4146 Section 159. For the purpose of incorporating the amendment
4147 made by this act to section 679.3171, Florida Statutes, in a

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4148 reference thereto, paragraph (b) of subsection (8) of section
4149 727.109, Florida Statutes, is reenacted to read:

4150 727.109 Power of the court.—The court shall have power to:

4151 (8) Hear and determine any of the following actions brought
4152 by the assignee, which she or he is empowered to maintain:

4153 (b) Determine the validity, priority, and extent of a lien
4154 or other interests in assets of the estate, or to subordinate or
4155 avoid an unperfected security interest pursuant to the
4156 assignee's rights as a lien creditor under s. 679.3171.

4157 Section 160. For the purpose of incorporating the amendment
4158 made by this act to section 679.330, Florida Statutes, in a
4159 reference thereto, paragraph (d) of subsection (16) of section
4160 668.50, Florida Statutes, is reenacted to read:

4161 668.50 Uniform Electronic Transaction Act.—

4162 (16) TRANSFERABLE RECORDS.—

4163 (d) Except as otherwise agreed, a person having control of
4164 a transferable record is the holder, as defined in s. s.
4165 671.201(22) ~~s. 671.201(21)~~, of the transferable record and has
4166 the same rights and defenses as a holder of an equivalent record
4167 or writing under the Uniform Commercial Code, including, if the
4168 applicable statutory requirements under s. 673.3021, s. 677.501,
4169 or s. 679.330 are satisfied, the rights and defenses of a holder
4170 in due course, a holder to which a negotiable document of title
4171 has been duly negotiated, or a purchaser, respectively.
4172 Delivery, possession, and indorsement are not required to obtain
4173 or exercise any of the rights under this paragraph.

4174 Section 161. For the purpose of incorporating the amendment
4175 made by this act to section 679.331, Florida Statutes, in a
4176 reference thereto, subsection (4) of section 679.330, Florida

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4177 Statutes, is reenacted to read:

4178 679.330 Priority of purchaser of chattel paper or
4179 instrument.—

4180 (4) Except as otherwise provided in s. 679.331(1), a
4181 purchaser of an instrument has priority over a security interest
4182 in the instrument perfected by a method other than possession if
4183 the purchaser gives value and takes possession of the instrument
4184 in good faith and without knowledge that the purchase violates
4185 the rights of the secured party.

4186 Section 162. For the purpose of incorporating the amendment
4187 made by this act to section 679.605, Florida Statutes, in a
4188 reference thereto, subsection (4) of section 679.601, Florida
4189 Statutes, is reenacted to read:

4190 679.601 Rights after default; judicial enforcement;
4191 consignor or buyer of accounts, chattel paper, payment
4192 intangibles, or promissory notes.—

4193 (4) Except as otherwise provided in subsection (7) and s.
4194 679.605, after default, a debtor and an obligor have the rights
4195 provided in this part and by agreement of the parties.

4196 Section 163. For the purpose of incorporating the amendment
4197 made by this act to section 679.628, Florida Statutes, in a
4198 reference thereto, subsection (3) of section 679.625, Florida
4199 Statutes, is reenacted to read:

4200 679.625 Remedies for failure to comply with article.—

4201 (3) Except as otherwise provided in s. 679.628:

4202 (a) A person who, at the time of the failure, was a debtor,
4203 was an obligor, or held a security interest in or other lien on
4204 the collateral may recover damages under subsection (2) for the
4205 person's loss; and

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4206 (b) If the collateral is consumer goods, a person who was a
4207 debtor or a secondary obligor at the time a secured party failed
4208 to comply with this part may recover for that failure in any
4209 event an amount not less than the credit service charge plus 10
4210 percent of the principal amount of the obligation or the time-
4211 price differential plus 10 percent of the cash price.

4212 Section 164. For the purpose of incorporating the amendment
4213 made by this act to section 679.628, Florida Statutes, in a
4214 reference thereto, subsection (3) of section 679.626, Florida
4215 Statutes, is reenacted to read:

4216 679.626 Action in which deficiency or surplus is in issue.—
4217 In an action arising from a transaction in which the amount of a
4218 deficiency or surplus is in issue, the following rules apply:

4219 (3) Except as otherwise provided in s. 679.628, if a
4220 secured party fails to prove that the collection, enforcement,
4221 disposition, or acceptance was conducted in accordance with the
4222 provisions of this part relating to collection, enforcement,
4223 disposition, or acceptance, the liability of a debtor or a
4224 secondary obligor for a deficiency is limited to an amount by
4225 which the sum of the secured obligation, reasonable expenses,
4226 and, to the extent provided for by agreement and not prohibited
4227 by law, attorney's fees exceeds the greater of:

4228 (a) The proceeds of the collection, enforcement,
4229 disposition, or acceptance; or

4230 (b) The amount of proceeds that would have been realized
4231 had the noncomplying secured party proceeded in accordance with
4232 the provisions of this part relating to collection, enforcement,
4233 disposition, or acceptance.

4234 Section 165. This act shall take effect July 1, 2024.

SCHEDULE 4

CLE Florida's New UCC Art 12 - F.S. 669 - A Summary (June 2024)

Florida's
New UCC
Article 12 –
Fla. Stat.
669

Robert Kain, Esq.

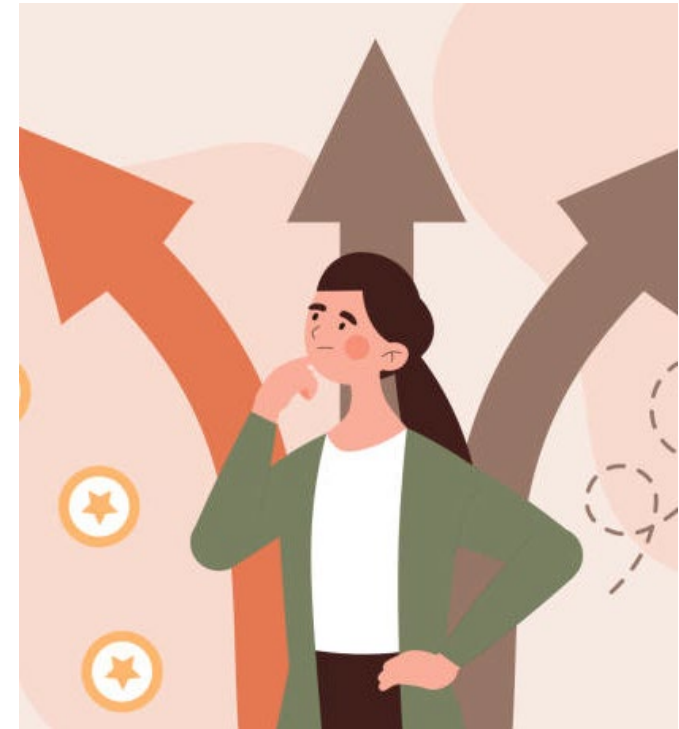
CLG

CONCEPT
LAW
GROUP

Patents – Trademarks – Copyrights
Emerging Technologies

Overview of Florida's New UCC Article 12

- New Fla. Stat. 669
- o - Amended Fla. Stat. 679 (Secured Transactions / Chattel Paper)
- o - Updates to: Fla. Stat. 670 (Funds Transfers), Fla. Stat. 671 (General); Fla. Stat. 672 (Sales), Fla. Stat. 673 (Negotiable Instruments), Fla. Stat. 675 (Letters of Credit), Fla. Stat. 677 (Documents of Title), Fla. Stat. 678 (Investment Securities), and Fla. Stat. 680 (Leases)



Why New Art. 12 (F.S. 669) and How Amendments Effect F.S. 679

1. Expanded UCC framework for: digital assets, crypto, NFTs, blockchain tokens, tokenized smart contracts, distributed ledger technologies (DLTs), DAO certs (for decentralized autonomous organization), and other “controllable electronic records” (CERs)
2. Aim: Update and clarify debtor-creditor relationships for these emerging technologies
3. F.S. 679 amended to mirror UCC Art 12 (new F.S. 669)



Digital currency



Wine utility token (NFT)

What is a Controllable Electronic Record (CER)*

1. (a) Electronic accounts (including accounts receivable) and electronic payment intangibles (including electronic loan agreements); (b) Cryptocurrencies; (c) NFTs that qualify as CERs and other tethered assets; and (d) Electronic (fiat) money other than central bank digital currencies.
2. Controllable payment intangibles/controllable accounts may have an opt-out Art. 12 feature.
3. Controllable pmt intangibles/controllable acct requires debtor to pay the person in control of the CER



Digital Currency



Wine Utility Token

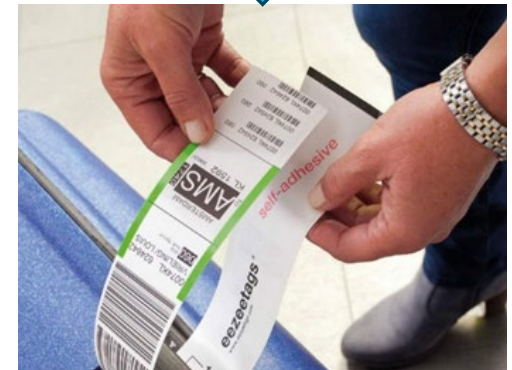
*F.S. 669.102(1); F.S. 679.1021(1)(b), 1021(1)(cc) and (dd), and 1021(1)(mmm)

Required Elements of CERs

1. Must have the “controllable” attribute*
2. CER must be a “record;” be retrievable, be perceivable and in a conspicuous form (id=digital asset, debtor, lender, acct #); must be “electronic;” must be “controllable.”** NFT or DAO certificate can be a CER.
3. CERs are analogous to airport luggage tags
4. Eg.: Bitcoin residing on Exchange Platform (CoinBase) has an id’d CER and platform limits transfers w/o lender approval
5. Controllable payment intangibles/controllable accounts must require the debtor to pay the person in control of the CER

*See §§ 669.105(1)(a); 678.1021, 1061; §§ 679.1021, 1041(1)(d), 1051, 1053, 1054.

** See §§ 669.105; 671.201(17); and 671.201(34).



Highlights: Control and Take-Free Rule

- 1. Control Defined:** A set of powers that include ability to derive substantially all benefits from the CER, or an exclusive power to prevent others from benefiting from the CER (may be shared), and have the capability to readily identify itself as having these powers.
- 2. Take Free Rule:** Allows qualifying purchaser (QP) of CER to acquire all rights transferor had, free of any property claims, if (i) bona fide purchaser, (ii) acting in good faith (iii) w/o notice of earlier claim, and (iv) takes control over CER.
- 3. Why:** Rule designed to facilitate the free and clear transfer of digital assets, enhancing liquidity and marketability



Highlights: Perfection by Control and Super-Priority

- 1. Perfection by Control:** A person obtains control of controllable acct/pmt intangible by obtaining “control” of the CER that evidences the controllable acct/pmt intangible. A person will be QP with respect to controllable acct/pmt intangible only if it is a QP with respect to the CER that represents the controllable acct/pmt intangible
- 2. No central registration system.** No UCC 1 Financing Stmt.
- 3. Super-Priority:** Security interests in CERs, controllable accts, and controllable pmt intangibles can be perfected by filing, § 679.3121(1), but super priority is established by control.



Highlight: Super-Priority Part II

- 1. Control Establishes Super-Priority.** Security interest is perfected by control of CER (or controllable acct/pmt intangible evidenced by the CER), and has priority over a security interest not perfected by control, § 679.3251.
- 2. Non-temporal, Super-Priority Perfection.** Unlike the QP provisions of Art. 12, § 669.102(1)(b), amended Art. 9 priority does not require that the secured party not have notice of someone else's property claim to the collateral. § 679.331.
- 3. Choice of Law:** In contrast to security interest in CER perfected by the filing of UCC 1 Fin Stmt, priority of the security interest is governed by the CER's jurisdiction, rather than location of the debtor, § 679.3063(1).

UCC FINANCING STATEMENT
The following information is required to be filed in order to perfect a security interest in certain types of collateral.

Debtor Name	Secured Party Name
Address	Address
City/State/Zip	City/State/Zip
Collateral Description	



UCC 2022 Amendments to the Uniform Commercial Code

The UCC is updated periodically to keep pace with legal and technological developments. The 2022 amendments implement the following updates:

1. Create a new UCC Article 12 on Controllable Electronic Records
2. Update Article 9 to allow perfection of security interests in digital assets
3. New rules for mixed transactions involving both goods and services
4. Update rules for electronic negotiable instruments
5. Updated terminology to account for electronic signatures and documents

Summary: Transition Rules

- 1. General.** General rule is UCC Amendments will have a certain Effective Date (ex. July 1, 2026), hence choice-of-law rules are important to determine which state's transition rules apply.
- 2. Established Priorities.** The key exception to transition rule on Effective Date is: any pre-effective date priority will stay in place for two (2) years following the statute's Effective Date, § 669.502(1)(a) (an "adjustment date"). §§ 669.702 - 669.706.
- 3. Best Resource:** Many examples regarding rules and perfecting security interest: "Explaining the 2022 UCC Amendments Through Illustrations," S. Sepinuck, 12 Transactional Lawyer 1, 2 (Oct. 2022).



UCC FINANCING STATEMENT
FORM #900 (2022) (REVISED 12/2022)

DEBTOR NAME: _____
SECURED PARTY NAME: _____
DESCRIPTION OF COLLATERAL: _____



UCC 2022 Amendments to the Uniform Commercial Code

The UCC is updated periodically to keep pace with legal and technological developments. The 2022 amendments implement the following updates:

1. Create a new UCC Article 12 on Controllable Electronic Records
2. Update Article 9 to allow perfection of security interests in digital assets
3. New rules for mixed transactions involving both goods and services
4. Update rules for electronic negotiable instruments
5. Updated terminology to account for electronic signatures and documents

Open Issues:

- 1. Judgment Lien Improvement Act (F.S. 55.061)(2024).** Lien attaches to debtor's "pmt intangibles and accounts" (§§202(2)(a)) but excludes "money, negotiable instruments, and mortgages." §§202(2). Possible solution: exclude controllable pmt intangibles/accounts same as money.
- 2. Central Bank Digital Currency:** CBDC is excluded from UCC: F.S. § 671.201(10) (2024).
- 3. Bitcoin is "Money" under Fla Act:** ULC proposed excluding Bitcoin (UCC amd'd § 1-201(26)) but exclusion was deleted in proposed F.S. § 671.201(26).
- 4. Choice of Law for Investments:** ULC proposed, new F.S. 678.1101(7), that local law of the issuer's or securities intermediary's jurisdiction governs "even if the matter or transaction does not bear any relation to the jurisdiction." Governor rejects ULC proposal and suggests amending F.S. 678.1101(2): "The local law of the ~~securities intermediary's jurisdiction, as specified in subsection (5),~~ entitlement holder's jurisdiction, governs: ..." G'r also deletes remainder of F.S. 678.1101(2) and §§ (3)-(6).

Questions and Resources

1. Fla Bar Business Law Section, Article 12 – F.S. 669 Taskforce at <https://flabizlaw.org/committees-task-forces/task-forces/article-12-f-s-669-task-force/>.
2. Online Fla Bar CLE Seminar: “The New UCC Article 12: Why, When and What Does It Do?” Online at item #1 above.
- 3.
4. White Paper: “Florida’s New UCC Article 12 – Fla. Stat. 669, Secured Transactions for Digital Assets and Associated UCC Amendments.” ver 20240606; Online at item #1 above.
5. “White Paper ver 20240606 + FS 669 Chart.” The Chart is a summary of the UCC changes and Florida’s UCC. Online at item #1 above.
6. Article 12 and Related Amendments on ULC’s website at <https://www.uniformlaws.org/committees/community-home?communitykey=1457c422-ddb7-40b0-8c76-39a1991651ac>
7. “Proposed 2022 Amendments to the Uniform Commercial Code: Digital Assets,” E. Smith, et al., ABA, Business Law Today, March 25, 2022, at <https://businesslawtoday.org/2022/03/proposed-2022-amendments-uniform-commercial-code-digital-assets/>.
8. “Explaining the 2022 UCC Amendments Through Illustrations,” S. Sepinuck, 12 Transactional Lawyer 1, 2 (Oct. 2022).
9. Fla Legis UCC Art 12 – Fla Bill Draft verJune6_2024. Online at item #1 above.



Thank you



Robert Kain

Chair, Fla. Bar Article 12 – F.S. 669 Taskforce

Concept Law Group, P.A.

Fort Lauderdale, FL

Rkain@ConceptLaw.com – 754-300-1500

Fla Bar CLE Course 2405321N

SCHEDULE 5

FlaStat 678.1101 Choice of Law

(b) There is no adverse claim to the security.

(c) The transfer does not violate any restriction on transfer.

(d) The transfer is otherwise effective and rightful.

(4) A person who indorses a security certificate warrants to the issuer that:

(a) There is no adverse claim to the security.

(b) The indorsement is effective.

(5) A person who originates an instruction for registration of transfer of an uncertificated security warrants to the issuer that:

(a) The instruction is effective.

(b) At the time the instruction is presented to the issuer the purchaser will be entitled to the registration of transfer.

(6) A person who presents a certificated security for registration of transfer or for payment or exchange warrants to the issuer that the person is entitled to the registration, payment, or exchange, but a purchaser for value and without notice of adverse claims to whom transfer is registered warrants only that the person has no knowledge of any unauthorized signature in a necessary indorsement.

(7) If a person acts as agent of another in delivering a certificated security to a purchaser, the identity of the principal was known to the person to whom the certificate was delivered, and the certificate delivered by the agent was received by the agent from the principal or received by the agent from another person at the direction of the principal, the person delivering the security certificate warrants only that the delivering person has authority to act for the principal and does not know of any adverse claim to the certificated security.

(8) A secured party who redelivers a security certificate received, or after payment and on order of the debtor delivers the security certificate to another person, makes only the warranties of an agent under subsection (7).

(9) Except as otherwise provided in subsection (7), a broker acting for a customer makes to the issuer and a purchaser the warranties provided in subsections (1)-(6). A broker that delivers a security certificate to its customer, or causes its customer to be registered as the owner of an uncertificated security, makes to the customer the warranties provided in subsection (1) or subsection (2), and has the rights and privileges of a purchaser under this section. The warranties of and in favor of the broker acting as an agent are in addition to applicable warranties given by and in favor of the customer.

History.—s. 1, ch. 98-11.

678.1091 Warranties in indirect holding.—

(1) A person who originates an entitlement order to a securities intermediary warrants to the securities intermediary that:

(a) The entitlement order is made by an appropriate person, or if the entitlement order is by an agent, the agent has actual authority to act on behalf of the appropriate person.

(b) There is no adverse claim to the security entitlement.

(2) A person who delivers a security certificate to a securities intermediary for credit to a securities account or originates an instruction with respect to an uncertificated security directing that the uncertificated security be credited to a securities account makes to the securities intermediary the warranties specified in s. 678.1081(1) or (2).

(3) If a securities intermediary delivers a security certificate to its entitlement holder or causes its entitlement holder to be registered as the owner of an uncertificated security, the securities intermediary makes to the entitlement holder the warranties specified in s. 678.1081(1) or (2).

History.—s. 1, ch. 98-11.

678.1101 Applicability; choice of law.—

(1) The local law of the issuer's jurisdiction, as specified in subsection (4), governs:

(a) The validity of a security.

(b) The rights and duties of the issuer with respect to registration of transfer.

(c) The effectiveness of registration of transfer by the issuer.

- (d) Whether the issuer owes any duties to an adverse claimant to a security.
- (e) Whether an adverse claim can be asserted against a person to whom transfer of a certificated or uncertificated security is registered or a person who obtains control of an uncertificated security.
- (2) The local law of the securities intermediary's jurisdiction, as specified in subsection (5), governs:
 - (a) Acquisition of a security entitlement from the securities intermediary.
 - (b) The rights and duties of the securities intermediary and entitlement holder arising out of a security entitlement.
 - (c) Whether the securities intermediary owes any duties to an adverse claimant to a security entitlement.
 - (d) Whether an adverse claim can be asserted against a person who acquires a security entitlement from the securities intermediary or a person who purchases a security entitlement or interest therein from an entitlement holder.
- (3) The local law of the jurisdiction in which a security certificate is located at the time of delivery governs whether an adverse claim can be asserted against a person to whom the security certificate is delivered.
- (4) "Issuer's jurisdiction" means the jurisdiction under which the issuer of the security is organized or, if permitted by the law of that jurisdiction, the law of another jurisdiction specified by the issuer. An issuer organized under the law of this state may specify the law of another jurisdiction as the law governing the matters specified in paragraphs (1)(b)-(e).
- (5) The following rules determine a "securities intermediary's jurisdiction" for purposes of this section:
 - (a) If an agreement between the securities intermediary and its entitlement holder governing the securities account expressly provides that a particular jurisdiction is the securities intermediary's jurisdiction for purposes of this part, this chapter, or this code, that jurisdiction is the securities intermediary's jurisdiction.
 - (b) If paragraph (a) does not apply and an agreement between the securities intermediary and its entitlement holder governing the securities account expressly provides that the agreement is governed by the law of a particular jurisdiction, that jurisdiction is the securities intermediary's jurisdiction.
 - (c) If neither paragraph (a) nor paragraph (b) applies and an agreement between the securities intermediary and its entitlement holder governing the securities account expressly provides that the securities account is maintained at an office in a particular jurisdiction, that jurisdiction is the securities intermediary's jurisdiction.
 - (d) If none of the preceding paragraphs applies, the securities intermediary's jurisdiction is the jurisdiction in which the office identified in an account statement as the office serving the entitlement holder's account is located.
 - (e) If none of the preceding paragraphs applies, the securities intermediary's jurisdiction is the jurisdiction in which the chief executive office of the securities intermediary is located.
- (6) A securities intermediary's jurisdiction is not determined by the physical location of certificates representing financial assets, or by the jurisdiction in which is organized the issuer of the financial asset with respect to which an entitlement holder has a security entitlement, or by the location of facilities for data processing or other record keeping concerning the account.

History.—s. 1, ch. 98-11; s. 21, ch. 2001-198.

678.1111 Clearing corporation rules.—A rule adopted by a clearing corporation governing rights and obligations among the clearing corporation and its participants in the clearing corporation is effective even if the rule conflicts with this chapter and affects another party who does not consent to the rule.

History.—s. 1, ch. 98-11.

678.1121 Creditor's legal process.—

- (1) The interest of a debtor in a certificated security may be reached by a creditor only by actual seizure of the security certificate by the officer making the attachment or levy, except as otherwise provided in subsection (4). However, a certificated security for which the certificate has been surrendered to the issuer may be reached by a creditor by legal process upon the issuer.
- (2) The interest of a debtor in an uncertificated security may be reached by a creditor only by legal process upon the issuer at its chief executive office in the United States, except as otherwise provided in subsection (4).

SCHEDULE 6

Sunset Provisions



The Florida Bar

651 East Jefferson Street
Tallahassee, FL 32399-2300

Joshua E. Doyle
Executive Director

(850) 561-5600
www.FLORIDABAR.org

MEMORANDUM

To: Voluntary Florida Bar Group Chairs / Chairs-elect
From: Gypsy Bailey, General Counsel
Re: Sunset of The Florida Bar Legislative Positions of the 2022-2024 Biennium
Date: March 11, 2024
cc: Voluntary Florida Bar Group Liaisons and Lobbyists; Voluntary Florida Bar Group Legislative Chairs; Josh Doyle; Jim Daughton; Aimee Diaz Lyon; Joni Hooks

Pursuant to [Standing Board Policy 9.20\(e\)](#), all legislative positions of The Florida Bar for the 2022-24 biennium – including those of committees, sections and divisions – will sunset at the July 2024 meeting of the Board of Governors (BOG). The 2024-26 biennium begins with the legislature’s first 2024 organizational session.

Attached is a current list of recognized positions for your voluntary Florida bar group. Please edit as needed, e.g., review positions that reference bills or statutes to ensure they are still applicable, and consider focusing on your group’s top 5, 10 or 15 positions. Whether you decide to rollover some or all current positions, please provide a description of each position for review by the Legislation Committee and the BOG. You may return a marked-up copy of the attachment to indicate changes or may cut and paste your positions from the bar’s [website](#).

Your response to this memo by Monday, July 1, 2024, will allow for timely rollover action by the BOG at its July 2024 meeting without any lapse of your group’s current positions. Keep in mind that requests for new legislative positions by your group must follow Standing Board Policy 9.20(d), using this online [form](#).

THE FLORIDA BAR

The Office of General Counsel offers its assistance to all bar groups concerning legislative activities. Off-season legislative emergencies may be considered by the Executive Committee or President at any time. Feel free to contact me or Joni Hooks by email – gbailey@floridabar.org / jhooks@floridabar.org - or phone – (850) 561-5662 / (800) 342-8060, x5662. We look forward to working with you.

Attachment

Business Law Section

Bankruptcy / Uniform Commercial Codes / Debtor - Creditor Issues

- a. Opposes any amendment to existing Florida law governing real property foreclosures unless those amendments carefully preserve and protect the property rights and due process rights of the holders of interests in or affecting Florida real property.
- b. Supports amendments to the Uniform Fraudulent Transfer Act promulgated by the National Conference of Commissioners on Uniform State Laws (NCCUSL), which would amend the current Chapter 727, Uniform Fraudulent Transfers Act.
- c. Supports the Bankruptcy Venue Reform Act of 2021 or any similar subsequent legislation.
- d. Opposes amendments to Section 689.151, Fla. Stat. that would (1) permit an owner of personal property create a tenancy by the entireties by a direct transfer to the owner and the owner's spouse, notwithstanding the absence of the required common law unities of time and title, and/or (2) change the presumptions to (a) require "clear and convincing" proof that TBE was not intended or created, and (b) create a "conclusive presumption" as to the "intent to create a tenancy by the entirety" when a spouse's name is added to an ownership document.
- e. Supports changes to Chapter 222 F.S. that protect Florida residents from unintentionally assigning, pledging, or waiving rights to assets that are otherwise exempt from legal process.
- f. Supports the creation of §702.13 Florida Statutes, providing for notice to homeowner in mortgage foreclosure action of possibility of relief under U.S. Bankruptcy Code.
- g. Supports amendments to Chapters 55, 56 and 319 to (i) clarify the effect of a certificate of title on a judgment lien, and (ii) establish procedures for enforcement of a judgment lien against a motor vehicle, mobile home, or vessel.
- h. Supports legislation to amend Fla. Stat. Chapter 713.78 to clarify that (1) storage liens on motor vehicles and vessels can be foreclosed only under the procedures set out in Fla. Stat. 713.78 and 559.917; (2) the same procedures for a lender or owner of a vehicle or vessel to request an inspection related to a towing and storage liens is the same as set out in 713.585 for a repair lien are also applicable to towing and storage liens for vehicles and vessels under Fla. Stat. 713.78; (3) the same procedures for posting a bond regarding repairs on vehicles and vessels in 713.585 and 559.917 are also applicable to towing and storage liens for vehicles and vessels under Fla. Stat. 713.78.
- i. Supports (1) legislation to update and clarify Section 55.205, F.S., Effect of judgment lien, to explicitly cross-reference Section 319.27, F.S; (2) support amendments to Chapters 55, 56 and 319 F.S. to (i) clarify the effect of a certificate of title on a judgment lien, and (ii) establish procedures for enforcement of a judgment lien against a motor vehicle, mobile home, or vessel; (3) support legislation to expand the scope of the Florida Judgment lien on personal property to reach accounts and payment intangibles as defined in Ch . 679, F.S. only of a judgment debtor that is located in this state; and (4) support legislation that makes clear that the above judgment lien can be enforced only

through judicial process and not through self-help or replevin without the express consent of the judgment debtor in a post-default record.

- j. Supports the original version of SB528 providing for an increase in the exemption for a debtor's interest in a personal motor vehicle set forth in Fla. Stat. §222.25 that is applicable equally to all debtors including support to include a periodic upward adjustment akin to the automatic adjustment built into Bankruptcy Code Section 104 and (2) oppose any legislation providing for a higher exemption amount solely applicable to debtors in bankruptcy. (REVISED 10/9/2023)
- k. Supports legislation to update and clarify Chapter 727, F.S., Assignments for the Benefit of Creditors, to (1) update the intent of the statute to provide a uniform procedure for the administration and orderly liquidation of insolvent estates; (2) amend the statute to better reflect practice realities with respect to (i) recording assignments outside Florida, (ii) scheduling case management conferences and requiring case status reports, (iii) turnover of assets, and (iv) rejecting unexpired leases; and (3) create a new provision to define an assignee's personal liability and the process for asserting claims against the assignee or professionals employed by the estate.
- l. Supports legislation that would add new subsections 605.12101 through 605.12803 to the existing Florida Revised Uniform Limited Liability Company Act (Chapter 605) to implement rules for the creation of Protected Series in Florida limited liability companies, and to provide rules applicable to foreign series limited liability doing business in Florida. (Added 3/1/2023)

Business Entities / Securities / Financial Services

- a. Opposes legislation to impose income tax on limited liability companies and subchapter S corporations.
- b. Opposes legislation that would transfer the functions of the Division of Corporations in the Department of State to the Department of Revenue.
- c. Opposes "sunset" of the Division of Corporations of the Department of State.
- d. Opposes changes to Ch. 607, F.S. which addresses the filing of biennial reports by domestic and foreign corporations.
- e. Supports proposed legislation updating and modernizing the Florida Business Corporation Act (Chapter 607 of the Florida Statutes), harmonizing certain of those provisions with provisions in other Florida entity statutes, including within Chapters 605 and 620, and cleaning up certain glitches within such other Florida entity statutes.
- f. Supports the legislative proposals by the Florida Office of Financial Regulation for the amendment of Chapter 517, the Florida Securities and Investor Protection Act, as presented to the Section by the Office of Financial Regulation.
- g. Opposes legislation, including without limitation currently proposed legislation to amend Section 542.275, Florida Statutes, that directly or indirectly requires pre-closing notice and/or providing of information to the Office of the Florida Attorney General as to certain merger and acquisition transactions and/or requires post-closing filing of a notice and/or providing information to the Office of the Florida Attorney General without reasonable exemption for Florida's Sunshine Laws.

- h. Supports legislation amending § 501.207(3) of the Florida Deceptive and Unfair Trade Practices Act ("FDUTPA"). (Added 3/1/2023)
- i. Supports proposed legislation addressing changes and updates to Chapter 607, Florida Statutes, the Florida Business Corporations Act, primarily including the addition of provisions addressing ratification of defective corporate actions and over issuances of securities. (Added 10/9/2023)
- j. Supports proposed legislation updating and modernizing Chapter 517 of the Florida Statutes – The Florida Securities and Investor Protection Act. (Added 10/9/2023)

Business Litigation / Alternative Dispute Resolution

- a. Supports amending Florida Statute 542.335 relating to restrictive covenants in a manner to provide exemptions to employees receiving limited compensation and to provide the court additional discretion in those same cases to interpret restrictions in a manner consistent with traditional contract rules of construction.
- b. Supports changes to Ch. 48, F.S. and other statutory provisions addressing service of process to (1) simplify the methods of service of process on business entities to eliminate redundancies and inconsistencies, (2) clarify the statutory scheme to avoid confusion, (3) better elucidate the methods for effectuating service of process in foreign countries, and (4) modernize the methods and procedures for service of process on business entities, while ensuring compliance with fundamental notions of due process.
- c. Supports the Real Property, Probate and Trust Law Section of The Florida Bar position to create Section 49.072, F.S., establishing a process to serve unknown parties in possession of real property.
- d. Opposes codification of tortious interference claims that: (1) creates uncertainty in commercial transactions; (2) stifles competition; (3) imposes treble or punitive damages; (4) allows for one-sided attorney's fees; and (5) is vague and ambiguous.

Intellectual Property / Computer Law

- a. Opposes changes that weaken contracts governed under current franchise laws and expand claims available under Florida's Unfair and Deceptive Trade Practices Act.
- b. Supports legislation that defines blockchain technology in such a manner as to encourage innovation in the blockchain space without tying any statutory definition to a specific implementation of the technology.
- c. Supports amending pending legislation relating to trade secret information to require Florida state agencies to inform potential bidders, vendors, service providers, contractors and/or others that may engage in business with state agencies that their submission of information to an agency may waive trade secret protection and to further require informed consent by potential bidders, vendors, service providers, contractors and/or others that may engage in business with the state agencies, in order to prevent inadvertent waiver of said trade secrets and potential litigation."
- d. Supports legislation relating to data privacy and protection, including cybersecurity, that strikes the appropriate balance between protecting personal information without placing

undue restrictions on business development or unnecessarily stifling technological advancement in this state.

Judiciary / Administration of Justice

- a. Supports adequate funding of the state courts' system, state attorneys' offices, public defenders' offices, and court-appointed counsel.
- b. Supports legislation consistent with the Supreme Court of Florida's certification of need for additional judges.
- c. Supports adequate funding for civil legal assistance to indigent persons through the Florida Access to Civil Legal Assistance Act.
- d. ~~Opposes term limits for judges at any level of Florida's state court system.~~