

1993 Assembly Bill 796

Date of enactment: **April 28, 1994**
Date of publication: **May 12, 1994**

1993 Wisconsin Act 452

(Vetoed in Part)

AN ACT to amend 14.38 (13), 20.575 (1) (i), 409.403 (5) (a) 3, 409.405 (1), 409.405 (2) and 409.406; and to repeal and recreate 20.575 (1) (g) and 20.575 (1) (i) of the statutes, relating to the uniform commercial code statewide lien system and making appropriations.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 14.38 (13) of the statutes is amended to read:

14.38 (13) UNIFORM COMMERCIAL CODE STATEWIDE LIEN SYSTEM. Establish and maintain, in consultation with the uniform commercial code statewide lien system council, computer and any other services necessary to support the uniform commercial code

statewide lien system under s. 409.410 but may not maintain a central filing system, as defined in 7 USC 1631 (c) (2), for farm products, as defined in 7 USC 1631 (c) (5).

SECTION 2. 20.575 (1) (g) of the statutes, as affected by 1993 Wisconsin Act 35, is repealed and recreated to read:

20.575 (1) (g) *Program fees.* The amounts in the schedule for the purpose of carrying out general program operations. Except as provided under pars. (gb), (h) and (ka), \$4 of each amount collected under ss. 180.0122 (1) (x) and (y), 181.653 (4), 181.68 (1) (gm), 185.48 (4) and (6) and 185.83 (1) (e) plus 27.5% of the fees collected by the secretary of state, other than fees forwarded by registers of deeds under ss. 409.403 (5) (a), 409.405 (1) and (2) and 409.406 and other than \$3 of the fees collected by the secretary of state for each filing under ss. 409.403 (5) (b), 409.405 (1) and (2) and 409.406 and other than \$4 of each amount collected under ss. 180.0122 (1) (x) and (y), 181.68 (1) (gm), 185.48 (4) and (6) and 185.83 (1) (e), shall be credited to this appropriation. Notwithstanding s. 20.001 (3) (a), any unencumbered balance at the close of a fiscal year exceeding 10% of the previous fiscal year's expenditures under this appropriation shall lapse to the general fund.

SECTION 3m. 20.575 (1) (i) of the statutes is amended to read:

20.575 (1) (i) *Uniform commercial code statewide lien system fees.* The amounts in the schedule for the purpose of establishing and maintaining support services under s. 14.38 (13) for the uniform commercial code statewide lien system under s. 409.410. All moneys received from fees forwarded by registers of deeds under ss. 409.403 (5) (a), 409.405 (1) and (2) and 409.406 plus \$2 of the fees collected by the secretary of state for each filing under ss. 409.403 (5) (b), 409.405 (1) and (2) and 409.406 shall be credited to this appropriation. Notwithstanding s. 20.001 (3) (a), ~~any unencumbered balance at the close of a fiscal year exceeding 10% of the previous fiscal year's expenditures if annual revenues received exceed the amount shown in the schedule under this appropriation, the excess revenues shall lapse to the general fund.~~

SECTION 4. 20.575 (1) (i) of the statutes, as affected by 1993 Wisconsin Act (this act), is repealed and recreated to read:

20.575 (1) (i) *Uniform commercial code statewide lien system.* The amounts in the schedule for the purpose of establishing and maintaining support services under s. 14.38 (13) for the uniform commercial code statewide lien system under s. 409.410. All moneys received from fees forwarded by registers of deeds under ss. 409.403 (5) (a), 409.405 (1) and (2) and 409.406 plus \$3 of the fees collected by the secretary of state for each filing under ss. 409.403 (5) (b), 409.405 (1) and (2) and 409.406 shall be credited to this appropriation. Notwithstanding s. 20.001 (3) (a), ~~if annual~~

Vetoed in Part ~~revenues received exceed the amount shown in the~~

~~schedule under this appropriation, the excess revenues shall lapse to the general fund.~~ **Vetoed in Part**

SECTION 5. 409.403 (5) (a) 3 of the statutes is amended to read:

409.403 (5) (a) 3. A register of deeds shall forward \$2 ~~\$3~~ to the office of the secretary of state for each original financing statement filed with the office of the register of deeds under subd. 1 and for each amendment and each continuation statement filed with the office of the register of deeds under subd. 2.

SECTION 6. 409.405 (1) of the statutes is amended to read:

409.405 (1) An original financing statement may disclose an assignment of a security interest in the collateral described in the financing statement by indication in the financing statement of the name and address of the assignee or by an assignment itself or a copy thereof on the face or back of the statement. On presentation to the filing officer of such a financing statement the filing officer shall mark the same as provided in s. 409.403 (4). The fee for filing, indexing and stamping a copy furnished by the secured party to show the date and place of filing for an original financing statement so indicating an assignment is \$8 if the statement is on the standard form prescribed by the secretary of state and is \$16 if the statement is not on the standard form or if additional pages are attached to the standard form. The fee for filing an original financing statement indicating an assignment and subject to s. 409.402 (5) is \$10 if the statement is on the standard form and is \$20 if the statement is not on the standard form or if additional pages are attached to the standard form. A register of deeds shall forward \$2 ~~\$3~~ to the office of the secretary of state for each original financing statement indicating an assignment of a security interest that is filed with the office of the register of deeds.

SECTION 7. 409.405 (2) of the statutes is amended to read:

409.405 (2) A secured party may assign of record all or part of his or her rights under a financing statement by the filing in the place where the original financing statement was filed of a separate written statement of assignment signed by the secured party of record and setting forth the name of the secured party of record and the debtor, the file number and the date of filing of the financing statement and the name and address of the assignee and containing a description of the collateral assigned. A copy of the assignment is sufficient as a separate statement if it complies with the preceding sentence. On presentation to the filing officer of such a separate statement, the filing officer shall mark such separate statement with the date and hour of the filing. The officer shall note the assignment on the index of the financing statement, or in the case of a fixture filing, or a filing covering timber to be cut, or covering minerals or the like, including oil and gas, or accounts subject to s. 409.103 (5), the officer shall index the assignment under the name of the assignor

as grantor and, to the extent that the law of this state provides for indexing the assignment of a mortgage under the name of the assignee, the officer shall index the assignment of the financing statement under the name of the assignee. The fee for filing, indexing and furnishing filing data about such a separate statement of assignment is \$5 if the statement is on the standard form prescribed by the secretary of state and is \$10 if the statement is not on the standard form or if additional pages are attached to the standard form. A register of deeds shall forward ~~\$2~~ \$3 to the office of the secretary of state for each statement of assignment filed with the office of the register of deeds. Notwithstanding this subsection, an assignment of record of a security interest in a fixture contained in a mortgage effective as a fixture filing under s. 409.402 (6) may be made only by an assignment of the mortgage in the manner provided by the law of this state other than chs. 401 to 411.

SECTION 8. 409.406 of the statutes is amended to read:

409.406 Release of collateral; duties of filing officer; fees. A secured party of record may by his or her signed statement release all or a part of any collateral described in a filed financing statement. The statement of release is sufficient if it contains a description of the collateral being released, the name and address of the debtor, the name and address of the secured party, and the file number of the financing statement. A statement of release signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with s. 409.405 (2), including payment of the required fee. Upon presentation of such a statement of release to the filing officer, the officer shall mark the statement with the hour and date of filing and shall note the same upon the margin of the index of the filing of the financing statement. The fee for filing and noting such a statement of release is \$5 if the statement is on the standard form prescribed by the secretary of state and is \$10 if the statement is not on the standard form or if additional pages are attached to the standard form. A register of deeds shall forward ~~\$2~~ \$3 to the office of the secretary of state for each statement of release filed with the office of the register of deeds.

SECTION 9. **Nonstatutory provisions.** (1) The authorized FTE positions for the office of the secretary of state are increased by 0.5 PR position, to be funded from the appropriation under section 20.575

(1) (i) of the statutes, as affected by the acts of 1993, for assisting counties in establishing the uniform commercial code statewide lien system.

SECTION 10. **Appropriation changes.** (1) In the schedule under section 20.005 (3) of the statutes for the appropriation to the secretary of state under section 20.575 (1) (i) of the statutes, as affected by the acts of 1993, the dollar amount is increased by \$11,700 for fiscal year 1993-94 and the dollar amount is increased by \$15,600 for fiscal year 1994-95 to increase funding for training of and technical assistance to county registers of deeds in the operation of the uniform commercial code statewide lien system.

(2) In the schedule under section 20.005 (3) of the statutes for the appropriation to the secretary of state under section 20.575 (1) (i) of the statutes, as affected by the acts of 1993, the dollar amount is increased by \$29,400 for fiscal year 1993-94 and the dollar amount is increased by \$11,900 for fiscal year 1994-95 to increase funding for converting existing county data bases to the uniform commercial code lien statewide system.

(3) In the schedule under section 20.005 (3) of the statutes for the appropriation to the secretary of state under section 20.575 (1) (i) of the statutes, as affected by the acts of 1993, the dollar amount is increased by \$149,000 for fiscal year 1993-94 and the dollar amount is increased by \$79,900 for fiscal year 1994-95 to increase funding for installing and maintaining public access terminals in each county register of deeds office.

(4) There is transferred from the general fund to the appropriation account of the office of the secretary of state under section 20.575 (1) (i) of the statutes, as affected by the acts of 1993, \$228,900.

SECTION 11. **Initial applicability.** (1) The treatment of sections 409.403 (5) (a) 3, 409.405 (1) and (2) and 409.406 of the statutes and the repeal and recreation of section 20.575 (1) (g) and (i) of the statutes first apply to documents filed on the effective date of this subsection.

SECTION 12. **Effective dates.** This act takes effect on the day after publication, except as follows:

(1) The treatment of sections 409.403 (5) (a) 3, 409.405 (1) and (2) and 409.406 of the statutes, the repeal and recreation of section 20.575 (1) (g) and (i) of the statutes and SECTION 11 (1) of this act take effect on January 1, 1996.