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1 (5) **HOLDER OF PURCHASE-MONEY SECURITY INTEREST GIVES NEW VALUE.** For
2 purposes of subs. (1) and (2), the holder of a purchase-money security interest in
3 inventory gives new value for chattel paper constituting proceeds of the inventory.

4 (6) **INDICATION OF ASSIGNMENT GIVES KNOWLEDGE.** For purposes of subs. (2) and
5 (4), if chattel paper or an instrument indicates that it has been assigned to an
6 identified secured party other than the purchaser, a purchaser of the chattel paper
7 or instrument has knowledge that the purchase violates the rights of the secured
8 party.

9 **409.331 Priority of rights of purchasers of instruments, documents,**
10 **and securities under other chapters; priority of interests in financial assets**
11 **and security entitlements under ch. 408.** (1) **RIGHTS UNDER CHS. 403, 407, AND 408**
12 **NOT LIMITED.** This chapter does not limit the rights of a holder in due course of a
13 negotiable instrument, a holder to which a negotiable document of title has been duly
14 negotiated, or a protected purchaser of a security. These holders or purchasers take
15 priority over an earlier security interest, even if perfected, to the extent provided in
16 chs. 403, 407, and 408.

17 (2) **PROTECTION UNDER CH. 408.** This chapter does not limit the rights of or impose
18 liability on a person to the extent that the person is protected against the assertion
19 of an adverse claim under ch. 408.

20 (3) **FILING NOT NOTICE.** Filing under this chapter does not constitute notice of
21 a claim or defense to the holders, or purchasers, or persons described in subs. (1) and
22 (2).

23 **409.332 Transfer of money; transfer of funds from deposit account.** (1)
24 **TRANSFeree OF MONEY.** A transferee of money takes the money free of a security

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1 interest unless the transferee acts in collusion with the debtor in violating the rights
2 of the secured party.

3 (2) TRANSFEREE OF FUNDS FROM DEPOSIT ACCOUNT. A transferee of funds from a
4 deposit account takes the funds free of a security interest in the deposit account
5 unless the transferee acts in collusion with the debtor in violating the rights of the
6 secured party.

7 **409.333 Priority of certain liens arising by operation of law. (1)**

8 POSSESSORY LIEN. In this section, “possessory lien” means an interest, other than a
9 security interest or an agricultural lien:

10 (a) Which secures payment or performance of an obligation for services or
11 materials furnished with respect to goods by a person in the ordinary course of the
12 person’s business;

13 (b) Which is created by statute or rule of law in favor of the person; and

14 (c) Whose effectiveness depends on the person’s possession of the goods.

15 (2) PRIORITY OF POSSESSORY LIEN. A possessory lien on goods has priority over
16 a security interest in the goods unless the lien is created by a statute that expressly
17 provides otherwise.

18 **409.334 Priority of security interests in fixtures and crops. (1) SECURITY**
19 **INTEREST IN FIXTURES UNDER THIS CHAPTER.** A security interest under this chapter may
20 be created in goods that are fixtures or may continue in goods that become fixtures.
21 A security interest does not exist under this chapter in ordinary building materials
22 incorporated into an improvement on land.

23 (2) SECURITY INTEREST IN FIXTURES UNDER REAL PROPERTY LAW. This chapter does
24 not prevent creation of an encumbrance upon fixtures under real property law.

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1 **(3) GENERAL RULE: SUBORDINATION OF SECURITY INTEREST IN FIXTURES.** In cases
2 not governed by subs. (4) to (8), a security interest in fixtures is subordinate to a
3 conflicting interest of an encumbrancer or owner of the related real property other
4 than the debtor.

5 **(4) FIXTURES PURCHASE MONEY PRIORITY.** Except as otherwise provided in sub.
6 (8), a perfected security interest in fixtures has priority over a conflicting interest of
7 an encumbrancer or owner of the real property if the debtor has an interest of record
8 in or is in possession of the real property and:

9 (a) The security interest is a purchase-money security interest;

10 (b) The interest of the encumbrancer or owner arises before the goods become
11 fixtures; and

12 (c) The security interest is perfected by a fixture filing before the goods become
13 fixtures or within 20 days thereafter.

14 **(5) PRIORITY OF SECURITY INTEREST IN FIXTURES OVER INTERESTS IN REAL PROPERTY.**
15 A perfected security interest in fixtures has priority over a conflicting interest of an
16 encumbrancer or owner of the real property if:

17 (a) The debtor has an interest of record in the real property or is in possession
18 of the real property and the security interest:

19 1. Is perfected by a fixture filing before the interest of the encumbrancer or
20 owner is of record; and

21 2. Has priority over any conflicting interest of a predecessor in title of the
22 encumbrancer or owner;

23 (b) Before the goods become fixtures, the security interest is perfected by any
24 method permitted by this chapter and the fixtures are readily removable:

25 1. Factory or office machines;

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1 2. Equipment that is not primarily used or leased for use in the operation of the
2 real property; or

3 3. Replacements of domestic appliances that are consumer goods;

4 (c) The conflicting interest is a lien on the real property obtained by legal or
5 equitable proceedings after the security interest was perfected by any method
6 permitted by this chapter; or

7 (d) The security interest is:

8 1. Created in a manufactured home in a manufactured-home transaction; and

9 2. Perfected pursuant to a statute described in s. 409.311 (1) (b) or (f).

10 **(6) PRIORITY BASED ON CONSENT, DISCLAIMER, OR RIGHT TO REMOVE.** A security
11 interest in fixtures, whether or not perfected, has priority over a conflicting interest
12 of an encumbrancer or owner of the real property if:

13 (a) The encumbrancer or owner has, in an authenticated record, consented to
14 the security interest or disclaimed an interest in the goods as fixtures; or

15 (b) The debtor has a right to remove the goods as against the encumbrancer or
16 owner.

17 **(7) CONTINUATION OF SUB. (6) PRIORITY.** The priority of the security interest under
18 sub. (6) (b) continues for a reasonable time if the debtor's right to remove the goods
19 as against the encumbrancer or owner terminates.

20 **(8) PRIORITY OF CONSTRUCTION MORTGAGE.** A mortgage is a construction
21 mortgage to the extent that it secures an obligation incurred for the construction of
22 an improvement on land, including the acquisition cost of the land, if a recorded
23 record of the mortgage so indicates. Except as otherwise provided in subs. (5) and
24 (6), a security interest in fixtures is subordinate to a construction mortgage if a record
25 of the mortgage is recorded before the goods become fixtures and the goods become

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1 fixtures before the completion of the construction. A mortgage has this priority to
2 the same extent as a construction mortgage to the extent that it is given to refinance
3 a construction mortgage.

4 (9) PRIORITY OF SECURITY INTEREST IN CROPS. A perfected security interest in
5 crops growing on real property has priority over a conflicting interest of an
6 encumbrancer or owner of the real property if the debtor has an interest of record in
7 or is in possession of the real property.

8 **409.335 Accessions.** (1) CREATION OF SECURITY INTEREST IN ACCESSION. A
9 security interest may be created in an accession and continues in collateral that
10 becomes an accession.

11 (2) PERFECTION OF SECURITY INTEREST. If a security interest is perfected when
12 the collateral becomes an accession, the security interest remains perfected in the
13 collateral.

14 (3) PRIORITY OF SECURITY INTEREST. Except as otherwise provided in sub. (4), the
15 other provisions of this subchapter determine the priority of a security interest in an
16 accession.

17 (4) COMPLIANCE WITH CERTIFICATE-OF-TITLE STATUTE. A security interest in an
18 accession is subordinate to a security interest in the whole which is perfected by
19 compliance with the requirements of a certificate-of-title statute under s. 409.311
20 (2).

21 (5) REMOVAL OF ACCESSION AFTER DEFAULT. After default, subject to subch. VI,
22 a secured party may remove an accession from other goods if the security interest in
23 the accession has priority over the claims of every person having an interest in the
24 whole.

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1 **(6) REIMBURSEMENT FOLLOWING REMOVAL.** A secured party that removes an
2 accession from other goods under sub. (5) shall promptly reimburse any holder of a
3 security interest or other lien on, or owner of, the whole or of the other goods, other
4 than the debtor, for the cost of repair of any physical injury to the whole or the other
5 goods. The secured party need not reimburse the holder or owner for any diminution
6 in value of the whole or the other goods caused by the absence of the accession
7 removed or by any necessity for replacing it. A person entitled to reimbursement
8 may refuse permission to remove an accession until the secured party gives adequate
9 assurance for the performance of the obligation to reimburse.

10 **409.336 Commingled goods. (1) COMMINGLED GOODS.** In this section,
11 “commingled goods” means goods that are physically united with other goods in such
12 a manner that their identity is lost in a product or mass.

13 **(2) NO SECURITY INTEREST IN COMMINGLED GOODS AS SUCH.** A security interest
14 does not exist in commingled goods as such. However, a security interest may attach
15 to a product or mass that results when goods become commingled goods.

16 **(3) ATTACHMENT OF SECURITY INTEREST TO PRODUCT OR MASS.** If collateral becomes
17 commingled goods, a security interest attaches to the product or mass.

18 **(4) PERFECTION OF SECURITY INTEREST.** If a security interest in collateral is
19 perfected before the collateral becomes commingled goods, the security interest that
20 attaches to the product or mass under sub. (3) is perfected.

21 **(5) PRIORITY OF SECURITY INTEREST.** Except as otherwise provided in sub. (6), the
22 other provisions of this subchapter determine the priority of a security interest that
23 attaches to the product or mass under sub. (3).

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1 **(6) CONFLICTING SECURITY INTERESTS IN PRODUCT OR MASS.** If more than one
2 security interest attaches to the product or mass under sub. (3), the following rules
3 determine priority:

4 (a) A security interest that is perfected under sub. (4) has priority over a
5 security interest that is unperfected at the time the collateral becomes commingled
6 goods.

7 (b) If more than one security interest is perfected under sub. (4), the security
8 interests rank equally in proportion to the value of the collateral at the time it
9 became commingled goods.

10 **409.337 Priority of security interests in goods covered by certificate**
11 **of title.** If, while a security interest in goods is perfected by any method under the
12 law of another jurisdiction, this state issues a certificate of title that does not show
13 that the goods are subject to the security interest or contain a statement that they
14 may be subject to security interests not shown on the certificate:

15 (1) A buyer of the goods, other than a person in the business of selling goods
16 of that kind, takes free of the security interest if the buyer gives value and receives
17 delivery of the goods after issuance of the certificate and without knowledge of the
18 security interest; and

19 (2) The security interest is subordinate to a conflicting security interest in the
20 goods that attaches, and is perfected under s. 409.311 (2), after issuance of the
21 certificate and without the conflicting secured party's knowledge of the security
22 interest.

23 **409.338 Priority of security interest or agricultural lien perfected by**
24 **filed financing statement providing certain incorrect information.** If a
25 security interest or agricultural lien is perfected by a filed financing statement

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1 providing information described in s. 409.516 (2) (e) which is incorrect at the time the
2 financing statement is filed:

3 (1) The security interest or agricultural lien is subordinate to a conflicting
4 perfected security interest in the collateral to the extent that the holder of the
5 conflicting security interest gives value in reasonable reliance upon the incorrect
6 information; and

7 (2) A purchaser, other than a secured party, of the collateral takes free of the
8 security interest or agricultural lien to the extent that, in reasonable reliance upon
9 the incorrect information, the purchaser gives value and, in the case of chattel paper,
10 documents, goods, instruments, or a security certificate, receives delivery of the
11 collateral.

12 **409.339 Priority subject to subordination.** This chapter does not preclude
13 subordination by agreement by a person entitled to priority.

14 **409.340 Effectiveness of right of recoupment or setoff against deposit**
15 **account.** (1) EXERCISE OF RECOUPMENT OR SETOFF. Except as otherwise provided in
16 sub. (3), a bank with which a deposit account is maintained may exercise any right
17 of recoupment or setoff against a secured party that holds a security interest in the
18 deposit account.

19 (2) RECOUPMENT OR SETOFF NOT AFFECTED BY SECURITY INTEREST. Except as
20 otherwise provided in sub. (3), the application of this chapter to a security interest
21 in a deposit account does not affect a right of recoupment or setoff of the secured party
22 as to a deposit account maintained with the secured party.

23 (3) WHEN SETOFF INEFFECTIVE. The exercise by a bank of a setoff against a
24 deposit account is ineffective against a secured party that holds a security interest

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1 in the deposit account which is perfected by control under s. 409.104 (1) (c), if the
2 setoff is based on a claim against the debtor.

3 **409.341 Bank's rights and duties with respect to deposit account.**

4 Except as otherwise provided in s. 409.340 (3), and unless the bank otherwise agrees
5 in an authenticated record, a bank's rights and duties with respect to a deposit
6 account maintained with the bank are not terminated, suspended, or modified by:

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

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

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

11 **409.342 Bank's right to refuse to enter into or disclose existence of**
12 **control agreement.** This chapter does not require a bank to enter into an
13 agreement of the kind described in s. 409.104 (1) (b), even if its customer so requests
14 or directs. A bank that has entered into such an agreement is not required to confirm
15 the existence of the agreement to another person unless requested to do so by its
16 customer.

17 **SUBCHAPTER IV**

18 **RIGHTS OF 3RD PARTIES**

19 **409.401 Alienability of debtor's rights.** (1) OTHER LAW GOVERNS
20 ALIENABILITY; EXCEPTIONS. Except as otherwise provided in sub. (2) and ss. 409.406,
21 409.407, 409.408, and 409.409, whether a debtor's rights in collateral may be
22 voluntarily or involuntarily transferred is governed by law other than this chapter.

23 (2) AGREEMENT DOES NOT PREVENT TRANSFER. An agreement between the debtor
24 and secured party which prohibits a transfer of the debtor's rights in collateral or
25 makes the transfer a default does not prevent the transfer from taking effect.

SENATE BILL 9**409.402 Secured party not obligated on contract of debtor or in tort.**

The existence of a security interest, agricultural lien, or authority given to a debtor to dispose of or use collateral, without more, does not subject a secured party to liability in contract or tort for the debtor's acts or omissions.

409.403 Agreement not to assert defenses against assignee. (1) VALUE.

In this section, "value" has the meaning provided in s. 403.303 (1).

(2) AGREEMENT NOT TO ASSERT CLAIM OR DEFENSE. Except as otherwise provided in this section, an agreement between an account debtor and an assignor not to assert against an assignee any claim or defense that the account debtor may have against the assignor is enforceable by an assignee that takes an assignment:

(a) For value;

(b) In good faith;

(c) Without notice of a claim of a property or possessory right to the property assigned; and

(d) Without notice of a defense or claim in recoupment of the type that may be asserted against a person entitled to enforce a negotiable instrument under s. 403.305 (1).

(3) WHEN SUB. (2) NOT APPLICABLE. Subsection (2) does not apply to defenses of a type that may be asserted against a holder in due course of a negotiable instrument under s. 403.305 (2).

(4) OMISSION OF REQUIRED STATEMENT IN CONSUMER TRANSACTION. In a consumer transaction, if a record evidences the account debtor's obligation, law other than this chapter requires that the record include a statement to the effect that the rights of an assignee are subject to claims or defenses that the account debtor could assert against the original obligee, and the record does not include such a statement:

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1 (a) The record has the same effect as if the record had included such a
2 statement; and

3 (b) The account debtor may assert against an assignee those claims and
4 defenses that would have been available if the record had included such a statement.

5 (5) RULE FOR INDIVIDUAL UNDER OTHER LAW. This section is subject to law other
6 than this chapter which establishes a different rule for an account debtor who is an
7 individual and who incurred the obligation primarily for personal, family, or
8 household purposes.

9 (6) OTHER LAW NOT DISPLACED. Except as otherwise provided in sub. (4), this
10 section does not displace law other than this chapter which gives effect to an
11 agreement by an account debtor not to assert a claim or defense against an assignee.

12 **409.404 Rights acquired by assignee; claims and defenses against**
13 **assignee. (1) ASSIGNEE'S RIGHTS SUBJECT TO TERMS, CLAIMS, AND DEFENSES; EXCEPTIONS.**
14 Unless an account debtor has made an enforceable agreement not to assert defenses
15 or claims, and subject to subs. (2) to (5), the rights of an assignee are subject to:

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

19 (b) Any other defense or claim of the account debtor against the assignor which
20 accrues before the account debtor receives a notification of the assignment
21 authenticated by the assignor or the assignee.

22 (2) ACCOUNT DEBTOR'S CLAIM REDUCES AMOUNT OWED TO ASSIGNEE. Subject to sub.
23 (3) and except as otherwise provided in sub. (4), the claim of an account debtor
24 against an assignor may be asserted against an assignee under sub. (1) only to reduce
25 the amount the account debtor owes.

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1 **(3) RULE FOR INDIVIDUAL UNDER OTHER LAW.** This section is subject to law other
2 than this chapter which establishes a different rule for an account debtor who is an
3 individual and who incurred the obligation primarily for personal, family, or
4 household purposes.

5 **(4) OMISSION OF REQUIRED STATEMENT IN CONSUMER TRANSACTION.** In a consumer
6 transaction, if a record evidences the account debtor's obligation, law other than this
7 chapter requires that the record include a statement to the effect that the account
8 debtor's recovery against an assignee with respect to claims and defenses against the
9 assignor may not exceed amounts paid by the account debtor under the record, and
10 the record does not include such a statement, the extent to which a claim of an
11 account debtor against the assignor may be asserted against an assignee is
12 determined as if the record had included such a statement.

13 **(5) INAPPLICABILITY TO HEALTH CARE INSURANCE RECEIVABLE.** This section does not
14 apply to an assignment of a health care insurance receivable.

15 **409.405 Modification of assigned contract. (1) EFFECT OF MODIFICATION ON**
16 **ASSIGNEE.** A modification of or substitution for an assigned contract is effective
17 against an assignee if made in good faith. The assignee acquires corresponding
18 rights under the modified or substituted contract. The assignment may provide that
19 the modification or substitution is a breach of contract by the assignor. This
20 subsection is subject to subs. (2) to (4).

21 **(2) APPLICABILITY OF SUB. (1).** Subsection (1) applies to the extent that:

22 (a) The right to payment or a part thereof under an assigned contract has not
23 been fully earned by performance; or

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1 (b) The right to payment or a part thereof has been fully earned by performance
2 and the account debtor has not received notification of the assignment under s.
3 409.406 (1).

4 (3) RULE FOR INDIVIDUAL UNDER OTHER LAW. This section is subject to law other
5 than this chapter which establishes a different rule for an account debtor who is an
6 individual and who incurred the obligation primarily for personal, family, or
7 household purposes.

8 (4) INAPPLICABILITY TO HEALTH CARE INSURANCE RECEIVABLE. This section does not
9 apply to an assignment of a health care insurance receivable.

10 **409.406 Discharge of account debtor; notification of assignment;**
11 **identification and proof of assignment; restrictions on assignment of**
12 **accounts, chattel paper, payment intangibles, and promissory notes**
13 **ineffective.** (1) DISCHARGE OF ACCOUNT DEBTOR; EFFECT OF NOTIFICATION. Subject to
14 subs. (2) to (9), an account debtor on an account, chattel paper, or a payment
15 intangible may discharge its obligation by paying the assignor until, but not after,
16 the account debtor receives a notification, authenticated by the assignor or the
17 assignee, that the amount due or to become due has been assigned and that payment
18 is to be made to the assignee. After receipt of the notification, the account debtor may
19 discharge its obligation by paying the assignee and may not discharge the obligation
20 by paying the assignor.

21 (2) WHEN NOTIFICATION INEFFECTIVE. Subject to sub. (8), notification is
22 ineffective under sub. (1):

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

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

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

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

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

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

11 **(3) PROOF OF ASSIGNMENT.** Subject to sub. (8), if requested by the account debtor,
12 an assignee shall seasonably furnish reasonable proof that the assignment has been
13 made. Unless the assignee complies, the account debtor may discharge its obligation
14 by paying the assignor, even if the account debtor has received a notification under
15 sub. (1).

16 **(4) TERM RESTRICTING ASSIGNMENT GENERALLY INEFFECTIVE.** Except as otherwise
17 provided in sub. (5) and ss. 409.407 and 411.303, and subject to sub. (8), a term in an
18 agreement between an account debtor and an assignor or in a promissory note is
19 ineffective to the extent that it:

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

24 (b) Provides that the assignment or transfer or the creation, attachment,
25 perfection, or enforcement of the security interest may give rise to a default, breach,

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1 right of recoupment, claim, defense, termination, right of termination, or remedy
2 under the account, chattel paper, payment intangible, or promissory note.

3 (5) INAPPLICABILITY OF SUB. (4) TO CERTAIN SALES. Subsection (4) does not apply
4 to the sale of a payment intangible or promissory note.

5 (6) LEGAL RESTRICTIONS ON ASSIGNMENT GENERALLY INEFFECTIVE. Except as
6 otherwise provided in ss. 108.13, 409.407, 411.303, and 565.30 and subject to subs.
7 (8) and (9), a rule of law, statute, or rule that prohibits, restricts, or requires the
8 consent of a government, governmental body or official, or account debtor to the
9 assignment or transfer of, or creation of a security interest in, an account or chattel
10 paper is ineffective to the extent that the rule of law, statute, or rule:

11 (a) Prohibits, restricts, or requires the consent of the government,
12 governmental body or official, or account debtor to the assignment or transfer of, or
13 the creation, attachment, perfection, or enforcement of a security interest in, the
14 account or chattel paper; or

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

19 (7) SUBSECTION (2) (C) NOT WAIVABLE. Subject to sub. (8), an account debtor may
20 not waive or vary its option under sub. (2) (c).

21 (8) RULE FOR INDIVIDUAL UNDER OTHER LAW. This section is subject to law other
22 than this chapter which establishes a different rule for an account debtor who is an
23 individual and who incurred the obligation primarily for personal, family, or
24 household purposes.

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1 (9) ~~INAPPLICABILITY TO HEALTH-CARE-INSURANCE RECEIVABLE~~. This section does
2 not apply to an assignment of a health-care-insurance receivable.

3 **409.407 Restrictions on creation or enforcement of security interest in**
4 **leasehold interest or in lessor's residual interest.** (1) ~~TERM RESTRICTING~~
5 ~~ASSIGNMENT GENERALLY INEFFECTIVE~~. Except as otherwise provided in sub. (2), a term
6 in a lease agreement is ineffective to the extent that it:

7 (a) Prohibits, restricts, or requires the consent of a party to the lease to the
8 assignment or transfer of, or the creation, attachment, perfection, or enforcement of
9 a security interest in, an interest of a party under the lease contract or in the lessor's
10 residual interest in the goods; or

11 (b) Provides that the assignment or transfer or the creation, attachment,
12 perfection, or enforcement of the security interest may give rise to a default, breach,
13 right of recoupment, claim, defense, termination, right of termination, or remedy
14 under the lease.

15 (2) ~~EFFECTIVENESS OF CERTAIN TERMS~~. Except as otherwise provided in s. 411.303
16 (7), a term described in sub. (1) (b) is effective to the extent that there is:

17 (a) A transfer by the lessee of the lessee's right of possession or use of the goods
18 in violation of the term; or

19 (b) A delegation of a material performance of either party to the lease contract
20 in violation of the term.

21 (3) ~~SECURITY INTEREST NOT MATERIAL IMPAIRMENT~~. The creation, attachment,
22 perfection, or enforcement of a security interest in the lessor's interest under the
23 lease contract or the lessor's residual interest in the goods is not a transfer that
24 materially impairs the lessee's prospect of obtaining return performance or
25 materially changes the duty of or materially increases the burden or risk imposed

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1 on the lessee within the purview of s. 411.303 (4) unless, and then only to the extent
2 that, enforcement actually results in a delegation of material performance of the
3 lessor.

4 **409.408 Restrictions on assignment of promissory notes,**
5 **health-care-insurance receivables, and certain general intangibles**
6 **ineffective. (1) TERM RESTRICTING ASSIGNMENT GENERALLY INEFFECTIVE.** Except as
7 otherwise provided in sub. (2), a term in a promissory note or in an agreement
8 between an account debtor and a debtor which relates to a health-care-insurance
9 receivable or a general intangible, including a contract, permit, license, or franchise,
10 and which term prohibits, restricts, or requires the consent of the person obligated
11 on the promissory note or the account debtor to, the assignment or transfer of, or
12 creation, attachment, or perfection of a security interest in, the promissory note,
13 health-care-insurance receivable, or general intangible, is ineffective to the extent
14 that the term:

15 (a) Would impair the creation, attachment, or perfection of a security interest;

16 or

17 (b) Provides that the assignment or transfer or the creation, attachment, or
18 perfection of the security interest may give rise to a default, breach, right of
19 recoupment, claim, defense, termination, right of termination, or remedy under the
20 promissory note, health-care-insurance receivable, or general intangible.

21 (2) **APPLICABILITY OF SUB. (1) TO SALES OF CERTAIN RIGHTS TO PAYMENT.** Subsection
22 (1) applies to a security interest in a payment intangible or promissory note only if
23 the security interest arises out of a sale of the payment intangible or promissory note.

24 (3) **LEGAL RESTRICTIONS ON ASSIGNMENT GENERALLY INEFFECTIVE.** A rule of law,
25 statute, or rule that prohibits, restricts, or requires the consent of a government,

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1 governmental body or official, person obligated on a promissory note or account
2 debtor to the assignment or transfer of, or creation of a security interest in, a
3 promissory note, health-care-insurance receivable, or general intangible, including
4 a contract, permit, license, or franchise between an account debtor and a debtor, is
5 ineffective to the extent that the rule of law, statute, or rule:

6 (a) Would impair the creation, attachment, or perfection of a security interest;
7 or

8 (b) Provides that the assignment or transfer or the creation, attachment, or
9 perfection of the security interest may give rise to a default, breach, right of
10 recoupment, claim, defense, termination, right of termination, or remedy under the
11 promissory note, health-care-insurance receivable, or general intangible.

12 (4) LIMITATION ON INEFFECTIVENESS UNDER SUBS. (1) AND (3). To the extent that a
13 term in a promissory note or in an agreement between an account debtor and a debtor
14 which relates to a health-care-insurance receivable, or general intangible or a rule
15 of law, statute, or rule described in sub. (3) would be effective under law other than
16 this chapter but is ineffective under sub. (1) or (3), the creation, attachment, or
17 perfection of a security interest in the promissory note, health-care-insurance
18 receivable, or general intangible:

19 (a) Is not enforceable against the person obligated on the promissory note or
20 the account debtor;

21 (b) Does not impose a duty or obligation on the person obligated on the
22 promissory note or the account debtor;

23 (c) Does not require the person obligated on the promissory note or the account
24 debtor to recognize the security interest, pay or render performance to the secured
25 party, or accept payment or performance from the secured party;

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1 (d) Does not entitle the secured party to use or assign the debtor's rights under
2 the promissory note, health-care-insurance receivable, or general intangible,
3 including any related information or materials furnished to the debtor in the
4 transaction giving rise to the promissory note, health-care-insurance receivable, or
5 general intangible;

6 (e) Does not entitle the secured party to use, assign, possess, or have access to
7 any trade secrets or confidential information of the person obligated on the
8 promissory note or the account debtor; and

9 (f) Does not entitle the secured party to enforce the security interest in the
10 promissory note, health-care-insurance receivable, or general intangible.

11 **409.409 Restrictions on assignment of letter-of-credit rights**
12 **ineffective. (1) TERM OR LAW RESTRICTING ASSIGNMENT GENERALLY INEFFECTIVE.** A
13 term in a letter of credit or a rule of law, statute, rule, custom, or practice applicable
14 to the letter of credit which prohibits, restricts, or requires the consent of an
15 applicant, issuer, or nominated person to a beneficiary's assignment of or creation of
16 a security interest in a letter-of-credit right is ineffective to the extent that the term
17 or rule of law, statute, rule, custom, or practice:

18 (a) Would impair the creation, attachment, or perfection of a security interest
19 in the letter-of-credit right; or

20 (b) Provides that the assignment or the creation, attachment, or perfection of
21 the security interest may give rise to a default, breach, right of recoupment, claim,
22 defense, termination, right of termination, or remedy under the letter-of-credit
23 right.

24 **(2) LIMITATION ON INEFFECTIVENESS UNDER SUB. (1).** To the extent that a term in
25 a letter of credit is ineffective under sub. (1) but would be effective under law other

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1 than this chapter or a custom or practice applicable to the letter of credit, to the
2 transfer of a right to draw or otherwise demand performance under the letter of
3 credit, or to the assignment of a right to proceeds of the letter of credit, the creation,
4 attachment, or perfection of a security interest in the letter-of-credit right:

5 (a) Is not enforceable against the applicant, issuer, nominated person, or
6 transferee beneficiary;

7 (b) Imposes no duties or obligations on the applicant, issuer, nominated person,
8 or transferee beneficiary; and

9 (c) Does not require the applicant, issuer, nominated person, or transferee
10 beneficiary to recognize the security interest, pay or render performance to the
11 secured party, or accept payment or other performance from the secured party.

SUBCHAPTER V**FILING**

12
13
14 **409.501 Filing office.** (1) **FILING OFFICES.** Except as otherwise provided in
15 sub. (2), if the local law of this state governs perfection of a security interest or
16 agricultural lien, the office in which to file a financing statement to perfect the
17 security interest or agricultural lien is:

18 (a) The office designated for the filing or recording of a record of a mortgage on
19 the related real property, if:

20 1. The collateral is as-extracted collateral or timber to be cut; or

21 2. The financing statement is filed as a fixture filing and the collateral is goods
22 that are or are to become fixtures; or

23 (b) The office of the department of financial institutions or any office duly
24 authorized by the department, in all other cases, including a case in which the

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1 collateral is goods that are or are to become fixtures and the financing statement is
2 not filed as a fixture filing.

3 (2) FILING OFFICE FOR TRANSMITTING UTILITIES. The office in which to file a
4 financing statement to perfect a security interest in collateral, including fixtures, of
5 a transmitting utility is the office of the department of financial institutions. The
6 financing statement also constitutes a fixture filing as to the collateral indicated in
7 the financing statement which is or is to become fixtures.

8 **409.502 Contents of financing statement; record of mortgage as**
9 **financing statement; time of filing financing statement.** (1) SUFFICIENCY OF
10 FINANCING STATEMENT. Subject to sub. (2), a financing statement is sufficient only if
11 it:

12 (a) Provides the name of the debtor;

13 (b) Provides the name of the secured party or a representative of the secured
14 party; and

15 (c) Indicates the collateral covered by the financing statement.

16 (2) REAL-PROPERTY-RELATED FINANCING STATEMENTS. Except as otherwise
17 provided in s. 409.501 (2), to be sufficient, a financing statement that covers
18 as-extracted collateral or timber to be cut, or which is filed as a fixture filing and
19 covers goods that are or are to become fixtures, must satisfy sub. (1) and also:

20 (a) Indicate that it covers this type of collateral;

21 (b) Indicate that it is to be filed for record in the real property records;

22 (c) Provide a description of the real property to which the collateral is related
23 sufficient to give constructive notice of a mortgage under the law of this state if the
24 description were contained in a record of the mortgage of the real property; and

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1 (d) If the debtor does not have an interest of record in the real property, provide
2 the name of a record owner.

3 (3) RECORD OF MORTGAGE AS FINANCING STATEMENT. A record of a mortgage is
4 effective, from the date of recording, as a financing statement filed as a fixture filing
5 or as a financing statement covering as-extracted collateral or timber to be cut only
6 if:

7 (a) The record indicates the goods or accounts that it covers;

8 (b) The goods are or are to become fixtures related to the real property described
9 in the record or the collateral is related to the real property described in the record
10 and is as-extracted collateral or timber to be cut;

11 (c) The record satisfies the requirements for a financing statement in this
12 section other than an indication that it is to be filed in the real property records; and

13 (d) The record is duly recorded.

14 (4) FILING BEFORE SECURITY AGREEMENT OR ATTACHMENT. A financing statement
15 may be filed before a security agreement is made or a security interest otherwise
16 attaches.

17 **409.503 Name of debtor and secured party.** (1) SUFFICIENCY OF DEBTOR'S
18 NAME. A financing statement sufficiently provides the name of the debtor:

19 (a) If the debtor is a registered organization, only if the financing statement
20 provides the name of the debtor indicated on the public record of the debtor's
21 jurisdiction of organization which shows the debtor to have been organized;

22 (b) If the debtor is a decedent's estate, only if the financing statement provides
23 the name of the decedent and indicates that the debtor is an estate;

24 (c) If the debtor is a trust or a trustee acting with respect to property held in
25 trust, only if the financing statement:

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1 1. Provides the name specified for the trust in its organic documents or, if no
2 name is specified, provides the name of the settlor and additional information
3 sufficient to distinguish the debtor from other trusts having one or more of the same
4 settlors; and

5 2. Indicates, in the debtor's name or otherwise, that the debtor is a trust or is
6 a trustee acting with respect to property held in trust; and

7 (d) In other cases:

8 1. If the debtor has a name, only if it provides the individual or organizational
9 name of the debtor; and

10 2. If the debtor does not have a name, only if it provides the names of the
11 partners, members, associates, or other persons comprising the debtor.

12 (2) ADDITIONAL DEBTOR-RELATED INFORMATION. A financing statement that
13 provides the name of the debtor in accordance with sub. (1) is not rendered ineffective
14 by the absence of:

15 (a) A trade name or other name of the debtor; or

16 (b) Unless required under sub. (1) (d) 2., names of partners, members,
17 associates, or other persons comprising the debtor.

18 (3) DEBTOR'S TRADE NAME INSUFFICIENT. A financing statement that provides
19 only the debtor's trade name does not sufficiently provide the name of the debtor.

20 (4) REPRESENTATIVE CAPACITY. Failure to indicate the representative capacity
21 of a secured party or representative of a secured party does not affect the sufficiency
22 of a financing statement.

23 (5) MULTIPLE DEBTORS AND SECURED PARTIES. A financing statement may provide
24 the name of more than one debtor and the name of more than one secured party.

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1 **409.504 Indication of collateral.** A financing statement sufficiently
2 indicates the collateral that it covers if the financing statement provides:

3 (1) A description of the collateral pursuant to s. 409.108; or

4 (2) An indication that the financing statement covers all assets or all personal
5 property.

6 **409.505 Filing and compliance with other statutes and treaties for**
7 **consignments, leases, other bailments, and other transactions.** (1) USE OF
8 TERMS OTHER THAN DEBTOR AND SECURED PARTY. A consignor, lessor, or other bailor of
9 goods, a licensor, or a buyer of a payment intangible or promissory note may file a
10 financing statement, or may comply with a statute or treaty described in s. 409.311
11 (1), using the terms “consignor”, “consignee”, “lessor”, “lessee”, “bailor”, “bailee”,
12 “licensor”, “licensee”, “owner”, “registered owner”, “buyer”, “seller”, or words of
13 similar import, instead of the terms “secured party” and “debtor”.

14 (2) EFFECT OF FINANCING STATEMENT UNDER SUB. (1). This subchapter applies to
15 the filing of a financing statement under sub. (1) and, as appropriate, to compliance
16 that is equivalent to filing a financing statement under s. 409.311 (2), but the filing
17 or compliance is not of itself a factor in determining whether the collateral secures
18 an obligation. If it is determined for another reason that the collateral secures an
19 obligation, a security interest held by the consignor, lessor, bailor, licensor, owner, or
20 buyer which attaches to the collateral is perfected by the filing or compliance

21 **409.506 Effect of errors or omissions.** (1) MINOR ERRORS AND OMISSIONS.
22 A financing statement substantially satisfying the requirements of this subchapter
23 is effective, even if it has minor errors or omissions, unless the errors or omissions
24 make the financing statement seriously misleading.

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1 (2) FINANCING STATEMENT SERIOUSLY MISLEADING. Except as otherwise provided
2 in sub. (3), a financing statement that fails sufficiently to provide the name of the
3 debtor in accordance with s. 409.503 (1) is seriously misleading.

4 (3) FINANCING STATEMENT NOT SERIOUSLY MISLEADING. If a search of the records
5 of the filing office under the debtor's correct name, using the filing office's standard
6 search logic, if any, would disclose a financing statement that fails sufficiently to
7 provide the name of the debtor in accordance with s. 409.503 (1), the name provided
8 does not make the financing statement seriously misleading.

9 (4) DEBTOR'S CORRECT NAME. For purposes of s. 409.508 (2), the "debtor's correct
10 name" in sub. (3) means the correct name of the new debtor.

11 **409.507 Effect of certain events on effectiveness of financing**
12 **statement.** (1) DISPOSITION. A filed financing statement remains effective with
13 respect to collateral that is sold, exchanged, leased, licensed, or otherwise disposed
14 of and in which a security interest or agricultural lien continues, even if the secured
15 party knows of or consents to the disposition.

16 (2) INFORMATION BECOMING SERIOUSLY MISLEADING. Except as otherwise provided
17 in sub. (3) and s. 409.508, a financing statement is not rendered ineffective if, after
18 the financing statement is filed, the information provided in the financing statement
19 becomes seriously misleading under s. 409.506.

20 (3) CHANGE IN DEBTOR'S NAME. If a debtor so changes its name that a filed
21 financing statement becomes seriously misleading under s. 409.506:

22 (a) The financing statement is effective to perfect a security interest in
23 collateral acquired by the debtor before, or within 4 months after, the change; and

24 (b) The financing statement is not effective to perfect a security interest in
25 collateral acquired by the debtor more than 4 months after the change, unless an

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1 amendment to the financing statement which renders the financing statement not
2 seriously misleading is filed within 4 months after the change.

3 **409.508 Effectiveness of financing statement if new debtor becomes**
4 **bound by security agreement. (1) FINANCING STATEMENT NAMING ORIGINAL DEBTOR.**
5 Except as otherwise provided in this section, a filed financing statement naming an
6 original debtor is effective to perfect a security interest in collateral in which a new
7 debtor has or acquires rights to the extent that the financing statement would have
8 been effective had the original debtor acquired rights in the collateral.

9 (2) FINANCING STATEMENT BECOMING SERIOUSLY MISLEADING. If the difference
10 between the name of the original debtor and that of the new debtor causes a filed
11 financing statement that is effective under sub. (1) to be seriously misleading under
12 s. 409.506:

13 (a) The financing statement is effective to perfect a security interest in
14 collateral acquired by the new debtor before, and within 4 months after, the new
15 debtor becomes bound under s. 409.203 (4); and

16 (b) The financing statement is not effective to perfect a security interest in
17 collateral acquired by the new debtor more than 4 months after the new debtor
18 becomes bound under s. 409.203 (4) unless an initial financing statement providing
19 the name of the new debtor is filed before the expiration of that time.

20 (3) WHEN SECTION NOT APPLICABLE. This section does not apply to collateral as
21 to which a filed financing statement remains effective against the new debtor under
22 s. 409.507 (1).

23 **409.509 Persons entitled to file a record. (1) PERSON ENTITLED TO FILE**
24 **RECORD.** A person may file an initial financing statement, amendment that adds

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1 collateral covered by a financing statement, or amendment that adds a debtor to a
2 financing statement only if:

3 (a) The debtor authorizes the filing in an authenticated record or pursuant to
4 sub. (2) or (3); or

5 (b) The person holds an agricultural lien that has become effective at the time
6 of filing and the financing statement covers only collateral in which the person holds
7 an agricultural lien.

8 (2) SECURITY AGREEMENT AS AUTHORIZATION. By authenticating or becoming
9 bound as debtor by a security agreement, a debtor or new debtor authorizes the filing
10 of an initial financing statement, and an amendment, covering:

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

12 (b) Property that becomes collateral under s. 409.315 (1) (b), whether or not the
13 security agreement expressly covers proceeds.

14 (3) ACQUISITION OF COLLATERAL AS AUTHORIZATION. By acquiring collateral in
15 which a security interest or agricultural lien continues under s. 409.315 (1) (a), a
16 debtor authorizes the filing of an initial financing statement, and an amendment,
17 covering the collateral and property that becomes collateral under s. 409.315 (1) (b).

18 (4) PERSON ENTITLED TO FILE CERTAIN AMENDMENTS. A person may file an
19 amendment other than an amendment that adds collateral covered by a financing
20 statement or an amendment that adds a debtor to a financing statement only if:

21 (a) The secured party of record authorizes the filing; or

22 (b) The amendment is a termination statement for a financing statement as to
23 which the secured party of record has failed to file or send a termination statement
24 as required by s. 409.513 (1) or (3), the debtor authorizes the filing, and the
25 termination statement indicates that the debtor authorized it to be filed.

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1 **(5) MULTIPLE SECURED PARTIES OF RECORD.** If there is more than one secured
2 party of record for a financing statement, each secured party of record may authorize
3 the filing of an amendment under sub. (4).

4 **409.510 Effectiveness of filed record. (1) FILED RECORD EFFECTIVE IF**
5 **AUTHORIZED.** A filed record is effective only to the extent that it was filed by a person
6 that may file it under s. 409.509.

7 **(2) AUTHORIZATION BY ONE SECURED PARTY OF RECORD.** A record authorized by one
8 secured party of record does not affect the financing statement with respect to
9 another secured party of record.

10 **(3) CONTINUATION STATEMENT NOT TIMELY FILED.** A continuation statement that
11 is not filed within the 6-month period prescribed by s. 409.515 (4) is ineffective.

12 **409.511 Secured party of record. (1) SECURED PARTY OF RECORD.** A secured
13 party of record with respect to a financing statement is a person whose name is
14 provided as the name of the secured party or a representative of the secured party
15 in an initial financing statement that has been filed. If an initial financing statement
16 is filed under s. 409.514 (1), the assignee named in the initial financing statement
17 is the secured party of record with respect to the financing statement.

18 **(2) AMENDMENT NAMING SECURED PARTY OF RECORD.** If an amendment of a
19 financing statement which provides the name of a person as a secured party or a
20 representative of a secured party is filed, the person named in the amendment is a
21 secured party of record. If an amendment is filed under s. 409.514 (2), the assignee
22 named in the amendment is a secured party of record.

23 **(3) AMENDMENT DELETING SECURED PARTY OF RECORD.** A person remains a secured
24 party of record until the filing of an amendment of the financing statement which
25 deletes the person.

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1 **409.512 Amendment of financing statement.** (1) AMENDMENT OF
2 INFORMATION IN FINANCING STATEMENT. Subject to s. 409.509, a person may add or
3 delete collateral covered by, continue or terminate the effectiveness of, or, subject to
4 sub. (5), otherwise amend the information provided in, a financing statement by
5 filing an amendment that:

6 (a) Identifies, by its file number, the initial financing statement to which the
7 amendment relates; and

8 (b) If the amendment relates to an initial financing statement filed or recorded
9 in a filing office described in s. 409.501 (1) (a), provides the date on which the initial
10 financing statement was filed or recorded and the information specified in s. 409.502
11 (2).

12 (2) PERIOD OF EFFECTIVENESS NOT AFFECTED. Except as otherwise provided in s.
13 409.515, the filing of an amendment does not extend the period of effectiveness of the
14 financing statement.

15 (3) EFFECTIVENESS OF AMENDMENT ADDING COLLATERAL. A financing statement
16 that is amended by an amendment that adds collateral is effective as to the added
17 collateral only from the date of the filing of the amendment.

18 (4) EFFECTIVENESS OF AMENDMENT ADDING DEBTOR. A financing statement that
19 is amended by an amendment that adds a debtor is effective as to the added debtor
20 only from the date of the filing of the amendment.

21 (5) CERTAIN AMENDMENTS INEFFECTIVE. An amendment is ineffective to the
22 extent that it:

23 (a) Purports to delete all debtors and fails to provide the name of a debtor to
24 be covered by the financing statement; or

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1 (b) Purports to delete all secured parties of record and fails to provide the name
2 of a new secured party of record.

3 **409.513 Termination statement.** (1) CONSUMER GOODS. A secured party
4 shall cause the secured party of record for a financing statement to file a termination
5 statement for the financing statement if the financing statement covers consumer
6 goods and:

7 (a) There is no obligation secured by the collateral covered by the financing
8 statement and no commitment to make an advance, incur an obligation, or otherwise
9 give value; or

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

11 (2) TIME FOR COMPLIANCE WITH SUB. (1). To comply with sub. (1), a secured party
12 shall cause the secured party of record to file the termination statement:

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

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

18 (3) OTHER COLLATERAL. In cases not governed by sub. (1), within 20 days after
19 a secured party receives an authenticated demand from a debtor, the secured party
20 shall cause the secured party of record for a financing statement to send to the debtor
21 a termination statement for the financing statement or file the termination
22 statement in the filing office if:

23 (a) Except in the case of a financing statement covering accounts or chattel
24 paper that has been sold or goods that are the subject of a consignment, there is no

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1 obligation secured by the collateral covered by the financing statement and no
2 commitment to make an advance, incur an obligation, or otherwise give value;

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

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

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

9 (4) EFFECT OF FILING TERMINATION STATEMENT. Except as otherwise provided in
10 s. 409.510, upon the filing of a termination statement with the filing office, the
11 financing statement to which the termination statement relates ceases to be
12 effective. Except as otherwise provided in s. 409.510, for the purposes of ss. 409.519
13 (7), 409.522 (1), and 409.523 (3), the filing with the filing office of a termination
14 statement relating to a financing statement that indicates that the debtor is a
15 transmitting utility also causes the effectiveness of the financing statement to lapse.

16 **409.514 Assignment of powers of secured party of record. (1)**
17 ASSIGNMENT REFLECTED ON INITIAL FINANCING STATEMENT. Except as otherwise
18 provided in sub. (3), an initial financing statement may reflect an assignment of all
19 of the secured party's power to authorize an amendment to the financing statement
20 by providing the name and mailing address of the assignee as the name and address
21 of the secured party.

22 (2) ASSIGNMENT OF FILED FINANCING STATEMENT. Except as otherwise provided
23 in sub. (3), a secured party of record may assign of record all or part of its power to
24 authorize an amendment to a financing statement by filing in the filing office an
25 amendment of the financing statement which:

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1 (a) Identifies, by its file number, the initial financing statement to which it
2 relates;

3 (b) Provides the name of the assignor; and

4 (c) Provides the name and mailing address of the assignee.

5 (3) ASSIGNMENT OF RECORD OF MORTGAGE. An assignment of record of a security
6 interest in a fixture covered by a record of a mortgage which is effective as a financing
7 statement filed as a fixture filing under s. 409.502 (3) may be made only by an
8 assignment of record of the mortgage in the manner provided by law of this state
9 other than chs. 401 to 411.

10 **409.515 Duration and effectiveness of financing statement; effect of**
11 **lapsed financing statement.** (1) FIVE-YEAR EFFECTIVENESS. Except as otherwise
12 provided in subs. (2), (5), (6), and (7), a filed financing statement is effective for a
13 period of 5 years after the date of filing.

14 (2) PUBLIC FINANCE OR MANUFACTURED-HOME TRANSACTION. Except as otherwise
15 provided in subs. (5), (6), and (7), an initial financing statement filed in connection
16 with a public-finance transaction or manufactured-home transaction is effective for
17 a period of 30 years after the date of filing if it indicates that it is filed in connection
18 with a public-finance transaction or manufactured-home transaction.

19 (3) LAPSE AND CONTINUATION OF FINANCING STATEMENT. The effectiveness of a filed
20 financing statement lapses on the expiration of the period of its effectiveness unless
21 before the lapse a continuation statement is filed pursuant to sub. (4). Upon lapse,
22 a financing statement ceases to be effective and any security interest or agricultural
23 lien that was perfected by the financing statement becomes unperfected, unless the
24 security interest is perfected otherwise. If the security interest or agricultural lien

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1 becomes unperfected upon lapse, it is deemed never to have been perfected as against
2 a purchaser of the collateral for value.

3 (4) WHEN CONTINUATION STATEMENT MAY BE FILED. A continuation statement may
4 be filed only within 6 months before the expiration of the 5-year period specified in
5 sub. (1) or the 30-year period specified in sub. (2), whichever is applicable.

6 (5) EFFECT OF FILING CONTINUATION STATEMENT. Except as otherwise provided in
7 s. 409.510, upon timely filing of a continuation statement, the effectiveness of the
8 initial financing statement continues for a period of 5 years commencing on the day
9 on which the financing statement would have become ineffective in the absence of
10 the filing. Upon the expiration of the 5-year period, the financing statement lapses
11 in the same manner as provided in sub. (3), unless, before the lapse, another
12 continuation statement is filed pursuant to sub. (4). Succeeding continuation
13 statements may be filed in the same manner to continue the effectiveness of the
14 initial financing statement.

15 (6) TRANSMITTING UTILITY FINANCING STATEMENT. If a debtor is a transmitting
16 utility and a filed financing statement so indicates, the financing statement is
17 effective until a termination statement is filed.

18 (7) RECORD OF MORTGAGE AS FINANCING STATEMENT. A record of a mortgage that
19 is effective as a financing statement filed as a fixture filing under s. 409.502 (3)
20 remains effective as a financing statement filed as a fixture filing until the mortgage
21 is released or satisfied of record or its effectiveness otherwise terminates as to the
22 real property.

23 **409.516 What constitutes filing; effectiveness of filing.** (1) WHAT
24 CONSTITUTES FILING. Except as otherwise provided in sub. (2), communication of a

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1 record to a filing office and tender of the filing fee or acceptance of the record by the
2 filing office constitutes filing.

3 (2) REFUSAL TO ACCEPT RECORD; FILING DOES NOT OCCUR. Filing does not occur
4 with respect to a record that a filing office refuses to accept because:

5 (a) The record is not communicated by a method or medium of communication
6 authorized by the filing office;

7 (b) An amount equal to or greater than the applicable filing fee is not tendered;

8 (c) The filing office is unable to index the record because:

9 1. In the case of an initial financing statement, the record does not provide a
10 name for the debtor;

11 2. In the case of an amendment or correction statement, the record:

12 a. Does not identify the initial financing statement as required by s. 409.512
13 or 409.518, as applicable; or

14 b. Identifies an initial financing statement whose effectiveness has lapsed
15 under s. 409.515;

16 3. In the case of an initial financing statement that provides the name of a
17 debtor identified as an individual or an amendment that provides a name of a debtor
18 identified as an individual which was not previously provided in the financing
19 statement to which the record relates, the record does not identify the debtor's last
20 name; or

21 4. In the case of a record filed or recorded in the filing office described in s.
22 409.501 (1) (a), the record does not provide a sufficient description of the real
23 property to which it relates;

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1 (d) In the case of an initial financing statement or an amendment that adds a
2 secured party of record, the record does not provide a name and mailing address for
3 the secured party of record;

4 (e) In the case of an initial financing statement or an amendment that provides
5 a name of a debtor which was not previously provided in the financing statement to
6 which the amendment relates, the record does not:

7 1. Provide a mailing address for the debtor;
8 2. Indicate whether the debtor is an individual or an organization; or
9 3. If the financing statement indicates that the debtor is an organization,
10 provide:

11 a. A type of organization for the debtor;
12 b. A jurisdiction of organization for the debtor; or
13 c. An organizational identification number for the debtor or indicate that the
14 debtor has none;

15 (f) In the case of an assignment reflected in an initial financing statement
16 under s. 409.514 (1) or an amendment filed under s. 409.514 (2), the record does not
17 provide a name and mailing address for the assignee; or

18 (g) In the case of a continuation statement, the record is not filed within the
19 6-month period prescribed by s. 409.515 (4).

20 **(3) RULES APPLICABLE TO SUB. (2).** For purposes of sub. (2):

21 (a) A record does not provide information if the filing office is unable to read
22 or decipher the information; and

23 (b) A record that does not indicate that it is an amendment or identify an initial
24 financing statement to which it relates, as required by s. 409.512, 409.514, or
25 409.518, is an initial financing statement.

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1 **(4) REFUSAL TO ACCEPT RECORD; RECORD EFFECTIVE AS FILED RECORD.** A record that
2 is communicated to the filing office with tender of the filing fee, but which the filing
3 office refuses to accept for a reason other than one set forth in sub. (2), is effective as
4 a filed record except as against a purchaser of the collateral which gives value in
5 reasonable reliance upon the absence of the record from the files.

6 **409.517 Effect of indexing errors.** The failure of the filing office to index a
7 record correctly does not affect the effectiveness of the filed record.

8 **409.518 Claim concerning inaccurate or wrongfully filed record. (1)**
9 **CORRECTION STATEMENT.** A person may file in the filing office a correction statement
10 with respect to a record indexed there under the person's name if the person believes
11 that the record is inaccurate or was wrongfully filed.

12 **(2) SUFFICIENCY OF CORRECTION STATEMENT.** A correction statement must:

13 (a) Identify the record to which it relates by:

14 1. The file number assigned to the initial financing statement to which the
15 record relates; and

16 2. If the correction statement relates to a record filed or recorded in a filing
17 office described in s. 409.501 (1) (a), the date on which the initial financing statement
18 was filed or recorded and the information specified in s. 409.502 (2);

19 (b) Indicate that it is a correction statement; and

20 (c) Provide the basis for the person's belief that the record is inaccurate and
21 indicate the manner in which the person believes the record should be amended to
22 cure any inaccuracy or provide the basis for the person's belief that the record was
23 wrongfully filed.

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1 **(3) RECORD NOT AFFECTED BY CORRECTION STATEMENT.** The filing of a correction
2 statement does not affect the effectiveness of an initial financing statement or other
3 filed record.

4 **409.519 Numbering, maintaining, and indexing records;**
5 **communicating information provided in records. (1) FILING-OFFICE DUTIES.**

6 For each record filed in a filing office, the filing office shall:

7 (a) Assign a unique number to the filed record;

8 (b) Create a record that bears the number assigned to the filed record and the
9 date and time of filing;

10 (c) Maintain the filed record for public inspection; and

11 (d) Index the filed record in accordance with subs. (3), (4), and (5).

12 **(2) FILE NUMBER.** A file number assigned after January 1, 2002, must include
13 a digit that:

14 (a) Is mathematically derived from or related to the other digits of the file
15 number; and

16 (b) Aids the filing office in determining whether a number communicated as
17 the file number includes a single-digit or transpositional error.

18 **(3) INDEXING: GENERAL.** Except as otherwise provided in subs. (4) and (5), the
19 filing office shall:

20 (a) Index an initial financing statement according to the name of the debtor and
21 index all filed records relating to the initial financing statement in a manner that
22 associates with one another an initial financing statement and all filed records
23 relating to the initial financing statement; and

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1 (b) Index a record that provides a name of a debtor which was not previously
2 provided in the financing statement to which the record relates also according to the
3 name that was not previously provided.

4 (4) INDEXING: REAL-PROPERTY-RELATED FINANCING STATEMENT. If a financing
5 statement is filed as a fixture filing or covers as-extracted collateral or timber to be
6 cut, it must be filed for record and the filing office shall index it:

7 (a) Under the names of the debtor and of each owner of record shown on the
8 financing statement as if they were the mortgagors under a mortgage of the real
9 property described; and

10 (b) To the extent that the law of this state provides for indexing of records of
11 mortgages under the name of the mortgagee, under the name of the secured party
12 as if the secured party were the mortgagee thereunder, or, if indexing is by
13 description, as if the financing statement were a record of a mortgage of the real
14 property described.

15 (5) INDEXING: REAL-PROPERTY-RELATED ASSIGNMENT. If a financing statement is
16 filed as a fixture filing or covers as-extracted collateral or timber to be cut, the filing
17 office shall index an assignment filed under s. 409.514 (1) or an amendment filed
18 under s. 409.514 (2):

19 (a) Under the name of the assignor as grantor; and

20 (b) To the extent that the law of this state provides for indexing a record of the
21 assignment of a mortgage under the name of the assignee, under the name of the
22 assignee.

23 (6) RETRIEVAL AND ASSOCIATION CAPABILITY. The filing office shall maintain a
24 capability:

25 (a) To retrieve a record by the name of the debtor and:

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1 1. If the filing office is described in s. 409.501 (1) (a), by the file number assigned
2 to the initial financing statement to which the record relates and the date on which
3 the record was filed or recorded; or

4 2. If the filing office is described in s. 409.501 (1) (b), by the file number assigned
5 to the initial financing statement to which the record relates; and

6 (b) To associate and retrieve with one another an initial financing statement
7 and each filed record relating to the initial financing statement.

8 (7) REMOVAL OF DEBTOR'S NAME. The filing office may not remove a debtor's name
9 from the index until one year after the effectiveness of a financing statement naming
10 the debtor lapses under s. 409.515 with respect to all secured parties of record.

11 (8) TIMELINESS OF FILING-OFFICE PERFORMANCE. The filing office shall perform
12 the acts required by subs. (1) to (5) at the time and in the manner prescribed by
13 filing-office rule, but not later than:

14 (a) Five business days after the filing office receives the record in question for
15 acts performed before July 1, 2003; and

16 (b) Two business days after the filing office receives the record in question for
17 acts performed on or after July 1, 2003.

18 **409.520 Acceptance and refusal to accept record.** (1) MANDATORY REFUSAL
19 TO ACCEPT RECORD. A filing office shall refuse to accept a record for filing for a reason
20 set forth in s. 409.516 (2) and may refuse to accept a record for filing only for a reason
21 set forth in s. 409.516 (2).

22 (2) COMMUNICATION CONCERNING REFUSAL. If a filing office refuses to accept a
23 record for filing, the filing office shall communicate to the person that presented the
24 record the fact of and reason for the refusal and the date and time the record would
25 have been filed had the filing office accepted the record. The communication must

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1 be made at the time and in the manner prescribed by filing-office rule but, in no event
2 more than:

3 (a) Five business days after the filing office receives the record for records
4 received before July 1, 2003; and

5 (b) Two business days after the filing office receives the record for records
6 received on or after July 1, 2003.

7 **(3) WHEN FILED FINANCING STATEMENT EFFECTIVE.** A filed financing statement
8 satisfying s. 409.502 (1) and (2) is effective, even if the filing office is required to
9 refuse to accept it for filing under sub. (1). However, s. 409.338 applies to a filed
10 financing statement providing information described in s. 409.516 (2) (e) which is
11 incorrect at the time the financing statement is filed.

12 **(4) SEPARATE APPLICATION TO MULTIPLE DEBTORS.** If a record communicated to a
13 filing office provides information that relates to more than one debtor, this
14 subchapter applies as to each debtor separately.

15 **409.521 Uniform form of written financing statement and amendment.**

16 **(1) INITIAL FINANCING STATEMENT FORM.** A filing office that accepts written records
17 may not refuse to accept a written initial financing statement in the following form
18 and format except for a reason set forth in s. 409.516 (2):

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UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FIRM (optional)

B. SEND RECKNOWLEDGMENT (UCC) (name and address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only ONE debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

OR 1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

1d. TAX ID #, SSN OR EIN ADD'L INFO RE 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any

NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only ONE debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR 2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. TAX ID #, SSN OR EIN ADD'L INFO RE 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any

NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR (S)) - insert only ONE SECURED PARTY NAME (3a or 3b)

3a. ORGANIZATION'S NAME

OR 3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

4. This FINANCING STATEMENT covers the following collateral:

5. ALTERNATIVE DESIGNATION (if applicable): LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOE SELLER/BUYER A.R. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed (for record) (for recording in the REAL ESTATE RECORDS - Attach Addendum (if applicable) ADDITIONAL FEE) 7. Check to RECORD SEARCH REPORT(S) on Debtor(S) (if any) All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT		
9a. ORGANIZATION'S NAME		
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME
		MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME <input checked="" type="checkbox"/> insert only one name (11a or 11b) <input type="checkbox"/> do not abbreviate or combine names				
11a. ORGANIZATION'S NAME				
OR	11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
				COUNTRY
11d. TAX ID #, SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any
				<input type="checkbox"/> NONE

12. <input type="checkbox"/> ADDITIONAL SECURED PARTY'S or <input type="checkbox"/> ASSIGNOR S/P'S NAME <input checked="" type="checkbox"/> insert only one name (12a or 12b)				
12a. ORGANIZATION'S NAME				
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
12c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
				COUNTRY

13. This FINANCING STATEMENT covers timber to be cut or as-extracted collateral, or is filed as a fixture filing.

14. Description of real estate:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

16. Additional collateral description:

17. Check only if applicable and check only one box.
Debtor is a Trust or Trustee acting with respect to property held in trust or Decedent's Estate

18. Check only if applicable and check only one box.
 Debtor is a TRANSMITTING UTILITY
 Filed in connection with a Manufactured Home Transaction effective 30 years
 Filed in connection with a Public Finance Transaction effective 30 years

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1 (2) AMENDMENT FORM. A filing office that accepts written records may not refuse
2 to accept a written record in the following form and format except for a reason set
3 forth in s. 409.516 (2):

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UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #

1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. TERMINATION: Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. CONTINUATION: Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. ASSIGNMENT (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. AMENDMENT (PARTY INFORMATION): This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes. Also check one of the following three boxes and provide appropriate information in item 6 and/or 7.

CHANGE name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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7d. TAX ID #: SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any
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NONE

8. AMENDMENT (COLLATERAL CHANGE): check only one box.

Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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10. OPTIONAL FILER REFERENCE DATA

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UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

11. INITIAL FINANCING STATEMENT FILE # (same as item 1a on Amendment form)

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item 9 on Amendment form)

12a. ORGANIZATION'S NAME

OR

12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

13. Use this space for additional information

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

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1 **409.522 Maintenance and destruction of records. (1) POSTLAPSE**
2 MAINTENANCE AND RETRIEVAL OF INFORMATION. The filing office shall maintain a record
3 of the information provided in a filed financing statement for at least one year after
4 the effectiveness of the financing statement has lapsed under s. 409.515 with respect
5 to all secured parties of record. The record must be retrievable by using the name
6 of the debtor and:

7 (a) If the record was filed or recorded in the filing office described in s. 409.501
8 (1) (a), by using the file number assigned to the initial financing statement to which
9 the record relates and the date on which the record was filed or recorded; or

10 (b) If the record was filed in the filing office described in s. 409.501 (1) (b), by
11 using the file number assigned to the initial financing statement to which the record
12 relates.

13 **(2) DESTRUCTION OF WRITTEN RECORDS.** Except to the extent that a statute
14 governing disposition of public records provides otherwise, the filing office may
15 destroy immediately any written record evidencing a financing statement. However,
16 if the filing office destroys a written record, it shall maintain another record of the
17 financing statement which complies with sub. (1).

18 **409.523 Information from filing office; sale or license of records. (1)**
19 ACKNOWLEDGMENT OF FILING WRITTEN RECORD. If a person that files a written record
20 requests an acknowledgment of the filing, the filing office shall send to the person
21 an image of the record showing the number assigned to the record pursuant to s.
22 409.519 (1) (a) and the date and time of the filing of the record. However, if the person
23 furnishes a copy of the record to the filing office, the filing office may instead:

24 (a) Note upon the copy the number assigned to the record pursuant to s. 409.519
25 (1) (a) and the date and time of the filing of the record; and

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1 (b) Send the copy to the person.

2 (2) **ACKNOWLEDGMENT OF FILING OTHER RECORD.** If a person files a record other
3 than a written record, the filing office shall communicate to the person an
4 acknowledgment that provides:

5 (a) The information in the record;

6 (b) The number assigned to the record pursuant to s. 409.519 (1) (a); and

7 (c) The date and time of the filing of the record.

8 (3) **COMMUNICATION OF REQUESTED INFORMATION.** The filing office shall
9 communicate or otherwise make available in a record the following information to
10 any person that requests it:

11 (a) Whether there is on file on a date and time specified by the filing office, but
12 not a date earlier than 3 business days before the filing office receives the request,
13 any financing statement that:

14 1. Designates a particular debtor or, if the request so states, designates a
15 particular debtor at the address specified in the request;

16 2. Has not lapsed under s. 409.515 with respect to all secured parties of record;

17 or

18 3. If the request so states, has lapsed under s. 409.515 and a record of which
19 is maintained by the filing office under s. 409.522 (1);

20 (b) The date and time of filing of each financing statement; and

21 (c) The information provided in each financing statement.

22 (4) **MEDIUM FOR COMMUNICATING INFORMATION.** In complying with its duty under
23 sub. (3), the filing office may communicate information in any medium. However, if
24 requested, the filing office shall communicate information by issuing a record that

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1 can be admitted into evidence in the courts of this state without extrinsic evidence
2 of its authenticity.

3 (5) **TIMELINESS OF FILING-OFFICE PERFORMANCE.** The filing office shall perform
4 the acts required by subs. (1) to (4) at the time and in the manner prescribed by
5 filing-office rule, but not later than:

6 (a) Five business days after the filing office receives the request for requests
7 received before July 1, 2003; and

8 (b) Two business days after the filing office receives the request for requests
9 received on or after July 1, 2003.

10 (6) **PUBLIC AVAILABILITY OF RECORDS.** At least weekly, the department of financial
11 institutions shall offer to sell or license to the public on a nonexclusive basis, in bulk,
12 copies of all records filed in it under this subchapter, in every medium from time to
13 time available to the department of financial institutions.

14 (7) **LIABILITY OF FILING OFFICER.** No filing officer nor any of the filing officer's
15 employees or agents shall be subject to personal liability by reason of any error or
16 omission in the performance of any duty under this chapter except in case of
17 misconduct as defined in s. 946.12.

18 **409.524 Delay by filing office.** Delay by the filing office beyond a time limit
19 prescribed by this subchapter is excused if:

20 (1) The delay is caused by interruption of communication or computer
21 facilities, war, emergency conditions, failure of equipment, or other circumstances
22 beyond the control of the filing office; and

23 (2) The filing office exercises reasonable diligence under the circumstances.

24 **409.525 Fees. (1) INITIAL FINANCING STATEMENT OR OTHER RECORD.** Except as
25 otherwise provided in this section, the fee for filing and indexing a record under this

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1 subchapter and the portion of the fee that an office duly authorized by the
2 department under s. 409.501 (1) (b) may retain shall be prescribed by filing-office
3 rule.

4 (2) BASIS FOR RULE. The rule under sub. (1) must set the fees for filing and
5 indexing a record under this subchapter on the following basis:

6 (a) If the record presented for filing is communicated to the filing office in
7 writing and consists of more than 2 pages, the fee for filing and indexing the record
8 must be at least twice the amount of the fee for a record communicated in writing that
9 consists of 1 or 2 pages; and

10 (b) If the record is communicated by another medium authorized by
11 filing-office rule, the fee for filing and indexing the record must be no more than 50%
12 of the amount of the fee for a record communicated in writing that consists of 1 or 2
13 pages.

14 (3) NUMBER OF NAMES. The number of names required to be indexed does not
15 affect the amount of the fee under this section.

16 (4) RESPONSE TO INFORMATION REQUEST. Except as otherwise provided in this
17 section, the fee for responding to a request for information from the filing office,
18 including for communicating whether there is on file any financing statement
19 naming a particular debtor, and the portion of the fee that an office duly authorized
20 by the department under s. 409.501 (1) (b) may retain shall be prescribed by
21 filing-office rule. The fee for responding to a request communicated in writing must
22 be not less than twice the amount of the fee for responding to a request communicated
23 by another medium authorized by filing-office rule. This subsection does not require
24 that a fee be charged for remote access searching of the filing-office data base. The

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1 rule promulgated pursuant to this subsection need not specify a fee for remote access
2 searching of the filing-office data base.

3 (5) RECORD OF MORTGAGE. This section does not require a fee with respect to a
4 record of a mortgage which is effective as a financing statement filed as a fixture
5 filing or as a financing statement covering as-extracted collateral or timber to be cut
6 under s. 409.502 (3). However, the recording and satisfaction fees that otherwise
7 would be applicable to the record of the mortgage apply.

8 **409.526 Filing-office rules.** (1) PROMULGATION OF FILING-OFFICE RULES. The
9 secretary of financial institutions shall promulgate filing-office rules to implement
10 this chapter. The filing-office rules must be:

11 (a) Consistent with this chapter; and

12 (b) Promulgated in accordance with ch. 227.

13 (2) HARMONIZATION OF RULES. To keep the filing-office rules and practices of the
14 filing office in harmony with the rules and practices of filing offices in other
15 jurisdictions that enact substantially this subchapter, and to keep the technology
16 used by the filing office compatible with the technology used by filing offices in other
17 jurisdictions that enact substantially this subchapter, the secretary of financial
18 institutions, so far as is consistent with the purposes, policies, and provisions of this
19 chapter, in promulgating filing-office rules, shall:

20 (a) Consult with filing offices in other jurisdictions that enact substantially this
21 subchapter;

22 (b) Consult the most recent version of the Model Rules promulgated by the
23 International Association of Corporate Administrators or any successor
24 organization; and