

1 (b) In other cases:

2 1. Within 20 days after the last notification was sent pursuant to s. 409.621; or

3 2. If a notification was not sent, before the debtor consents to the acceptance
4 under sub. (3).

5 (5) MANDATORY DISPOSITION OF CONSUMER GOODS. A secured party that has taken
6 possession of collateral shall dispose of the collateral pursuant to s. 409.610 within
7 the time specified in sub. (6) if:

8 (a) Sixty percent of the cash price has been paid in the case of a purchase–money
9 security interest in consumer goods; or

****NOTE: This one of two places in this draft that “cash price” is used. The other is s. 409.625 (3) (b)). Current s. 409.505 (1), Wis. stats. defines cash price: “In this subsection “cash price” means the seller’s price in dollars for the sale of the goods and the transfer of unqualified title thereto upon the concurrent payment of such price in cash or the equivalent thereof.” Current s. 409.507 (1), stats. use “cash price” without defining it. Current ss. 218.01 (1) (h) and 421.301 (7), Wis. stats., also define the term. Should this definition be included in this draft? That subsection also states: “loan’ refers to the principal and does not include interest or service charges.”. “Loan” appears to have been changed to obligation in this draft. Should this last sentence be included in this draft but using obligation?

****NOTE: Current s. 409.505 (2), Wis. stats., is another nonuniform provision . The 2nd and 3rd sentences are the nonuniform parts. The table of disposition of current provisions lists 9–620, 9–621 and 9–624 as sources for 9–504. Should any of the nonuniform provisions be included in this draft?

10 (b) Sixty percent of the principal amount of the obligation secured has been paid
11 in the case of a non–purchase–money security interest in consumer goods.

12 (6) COMPLIANCE WITH MANDATORY DISPOSITION REQUIREMENT. To comply with sub.
13 (5), the secured party shall dispose of the collateral:

14 (a) Within 90 days after taking possession; or

15 (b) Within any longer period to which the debtor and all secondary obligors have
16 agreed in an agreement to that effect entered into and authenticated after default.

1 (7) NO PARTIAL SATISFACTION IN CONSUMER TRANSACTION. In a consumer
2 transaction, a secured party may not accept collateral in partial satisfaction of the
3 obligation it secures.

4 **409.621 Notification of proposal to accept collateral.** (1) PERSONS TO
5 WHICH PROPOSAL TO BE SENT. A secured party that desires to accept collateral in full
6 or partial satisfaction of the obligation it secures shall send its proposal to:

7 (a) Any person from which the secured party has received, before the debtor
8 consented to the acceptance, an authenticated notification of a claim of an interest
9 in the collateral;

10 (b) Any other secured party or lienholder that, 10 days before the debtor
11 consented to the acceptance, held a security interest in or other lien on the collateral
12 perfected by the filing of a financing statement that:

13 1. Identified the collateral;

14 2. Was indexed under the debtor's name as of that date; and

15 3. Was filed in the office or offices in which to file a financing statement against
16 the debtor covering the collateral as of that date; and

17 (c) Any other secured party that, 10 days before the debtor consented to the
18 acceptance, held a security interest in the collateral perfected by compliance with a
19 statute, regulation or treaty described in s. 409.311 (1).

20 (2) PROPOSAL TO BE SENT TO SECONDARY OBLIGOR IN PARTIAL SATISFACTION. A
21 secured party that desires to accept collateral in partial satisfaction of the obligation
22 it secures shall send its proposal to any secondary obligor in addition to the persons
23 described in sub. (1).

1 **409.622 Effect of acceptance of collateral. (1) EFFECT OF ACCEPTANCE.** A
2 secured party's acceptance of collateral in full or partial satisfaction of the obligation
3 it secures:

4 (a) Discharges the obligation to the extent consented to by the debtor;

5 (b) Transfers to the secured party all of a debtor's rights in the collateral;

6 (c) Discharges the security interest or agricultural lien that is the subject of the
7 debtor's consent and any subordinate security interest or other subordinate lien; and

8 (d) Terminates any other subordinate interest.

9 **(2) DISCHARGE OF SUBORDINATE INTEREST NOTWITHSTANDING NONCOMPLIANCE.** A
10 subordinate interest is discharged or terminated under sub. (1), even if the secured
11 party fails to comply with this chapter.

12 **409.623 Right to redeem collateral. (1) PERSONS THAT MAY REDEEM.** A debtor,
13 any secondary obligor or any other secured party or lienholder may redeem
14 collateral.

15 **(2) REQUIREMENTS FOR REDEMPTION.** To redeem collateral, a person shall tender:

16 (a) Fulfillment of all obligations secured by the collateral; and

17 (b) The reasonable expenses and attorney's fees described in s. 409.615 (1) (a).

18 **(3) WHEN REDEMPTION MAY OCCUR.** A redemption may occur at any time before
19 a secured party:

20 (a) Has collected collateral under s. 409.607;

21 (b) Has disposed of collateral or entered into a contract for its disposition under
22 s. 409.610; or

23 (c) Has accepted collateral in full or partial satisfaction of the obligation it
24 secures under s. 409.622.

1 **409.624 Waiver. (1) WAIVER OF DISPOSITION NOTIFICATION.** A debtor or secondary
 2 obligor may waive the right to notification of disposition of collateral under s. 409.611
 3 only by an agreement to that effect entered into and authenticated after default.

4 **(2) WAIVER OF MANDATORY DISPOSITION.** A debtor may waive the right to require
 5 disposition of collateral under s. 409.620 (5) only by an agreement to that effect
 6 entered into and authenticated after default.

7 **(3) WAIVER OF REDEMPTION RIGHT.** Except in a consumer-goods transaction, a
 8 debtor or secondary obligor may waive the right to redeem collateral under s. 409.623
 9 only by an agreement to that effect entered into and authenticated after default.

 ***NOTE: Current s. 409.504 (3) is a nonuniform provision. Wisconsin adds the
 third sentence and deletes the 4th and 5th sentences. The conversion list gives that
 subsection as the source for new 9-610, 9-611 and 9-624. Should this draft include the
 nonuniform provisions in that subsection? The subsection reads: "409.504 (3) Disposition
 of the collateral may be by public or private proceedings and may be made by way of one
 or more contracts. Sale or other disposition may be as a unit or in parcels and at any time
 and place and on any terms but every aspect of the disposition including the method,
 manner, time, place and terms must be commercially reasonable. Unless collateral is
 perishable or threatens to decline speedily in value or is of a type customarily sold on a
 recognized market, reasonable notification of the time and place of any public sale or
 reasonable notification of the time after which any private sale or other intended
 disposition is to be made shall be sent by the secured party to the debtor, if the debtor has
 not signed after default a statement renouncing or modifying the debtor's right to
 notification of sale and except in the case of consumer goods to any other person who has
 a security interest in the collateral and who has duly filed a financing statement indexed
 in the name of the debtor in this state. The secured party may buy at any public sale and
 if the collateral is of a type customarily sold in a recognized market or is of a type which
 is the subject of widely distributed standard price quotations the secured party may buy
 at private sale."

10 **409.625 Remedies for secured party's failure to comply with chapter.**

11 **(1) JUDICIAL ORDERS CONCERNING NONCOMPLIANCE.** If it is established that a secured
 12 party is not proceeding in accordance with this chapter, a court may order or restrain
 13 collection, enforcement or disposition of collateral on appropriate terms and
 14 conditions.

15 **(2) DAMAGES FOR NONCOMPLIANCE.** Subject to subs. (3), (4) and (6), a person is
 16 liable for damages in the amount of any loss caused by a failure to comply with this

1 chapter. Loss caused by a failure to comply with a request under s. 409.210 may
2 include loss resulting from the debtor's inability to obtain, or increased costs of,
3 alternative financing.

4 (3) PERSONS ENTITLED TO RECOVER DAMAGES; STATUTORY DAMAGES IN
5 CONSUMER-GOODS TRANSACTION. Except as otherwise provided in s. 409.628:

6 (a) A person that, at the time of the failure, was a debtor, was an obligor or held
7 a security interest in or other lien on the collateral may recover damages under sub.

8 (2) for its loss; and

9 (b) If the collateral is consumer goods, a person that was a debtor or a secondary
10 obligor at the time a secured party failed to comply with this subchapter may recover
11 for that failure in any event an amount not less than the credit service charge plus
12 10% of the principal amount of the obligation or the time-price differential plus 10%
13 of the cash price.

****NOTE: This one of two places in this draft that "cash price" is used. The other
is s. 409.620 (5) (a). Current s. 409.505 (1), Wis. stats. defines cash price: "In this
subsection "cash price" means the seller's price in dollars for the sale of the goods and the
transfer of unqualified title thereto upon the concurrent payment of such price in cash
or the equivalent thereof." Current s. 409.507 (1), stats. use "cash price" without defining
it. Current ss. 218.01 (1)(b) and 421.301 (7), Wis. stats., also define the term. Should this
definition be included in this draft? That subsection also states "loan' refers to the
principal and does not include interest or service charges.". "Loan" appears to have been
changed to obligation in this draft. Should this last sentence be included in this draft but
using obligation?

14 (4) RECOVERY WHEN DEFICIENCY ELIMINATED OR REDUCED. A debtor whose
15 deficiency is eliminated under s. 409.626 may recover damages for the loss of any
16 surplus. However, a debtor or secondary obligor whose deficiency is eliminated or
17 reduced under s. 409.626 may not otherwise recover under sub. (2) for noncompliance
18 with the provisions of this subchapter relating to collection, enforcement, disposition
19 or acceptance.

1 **(5) STATUTORY DAMAGES: NONCOMPLIANCE WITH SPECIFIED PROVISIONS.** In addition
2 to any damages recoverable under sub. (2), the debtor, consumer obligor or person
3 named as a debtor in a filed record, as applicable, may recover \$500 in each case from
4 a person that:

5 (a) Fails to comply with s. 409.208;

6 (b) Fails to comply with s. 409.209;

7 (c) Files a record that the person is not entitled to file under s. 409.509 (1);

8 (d) Fails to cause the secured party of record to file or send a termination
9 statement as required by s. 409.513 (1) or (3);

10 (e) Fails to comply with s. 409.616 (2) (a) and whose failure is part of a pattern,
11 or consistent with a practice, of noncompliance; or

12 (f) Fails to comply with s. 409.616 (2) (b).

13 **(6) STATUTORY DAMAGES: NONCOMPLIANCE WITH S. 409.210.** A debtor or consumer
14 obligor may recover damages under sub. (2) and, in addition, \$500 in each case from
15 a person that, without reasonable cause, fails to comply with a request under s.
16 409.210. A recipient of a request under s. 409.210 which never claimed an interest
17 in the collateral or obligations that are the subject of a request under that section has
18 a reasonable excuse for failure to comply with the request within the meaning of this
19 subsection.

20 **(7) LIMITATION OF SECURITY INTEREST: NONCOMPLIANCE WITH S. 409.210.** If a secured
21 party fails to comply with a request regarding a list of collateral or a statement of
22 account under s. 409.210, the secured party may claim a security interest only as
23 shown in the statement included in the request as against a person that is reasonably
24 misled by the failure.

1 **409.626 Action in which deficiency or surplus is in issue. (1) APPLICABLE**
2 RULES IF AMOUNT OF DEFICIENCY OR SURPLUS IN ISSUE. In an action arising from a
3 transaction, other than a consumer transaction, in which the amount of a deficiency
4 or surplus is in issue, the following rules apply:

5 (a) A secured party need not prove compliance with the provisions of this
6 subchapter relating to collection, enforcement, disposition or acceptance unless the
7 debtor or a secondary obligor places the secured party's compliance in issue.

8 (b) If the secured party's compliance is placed in issue, the secured party has
9 the burden of establishing that the collection, enforcement, disposition or acceptance
10 was conducted in accordance with this subchapter.

11 (c) Except as otherwise provided in s. 409.628, if a secured party fails to prove
12 that the collection, enforcement, disposition or acceptance was conducted in
13 accordance with the provisions of this subchapter relating to collection, enforcement,
14 disposition or acceptance, the liability of a debtor or a secondary obligor for a
15 deficiency is limited to an amount by which the sum of the secured obligation,
16 expenses and attorney's fees exceeds the greater of:

17 1. The proceeds of the collection, enforcement, disposition or acceptance; or
18 2. The amount of proceeds that would have been realized had the noncomplying
19 secured party proceeded in accordance with the provisions of this subchapter
20 relating to collection, enforcement, disposition or acceptance.

21 (d) For purposes of par. (c) 2., the amount of proceeds that would have been
22 realized is equal to the sum of the secured obligation, expenses and attorney's fees
23 unless the secured party proves that the amount is less than that sum.

24 (e) If a deficiency or surplus is calculated under s. 409.615 (6), the debtor or
25 obligor has the burden of establishing that the amount of proceeds of the disposition

1 is significantly below the range of prices that a complying disposition to a person
2 other than the secured party, a person related to the secured party or a secondary
3 obligor would have brought.

4 (2) NON-CONSUMER TRANSACTIONS; NO INFERENCE. The limitation of the rules in
5 sub. (1) to transactions other than consumer transactions is intended to leave to the
6 court the determination of the proper rules in consumer transactions. The court may
7 not infer from that limitation the nature of the proper rule in consumer transactions
8 and may continue to apply established approaches.

9 **409.627 Determination of whether conduct was commercially**
10 **reasonable.** (1) GREATER AMOUNT OBTAINABLE UNDER OTHER CIRCUMSTANCES; NO
11 PRECLUSION OF COMMERCIAL REASONABLENESS. The fact that a greater amount could
12 have been obtained by a collection, enforcement, disposition or acceptance at a
13 different time or in a different method from that selected by the secured party is not
14 of itself sufficient to preclude the secured party from establishing that the collection,
15 enforcement, disposition or acceptance was made in a commercially reasonable
16 manner.

17 (2) DISPOSITIONS THAT ARE COMMERCIALY REASONABLE. A disposition of collateral
18 is made in a commercially reasonable manner if the disposition is made:

19 (a) In the usual manner on any recognized market;

20 (b) At the price current in any recognized market at the time of the disposition;

21 or

22 (c) Otherwise in conformity with reasonable commercial practices among
23 dealers in the type of property that was the subject of the disposition.

24 (3) APPROVAL BY COURT OR ON BEHALF OF CREDITORS. A collection, enforcement,
25 disposition or acceptance is commercially reasonable if it has been approved:

- 1 (a) In a judicial proceeding;
- 2 (b) By a bona fide creditors' committee;
- 3 (c) By a representative of creditors; or
- 4 (d) By an assignee for the benefit of creditors.

5 **(4) APPROVAL UNDER SUB. (3) NOT NECESSARY; ABSENCE OF APPROVAL HAS NO EFFECT.**

6 Approval under sub. (3) need not be obtained, and lack of approval does not mean
7 that the collection, enforcement, disposition or acceptance is not commercially
8 reasonable.

9 **409.628 Nonliability and limitation on liability of secured party;**
10 **liability of secondary obligor. (1) LIMITATION OF LIABILITY TO DEBTOR OR OBLIGOR.**

11 Unless a secured party knows that a person is a debtor or obligor, knows the identity
12 of the person and knows how to communicate with the person:

13 (a) The secured party is not liable to the person, or to a secured party or
14 lienholder that has filed a financing statement against the person, for failure to
15 comply with this chapter; and

16 (b) The secured party's failure to comply with this chapter does not affect the
17 liability of the person for a deficiency.

18 **(2) LIMITATION OF LIABILITY TO DEBTOR, OBLIGOR, ANOTHER SECURED PARTY, OR**
19 **LIENHOLDER. A secured party is not liable because of its status as secured party:**

20 (a) To a person that is a debtor or obligor, unless the secured party knows:

- 21 1. That the person is a debtor or obligor;
- 22 2. The identity of the person; and
- 23 3. How to communicate with the person; or

24 (b) To a secured party or lienholder that has filed a financing statement against
25 a person, unless the secured party knows:

1 1. That the person is a debtor; and

2 2. The identity of the person.

3 (3) LIMITATION OF LIABILITY IF REASONABLE BELIEF THAT TRANSACTION NOT A
4 CONSUMER-GOODS TRANSACTION OR CONSUMER TRANSACTION. A secured party is not
5 liable to any person, and a person's liability for a deficiency is not affected, because
6 of any act or omission arising out of the secured party's reasonable belief that a
7 transaction is not a consumer-goods transaction or a consumer transaction or that
8 goods are not consumer goods, if the secured party's belief is based on its reasonable
9 reliance on:

10 (a) A debtor's representation concerning the purpose for which collateral was
11 to be used, acquired or held; or

12 (b) An obligor's representation concerning the purpose for which a secured
13 obligation was incurred.

14 (4) LIMITATION OF LIABILITY FOR STATUTORY DAMAGES. A secured party is not liable
15 to any person under s. 409.625 (3) (b) for its failure to comply with s. 409.616.

16 (5) LIMITATION OF MULTIPLE LIABILITY FOR STATUTORY DAMAGES. A secured party
17 is not liable under s. 409.625 (3) (b) more than once with respect to any one secured
18 obligation.

19 SUBCHAPTER VII

20 TRANSITION

21 **409.702 Savings clause.** (1) PRE EFFECTIVE-DATE TRANSACTIONS OR LIENS.
22 Except as otherwise provided in this subchapter, this chapter applies to a transaction
23 or lien within its scope, even if the transaction or lien was entered into or created
24 before the effective date of this subsection ... [revisor inserts date].

1 (2) CONTINUING VALIDITY. Except as otherwise provided in sub. (3) and ss.
2 409.703 to 409.708:

3 (a) Transactions and liens that were not governed by ch. 409, 1999 stats., were
4 validly entered into or created before effective date of this paragraph [revisor
5 inserts date], and would be subject to this chapter if they had been entered into or
6 created on or after the effective date of this paragraph [revisor inserts date], and
7 the rights, duties and interests flowing from those transactions and liens remain
8 valid on and after the effective date of this paragraph [revisor inserts date]; and

9 (b) The transactions and liens may be terminated, completed, consummated
10 and enforced as required or permitted by this chapter or by the law that otherwise
11 would apply if this paragraph had not taken effect.

12 (3) PRE-EFFECTIVE-DATE PROCEEDINGS. This chapter does not affect an action,
13 case or proceeding commenced before the effective date of this subsection [revisor
14 inserts date].

15 **409.703 Security interest perfected before effective date. (1)**
16 CONTINUING PRIORITY OVER LIEN CREDITOR: PERFECTION REQUIREMENTS SATISFIED. A
17 security interest that is enforceable immediately before the effective date of this
18 subsection [revisor inserts date], and would have priority over the rights of a
19 person that becomes a lien creditor at that time is a perfected security interest under
20 this chapter if, on the effective date of this subsection [revisor inserts date], the
21 applicable requirements for enforceability and perfection under this chapter are
22 satisfied without further action.

23 (2) CONTINUING PRIORITY OVER LIEN CREDITOR: PERFECTION REQUIREMENTS NOT
24 SATISFIED. Except as otherwise provided in s. 409.705, if, immediately before the
25 effective date of this subsection [revisor inserts date], a security interest is

1 enforceable and would have priority over the rights of a person that becomes a lien
2 creditor at that time, but the applicable requirements for enforceability or perfection
3 under this chapter are not satisfied as of the effective date of this subsection
4 [revisor inserts date], the security interest:

5 (a) Is a perfected security interest until one year after the effective date of this
6 paragraph [revisor inserts date];

7 (b) Remains enforceable on and after one year after the effective date of this
8 paragraph [revisor inserts date], only if the security interest becomes enforceable
9 under s. 409.203 before one year after the effective date of this paragraph [revisor
10 inserts date]; and

11 (c) Remains perfected on and after one year after the effective date of this
12 paragraph [revisor inserts date], only if the applicable requirements for perfection
13 under this chapter are satisfied before one year after the effective date of this
14 paragraph [revisor inserts date].

15 **409.704 Security interest unperfected before effective date.** A security
16 interest that is enforceable immediately before the effective date of this section
17 [revisor inserts date], but which would be subordinate to the rights of a person that
18 becomes a lien creditor at that time:

19 (1) Remains an enforceable security interest for one year after the effective date
20 of this paragraph [revisor inserts date];

21 (2) Remains enforceable on and after one year after the effective date of this
22 paragraph [revisor inserts date], if the security interest becomes enforceable
23 under s. 409.203 on the effective date of this paragraph [revisor inserts date], or
24 within one year thereafter; and

25 (3) Becomes perfected:

1 1. Without further action, on the effective date of this subdivision [revisor
2 inserts date], if the applicable requirements for perfection under this chapter are
3 satisfied before or at that time; or

4 2. When the applicable requirements for perfection are satisfied if the
5 requirements are satisfied after that time.

6 **409.705 Effectiveness of action taken before effective date. (1)**

7 ~~PRE-EFFECTIVE-DATE ACTION; ONE-YEAR PERFECTION PERIOD UNLESS REPERFECTED.~~ If
8 action, other than the filing of a financing statement, is taken before the effective
9 date of this subsection [revisor inserts date], and the action would have resulted
10 in priority of a security interest over the rights of a person that becomes a lien
11 creditor had the security interest become enforceable before the effective date of this
12 subsection [revisor inserts date], the action is effective to perfect a security
13 interest that attaches under this chapter before the effective date of this subsection
14 [revisor inserts date]. An attached security interest becomes unperfected one year
15 after the effective date of this subsection [revisor inserts date], unless the security
16 interest becomes a perfected security interest under this chapter before one year
17 after the effective date of this subsection [revisor inserts date].

18 **(2) ~~PRE-EFFECTIVE-DATE FILING.~~** The filing of a financing statement before the
19 effective date of this subsection [revisor inserts date], is effective to perfect a
20 security interest to the extent the filing would satisfy the applicable requirements
21 for perfection under this chapter.

22 **(3) ~~PRE-EFFECTIVE-DATE FILING IN JURISDICTION FORMERLY GOVERNING PERFECTION.~~**
23 This chapter does not render ineffective an effective financing statement that, before
24 the effective date of this subsection [revisor inserts date], is filed and satisfies the
25 applicable requirements for perfection under the law of the jurisdiction governing

1 perfection as provided in s. 409.103, 1999 stats. However, except as otherwise
2 provided in subs. (4) and (5) and s. 409.706, the financing statement ceases to be
3 effective at the earlier of:

4 (a) The time the financing statement would have ceased to be effective under
5 the law of the jurisdiction in which it is filed; or

6 (b) June 30, 2006.

7 (4) CONTINUATION STATEMENT. The filing of a continuation statement on or after
8 the effective date of this subsection [revisor inserts date], does not continue the
9 effectiveness of the financing statement filed before the effective date of this
10 subsection [revisor inserts date]. However, upon the timely filing of a
11 continuation statement on or after the effective date of this subsection [revisor
12 inserts date], and in accordance with the law of the jurisdiction governing perfection
13 as provided in subch. III, the effectiveness of a financing statement filed in the same
14 office in that jurisdiction before the effective date of this subsection [revisor
15 inserts date], continues for the period provided by the law of that jurisdiction.

16 (5) APPLICATION OF SUB. (3) (B) TO TRANSMITTING UTILITY FINANCING STATEMENT.

17 Subsection (3) (b) applies to a financing statement that, before the effective date of
18 this subsection [revisor inserts date], is filed against a transmitting utility and
19 satisfies the applicable requirements for perfection under the law of the jurisdiction
20 governing perfection as provided in s. 409.103, 1999 stats., only to the extent that
21 subch. III provides that the law of a jurisdiction other than jurisdiction in which the
22 financing statement is filed governs perfection of a security interest in collateral
23 covered by the financing statement.

24 (6) APPLICATION OF SUBCH. V. A financing statement that includes a financing
25 statement filed before the effective date of this subsection [revisor inserts date],

1 and a continuation statement filed on or after the effective date of this subsection
2 [revisor inserts date], is effective only to the extent that it satisfies the requirements
3 of subch. V for an initial financing statement.

4 **409.706 When initial financing statement suffices to continue**
5 **effectiveness of financing statement. (1) INITIAL FINANCING STATEMENT IN LIEU**
6 **OF CONTINUATION STATEMENT.** The filing of an initial financing statement in the office
7 specified in s. 409.501 continues the effectiveness of a financing statement filed
8 before the effective date of this subsection [revisor inserts date], if:

9 (a) The filing of an initial financing statement in that office would be effective
10 to perfect a security interest under this chapter;

11 (b) The pre-effective-date financing statement was filed in an office in another
12 state or another office in this state; and

13 (c) The initial financing statement satisfies sub. (3).

14 **(2) PERIOD OF CONTINUED EFFECTIVENESS.** The filing of an initial financing
15 statement under sub. (1) continues the effectiveness of the pre-effective-date
16 financing statement:

17 (a) If the initial financing statement is filed before the effective date of this
18 paragraph [revisor inserts date], for the period provided in s. 409.403, 1999 stats.,
19 with respect to a financing statement; and

20 (b) If the initial financing statement is filed on or after the effective date of this
21 paragraph [revisor inserts date], for the period provided in s. 409.515 with respect
22 to an initial financing statement.

23 **(3) REQUIREMENTS FOR INITIAL FINANCING STATEMENT UNDER SUB. (1).** To be
24 effective for purposes of sub. (1), an initial financing statement must:

25 (a) Satisfy the requirements of subch. V for an initial financing statement;

1 (b) Identify the pre-effective-date financing statement by indicating the office
2 in which the financing statement was filed and providing the dates of filing and file
3 numbers, if any, of the financing statement and of the most recent continuation
4 statement filed with respect to the financing statement; and

5 (c) Indicate that the pre-effective-date financing statement remains effective.

6 **409.707 Persons entitled to file initial financing statement or**
7 **continuation statement.** A person may file an initial financing statement or a
8 continuation statement under this subchapter if:

9 (1) The secured party of record authorizes the filing; and

10 (2) The filing is necessary under this subchapter:

11 (a) To continue the effectiveness of a financing statement filed before the
12 effective date of this paragraph [revisor inserts date]; or

13 (b) To perfect or continue the perfection of a security interest.

14 **409.708 Priority. (1) LAW GOVERNING PRIORITY.** This chapter determines the
15 priority of conflicting claims to collateral. However, if the relative priorities of the
16 claims were established before the effective date of this subsection [revisor inserts
17 date], ch. 409, 1999 stats., determines priority.

18 (2) **PRIORITY IF SECURITY INTEREST BECOMES ENFORCEABLE UNDER S. 409.203.** For
19 purposes of s. 409.322 (1), the priority of a security interest that becomes enforceable
20 under s. 409.203 dates from the effective date of this subsection [revisor inserts
21 date], if the security interest is perfected under this chapter by the filing of a
22 financing statement before the effective date of this subsection [revisor inserts
23 date], which would not have been effective to perfect the security interest under ch.
24 409, 1999 stats. This subsection does not apply to conflicting security interests each
25 of which is perfected by the filing of such a financing statement.

1 **SECTION 109.** 411.103 (3) (a) of the statutes is amended to read:

2 411.103 (3) (a) “Account” — s. 409.106 ~~409.102 (1) (ag).~~

3 History: 1991 a. 148.

3 **SECTION 110.** 411.103 (3) (d) of the statutes is amended to read:

4 411.103 (3) (d) “Chattel paper” — s. ~~409.105 (1) (b)~~ 409.102 (1) (cm).

5 History: 1991 a. 148.

5 **SECTION 111.** 411.103 (3) (e) of the statutes is amended to read:

6 411.103 (3) (e) “Consumer goods” — s. ~~409.109 (1)~~ 409.102 (1) (fm).

7 History: 1991 a. 148.

7 **SECTION 112.** 411.103 (3) (f) of the statutes is amended to read:

8 411.103 (3) (f) “Document” — s. ~~409.105 (1) (f)~~ 409.102 (1) (hg).

9 History: 1991 a. 148.

9 **SECTION 113.** 411.103 (3) (h) of the statutes is amended to read:

10 411.103 (3) (h) “General ~~intangibles~~ intangible” — s. ~~409.106~~ 409.102 (1) (ks).

11 History: 1991 a. 148.

11 **SECTION 114.** 411.103 (3) (j) of the statutes is amended to read:

12 411.103 (3) (j) “Instrument” — s. ~~409.105 (1) (i)~~ 409.102 (1) (Lm).

13 History: 1991 a. 148.

13 **SECTION 115.** 411.103 (3) (L) of the statutes is amended to read:

14 411.103 (3) (L) “Mortgage” — s. ~~409.105 (1) (j)~~ 409.102 (1) (nm).

15 History: 1991 a. 148.

15 **SECTION 116.** 411.103 (3) (m) of the statutes is amended to read:

16 411.103 (3) (m) “Pursuant to commitment” — s. ~~409.105 (1) (k)~~ 409.102 (1) (qs).

17 History: 1991 a. 148.

17 **SECTION 117.** 411.303 (1) and (2) of the statutes are amended to read:

18 411.303 (1) In this section, “creation of a security interest” includes the sale of
19 a lease contract that is subject to ch. 409 under s. ~~409.102 (1) (b)~~ 409.109 (1) (c).

20 (2) Except as provided in ~~subs. sub.~~ (3) and (4) s. 409.407, a provision in a lease
21 agreement that prohibits the voluntary or involuntary transfer, including a transfer
22 by sale, sublease, creation or enforcement of a security interest, or attachment, levy,

1 or other judicial process of an interest of a party under the lease contract or of the
2 lessor's residual interest in the goods or that makes such a transfer an event of
3 default, gives rise to the rights and remedies provided in sub. (5), but a transfer that
4 is prohibited or is an event of default under the lease agreement is otherwise
5 effective.

6 **SECTION 118.** 411.303 (3) of the statutes is repealed.

7 **SECTION 119.** 411.303 (5) of the statutes is amended to read:

8 411.303 (5) Subject to ~~subs.~~ sub. (3) and (4) s. 409.407:

9 **History:** 1991 a. 148.

9 **SECTION 120.** 411.307 (2) (intro.) and (a) of the statutes are consolidated,
10 renumbered 411.307 (2) and amended to read:

11 411.307 (2) Except as provided in ~~subs.~~ sub. (3) and (4) and ss. 411.306 and
12 411.308, a creditor of a lessor takes subject to the lease contract unless ~~any of the~~
13 ~~following occurs:~~

14 (a) ~~The~~ the creditor holds a lien that attached to the goods before the lease
15 contract became enforceable.

16 **SECTION 121.** 411.307 (2) (b) and (c) and (4) of the statutes are repealed.

17 **History:** 1991 a. 148.

17 **SECTION 122.** 411.307 (3) of the statutes is repealed and recreated to read:

18 411.307 (3) Except as otherwise provided in ss. 409.317, 409.321 and 409.323,
19 a lessee takes a leasehold interest subject to a security interest held by a creditor of
20 the lessor.

21 **SECTION 123.** 411.309 (1) (c) of the statutes is amended to read:

22 411.309 (1) (c) "Fixture filing" means a filing, in the office where a record of a
23 mortgage on real estate would be filed or recorded, of a financing statement covering

1 goods that are or are to become fixtures and conforming to the requirements of s.
2 409.102 (5) 409.502 (1) and (2).

3 **History:** 1991 a. 148.

3 **SECTION 124.** 411.309 (9) of the statutes is amended to read:

4 411.309 (9) Even though the lease agreement does not create a security
5 interest, the interest of a lessor of fixtures, including the lessor's residual interest,
6 is perfected by filing a financing statement as a fixture filing for leased goods that
7 are or are to become fixtures under ch. 409.

8 **History:** 1991 a. 148.

8 **SECTION 125.** 421.103 (1) of the statutes is amended to read:

9 421.103 (1) Unless superseded by the particular provisions of chs. 421 to 427,
10 chs. 401 to 411 and the principles of law and equity, including the law relative to
11 capacity to contract, principal and agent, estoppel, fraud, misrepresentation, duress,
12 coercion, mistake, bankruptcy, or other validating or invalidating cause supplement
13 chs. 421 to 427.

14 **History:** 1971 c. 239; 1979 c. 89, 177; 1991 a. 148, 304, 315; 1995 a. 329.

14 **SECTION 126.** 421.103 (2) of the statutes is amended to read:

15 421.103 (2) Unless terms used in chs. 421 to 427 are defined by particular
16 provisions of chs. 421 to 427, they shall have the meaning given them in chs. 401 to
17 411 and 429, if they are defined in chs. 401 to 411 and 429.

18 **History:** 1971 c. 239; 1979 c. 89, 177; 1991 a. 148, 304, 315; 1995 a. 329.

18 **SECTION 127.** 421.103 (3) of the statutes is amended to read:

19 421.103 (3) Unless superseded by the particular provisions of chs. 421 to 427
20 parties to a consumer transaction have all of the obligations, duties, rights and
21 remedies provided in chs. 401 to 411 which apply to the transaction.

22 **History:** 1971 c. 239; 1979 c. 89, 177; 1991 a. 148, 304, 315; 1995 a. 329.

22 **SECTION 128.** 421.301 (21) of the statutes is amended to read:

1 421.301 (21) “Goods” has the meaning given in s. 409.102 (1) and includes
2 goods (~~s. 409.105~~) not in existence at the time the transaction is entered into and
3 goods which are or are to become fixtures.

4 **History:** 1971 c. 239; 1973 c. 3; 1975 c. 407; 1979 c. 10, 89; 1983 a. 7; 1991 a. 148, 316; 1993 a. 111, 112; 1995 a. 329; 1997 a. 302.

4 **SECTION 129.** 421.301 (40) of the statutes is amended to read:

5 421.301 (40) “Security interest” means a real property mortgage, deed of trust,
6 seller’s interest in real estate under a land contract, any interest in property which
7 secures payment or performance of an obligation under ch. 409 or any other
8 consensual or confessed lien whether or not recorded.

9 **History:** 1971 c. 239; 1973 c. 3; 1975 c. 407; 1979 c. 10, 89; 1983 a. 7; 1991 a. 148, 316; 1993 a. 111, 112; 1995 a. 329; 1997 a. 302.

9 **SECTION 130.** 422.413 (2r) (f) of the statutes is amended to read:

10 422.413 (2r) (f) The satisfaction of indebtedness secured by any subordinate
11 security interest in the collateral, subject to the restrictions set forth in s. 409.504
12 (1) (c) [9–610 9–615].

13 **History:** 1971 c. 239; 1973 c. 2; 1979 c. 10; 1983 a. 389; 1985 a. 331; 1993 a. 368; 1995 a. 329; 1997 a. 302.

13 **SECTION 131.** 425.105 (4) of the statutes is amended to read:

14 425.105 (4) With respect to consumer credit transactions in which the creditor
15 has a security interest in, and possession of, instruments or documents (~~s. 409.105~~)
16 as defined in s. 409.102 (1) which threaten to decline speedily in value, this section
17 does not restrict the creditor’s rights to dispose of such property pursuant to s.
18 409.504 [9–610 9–615 9–624 9–617 9–618] and the terms of the creditor’s security
19 agreement.

20 **History:** 1971 c. 239; 1975 c. 407, 421; 1991 a. 316.

20 **SECTION 132.** 425.203 (3) (intro.) of the statutes is amended to read:

21 425.203 (3) (intro.) Following recovery of collateral pursuant to a judgment
22 under sub. (2), the merchant may either retain the collateral in full satisfaction of
23 the customer’s obligation pursuant to s. 409.505 [9–620 9–621 9–624], in which event

1 the merchant shall satisfy the judgment obtained pursuant to sub. (2); or shall
2 dispose of the collateral pursuant to s. 409.504 [9-610 9-615 9-624 9-617 9-618],
3 in which event:

History: 1971 c. 239; 1975 c. 407, 421.

4 **SECTION 133.** 425.204 (2) of the statutes is amended to read:

5 425.204 (2) The rights and obligations of the merchant and customer with
6 respect to collateral voluntarily surrendered as defined in this section shall be
7 governed by ss. 409.504 to 409.507 [9-610 9-615 9-611 9-624 9-617 9-618 9-620
8 9-621 9-623 9-625 9-627], and are not subject to this subchapter.

History: 1971 c. 239; 1991 a. 316.

9 **SECTION 134.** 425.207 (2) of the statutes is amended to read:

10 425.207 (2) A merchant who reasonably believes that a customer has
11 abandoned collateral or goods subject to a consumer lease may take possession of
12 such collateral or leased goods and preserve it. However, the customer may recover
13 such collateral or leased goods upon request unless at the time of request the
14 customer has surrendered the collateral or leased goods, or judgment for the
15 merchant has been entered in a proceeding for recovery of collateral or leased goods
16 under s. 425.205 or in a judgment described in s. 425.203 (2). A merchant taking
17 possession of collateral or leased goods pursuant to this section shall promptly send
18 notification to the customer's last known address of such action and of the
19 customer's right to recover such collateral or leased goods under this section. If the
20 collateral or leased goods are recovered by the customer pursuant to this section, it
21 shall be returned to the customer at the location where the merchant took possession
22 of such collateral or leased goods pursuant to this section or, at the option of the
23 merchant, at such other location designated by the customer; and any expense
24 incurred by the merchant in taking possession of, holding and returning the

1 collateral or leased goods to the customer shall be borne by the merchant. If after
2 taking possession of collateral or leased goods pursuant to this subsection, the
3 merchant perfects the right to possession through a surrender by the customer or a
4 judgment under s. 425.203 (2) or 425.205, the customer is liable for the expenses set
5 forth in s. 409.504 (1) [9-610 9-615]. In determining such expenses, leased goods
6 shall be considered collateral under s. 409.504 (1) [9-610 9-615]. However, a
7 customer is not liable for expenses of holding the collateral or leased goods from the
8 time the merchant takes possession until the merchant perfects the right to
9 possession in the manner provided in this subsection.

History: 1971 c. 239; Sup. Ct. Order, 67 W (2d) 585, 776 (1975); 1975 c. 407, 421, 422; 1979 c. 10; 1981 c. 314 s. 146; 1997 a. 302.

10 **SECTION 135.** 425.208 (6) of the statutes is amended to read:

11 425.208 (6) The creditor shall not dispose of the collateral or enter into a
12 contract for the disposition of the collateral, until the expiration of the period for
13 redemption provided in this section, unless the collateral is perishable or threatens
14 to decline speedily in value. Upon the expiration of such period any disposition of the
15 collateral shall be subject to ss. 409.504, 409.505 and 409.506 [9-610 9-615 9-611
16 9-624 9-617 9-618 9-620 9-621 9-623], except that the customer may be liable for
17 a deficiency only to the extent provided in ss. 425.209 and 425.210.

History: 1971 c. 239; 1979 c. 10, 89; 1983 a. 389; 1991 a. 316; 1997 a. 302.

18 **SECTION 136.** 425.209 (3) of the statutes is amended to read:

19 425.209 (3) If the merchant repossesses or accepts voluntary surrender of
20 goods which were not the subject of the sale but in which the merchant has a security
21 interest to secure a debt arising from a sale of goods or services or a combined sale
22 of goods and services and the amount owing at the time of default was \$1,000 or less,
23 the customer is not personally liable to the merchant for the unpaid balance of the

1 debt arising from the sale, and the merchant's duty to dispose of the collateral is
2 governed by the provisions on disposition of collateral under chs. 401 to 411.

3 **History:** 1971 c. 239; 1973 c. 2, 3; 1991 a. 148, 304, 315, 316.

3 **SECTION 137.** 425.209 (4) of the statutes is amended to read:

4 425.209 (4) If the lender takes possession or accepts voluntary surrender of
5 goods in which the lender has a security interest to secure a debt arising from a
6 consumer loan in which the lender is subject to defenses arising from sales (s.
7 422.408) and the amount owing at the time of default of the loan paid to or for the
8 benefit of the customer were \$1,000 or less, the customer is not personally liable to
9 the lender for the unpaid balance of the debt arising from the loan and the lender's
10 duty to dispose of the collateral is governed by the provisions on disposition of
11 collateral under chs. 401 to 411.

12 **History:** 1971 c. 239; 1973 c. 2, 3; 1991 a. 148, 304, 315, 316.

12 **SECTION 138.** 429.102 (1) of the statutes is amended to read:

13 429.102 (1) To the extent that s. 218.01 and chs. 411 and 421 to 427 are
14 inconsistent with this chapter, the provisions of this chapter shall apply.

15 **History:** 1995 a. 329.

15 **SECTION 139.** 429.102 (2) of the statutes is amended to read:

16 429.102 (2) Unless superseded by the particular provisions of this chapter,
17 parties to a motor vehicle consumer lease have all of the obligations, duties, rights
18 and remedies provided in s. 218.01 and chs. 411 and 421 to 427 that apply to the
19 transaction.

20 **History:** 1995 a. 329.

20 **SECTION 140.** 429.301 (2) of the statutes is amended to read:

21 429.301 (2) If a party to a consumer lease recovers damages or penalties under
22 this chapter for an act or omission, the party may not recover any damages or
23 penalties for the same act or omission under s. 218.01 or chs. 411 and 421 to 427.

History: 1995 a. 329.

1 **SECTION 141.** 618.42 (3) (a) of the statutes is amended to read:

2 618.42 (3) (a) *Sales of personal property.* Any insurance on personal property
3 sold on the instalment plan or under a conditional sales contract or equivalent
4 security agreement under chs. 401 to 411 for which a charge is made to the buyer as
5 a part of the consideration in the agreement of sale shall be placed with an insurer
6 authorized to do business in this state.

7 **History:** 1971 c. 260; 1979 c. 89; 1979 c. 102 s. 236 (5), (8); 1981 c. 314; 1989 a. 187 s. 29; 1991 a. 148, 304, 315; 1993 a. 213.

7 **SECTION 142.** 700.01 (3) of the statutes is amended to read:

8 700.01 (3) “Instrument of transfer” means an instrument which is effective to
9 transfer an interest in property; it includes but is not limited to a will, a deed, a
10 contract to transfer, a real estate mortgage and an instrument creating a security
11 interest in personal property under ch. 409.

12 **History:** 1983 a. 189; 1991 a. 316.

12 **SECTION 143.** 700.24 of the statutes is amended to read:

13 **700.24 Death of a joint tenant; effect of liens.** A real estate mortgage, a
14 security interest under ch. 409, or a lien under s. 72.86 (2), 1985 stats., or s. 71.91 (5)
15 (b), ch. 49 or 779 on or against the interest of a joint tenant does not defeat the right
16 of survivorship in the event of the death of such joint tenant, but the surviving joint
17 tenant or tenants take the interest such deceased joint tenant could have transferred
18 prior to death subject to such mortgage, security interest or statutory lien.

19 **History:** 1971 c. 307 s. 118; 1975 c. 39; 1979 c. 32 s. 92 (9); 1987 a. 27 s. 3202 (47) (a); 1987 a. 312 s. 17.

19 **SECTION 144.** 766.60 (5) (b) of the statutes is amended to read:

20 766.60 (5) (b) A real estate mortgage, a security interest under ch. 409 or a lien
21 under s. 71.91 (5) (b) or ch. 49 or 779 on or against the interest of a spouse in
22 survivorship marital property does not defeat the right of survivorship on the death

1 of the spouse. The surviving spouse takes the interest of the deceased spouse subject
2 to the mortgage, security interest or lien.

History: 1983 a. 186; 1985 a. 37; 1987 a. 27 s. 3202 (47) (a); 1987 a. 312 s. 17; 1991 a. 301.

3 **SECTION 145.** 779.48 (2) of the statutes is amended to read:

4 779.48 (2) Every person given a lien by ss. 779.41 and 779.43 (3) may in case
5 the claim remains unpaid for 2 months after the debt is incurred, and a person given
6 a lien under s. 779.47 (2) may if the claim remains unpaid 90 days after the lien is
7 perfected, enforce such lien by sale of the property substantially in conformity with
8 ss. ~~409.501 to 409.507~~ 409.601 to 409.627 and the lien claimant shall have the rights
9 and duties of a secured party thereunder. When such sections are applied to the
10 enforcement of such lien the word debtor or equivalent when used therein shall be
11 deemed to refer to the owner of the property and any other person having an interest
12 shown by instrument filed as required by law or shown in the records of the
13 department of transportation, and the word indebtedness or equivalent shall include
14 all claims upon which such lien is based.

History: 1977 c. 29 s. 1654 (7) (b); 1979 c. 32 ss. 57, 92 (9); 1979 c. 176; Stats. 1979 s. 779.48; 1983 a. 500 s. 43; 1993 a. 328.

15 **SECTION 146.** 779.89 of the statutes is amended to read:

16 **779.89 Attachment and preservation.** All prepaid maintenance liens
17 attach at the time of the first prepayment and shall be preserved from the time the
18 lien attaches. It is not necessary to file or record any notice of the lien in order to
19 preserve or perfect the lien although a customer may file this lien in the manner
20 prescribed for perfecting liens under ch. 409.

History: 1977 c. 296; 1979 c. 32 s. 57; Stats. 1979 s. 779.89.

21 **SECTION 147.** 779.91 (2) of the statutes is amended to read:

1 779.91 (2) Upon discharge of a prepaid maintenance lien, any customer who
2 filed the lien as permitted in s. 779.89 is subject to the requirements of s. ~~409.404~~
3 409.513.

4 **History:** 1977 c. 296; 1979 c. 32 ss. 57, 92 (9); Stats. 1979 s. 779.91.

4 **SECTION 148.** 779.97 (4) (a) 1. of the statutes is amended to read:

5 779.97 (4) (a) 1. With the department of financial institutions, the filing officer
6 shall cause the notice to be marked, held and indexed in accordance with s. ~~409.403~~
7 (~~4~~) 409.519 as if the notice were a financing statement within the meaning of chs. 401
8 to 411; or

9 **History:** 1977 c. 29, 418; 1979 c. 89, 177, 223, 312, 355; Stats. 1979 s. 779.97; 1991 a. 39, 148, 304, 315; 1993 a. 70, 172, 214; 1995 a. 27, 201, 417.

9 **SECTION 149.** 779.97 (4) (b) 1. of the statutes is amended to read:

10 779.97 (4) (b) 1. If a refiling of a notice of lien is presented to the department
11 of financial institutions for filing, the filing officer shall cause the refiled notice of
12 federal lien to be marked, held and indexed in accordance with s. 409.403 [~~9–516 (a)~~
13 ~~9–515 9–522 9–519 9–525~~] as if the refiling were a continuation statement within the
14 meaning of chs. 401 to 411, except that the time period in par. (d) shall apply instead
15 of the time period in s. 409.403 (2) and (3) [~~9–515 9–522~~].

16 **History:** 1977 c. 29, 418; 1979 c. 89, 177, 223, 312, 355; Stats. 1979 s. 779.97; 1991 a. 39, 148, 304, 315; 1993 a. 70, 172, 214; 1995 a. 27, 201, 417.

16 **SECTION 150.** 779.97 (4) (b) 2. of the statutes is amended to read:

17 779.97 (4) (b) 2. If a certificate of release is presented to the department of
18 financial institutions for filing, the filing officer shall cause the certificate to be
19 marked, held and indexed in accordance with s. ~~409.404~~ 409.513 as if the certificate
20 were a termination statement within the meaning of chs. 401 to 411, and the filing
21 officer may remove the notice of federal lien and any related refiling of a notice of lien,
22 certificate of nonattachment, discharge or subordination from the files at any time
23 after receipt of the certificate of release, but the department of financial institutions
24 shall keep the certificate of release or a microfilm or other photographic record or

1 optical disk or electronic record of the certificate of release in a file, separate from
2 those containing currently effective notices of liens, for a period of 30 years after the
3 date of filing of the certificate of release.

History: 1977 c. 29, 418; 1979 c. 89, 177, 223, 312, 355; Stats. 1979 s. 779.97; 1991 a. 39, 148, 304, 315; 1993 a. 70, 172, 214; 1995 a. 27, 201, 417.

4 **SECTION 151.** 779.97 (4) (b) 3. of the statutes is amended to read:

5 779.97 (4) (b) 3. If a certificate of discharge is presented to the department of
6 financial institutions for filing, the filing officer shall cause the certificate to be
7 marked, held and indexed as if the certificate were a release of collateral within the
8 meaning of chs. 401 to 411.

History: 1977 c. 29, 418; 1979 c. 89, 177, 223, 312, 355; Stats. 1979 s. 779.97; 1991 a. 39, 148, 304, 315; 1993 a. 70, 172, 214; 1995 a. 27, 201, 417.

9 **SECTION 152.** 779.97 (4) (b) 4. of the statutes is amended to read:

10 779.97 (4) (b) 4. If a certificate of nonattachment or subordination of any lien
11 is presented to the department of financial institutions for filing, the filing officer
12 shall cause the certificate to be marked, held and indexed as if the certificate were
13 an amendment within the meaning of chs. 401 to 411.

History: 1977 c. 29, 418; 1979 c. 89, 177, 223, 312, 355; Stats. 1979 s. 779.97; 1991 a. 39, 148, 304, 315; 1993 a. 70, 172, 214; 1995 a. 27, 201, 417.

14 **SECTION 153.** 801.05 (7) (c) of the statutes is amended to read:

15 801.05 (7) (c) Following resale of tangible property in this state by the plaintiff
16 under ch. 409.

History: Sup. Ct. Order, 67 W (2d) 585, 592 (1975); 1975 c. 218; 1977 c. 105, 203, 418; 1979 c. 196; 1979 c. 352 s. 39; 1993 a. 112, 326, 486.

17 **SECTION 154.** 815.18 (2) (i) of the statutes is amended to read:

18 815.18 (2) (i) "Farm products" has the meaning given under s. ~~409.109 (3)~~
19 409.102 (1).

History: 1971 c. 154, 172; 1971 c. 211 s. 126; 1971 c. 229 s. 14; Sup. Ct. Order, 67 W (2d) 585, 761 (1975); 1975 c. 94 s. 91 (3), (5); 1975 c. 199; 1975 c. 359 s. 51; Stats. 1975 s. 815.18; 1979 c. 110 s. 60 (4); 1979 c. 191, 265, 355; 1985 a. 37; 1989 a. 56, 278, 359; 1991 a. 39, 221; 1993 a. 112, 399, 491; 1995 a. 27, 403; 1997 a. 39.

20 **SECTION 155.** 815.18 (2) (j) of the statutes is amended to read:

1 815.18 (2) (j) “Inventory” has the meaning given under s. ~~409.109 (4)~~ 409.102
2 (1).

History: 1971 c. 154, 172; 1971 c. 211 s. 126; 1971 c. 229 s. 14; Sup. Ct. Order, 67 W (2d) 585, 761 (1975); 1975 c. 94 s. 91 (3), (5); 1975 c. 199; 1975 c. 359 s. 51; Stats. 1975 s. 815.18; 1979 c. 110 s. 60 (4); 1979 c. 191, 265, 355; 1985 a. 37; 1989 a. 56, 278, 359; 1991 a. 39, 221; 1993 a. 112, 399, 491; 1995 a. 27, 403; 1997 a. 39.

3 **SECTION 156.** 818.02 (4) of the statutes is amended to read:

4 818.02 (4) Subsections (1) and (3) do not apply to any security agreement under
5 which the plaintiff claims a purchase money security interest as defined in ch. 409.

History: Sup. Ct. Order, 67 W (2d) 585, 758 (1975); Stats. 1975 s. 809.02; Sup. Ct. Order, 83 W (2d) xiiiv ((1978)); Stats. 1977 s. 818.02; 1979 c. 352; 1983 a. 447; 1985 a. 29; 1989 a. 121; 1993 a. 481, 486; 1995 a. 448.

6 **SECTION 157.** 893.36 (3) (b) of the statutes is amended to read:

7 893.36 (3) (b) “Collateral” has the meaning provided by s. ~~409.105 (1) (e)~~
8 409.102 (1).

History: 1979 c. 221 ss. 837m, 2204 (33) (b); 1983 a. 189 s. 329 (24).

9 **SECTION 158.** 893.36 (3) (c) of the statutes is amended to read:

10 893.36 (3) (c) “Debtor” has the meaning provided by s. ~~409.105 (1) (d)~~ 409.102
11 (1).

History: 1979 c. 221 ss. 837m, 2204 (33) (b); 1983 a. 189 s. 329 (24).

12 **SECTION 159.** 893.36 (3) (e) of the statutes is amended to read:

13 893.36 (3) (e) “Secured party” has the meaning provided by s. ~~409.105 (1) (L)~~
14 409.102 (1).

History: 1979 c. 221 ss. 837m, 2204 (33) (b); 1983 a. 189 s. 329 (24).

15 **SECTION 160.** 893.36 (3) (f) of the statutes is amended to read:

16 893.36 (3) (f) “Security agreement” has the meaning provided by s. ~~409.105 (1)~~
17 ~~(m)~~ 409.102 (1).

History: 1979 c. 221 ss. 837m, 2204 (33) (b); 1983 a. 189 s. 329 (24).

18 **SECTION 161.** 909.02 (9) of the statutes is amended to read:

19 909.02 (9) COMMERCIAL PAPER AND RELATED DOCUMENTS. Commercial paper,
20 signatures thereon, and documents relating thereto to the extent provided by chs.
21 401 to 411.

History: Sup. Ct. Order, 59 W (2d) R1, R340 (1973); Sup. Ct. Order, 67 W (2d) 585, viii (1975); 1975 c. 200; 1979 c. 89; Sup. Ct. Order, 158 W (2d) xxv (1990); 1991 a. 32, 148, 304, 315.

1 **SECTION 162. Effective date.** This act takes effect on July 1, 2001.

2 **(END)**