



WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

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CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

CLEARINGHOUSE RULE 01-122

AN ORDER to repeal chapter SS 3; and to create chapters DFI-CCS 1 to 7, relating to the uniform commercial code.

Submitted by **DEPARTMENT OF FINANCIAL INSTITUTIONS**

10-24-01 RECEIVED BY LEGISLATIVE COUNCIL.

11-20-01 REPORT SENT TO AGENCY.

RNS:RJC;jal;ksm

LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached YES NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached YES NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached YES NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS
[s. 227.15 (2) (e)]

Comment Attached YES NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached YES NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL
REGULATIONS [s. 227.15 (2) (g)]

Comment Attached YES NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

Comment Attached YES NO



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Comments

[NOTE: All citations to "Manual" in the comments below are to the Administrative Rules Procedures Manual, prepared by the Revisor of Statutes Bureau and the Legislative Council Staff, dated September 1998.]

1. Statutory Authority

a. In s. DFI-CCS 1.12 (1), under what authority does the department propose not refunding fee overpayments of less than \$2.00 and greater overpayments if a written request is not made?

b. It is noted that s. 227.01 (13) (a), Stats., excludes from the definition of a rule matters which concern the internal management of an agency and which do not affect private rights or interests. It is also noted that s. DFI-CCS 1.15 authorizes a filing officer to adopt practices and procedures for the filing of various Uniform Commercial Code (UCC) documents. It would appear that so long as those practices and procedures do not affect private rights or interests, they would not need to be promulgated as a rule. However, should those practices and procedures affect private rights or interests, it would appear that ch. 227, Stats., would require the promulgation of a rule for these practices and procedures.

2. Form, Style and Placement in Administrative Code

a. Since ch. SS 3 alphabetically follows the chapters with a DFI-CCS prefix, the material in SECTION 1 should be placed at the end of the rule.

b. In s. DFI-CCS 1.01 (19), "nonstandard" should replace "non standard."

c. In s. DFI-CCS 1.01 (28), it is suggested that the last phrase beginning after the semicolon could be better placed in a note to the rule.

d. In s. DFI-CCS 1.06 (1) to (3), "this method" is unclear. The title of these subsections is not a substantive part of the rule and therefore needs to be incorporated into the text.

e. The entire rule makes excessive use of capitalization. For example, see "Correction statement" in s. DFI-CCS 1.08 and "Termination Statement" in s. DFI-CCS 1.10 (2) (e). [See s. 1.01 (4), Manual.]

f. Throughout the rule, "shall" or "may" should be used to express duties and permissive actions, respectively. They should replace words like "cannot," "must," and "will." In s. DFI-CCS 2.01 (intro.), "may not do any" should replace "does none."

g. The "example" in s. DFI-CCS 2.03 (10), and elsewhere throughout the rule, should not be placed in parentheses. In addition, it appears that the term "you" should be changed to the term "an individual" or a similar term.

h. In s. DFI-CCS 2.08, is the phrase "and may not, in fact, have the resources to do so or to identify such defects" really necessary to the rule? If it is, it should be placed in a note to the rule as it seems to be more editorial comment or speculation rather than a substantive provision.

i. Throughout the rule, an appropriate article should be substituted for "such." For example, see ss. DFI-CCS 2.08 and 3.02 (1) (a). [See s. 1.01 (9) (c), Manual.]

j. In ch. DFI-CCS 3, it does not appear to be necessary to specify in the rule the particular parameters of the various data entry fields intended for the UCC information management system. It may not be advisable to do so. Every change in the computer program could necessitate a change in the administrative rules. The rules should be reviewed to determine whether these items need to be included in the rule.

k. In s. DFI-CCS 3.03 (1), (2) and (3), various examples of names, titles, and prefixes are included in the substantive provision of the rule. Examples are to be placed in a note or an "example" following the applicable rule provision. [See s. 1.09 (1), Manual.] The entirety of the rule should be reviewed for this incorrect use of examples in substantive provisions.

l. The definitions in s. DFI-CCS 3.14 should be placed in s. DFI-CCS 1.01.

m. It would appear that s. DFI-CCS 4.02 needs introductory material. An introductory sentence should be added that provides something to the effect of: "When a document is received, the following functions shall occur:"

n. In s. DFI-CCS 4.06, it appears that the semicolon should be replaced by a colon and the material thereafter should be separated into separate subsections of the provision.

o. In s. DFI-CCS 6.04, the "1." before "(1)" should be deleted.

p. In s. DFI-CCS 6.04 (2) (a), the subdivisions that identify the address of the UCC Section of the Department of Financial Institutions should be set off as a note following those provisions. There is no need to include the address in the substantive provision of the rule. It would be sufficient simply to say that the filings may be hand delivered to the applicable office, and the address for that office would be identified in a note. This comment also applies to s. DFI-CCS 6.06 (1).

q. The creation of ch. DFI-CCS 7 should be in SECTION 8 of the rule; there are currently two SECTIONS numbered 7.

r. It appears that the final sentence in s. DFI-CCS 7.09 (2) should actually be numbered as sub. (3).

s. The fiscal estimate attached to the rule is a fiscal estimate for 2001 Senate Bill 9. That bill is now Act 10. In addition, the rule should contain a fiscal estimate that applies to it and not the act upon which it is based.

t. SECTION 8 of the rule is unnecessary.

u. A separate effective date provision should be added to the rule. [See s. 1.02 (4), Manual.]

4. Adequacy of References to Related Statutes, Rules and Forms

a. In s. DFI-CCS 1.01 (7), why is the statutory reference in the definition of "file number" not a reference to s. 409.102 (1) (is), Stats.?

b. Does the definition of "filing office" in s. DFI-CCS 1.01 (9) comport with the description in s. 409.501 (1), Stats.?

c. In s. DIF-CCS 1.01 (27), can the "Uniform Commercial Code as adopted in this state" be cited with more specificity? Can specific statutes be cited?

d. In s. DFI-CCS 1.03, "this chapter" should replace "these rules." The entirety of the rules should be reviewed to correct instances of this type of error.

e. In s. DFI-CCS 1.06 (4) (a) 1., the term "rules" should be deleted. Also, "through DFI-CCS" should be replaced by "to."

f. In s. DFI-CCS 1.07, the first sentence, it appears, should contain a reference to the methods of delivery in s. DFI-CCS 1.06.

g. In s. DFI-CCS 1.10 (1) (g), the term "Subsection" should be deleted. In addition, the statutory references should be to "Stats." and not "Wis. Stats." Also, the reference to "501 (1) (a)" seems incomplete; there is no such statute.

h. Additionally, the second sentence refers to "59.43 (2) (e)." Is that a reference to a statute or rule? In the last sentence, the reference to s. DFI-CCS 1.10 (a) through (f) should simply be a reference to "pars. (a) through (f)."

i. In s. DFI-CCS 1.10 (2) (intro.), the reference to "s. DFI-CCS 1.10 (1)" should simply be a reference to "sub. (1)." This comment also applies to par. (d).

j. In s. DFI-CCS 2.03 (intro.), a phrase such as "in this chapter" or "in this section" should replace "herein."

k. In s. DFI-CCS 2.03 (1) (c) (intro.), the rule refers to "the following subparagraphs." The rule should refer to "the following subdivisions."

l. In s. DFI-CCS 2.03 (1) (d), the rule refers to "the agreement of August 1, 1997." What is this agreement and can a more apt cross-reference be provided?

m. In s. DFI-CCS 2.03 (3), what is an "organization number"?

n. In s. DFI-CS 4.02 (4), should "this chapter" replace "this section"?

o. In s. DFI-CCS 5.04 (4), the rule refers to the "Ending Noise Words list" as promulgated and adopted by the International Association of Corporation Administrators. Where can this list be found? The rule should contain a note identifying where this list can be found.

p. In s. DFI-CCS 6.02 (1) (b), the reference to "ch. 779.97 (5)" should be a reference to "s. 779.97 (5), Stats."

q. In s. DFI-CCS 6.03 (1) (intro.), the reference to "s. 109.09 (2) (b) (2), Stats.", should be to "s. 109.09 (2) (b) 2., Stats."

5. Clarity, Grammar, Punctuation and Use of Plain Language

a. The second phrase of s. DFI-CCS 1.01 (15) is unclear and should be clarified. Could the definition be written so that an "individual" means a human being, and includes a descendant?

b. In s. DFI-CCS 1.01 (17), the phrase "has the meaning of" should be replaced by the term "means."

c. Subdivisions 1. and 2. of s. DFI-CCS 1.01 (19) (a) are unclear. What are they modifying?

d. In s. DFI-CCS 1.01 (20), "that" should replace "who."

e. Section DFI-CCS 1.01 (24) could be simplified if, in the introductory paragraph, the material after the statutory cite were modified to read "which may include the following." Accordingly, the phrase "this may include" in both pars. (a) and (b) could be deleted.

f. In s. DFI-CCS 1.01 (25), the phrase "has the meaning of" should be replaced by the term "means."

g. In s. DFI-CCS 1.03, what are "usual and customary means"? Can this phrase be better defined or can examples be provided of what these means are?

h. In s. DFI-CCS 1.05, the term "a.m." should be inserted after "7:45" and the term "p.m." should be inserted after "4:30." In addition, the provision seems to imply that the offices are open different hours on state legal holidays. Is that the rule's intent?

i. In s. DFI-CCS 1.05, a parenthetical phrase is included in the last sentence. The rule should avoid the use of parenthetical expressions. [See s. 1.01 (6), Manual.] If the material is substantive and necessary to the rule, it should be set off by commas. If it is not substantive or not absolutely necessary for the rule, it can be placed in a note. The rule is replete with parenthetical expressions. The entirety of the rule should be reviewed to eliminate parenthetical expressions wherever they exist.

j. Several provisions of the rule discuss electronic filing of documents and electronic transmission of search requests. For example, see ss. DFI-CCS 1.06 (4) and 1.09. However, s. DFI-CCS 1.04 seems to prohibit this. These provisions should be reviewed for consistency.

k. In s. DFI-CCS 1.09 and throughout the rule, reference is made to "Department of Financial Institutions." However, the term "department" is defined in the rule and is a sufficient reference. This comment also applies to use of the undefined term "DFI" in s. DFI-CCS 6.04 (1) (intro.).

l. In s. DFI-CCS 1.10 (1) (e), the phrase "on half of the fee" appears. What does this phrase mean? In addition, the reference to "s. DFI-CCS 1.10 (1) (a)" can be simplified to a reference to "par. (a)." In the alternative, if the phrase is "one half," then "\$10.00" can replace everything after "be."

m. In s. DFI-CCS 1.10 (2) (intro.), the term "it" should be replaced by the term "the statement."

n. With respect to s. DFI-CCS 1.10 (2) (e), what is it an exception to? The paragraph should be redrafted, perhaps as a part of par. (d).

o. In s. DFI-CCS 1.10 (3) (c) (intro.), the sentence should begin: "The fee for copies" In the subdivisions that follow, the phrase "the fee" can be deleted, the word "for" can become the first word in each sentence, and a comma can replace "is." This comment also applies to par. (d).

p. In s. DFI-CCS 1.10 (3) (e) 1., does the CD-ROM contain images of all UCC documents filed or just those requested by the requester? The rule should be clarified.

q. In s. DFI-CCS 1.10 (4), the last sentence provides that there will be no reimbursement for processing termination statements. To whom will there be no reimbursement? The rule should be clarified.

r. The title to s. DFI-CCS 1.11 (4), and other parts of the rule, use slashed alternatives, such as "and/or." The rule should not use such terminology. [See s. 1.01 (9), Manual.]

s. Section DFI-CCS 1.11 (5) provides that additional approved forms of payment may be established by "department policy." Where will that be established and how will it be disseminated to the public? Will a rule be promulgated?

t. Section DFI-CCS 1.13 (1) uses the term "PDF form." If acronyms are to be used in the rule, they should be defined. [See s. 1.01 (8), Manual.]

u. In s. DFI-CCS 1.13, and consistently throughout the rule, the rule uses the passive voice in directing that certain things should be done. For example, throughout the rule, phrases such as "methods are available," "copies will be made available," and "name is treated" appear. The rule should use active voice when providing direction. Thus, a form "shall be available," "copies shall be made available" and a "name shall be treated." The entirety of the rule should be reviewed for consistent use of the active voice in providing the rule's directives. In addition, it should be clear in the rule who is being directed to do something.

v. Section DFI-CCS 1.15 refers to "Article 9." That term is not defined in the rule. What is Article 9? The rule should be clarified.

w. Section DFI-CCS 2.03 (intro.) is worded rather awkwardly. It is suggested that the first sentence be reworded substantially as follows: "A filing may be refused if it does not comply with any of the following requirements:". In addition, s. DFI-CCS 2.03 (intro.) is not really introductory material. Introductory material always ends in a colon and leads into the subunits and contains words like "all of the following." The entirety of the rule should be reviewed to ensure that introductory material is introductory and the appropriate end punctuation is provided.

x. Section DFI-CCS 2.03 (1) (a) uses the term "ASCII." That term is not defined. It should be.

y. Section DFI-CCS 2.03 purports to identify grounds for refusal of the UCC document. However, it does not appear that sub. (6), as drafted, is a ground for refusal.

z. In s. DFI-CCS 2.05 (1) and (2), the sentences do not appear to be complete. The reader is left to ask: "Not later than five business days from what?" This comment also applies to subs. (1) and (2) of s. DFI-CCS 2.06.

aa. In s. DFI-CCS 3.13, what does the phrase "but no action is then taken" mean? Does it mean that action is prohibited, or does it mean that action need not be taken but may be taken?

ab. In s. DFI-CCS 4.05, last sentence, should "or 30th" be inserted after "fifth"?

ac. In s. DFI-CCS 4.07, the first sentence should begin: "Correcting an error" The second sentence should be: "An error may be corrected by"

ad. Section DFI-CCS 5.04 should be preceded by the title "DFI-CCS".

ae. In s. DFI-CCS 5.04 (intro.), the phrase "and only the following rules" should be deleted.

af. In s. DFI-CCS 6.02 (2) (b), the second occurrence of the phrase ", if they wish," should be deleted.

ag. In s. DFI-CCS 6.03 (1) (a), the term "DFI agents" is not defined in the rule. Only defined terms should be used.

ah. In s. DFI-CCS 6.03 (1) (c), the term "These" should be replaced by the phrase "Wage claim liens."

ai. In s. DFI-CCS 6.03 (2) (a), and elsewhere throughout the rule, the rule fails to use complete sentences. Generally, rule provisions should be drafted as complete sentences. The entirety of the rule should be reviewed to ensure that complete sentences are used when necessary.

aj. In s. DFI-CCS 6.04 (1), "department" should replace "DFI." Also, "into" should replace "in to." In sub. (1) (d), "fee" should replace "fees."

ak. In s. DFI-CCS 6.04 (2) (e) 2., is the \$5.00 fee per page or per document? The rule should be clarified.

al. In s. DFI-CCS 7.01 (1) (a) and (b), the sentences should begin with a capital letter and end with a period. This comment also applies to s. DFI-CCS 7.02 (1) to (3).

am. Chapter DFI-CCS 7 repeatedly uses the term "land recording offices." What are these offices? The rule does not define them. It should.

an. In s. DFI-CCS 7.03 (3), "require" should replace "requires."

ao. Section DFI-CCS 7.03 (5) (a) and (b) should be written as complete sentences.

PROPOSED RULE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
DIVISION OF CORPORATE AND CONSUMER SERVICES

Analysis: To repeal ch. SS 3 and to create chs. DFI-CCS 1, 2, 3, 4, 5, 6 and 7; and to repeal emergency rules published and effective July 2, 2001. Statutory authority: 1995 Act 27 s. 9150 (2bt)(f), and ss. 227.24 (1), 227.11 (2) and 409.526, Stats. Summary: 2001 Act 10 repealed and recreated the Wisconsin Uniform Commercial Code ("UCC"), effective July 1, 2001. The act authorizes the Department of Financial Institutions to promulgate rules to implement the UCC. Without these rules, the department will be unable to give effect to the provisions of the UCC. The act is part of an effort by the National Conference of Commissioners on Uniform State Laws and all member states to implement a revised model Uniform Commercial Code on July 1, 2001 to facilitate interstate commerce with nation-wide uniformity in lien filings. The rules address general provisions, acceptance and refusal of documents, the information management system, filing and data entry procedures, search requests and reports, other notices of liens under the UCC, and realty-related filings. Agency person to be contacted for substantive questions and responsible for the agency's internal processing: Ray Allen, Administrator, Department of Financial Institutions, Division of Corporate and Consumer Services, tel. (608) 264-9566. Pursuant to the statutory authority referenced above, the Department of Financial Institutions, Division of Corporate and Consumer Services adopts the following:

SECTION 1: CHAPTER SS 3 is repealed. *alpha.*

SECTION 2: CHAPTER DFI-CCS 1 is created to read:

CHAPTER DFI- CCS 1

UNIFORM COMMERCIAL CODE SECTION

DFI-CCS 1.01 Definitions. In chs. DFI-CCS 1 to 6:

- (1) "Active filing" means a UCC document that has not reached the one-year anniversary of its lapse date.
- (2) "Amendment" means a UCC document that amends the information contained in a financing statement. Amendments include assignments, continuations and terminations.
- (3) "Assignment" means an amendment that assigns all or a part of a secured party's power to authorize an amendment to a financing statement.
- (4) "Continuation statement" has the meaning set forth in s. 409.102 (1) (gm), Stats.

(5) "Correction statement" filed under s. 409.518, Stats. means a UCC document that indicates that a financing statement is inaccurate or wrongfully filed.

(6) "Department" means the Department of ~~Financial Institutions~~.

in 409.102 (1)(13)
(7) "File number" has the meaning set forth in s. 409.519(2), Stats. 4

(8) "Filing agent of ~~Department of Financial Institutions~~" means any office duly authorized by the department to receive documents under ch. 409, Stats.

what about 409.501 (1)(a)?
(9) "Filing office" means the ~~Department of Financial Institutions~~ or a filing agent of the ~~Department of Financial Institutions~~. 4

(10) "Filing officer" means the Uniform Commercial Code Section of the Department of Financial Institutions.

(11) "Filing officer statement" means a statement of correction entered into the filing office's information management system to correct an error by the filing officer.

(12) "Financing statement" has the meaning set forth in s. 409.102(1)(jm), Stats.

(13) "Inactive filing" means a UCC record that has reached the first anniversary of its lapse date.

(14) "Index" means information that is entered into the filing office's information management system to create a means by which to retrieve filing information.

(15) "Individual" means a human being, or a decedent in the case of a debtor that is such decedent's estate. 5

(16) "Initial financing statement" means a UCC document containing the information required to be in an initial financing statement and that causes the filing office to establish the initial record of existence of a financing statement that does not identify itself as an amendment or identify an initial financing statement.

mean = ?
(17) "Lapse date" has the meaning of the expiration date for an initial financing statement set forth in s. 409.515, Stats. 5

(18) "Lapsed filing" means a UCC document that has reached its expiration date.

(19) "Non standard UCC filing" means any of the following: - *financial filing need to be done*

(a) The standard form to which is attached two or more of the UCC financing statement addendums or UCC financing statement amendment addendums set forth in s. 409.521, Stats. 5

1. In the case of an Initial Financing Statement "UCC Financing Statement" (UCC1) which includes any other writing other than on the "UCC Financing Statement Addendum" (UCC1Ad).

2. In the case of an Amendment "UCC Financing Statement Amendment" (UCC3): which includes any other writing other than on the "UCC Financing Statement Amendment Addendum" (UCC3Ad).

(b) The standard form to which is attached writings which are not set forth in s. 409.521, Stats.

(c) Any other writings, which do not conform to the standard forms, set forth in s. 409.521, Stats.

(20) "Organization" means a legal person ~~who~~ ^{that} is not an individual.

(21) "Remitter" means a person who tenders a UCC document to the filing officer for filing, whether the person is a filer or an agent of a filer responsible for tendering the document for filing. "Remitter" does not include a person responsible merely for the delivery of the document to the filing office, such as the postal service or a courier service, but does include a service provider who acts as a filer's representative in the filing process.

(22) "Secretary" means the Secretary of the Department of ~~Financial Institutions~~.

(23) "Secured party of record" has the meaning set forth in s. 409.511, Stats.

(24) "Standard UCC filing" means any writing presented to a filing officer for filing, which is presented on an 8 1/2 x 11 inch standard UCC form set forth in s. 409.521, Stats. which includes the following:

(a) On an "UCC Financing Statement" (UCC1), ~~this may include~~ the attachment of one "UCC financing statement addendum" (UCC1Ad). (5) X

(b) On an "UCC Financing Statement Amendment" (UCC3), ~~this may include~~ the attachment of "UCC Financing Statement Amendment Addendum" (UCC3Ad). X

(25) "Standard UCC form" ~~has the meaning~~ ^{means} of the forms set forth in s. 409.521, Stats. (5) X

(26) "Termination statement" has the meaning set forth in s. 409.102(1)(tm), Stats.

(27) "UCC" means the Uniform Commercial Code as adopted in this state. cite stats.

(28) "UCC document" means an initial financing statement, an amendment, an assignment, a continuation, a termination or a correction statement. The word "document" in the term "UCC document" shall not be deemed to refer exclusively to paper or paper-based writings; it being understood that UCC documents may be expressed or transmitted electronically or through media other than such writings. (2)

↳ explain in note ?

Note: This definition is used for the purpose of these rules only. The use of the term "UCC document" in these rules has no relation to the definition of the term "document" in s. 409.102 (1)(hg), Stats.

(29) "UCC index" means a compilation of all index information as set forth in s. 409.519, Stats.

DFI—CCS 1.02 Place to file. The filing office is the office for filing UCC documents relating to all types of collateral except for timber to be cut, as-extracted collateral as set forth in s. 409.102 (1)(bg), Stats. and, when the relevant financing statement is filed as a fixture filing, goods which are or are to become fixtures. Regardless of the nature of the collateral, the filing office is the office for filing all UCC documents where the debtor is a transmitting utility.

DFI—CCS 1.03 Filing office identification. In addition to the promulgation of these rules, the filing office will disseminate information of its location, mailing address, telephone numbers, and its Internet and other electronic "addresses" through usual and customary means.

DFI—CCS 1.04 Electronic mail. Electronic mail and facsimile cannot be used for filing UCC documents or for requesting searches of the records of financing statements.

DFI—CCS 1.05 Office hours. Office hours are 7:45^{am} until 4:30^{pm} Monday through Friday except for state legal holidays. The office receives transmissions electronically 24 hours per day, 365 days per year, except for scheduled maintenance and unscheduled interruptions of service. Electronic communications may be retrieved and processed periodically (but not less often than once each day the filing office is open for business) on a batch basis.

DFI—CCS 1.06 UCC document delivery. UCC documents may be tendered for filing at the filing office by any of the following:

(1) **PERSONAL DELIVERY AT THE FILING OFFICES' STREET ADDRESS.** The file time for a UCC document delivered by this method is the time that the UCC document is accepted for review by the filing office even though the UCC document may not yet have been accepted for filing and may subsequently be rejected. A UCC document delivered after regular business hours or on a day the filing office is not open for business will have a filing time of the start of business on the next day the filing office is open for business.

(2) **COURIER DELIVERY AT THE FILING OFFICES' STREET ADDRESS.** The file time for a UCC document delivered by this method is the time of delivery, even though the UCC document may not yet have been accepted for filing and may subsequently be rejected. A UCC document delivered after regular business hours or on a day the filing office is not open for business will have a filing time of the start of business on the next day the filing office is open for business.

(3) **POSTAL SERVICE DELIVERY.** The file time for a UCC document delivered by this method is the date and time of their actual arrival in the filing office, even though the UCC document may not yet have been accepted for filing and may subsequently be rejected. A UCC document delivered

Title not part of rule

this chapter

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3 get rule

after regular business hours or on a day the filing office is not open for business will have a filing time of the start of business on the next day the filing office is open for business.

(4) ELECTRONIC FILING. (a) When available UCC documents may be transmitted electronically by any of the following: *1.04 says they can't*

1. Using the XML standard approved by the International Association of Corporation Administrators as described *(?)* in rules ss. DFI—CCS 3.14 *(through)* DFI—CCS 3.21.

2. Transmitting a UCC document through data entry on the filing officer's Internet web page.

(b) The file time for a UCC document delivered by these methods is the time that the filing office's system analyzes the relevant transmission and determines that all the required elements of the transmission have been received in the required format and are machine-readable. *ref 1.06*

DFI—CCS 1.07 Search request delivery. UCC search requests may be delivered to the filing office by any of the means by which UCC documents may be delivered to the filing office. Requirements concerning search requests are set forth in s. DFI—CCS 5.02. UCC search requests upon a debtor named on an initial financing statement may be made by an appropriate indication on the face of the initial financing statement form if the form is entitled to be filed with the standard form fee and the relevant search fee is also tendered with the initial financing statement. *X*

DFI—CCS 1.08 Approved forms. The forms prescribed by s. 409.521, Stats. shall be accepted by the filing office. Forms approved by the International Association of Corporate Administrators and forms approved by the Department shall be accepted. When filing a Correction statement, the "UCC Correction Statement" form, UCC—5, *(must)* be used. Other forms will not be accepted by the filing office.

DFI—CCS 1.09 Form - UCC search. A form that meets the requirements regarding dimensions and location of information on the search form approved by the Department of Financial Institutions, or that is transmitted *(electronically)* in accordance with *(these rules)* will be acceptable. Other forms will not be accepted by the filing office. *1.04* *Dept.*

DFI—CCS 1.10 Fees.

(1) FILING FEES.

(a) The fee for filing and indexing a UCC standard filing communicated on paper or in a paper-based format on the standard form is \$20.00.

(b) The fee for filing and indexing a UCC non-standard filing communicated on paper or in a paper based format as defined in s. DFI—CCS 1.01(19)(a) is \$40.00.

(c) The fee for filing and indexing a UCC non-standard filing communicated on paper or in a paper based format as defined in s. DFI—CCS 1.01(19)(b) is \$60.00.

(d) The fee for filing and indexing a UCC non-standard filing communicated on paper or in a paper based format as defined in s. DFI—CCS 1.01(19)(c) is \$80.00.

(e) The fee for filing and indexing a UCC document communicated by a medium authorized by these rules which is other than on paper or in a paper-based format shall be on half of the fee established in s. DFI—CCS 1.10(1)(a). *for (a) first pay \$10*

(f) The fee for filing and indexing federal tax liens under s. 779.97, Stats. shall be \$10.00.

(g) This section does not apply to fees charged by a filing office described in Subsection s. 501(1)(a) Wis. Stats. A filing office described in 501(1)(a) shall charge fees in accordance with 59.43(2)(e) unless the filing office is described in s. 190.11 Wis. Stats, in which case the fees charged shall be in accordance with ~~s. DFI-CCS 1.10~~ (a) through (f). *sub*

(2) ADDITIONAL FEES. In addition to fees set forth in ~~s. DFI-CCS 1.10(1)~~ an additional fee shall be paid for statements that indicate that it is filed in connection with any of the following: *the statute*

(a) A fee of \$20.00 shall be paid for an initial financing statement that indicates that it is filed in connection with a public-finance transaction.

(b) A fee of \$20.00 shall be paid for an initial financing statement that indicates that it is filed in connection with a manufactured-home transaction.

(c) A fee of \$150.00 shall be paid for an initial financing statement that indicates that it is filed as a ~~Transmitting~~ Utility.

(d) The fee for filing and indexing all UCC ~~Amendments~~ or ~~Corrections~~ shall be as stated in s. ~~DFI-CCS 1.10(1)~~. *sub (1) → necessary?*

(e) ~~The only exception will be for Terminations.~~ There will be no fee for filing ~~Termination~~ Statements. *to what? rebruff.*

(3) UCC SEARCH FEES.

(a) The fee for a UCC search request communicated on paper or in a paper-based format is \$15.00.

(b) The fee for filing and indexing a UCC search request communicated by a medium authorized by these rules which is other than on paper or in a paper-based format shall be \$7.00.

(c) Copies of individual documents are as follows:

1. ~~The fee~~ for each page communicated by regular delivery method is \$2.00 per page. X
2. ~~The fee~~ for each page transmitted by ~~Fax~~ is \$2.00. X
3. ~~The fee~~ for UCC copies is \$1.00 per page (or page equivalent) for electronically transmitted search responses. X

(d) ^{the fee for} Direct access to the information management system is as follows: (5)

1. ~~The fee~~ for searches is \$3.00 per debtor name.
2. ~~The fee~~ for accessing images of filings is \$1.00 per page image.

(e) Fees for other services are as follows: ^{required docs will doc?}

1. Images of UCC documents on CD-ROM are \$200.00 per month. (5)
2. Monthly updates of the index of filings on CD-ROM are \$250.00 per month

(4) FILING AGENTS OF THE DEPARTMENT. With the exception of termination statements, agents of the department who have completed the training and have met the requirements established by the filing officer will retain \$10.00 from each paper filing processed by their office. The remainder of the filing fee will be sent to the Department, but not less than once a month. There will be no reimbursement for processing termination statements. (5)

to whom?
DFI—CCS 1.11 Methods of payment. Filing fees and fees for public records services may be paid by any of the following methods:

(1) CASH. Payment in cash shall be accepted.

(2) CHECKS. Checks made payable to the filing office, including checks in an amount to be filled in by a filing officer but not to exceed a particular amount, will be accepted for payment if they are cashier's checks, certified checks and other negotiable instruments made payable to the filing office through a depository institution located in the United States. () - def (5)

(3) ELECTRONIC FUNDS TRANSFER. The filing office may accept payment via electronic funds transfer under National Automated ClearingHouse Association ("NACHA") rules from remitters who have entered into appropriate NACHA-approved arrangements for such transfers and who authorize the relevant transfer pursuant to such arrangements and rules. (5)

(4) DEBIT CARDS AND/OR CREDIT CARDS. The Department may accept payment by debit/credit cards from a major card company approved by the department. Remitters shall provide the filing officer with the card number, the expiration date of the card, the name of the approved card issuer, the name of the person or entity to whom the card was issued and the billing address for the (5)

card. Payment will not be deemed tendered until the issuer or its agent has confirmed to the filing office that payment will be forthcoming.

(5) OTHER. Additional approved forms of payment may be established by Department policy.

DFI—CCS 1.12 Overpayment and underpayment policies.

(1) OVERPAYMENT. The filing officer shall refund an overpayment only if more than \$2.00 and only upon the written request of the remitter.

(2) UNDERPAYMENT. Upon receipt of a document with an insufficient fee, the filing officer shall return the documentation with a notice of deficiency as provided in s. DFI—CCS 2.06.

DFI—CCS 1.13 Public records services. The following methods are available for obtaining copies of UCC documents and copies of data from the UCC information management system.

(1) INDIVIDUALLY IDENTIFIED DOCUMENTS. Copies of individually identified UCC documents are available in paper or PDF form. Requests for individual documents may be delivered to the filing office by any of the means which UCC documents may be delivered.

(2) BULK COPIES OF DOCUMENTS. Bulk copies of UCC documents are available. Information on the media in which bulk copies will be made available can be obtained from the filing officer.

(3) DATA FROM THE INFORMATION MANAGEMENT SYSTEM. A list of available data elements from the UCC information management system, and the file layout of the data elements, is available from the filing officer upon request.

(a) *Full extract.* A bulk data extract of information from the UCC information management system or a bulk data extract and updates since the last full extract will be available on a weekly basis.

(b) *Update extracts.* Updates to the UCC information management system are available on a weekly basis.

(c) *Format.* Information on the format of extracts from the UCC information management system is available from the filing officer.

(4) DIRECT ON-LINE SERVICES. A description of on-line services is available from the filing officer regarding UCC data and images.

DFI—CCS 1.14 Fees for public records services. Fees for public records services are established in s. DFI—CCS 1.10.

DFI—CCS 1.15 New practices and technologies. The filing officer is authorized to adopt practices and procedures to accomplish receipt, processing, maintenance, retrieval and transmission

of, and remote access to, Article 9 filing data by means of electronic, voice and/or other technologies, and, without limiting the foregoing, to maintain and operate, in addition to or in lieu of a paper-based system, a non-paper-based Article 9 filing system utilizing any of such technologies. In developing and utilizing technologies and practices, the filing officer shall, to the greatest extent feasible, take into account compatibility and consistency with, and whenever possible be uniform with, technologies, practices, policies and regulations adopted in connection with Article 9 filing systems in other states.

SECTION 3: CHAPTER DFI—CCS 2 is created to read:

CHAPTER DFI—CCS 2

ACCEPTANCE AND REFUSAL OF DOCUMENTS

DFI—CCS 2.01 Role of filing officer. The duties and responsibilities of the filing officer with respect to the administration of the UCC are ministerial. In accepting for filing or refusing to file a UCC document pursuant to these rules, the filing officer does none of the following:

- (1) Determine the legal sufficiency or insufficiency of a document.
- (2) Determine that a security interest in collateral exists or does not exist.
- (3) Determine that information in the document is correct or incorrect, in whole or in part.
- (4) Create a presumption that information in the document is correct or incorrect, in whole or in part.

DFI—CCS 2.02 Duty to file. Provided that there is no ground to refuse acceptance of the document under s. DFI—CCS 2.03, a UCC document is filed upon its receipt by the filing officer with the filing fee, and the filing officer shall promptly assign a file number to the UCC document and index it in the information management system.

DFI—CCS 2.03 Grounds for refusal of UCC document. The following grounds are the sole grounds for the filing officer's refusal to accept a UCC document for filing. As used herein, the term "legible" is not limited to refer only to written expressions on paper. "Legible" also requires a machine-readable transmission for electronic transmissions and an otherwise readily decipherable transmission in other cases.

(1) REQUIRED FORMAT

(a) All information that will be indexed must be characters that appear on a standard computer keyboard. All information must be in ASCII Character set. Only A through Z, 0 (zero) through 9, and "&" will be considered searchable characters. All other characters will be treated as punctuation.

As the...

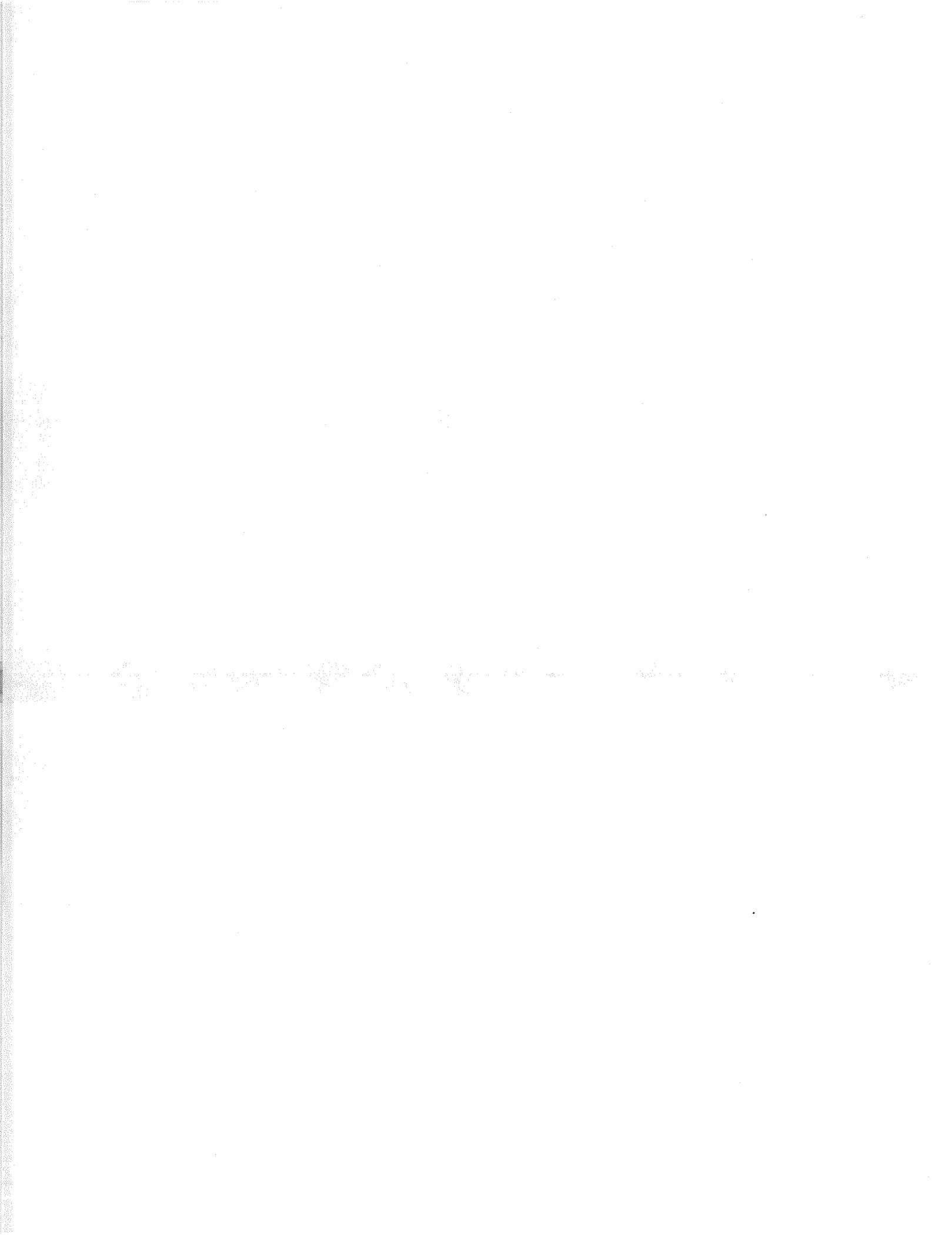
No def. (5)

instead of...

may not do any...

"May be returned if it does not comply with the requirements"

Ask (5)



(b) Filings must contain all information necessary for acceptance, must be clearly identified, and must be labeled in a manner readily apparent to the filing officer.

(c) The documentation must be headed by one of the titles listed in the following subparagraphs, indicating that it should be filed in that UCC index category, or is accompanied by a writing to be filed as part of the filing, instructing the filing officer that it should be filed under one of the following UCC index category titles:

1. Financing Statement.
2. Amendment.
3. Termination.
4. Continuation.
5. Assignment.
6. Correction.

(d) Federal tax liens set forth in s. 779.97, Stats. must be headed by one of the titles listed below and the filing officer will index them according to the agreement of August 1, 1997

1. Original Notice of Federal Tax Lien.
2. Corrected Notice of Federal Tax Lien.
3. Refiled Notice of Federal Tax Lien.
4. Refiled Notice of Federal Tax Lien From Other Districts.
5. Certificate of Discharge.
6. Certificate of Subordination.
7. Certificate of Nonattachment.
8. Revocation of Certificate of Nonattachment.
9. Certificate of Release of Federal Tax Liens.
10. Partial Certificate of Release of Federal Tax Lien.
11. Self-Released Notice of Federal Tax Lien.

- 12. Revocation of Certificate of Release of Federal Tax Lien.
- 13. Notice of Erroneously Filed Notice of Federal Tax Lien.
- 14. Partial Notice of Erroneously Filed Notice of Federal Tax Lien.
- 15. Notice of Inadvertently Filed Notice of Federal Tax Lien.
- 16. Withdrawal of Filed Notice of Federal Tax Lien.
- 17. Partial withdrawal of Filed Notice of Federal Tax Lien.

(2) DEBTOR NAME AND ADDRESS. An initial financing statement or an amendment that adds a debtor shall be refused if the document fails to include a legible debtor name and address for a debtor, in the case of an initial financing statement, or for the debtor added in the case of such an amendment. If the document contains more than one debtor name or address and some names or addresses are missing or illegible, the filing officer shall index the legible name and address pairings, and provide a notice to the remitter containing the file number of the document, identification of the debtor name(s) that was (were) indexed and a statement that debtors with illegible or missing names or addresses were not indexed.

passive

(3) ADDITIONAL DEBTOR IDENTIFICATION. An initial financing statement or an amendment adding one or more debtors shall be refused if the document fails to identify whether each named debtor (or each added debtor in the case of such an amendment) is an individual or an organization, if the last name of each individual debtor is not identified, or if, for each debtor identified as an organization, the document does not include in legible form the organizations type, state of organization and organization number (if it has one) or a statement that it does not have one.

what is this?

(4) SECURED PARTY NAME AND ADDRESS. An initial financing statement, an amendment that adds a secured party of record, or an assignment, shall be refused if the document fails to include a legible secured party (or assignee in the case of an assignment) name and address. If the document contains more than one secured party (or assignee) name or address and some names or addresses are missing or illegible, the filing officer shall refuse the UCC document.

grand

(5) LACK OF IDENTIFICATION OF INITIAL FINANCING STATEMENT. A UCC document other than an initial financing statement shall be refused if the document does not provide a file number of a financing statement in the UCC information management system that has not lapsed.

This is not a grand to assign

(6) IDENTIFYING INFORMATION. A UCC document that does not identify itself as an amendment or identify an initial financing statement to which it relates, as required by ss. 409.512, 409.514 or 409.518, Stats., is an initial financing statement.