

Senate Bill 74

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CHAPTER 51

AN ACT to amend 59.51 (11), 115.09 (8) (d), 214.13 (4), 401.206 (1), 402.725 (2), 403.118 (2) and (3) and 404.106; to repeal and recreate 272.26 and 401.110; and to create 401.206 (3) and 409.401 (5) of the statutes, relating to the uniform commercial code and related statutes.

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

SECTION 1. 59.51 (11) of the statutes is amended to read:

59.51 (11) File, indorse, enter and index all documents pertaining to security interests in personal property, crops or fixtures which are required or authorized by law to be filed with him. These documents shall be executed on white or light colored sheets of paper, 8 or 8½ inches wide and 5, 7, 10½ or 14 inches long. Whenever there is offered for filing any document which varies more than one-eighth of an inch from the approved size, then in addition to the regular filing fee an additional filing fee shall be charged by such register of deeds, as prescribed by s. 59.57. No assignment, release or other instrument shall be offered for filing which is executed or indorsed on any other document, but each shall be a separate and distinct document, excepting those assignments or notices thereof printed or written on and immediately following the original agreement or financing statement, offered for filing at the same time, shall be considered as one document. All these documents shall be legibly written, and shall have the names of the debtor and secured party plainly printed or typed thereon and

shall provide a space for filing data of the register of deeds on the outside of said document.

SECTION 2. 115.09 (8) (d) of the statutes is amended to read:

115.09 (8) (d) Upon repayment of the loan in full mark indelibly every ~~paper obligation, other than a security agreement, signed by the borrower with the word "Paid" or "Canceled" and execute and deliver a written release of any mortgage, which has been recorded, cancel and return any note. When there is no outstanding secured obligation such licensee shall restore any pledge, cancel and return any note, mortgage, assignment or other document given by the borrower as security or as evidence of indebtedness, cancel and return any security agreement given to him by the borrower and file a termination statement terminating any filed financing statement.~~ *obligation, other than a security agreement, signed by the borrower with the word "Paid" or "Canceled" and release any mortgage, cancel and return any note. When there is no outstanding secured obligation such licensee shall restore any pledge, cancel and return any note, mortgage, assignment or other document given by the borrower as security or as evidence of indebtedness, cancel and return any security agreement given to him by the borrower and file a termination statement terminating any filed financing statement.*

SECTION 3. 214.13 (4) of the statutes is amended to read:

214.13 (4) Upon repayment of the loan in full, mark indelibly every obligation ~~and security, other than a security agreement, signed by the borrower with the word "Paid" or "Canceled," and release any mortgage, cancel and return any note. When there is no outstanding secured obligation, such licensee shall restore any pledge, cancel and return any note, and cancel and return any assignment, cancel and return any security agreement given to him by the borrower and file a termination statement terminating any filed financing statement given to the licensee by the borrower;~~ *and security, other than a security agreement, signed by the borrower with the word "Paid" or "Canceled," and release any mortgage, cancel and return any note. When there is no outstanding secured obligation, such licensee shall restore any pledge, cancel and return any note, and cancel and return any assignment, cancel and return any security agreement given to him by the borrower and file a termination statement terminating any filed financing statement given to the licensee by the borrower;*

SECTION 4. 272.26 of the statutes is repealed and recreated to read:

272.26 EQUITIES SOLD. When personal property is subject to a security interest, the right and interest of the debtor in such property may be sold on execution against him, subject to the rights, if any, of the secured party.

SECTION 5. 401.110 of the statutes is repealed and recreated to read:

401.110 EFFECTIVE DATE; PROVISION FOR TRANSITION.

(1) This code applies to transactions entered into and events occurring on and after July 1, 1965.

(a) Transactions validly entered into before July 1, 1965, and the rights, duties and interests flowing from them remain valid thereafter and may be terminated, completed, consummated or enforced as required or permitted by any statute amended or repealed by chapter 158, laws of 1963, as though such repeal or amendment had not occurred.

(b) Paragraph (a) shall not apply to the perfection of a security interest, as defined in s. 401.201 (37) and however denominated in any law repealed by chapter 158, laws of 1963, which was perfected on July 1, 1965:

1. By a filing, refiling or recording under a law repealed by chapter 158, laws of 1963, which required a further filing, refiling or recording to continue its perfection. Such security interest shall continue until and lapse on the date provided by the law so repealed for such further filing, refiling or recording;

2. By a filing, refiling or recording under a law repealed by chapter 158, laws of 1963, which required no further filing, refiling or recording to continue its perfection. Such security interest shall continue until and lapse on June 30, 1966;

3. Without any filing, refiling or recording, and for the perfection of which the filing of a financing statement would be required if this code

applied. Such security interest shall continue until and lapse on June 30, 1966.

(2) The security interests perfected as specified in sub. (1) (b) shall not lapse on the dates provided in such subsection if a continuation statement is filed by the secured party at any time on or after July 1, 1965, and before the perfection of the security interest would otherwise lapse. Any such continuation statement must be signed by the secured party, identify the security agreement, statement or notice, state the office where filed and the date of the last filing, refiling or recording and the filing number, if any, or book and page or reel and image, if any, of recording. Such statement shall state whether such security agreement, statement or notice is still effective. Such continuation statement shall be filed as provided in s. 409.401. To the extent that s. 409.403 (3) does not conflict with this subsection, such section shall apply to filing such continuation statement.

(3) The perfection of a security interest, however, denominated in any law repealed by chapter 158, laws of 1963, which was perfected on July 1, 1965, by a filing, refiling or recording under a law repealed by chapter 158, laws of 1963, and for the perfection of which, if this code applied, no filing of a financing statement would be required, continues under this code.

(4) A security interest, however denominated in any law repealed by chapter 158, laws of 1963, which was not perfected on July 1, 1965, which could have been perfected before July 1, 1965, by a filing, refiling or recording under a law repealed by chapter 158, laws of 1963, and if this code applied, could be perfected by the filing of a financing statement under this code, may be perfected by the filing of a financing statement under this code.

(5) A security interest, however denominated in any law repealed by chapter 158, laws of 1963, which was not perfected on July 1, 1965, but which could have been perfected before such date by the secured party's taking possession of the collateral under a law repealed by chapter 158, laws of 1963, and which, if this code applied, could be perfected by the secured party's taking possession of the collateral, may be perfected by the secured party's taking possession of the collateral under this code.

(6) For the purpose of effecting an orderly transition from the pre-code filing system to the filing system of this code, filing officers shall, commencing June 1, 1965, accept financing statements for filing as if the code were in effect; but all such statements filed prior to July 1, 1965, shall be deemed to have been executed and filed at 12:01 a.m. on July 1, 1965.

SECTION 6. 401.206 (1) of the statutes is amended to read:

401.206 (1) Except in the cases described in sub. (2) a contract for the sale of personal property *for the price of \$5,000 or more* is not enforceable by way of action or defense ~~beyond \$5,000 in amount or value of remedy~~ unless there is some writing which indicates that a contract for sale has been made between the parties at a defined or stated price, reasonably identifies the subject matter, and is signed by the party against whom enforcement is sought or by his authorized agent.

SECTION 7. 401.206 (3) of the statutes is created to read:

401.206 (3) A contract which, but for sub. (1) would be enforceable, is enforceable:

(a) If the party against whom enforcement is sought admits in his pleading, testimony or otherwise in court that a contract for sale was made, but the contract is not enforceable under sub. (1) beyond the quantity or extent of personal property admitted; or

(b) With respect to personal property for which payment has been made and accepted or which has been received and accepted.

SECTION 8. 402.725 (2) of the statutes is amended to read:

402.725 (2) A cause of action accrues when the breach occurs, regardless of the aggrieved party's lack of knowledge of the breach. A breach of warranty occurs when tender of delivery is made, except that:

(a) Where a warranty explicitly extends to future performance of the goods and discovery of the breach must await the time of such performance the cause of action accrues when the breach is or should have been discovered, and

(b) *The warranty of quiet possession under s. 402.312 (1) (c) is breached when possession is disturbed.*

SECTION 9. 403.118 (2) and (3) of the statutes are amended to read:

403.118 (2) Handwritten terms control typewritten and printed terms, and typewritten control printed, *except that figures imprinted by means of a special protective device such as, by way of example and not of enumeration, a check-writing machine, shall control handwritten, typewritten and other printed words or figures.*

(3) Words control figures except that if the words are ambiguous figures control, *except that figures imprinted by means of a special protective device such as, by way of example and not of enumeration, a check-writing machine, shall control handwritten, typewritten and other printed words or figures.*

SECTION 10. 404.106 of the statutes is amended to read:

404.106 A branch or separate office of a bank ~~maintaining its own deposit ledgers~~ is a separate bank for the purpose of computing the time within which and determining the place at or to which action may be taken or notices or orders shall be given under this chapter and under ch. 403.

SECTION 11. 409.401 (5) of the statutes is created to read:

409.401 (5) In this section:

(a) A foreign corporation which is authorized to transact business in this state is deemed a resident of this state,

(b) The residence of a debtor which is a corporation is the county in which the registered office of the corporation is located, and

(c) Designation in the security agreement of a principal place of business of a debtor shall be controlling unless manifestly unreasonable.

Approved May 12, 1965.