

By COMMITTEE ON JUDICIARY

FILED MAR 19 1974  
*See Rep. Mem 3/27, Pass 4/24*

Passed Senate, Date 3-27-73 (1036) Passed House, Date 4-26-74 (2164)

Vote: Ayes 45 Nays 0 Vote: Ayes 82 Nays 6

Approved 6-3-74

*Passed per House amendment as amended  
4-29-74 (1701)*

*Motion to reconsider lost 4/26  
Repassed per Senate amendment 4/30 (2225)*

45-2

80-12

**A BILL FOR** *Motion to reconsider lost*

1 An Act amending the Uniform Commercial Code and making co-  
2 ordinating amendments relating to security interests,  
3 securities depositories, sales contracts, rights of  
4 buyers, warranties, commercial paper, bank deposits and  
5 collections, letters of credit, and warehouseman's liens,  
6 establishing effective dates and transition provisions,  
7 and imposing a penalty.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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DIVISION 1

1  
2 Section 1. Section five hundred fifty-four point one  
3 thousand two hundred one (554.1201), subsection thirty-seven  
4 (37), Code 1973, is amended to read as follows:

5 37. "Security interest" means an interest in personal  
6 property or fixtures which secures payment or performance  
7 of an obligation. The retention or reservation of title by  
8 a seller of goods notwithstanding shipment or delivery to  
9 the buyer (section 554.2401) is limited in effect to a reserva-  
10 tion of a "security interest". The term also includes any  
11 interest of a buyer of accounts, chattel paper, or contract  
12 rights which is subject to Article 9. The special property  
13 interest of a buyer of goods on identification of such goods  
14 to a contract for sale under section 554.2401 is not a "se-  
15 curity interest", but a buyer may also acquire a "security  
16 interest" by complying with Article 9. Unless a lease or  
17 consignment is intended as security, reservation of title  
18 thereunder is not a "security interest" but a consignment  
19 is in any event subject to the provisions on consignment sales  
20 (section 554.2326). Whether a lease is intended as security  
21 is to be determined by the facts of each case; however, (a)  
22 the inclusion of an option to purchase does not of itself  
23 make the lease one intended for security, and (b) an agree-  
24 ment that upon compliance with the terms of the lease the  
25 lessee shall become or has the option to become the owner  
26 of the property for no additional consideration or for a  
27 nominal consideration does make the lease one intended for  
28 security. ~~The term also includes any interest of an owner~~  
29 ~~of farm products whose possession is entrusted to a person~~  
30 ~~engaged in farming operations.~~

31 Sec. 2. Section five hundred fifty-four point two thou-  
32 sand four hundred three (554.2403), subsection two (2), Code  
33 1973, is amended to read as follows:

34 2. Any entrusting of possession of goods to a merchant  
35 who deals in goods of that kind gives him power to transfer

1 all rights of the entruster to a buyer in ordinary course  
2 of business. ~~However, any entrusting of farm products to~~  
3 ~~a person engaged in farming operations shall not give the~~  
4 ~~farmer the power to transfer all rights of the entruster to~~  
5 ~~a buyer in the ordinary course of business if the entruster~~  
6 ~~perfects a security interest as provided in Article 9.~~

7 Sec. 3. Section five hundred fifty-four point nine thou-  
8 sand one hundred two (554.9102), subsection two (2), Code  
9 1973, is amended to read as follows:

10 2. This Article applies to security interests created  
11 by contract including pledge, assignment, chattel mortgage,  
12 chattel trust, trust deed, factor's lien, equipment trust,  
13 conditional sale, trust receipt, ~~bailment~~, other lien or title  
14 retention contract and lease or consignment intended as  
15 security. This Article does not apply to statutory liens  
16 except as provided in section 554.9310.

17 Sec. 4. Section five hundred fifty-four point nine thou-  
18 sand three hundred seven (554.9307), subsection one (1), Code  
19 1973, is amended to read as follows:

20 1. A buyer in ordinary course of business (subsection  
21 9 of section 554.1201) other than a person buying farm products  
22 ~~subject to a perfected security interest~~ from a person en-  
23 gaged in farming operations takes free of a security interest  
24 created by his seller even though the security interest is  
25 perfected and even though the buyer knows of its existence.

26 Sec. 5. Section five hundred fifty-four point eight thou-  
27 sand one hundred two (554.8102), Code 1973, is amended by  
28 striking subsection three (3) and inserting in lieu thereof  
29 the following:

30 3. A "clearing corporation" is a corporation

31 a. At least ninety percent of the capital stock of which  
32 is held by or for one or more persons, other than individuals,  
33 each of whom

34 (1) is subject to supervision or regulation pursuant to  
35 the provisions of federal or state banking laws or state in-

1 surance laws, or

2 (2) is a broker or dealer or investment company registered  
3 under the Securities Exchange Act of 1934 (forty-eight (48)  
4 Stat. eight hundred eighty-one (881); fifteen (15) U.S.C.  
5 sec. seventy-eight a (78a) et seq.) or the Investment Company  
6 Act of 1940 (fifty-four (54) Stat. seven hundred eighty-nine  
7 (789); fifteen (15) U.S.C. sec. eighty a dash one (80a-1)  
8 et seq.) or

9 (3) is a national securities exchange or association  
10 registered under a statute of the United States such as the  
11 Securities Exchange Act of 1934, and none of whom, other than  
12 a national securities exchange or association, holds in ex-  
13 cess of twenty percent of the capital stock of such corpora-  
14 tion; and

15 b. Any remaining capital stock of which is held by in-  
16 dividuals who have purchased such capital stock at or prior  
17 to the time of their taking office as directors of such cor-  
18 poration and who have purchased only so much of such capital  
19 stock as may be necessary to permit them to qualify as such  
20 directors.

21 Sec. 6. Chapter five hundred twenty-four (524), Code 1973,  
22 is amended by adding the following new section:

23 NEW SECTION. A bank, either acting as a fiduciary or  
24 holding securities as a managing agent or custodian, including  
25 a custodian for a fiduciary, may deposit securities in a  
26 federally regulated clearing corporation as provided in section  
27 seven (7) of this Act, and in addition may deposit securities,  
28 the principal and interest of which the United States or any  
29 United States department, agency, or instrumentality either  
30 has agreed to pay or has guaranteed, in a federal reserve bank.

31 The records of a depositing bank at all times must identify  
32 the persons on whose behalf securities have been deposited  
33 in a federal reserve bank. An interest in deposited securities  
34 may be transferred by entry on the books of the federal re-  
35 serve bank without physical delivery of the securities. A

1 depositing bank is subject to rules and regulations adopted  
2 by the superintendent of banking, with respect to state banks,  
3 and by the comptroller of the currency, with respect to na-  
4 tional banking associations. On demand by the owner, a bank  
5 acting as a managing agent or as a custodian shall identify  
6 in writing the securities deposited in a federal reserve bank  
7 for the account of the owner. On demand by any party to the  
8 accounting of a bank acting as a fiduciary, the bank shall  
9 identify in writing the securities deposited in a federal  
10 reserve bank for its account as fiduciary.

11 This section applies regardless of the date of the agree-  
12 ment, instrument, or court order under which the bank was  
13 appointed.

14 Sec. 7. Chapter six hundred thirty-three (633), Code 1973,  
15 is amended by adding the following new section:

16 NEW SECTION. POWER OF FIDUCIARY OR CUSTODIAN TO DEPOSIT  
17 SECURITIES. A fiduciary as defined in section six hundred  
18 thirty-three point three (633.3), subsection seventeen (17),  
19 of the Code, holding securities, and a bank as defined in  
20 section five hundred twenty-four point one hundred three  
21 (524.103), subsection five (5) of the Code, which is holding  
22 securities as a managing agent or as a custodian, including  
23 a custodian for a fiduciary, may deposit securities in a  
24 federally regulated clearing corporation, as defined in section  
25 five hundred fifty-four point eight thousand one hundred two  
26 (554.8102), subsection three (3), of the Code, which is located  
27 within or without the state of Iowa. A depositing bank is  
28 subject to rules and regulations adopted by the superintendent  
29 of banking, with respect to state banks, and by the comptroller  
30 of the currency, with respect to national banking associations.

31 Certificates representing deposited securities of the same  
32 class of the same issuer may merge securities deposited by  
33 a fiduciary, or by a bank acting as a managing agent or  
34 custodian, with securities deposited by any other person and  
35 may be held in the name of the clearing corporation or its

1 nominee. The records of a depositing fiduciary and a  
2 depositing bank acting as a managing agent or custodian at  
3 all times must identify the persons on whose behalf securities  
4 have been deposited. Title to deposited securities may be  
5 transferred by entry on the books of a clearing corporation  
6 without physical delivery of the securities.

7 On demand by the owner, a bank depositing securities in  
8 a clearing corporation as a managing agent or as a custodian  
9 shall identify in writing the securities so deposited. On  
10 demand by any party to the accounting of a fiduciary, the  
11 fiduciary shall identify in writing the securities deposited  
12 in a clearing corporation for its account as fiduciary.

13 This section applies regardless of the date of the agree-  
14 ment, instrument, or court order under which the fiduciary  
15 or bank was appointed.

16 Sec. 8. EFFECTIVE DATE.

17 1. Division one (1) of this Act, sections one (1) through  
18 eight (8), the Iowa amendments to the Uniform Commercial Code  
19 pertaining to entrusting of farm products, and to securities  
20 depositories, and related amendments, shall become effective  
21 at 12:01 a.m. on July 1, 1974.

22 2. Security interests in farm products whose possession  
23 is entrusted to a person engaged in farming operations, which  
24 were filed as provided by this chapter prior to July 1, 1974,  
25 remain effective for their original term and may have their  
26 effectiveness continued, subject to the provisions of  
27 subsection five (5) of section five hundred fifty-four point  
28 eleven thousand one hundred five (554.11105) of the Code.  
29 Notwithstanding sections one (1) through nine (9) of this  
30 Act, an owner of farm products whose possession is entrusted  
31 to a person engaged in farming operations may create an Article  
32 nine (9) security interest in the farm products, with respect  
33 to the obligation of the person engaged in farming operations.

34 DIVISION 2

35 Sec. 9. Section one hundred thirty-five D point twenty-

1 six (135D.26), Code 1973, is amended to read as follows:

2 135D.26 CONVERSION TO REAL PROPERTY. No mobile home shall  
3 be assessed for property tax nor be eligible for homestead  
4 tax credit or military service tax credit unless:

5 1. The mobile home owner intends to convert his mobile  
6 home to real estate and does so by:

7 a. Attaching his ~~unencumbered~~ mobile home to a permanent  
8 foundation on real estate owned by him. ~~Encumbered-mobile~~  
9 ~~homes-shall-not-be-converted-to-real-property.~~

10 b. Destruction or modification of the vehicular frame  
11 rendering it impossible to reconvert the real property thus  
12 created to a mobile home.

13 c. If a lien is noted on the certificate of title,  
14 tendering to the secured party a mortgage on the real estate  
15 upon which the mobile home is to be located in the unpaid  
16 amount of the secured debt, and with the same priority as  
17 or a higher priority than the secured party's lien, or  
18 obtaining written consent of the secured party to the  
19 conversion.

20 2. After ~~converting-a-mobile-home-to-real-estate~~ comply-  
21 ing with the provisions of subsection one (1) of this section,  
22 the owner shall notify the assessor who shall inspect the  
23 new premises for compliance ~~with-the-provisions-of-this-sec-~~  
24 ~~tion-and-if.~~ If a lien is noted on the certificate of title,  
25 the assessor shall require an affidavit, as defined in sec-  
26 tion six hundred twenty-two point eighty-five (622.85) of  
27 the Code, from the mobile home owner, declaring that the owner  
28 has complied with paragraph c of subsection one (1) of this  
29 section, and shall send notice of the proposed conversion  
30 to the secured party by regular mail not less than ten days  
31 before the conversion becomes effective. When the mobile  
32 home is properly converted, the assessor shall then collect  
33 the mobile home vehicle title, registration, and license  
34 plates from the owner and enter the property upon the tax rolls.

35 Sec. 10. Section three hundred twenty-one point fifty

1 (321.50), Code 1973, is amended by adding the following new  
2 subsection:

3 NEW SUBSECTION. Upon request of any person, the county  
4 treasurer shall issue his certificate showing whether there  
5 are, on the date and hour stated therein, any liens noted  
6 on a particular vehicle's certificate of title, and the names  
7 and addresses of each secured party whose lien is noted  
8 thereon. The uniform fee for a certificate shall be two  
9 dollars if the request for the certificate is on a form  
10 conforming to standards prescribed by the secretary of state;  
11 otherwise, three dollars.

12 Sec. 11. Section five hundred fifty-four point one thou-  
13 sand one hundred five (554.1105), subsection two (2), Code  
14 1973, is amended to read as follows:

15 2. Where one of the following provisions of this chapter  
16 specifies the applicable law, that provision governs and a  
17 contrary agreement is effective only to the extent permitted  
18 by the law (including the conflict of laws rules) so specified:

19 Rights of creditors against sold goods. Section 554.2402.  
20 Applicability of the Article on Bank Deposits and Collec-  
21 tions. Section 554.4102.

22 Bulk transfers subject to the Article on Bulk Transfers.  
23 Section 554.6102.

24 Applicability of the Article on Investment Securities.  
25 Section 554.8106.

26 ~~Policy and scope~~ Perfection provisions of the Article on  
27 Secured Transactions. ~~Sections 554.9402 and~~ section 554.9103.

28 Sec. 12. Section five hundred fifty-four point one thou-  
29 sand two hundred one (554.1201), subsections nine (9) and  
30 twelve (12), and subsection thirty-seven (37) as amended by  
31 section one (1) of this Act, are further amended to read as follows:

32 9. "Buyer in ordinary course of business" means a per-  
33 son who in good faith and without knowledge that the sale  
34 to him is in violation of the ownership rights or security  
35 interest of a third party in the goods buys in ordinary course

1 from a person in the business of selling goods of that kind  
2 but does not include a pawnbroker. All persons who sell  
3 minerals or the like (including oil and gas) at wellhead or  
4 minehead shall be deemed to be persons in the business of  
5 selling goods of that kind. "Buying" may be for cash or by  
6 exchange of other property or on secured or unsecured credit  
7 and includes receiving goods or documents of title under a  
8 pre-existing contract for sale but does not include a transfer  
9 in bulk or as security for or in total or partial satisfaction  
10 of a money debt.

11 12. "Creditor" includes a general creditor, a secured  
12 creditor, a lien creditor and any representative of creditors,  
13 including an assignee for the benefit of creditors, a trustee  
14 in bankruptcy, a receiver in equity and ~~a legal representa-~~  
15 ~~tive of a decedent's or incompetent's estate~~ an executor or  
16 administrator of an insolvent debtor's or assignor's estate.

17 37. "Security interest" means an interest in personal  
18 property or fixtures which secures payment or performance  
19 of an obligation. The retention or reservation of title by  
20 a seller of goods notwithstanding shipment or delivery to  
21 the buyer (section 554.2401) is limited in effect to a reserva-  
22 tion of a "security interest". The term also includes any  
23 interest of a buyer of accounts, or chattel paper, or contract  
24 rights which is subject to Article 9. The special property  
25 interest of a buyer of goods on identification of such goods  
26 to a contract for sale under section 554.2401 is not a  
27 "security interest", but a buyer may also acquire a "security  
28 interest" by complying with Article 9. Unless a lease or  
29 consignment is intended as security, reservation of title  
30 thereunder is not a "security interest" but a consignment  
31 is in any event subject to the provisions on consignment sales  
32 (section 554.2326). Whether a lease is intended as security  
33 is to be determined by the facts of each case; however, (a)  
34 the inclusion of an option to purchase does not of itself  
35 make the lease one intended for security, and (b) an agreement

1 that upon compliance with the terms of the lease the lessee  
2 shall become or has the option to become the owner of the  
3 property for no additional consideration or for a nominal  
4 consideration does not make the lease one intended for  
5 security.

6 Sec. 13. Chapter five hundred fifty-four (554), Article  
7 one (1), Code 1973, is amended by adding the following new  
8 section following section five hundred fifty-four point one  
9 thousand two hundred eight (554.1208):

10 NEW SECTION. 554.1209 SUBORDINATED OBLIGATIONS. An  
11 obligation may be issued as subordinated to payment of an-  
12 other obligation of the person obligated, or a creditor may  
13 subordinate his right to payment of an obligation by agree-  
14 ment with either the person obligated or another creditor  
15 of the person obligated. Such a subordination does not create  
16 a security interest as against either the common debtor or  
17 a subordinated creditor. This section shall be construed  
18 as declaring the law as it existed prior to the enactment  
19 of this section and not as modifying it.

20 Sec. 14. Section five hundred fifty-four point two thou-  
21 sand one hundred seven (554.2107), subsections one (1) and  
22 two (2), Code 1973, are amended to read as follows:

23 1. A contract for the sale of ~~timber~~, minerals or the  
24 like (including oil and gas) or a structure or its materials  
25 to be removed from realty is a contract for the sale of goods  
26 within this Article if they are to be severed by the seller  
27 but until severance a purported present sale thereof which  
28 is not effective as a transfer of an interest in land is  
29 effective only as a contract to sell.

30 2. A contract for the sale apart from the land of grow-  
31 ing crops or other things attached to realty and capable of  
32 severance without material harm thereto but not described  
33 in subsection 1 or of timber to be cut is a contract for the  
34 sale of goods within this Article whether the subject matter  
35 is to be severed by the buyer or by the seller even though

1 it forms part of the realty at the time of contracting, and  
2 the parties can by identification effect a present sale before  
3 severance.

4 Sec. 15. Section five hundred fifty-four point two thou-  
5 sand two hundred seven (554.2207), subsection two (2), Code  
6 1973, is amended to read as follows:

7 2. The additional ~~ex-different~~ terms are to be construed  
8 as proposals for addition to the contract. Between merchants  
9 such terms become part of the contract unless:

10 a. the offer expressly limits acceptance to the terms  
11 of the offer;

12 b. they materially alter it; or

13 c. notification of objection to them has already been  
14 given or is given within a reasonable time after notice of  
15 them is received.

16 Sec. 16. Section five hundred fifty-four point two thou-  
17 sand three hundred eighteen (554.2318), Code 1973, is amended  
18 by striking the section and inserting in lieu thereof the  
19 following:

20 554.2318 THIRD PARTY BENEFICIARIES OR WARRANTIES EXPRESS  
21 OR IMPLIED. A seller's warranty whether express or implied  
22 extends to any person who may reasonably be expected to use,  
23 consume or be affected by the goods and who is injured by  
24 breach of the warranty. A seller may not exclude or limit  
25 the operation of this section with respect to injury to the  
26 person of an individual to whom the warranty extends.

27 Sec. 17. Section five hundred fifty-four point two thou-  
28 sand five hundred two (554.2502), subsection one (1), Code  
29 1973, is amended to read as follows:

30 1. Subject to subsection 2 and even though the goods have  
31 not been shipped a buyer who has paid a part or all of the  
32 price of goods in which he has a special property under the  
33 provisions of the immediately preceding section may on mak-  
34 ing and keeping good a tender of any unpaid portion of their  
35 price recover them from the seller if the seller ~~is-inset-~~

1 ~~vent-at-the-time-of-receipt-of-the-first-installment-on-their~~  
2 ~~price-or~~ becomes insolvent within ten days ~~thereafter~~ after  
3 receipt of the first installment on their price.

4 Sec. 18. Section five hundred fifty-four point two thou-  
5 sand five hundred thirteen (554.2513), subsection two (2),  
6 Code 1973, is amended to read as follows:

7 2. ~~Unless-otherwise-agreed-expenses~~ Expenses of inspec-  
8 tion must be borne by the buyer but may be recovered from  
9 the seller if the goods do not conform and are rejected.

10 Sec. 19. Section five hundred fifty-four point two thou-  
11 sand six hundred sixteen (554.2616), Code 1973, is amended  
12 by adding the following new subsection following subsection  
13 two (2):

14 NEW SUBSECTION. 3. The provisions of this section may  
15 not be negated by agreement except insofar as the seller has  
16 assumed a greater obligation under the preceding section.

17 Sec. 20. Section five hundred fifty-four point two thou-  
18 sand seven hundred two (554.2702), subsection three (3), Code  
19 1973, is amended to read as follows:

20 3. The seller's right to reclaim under subsection 2 is  
21 subject to the rights of a buyer in ordinary course or other  
22 good faith purchaser ~~or-lien-creditor~~ under this Article  
23 (section 554.2403). Successful reclamation of goods excludes  
24 all other remedies with respect to them.

25 Sec. 21. Section five hundred fifty-four point three  
26 thousand one hundred three (554.3103), subsection one (1),  
27 Code 1973, is amended to read as follows:

28 1. This Article does not apply to money, documents of  
29 title or investment securities as-defined-in-section-554.8102.

30 Sec. 22. Section five hundred fifty-four point three  
31 thousand six hundred four (554.3604), Code 1973, is amended  
32 by striking subsection four (4).

33 Sec. 23. Section five hundred fifty-four point four thou-  
34 sand one hundred two (554.4102), subsection two (2), Code  
35 1973, is amended to read as follows:

1 2. The liability of a bank for action or nonaction with  
2 respect to any item handled by it for purposes of present-  
3 ment, payment or collection is governed by the law of the  
4 place where the bank is located. In the case of action or  
5 nonaction by or at a branch or separate office of a bank,  
6 its liability is governed by the law of the place where the  
7 branch or separate office is located.

8 Sec. 24. Section five hundred fifty-four point four thou-  
9 sand one hundred six (554.4106), Code 1973, is amended to  
10 read as follows:

11 554.4106 SEPARATE OFFICE OF A BANK. A branch or separate  
12 office of a bank is a separate bank for the purpose of com-  
13 puting the time within which and determining the place at  
14 or to which action may be taken or notices or orders shall  
15 be given under this Article and under Article 3.

16 Sec. 25. Section five hundred fifty-four point four thou-  
17 sand three hundred one (554.4301), subsection one (1), para-  
18 graph b, Code 1973, is amended to read as follows:

19 b. sends written notice of dishonor or nonpayment if the  
20 item is held for protest or is otherwise unavailable for re-  
21 turn; and the item or notice includes the reason for dishonor  
22 or nonpayment.

23 Sec. 26. Section five hundred fifty-four point five thou-  
24 sand one hundred sixteen (554.5116), subsection two (2), un-  
25 numbered paragraph one (1), Code 1973, is amended to read  
26 as follows:

27 2. Even though the credit specifically states that it  
28 is nontransferable or nonassignable the beneficiary may be-  
29 fore performance of the conditions of the credit assign his  
30 right to proceeds. Such an assignment is an assignment of  
31 ~~a-contract-right~~ an account under Article 9 on Secured Trans-  
32 actions and is governed by that Article except that

33 Sec. 27. Section five hundred fifty-four point seven  
34 thousand two hundred nine (554.7209), subsection three (3),  
35 Code 1973, is amended to read as follows:

1 3. a. A warehouseman's lien for charges and expenses  
2 under subsection 1 or a security interest under subsection  
3 2 is also effective against any person who so entrusted the  
4 bailor with possession of the goods that a pledge of them  
5 by him to a good faith purchaser for value would have been  
6 valid but is not effective against a person as to whom the  
7 document confers no right in the goods covered by it under  
8 section 554.7503.

9 b. A warehouseman's lien on household goods for charges  
10 and expenses in relation to the goods under subsection one  
11 (1) is also effective against all persons if the depositor  
12 was the legal possessor of the goods at the time of deposit.  
13 "Household goods" means furniture, furnishings and personal  
14 effects used by the depositor in a dwelling.

15 Sec. 28. The Code editor shall change the title of Article  
16 nine (9) of the Uniform Commercial Code, chapter five hundred  
17 fifty-four (554), Code 1973, to read as follows:

18 ARTICLE 9

19 SECURED TRANSACTIONS; SALES OF

20 ACCOUNTS AND CHATTEL PAPER

21 Sec. 29. Section five hundred fifty-four point nine thou-  
22 sand one hundred two (554.9102), title and subsection one  
23 (1), Code 1973, are amended to read as follows:

24 554.9102 POLICY AND SCOPE SUBJECT MATTER OF ARTICLE.

25 1. Except as otherwise provided ~~in-section-554-9103-on~~  
26 ~~multiple-state-transactions-and~~ in section 554.9104 on ex-  
27 cluded transactions, this Article applies ~~se-far-as-concerns~~  
28 ~~any-personal-property-and-fixtures-within-the-jurisdiction~~  
29 ~~of-this-state~~

30 a. to any transaction (regardless of its form) which is  
31 intended to create a security interest in personal property  
32 or fixtures including goods, documents, instruments, gen-  
33 eral intangibles, chattel paper, or accounts ~~or-contract~~  
34 ~~rights~~; and also

35 b. to any sale of accounts, ~~contract-rights~~ or chattel

1 paper.

2 Sec. 30. Section five hundred fifty-four point nine thou-  
3 sand one hundred three (554.9103), Code 1973, is amended by  
4 striking the section and inserting in lieu thereof the fol-  
5 lowing:

6 554.9103 PERFECTION OF SECURITY INTERESTS IN MULTIPLE  
7 STATE TRANSACTIONS

8 1. DOCUMENTS, INSTRUMENTS AND ORDINARY GOODS.

9 a. This subsection applies to documents and instruments  
10 and to goods other than those covered by a certificate of  
11 title described in subsection two (2), mobile goods described  
12 in subsection three (3), and minerals described in subsec-  
13 tion five (5).

14 b. Except as otherwise provided in this subsection, per-  
15 fection and the effect of perfection or nonperfection of a  
16 security interest in collateral are governed by the law of  
17 the jurisdiction where the collateral is when the last event  
18 occurs on which is based the assertion that the security in-  
19 terest is perfected or unperfected.

20 c. If the parties to a transaction creating a purchase  
21 money security interest in goods in one jurisdiction under-  
22 stand at the time that the security interest attaches that  
23 the goods will be kept in another jurisdiction, then the law  
24 of the other jurisdiction governs the perfection and the ef-  
25 fect of perfection or nonperfection of the security interest  
26 from the time it attaches until thirty days after the debtor  
27 receives possession of the goods and thereafter if the goods  
28 are taken to the other jurisdiction before the end of the  
29 thirty-day period.

30 d. When collateral is brought into and kept in this state  
31 while subject to a security interest perfected under the law  
32 of the jurisdiction from which the collateral was removed,  
33 the security interest remains perfected, but if action is  
34 required by Part three (3) of this Article to perfect the  
35 security interest,

1 (i) if the action is not taken before the expiration of  
2 the period of perfection in the other jurisdiction or the  
3 end of four months after the collateral is brought into this  
4 state, whichever period first expires, the security interest  
5 becomes unperfected at the end of that period and is there-  
6 after deemed to have been unperfected as against a person  
7 who became a purchaser after removal;

8 (ii) if the action is taken before the expiration of the  
9 period specified in subparagraph (i), the security interest  
10 continues perfected thereafter;

11 (iii) for the purpose of priority over a buyer of con-  
12 sumer goods, section five hundred fifty-four point nine thou-  
13 sand three hundred seven (554.9307), subsection two (2), the  
14 period of the effectiveness of a filing in the jurisdiction  
15 from which the collateral is removed is governed by the rules  
16 with respect to perfection in subparagraphs (i) and (ii).

17 2. CERTIFICATE OF TITLE.

18 a. This subsection applies to goods covered by a cer-  
19 tificate of title issued under a statute of this state or  
20 of another jurisdiction under the law of which indication  
21 of a security interest on the certificate is required as a  
22 condition of perfection.

23 b. Except as otherwise provided in this subsection, per-  
24 fection and the effect of perfection or nonperfection of the  
25 security interest are governed by the law (including the con-  
26 flict of laws rules) of the jurisdiction issuing the certi-  
27 ficate until four months after the goods are removed from  
28 that jurisdiction and thereafter until the goods are regis-  
29 tered in another jurisdiction, but in any event not beyond  
30 surrender of the certificate. After the expiration of that  
31 period, the goods are not covered by the certificate of title  
32 within the meaning of this section.

33 c. Except with respect to the rights of a buyer described  
34 in the next paragraph, a security interest, perfected in an-  
35 other jurisdiction otherwise than by notation on a certifi-

1 cate of title, in goods brought into this state and there-  
2 after covered by a certificate of title issued by this state  
3 is subject to the rules stated in subsection one (1), para-  
4 graph d.

5 d. If goods are brought into this state while a security  
6 interest therein is perfected in any manner under the law  
7 of the jurisdiction from which the goods are removed and a  
8 certificate of title is issued by this state and the certi-  
9 ficate does not show that the goods are subject to the se-  
10 curity interest or that they may be subject to security in-  
11 terests not shown on the certificate, the security interest  
12 is subordinate to the rights of a buyer of the goods who is  
13 not in the business of selling goods of that kind to the ex-  
14 tent that he gives value and receives delivery of the goods  
15 after issuance of the certificate and without knowledge of  
16 the security interest.

17 3. ACCOUNTS, GENERAL INTANGIBLES AND MOBILE GOODS.

18 a. This subsection applies to accounts (other than an  
19 account described in subsection five (5) on minerals) and  
20 general intangibles and to goods which are mobile and which  
21 are of a type normally used in more than one jurisdiction,  
22 such as motor vehicles, trailers, rolling stock, airplanes,  
23 shipping containers, road building and construction machinery  
24 and commercial harvesting machinery and the like, if the goods  
25 are equipment or are inventory leased or held for lease by  
26 the debtor to others, and are not covered by a certificate  
27 of title described in subsection two (2).

28 b. The law (including the conflict of laws rules) of the  
29 jurisdiction in which the debtor is located governs the per-  
30 fection and the effect of perfection or nonperfection of the  
31 security interest.

32 c. If, however, the debtor is located in a jurisdiction  
33 which is not a part of the United States, and which does not  
34 provide for perfection of the security interest by filing  
35 or recording in that jurisdiction, the law of the jurisdic-

1 tion in the United States in which the debtor has its major  
2 executive office in the United States governs the perfection  
3 and the effect of perfection or nonperfection of the security  
4 interest through filing. In the alternative, if the debtor  
5 is located in a jurisdiction which is not a part of the United  
6 States or Canada and the collateral is accounts or general  
7 intangibles for money due or to become due, the security in-  
8 terest may be perfected by notification to the account debtor.  
9 As used in this paragraph, "United States" includes its ter-  
10 ritories and possessions and the Commonwealth of Puerto Rico.

11 d. A debtor shall be deemed located at his place of busi-  
12 ness if he has one, at his chief executive office if he has  
13 more than one place of business, otherwise at his residence.  
14 If, however, the debtor is a foreign air carrier under the  
15 Federal Aviation Act of 1958, as amended, it shall be deemed  
16 located at the designated office of the agent upon whom ser-  
17 vice of process may be made on behalf of the foreign air car-  
18 rier.

19 e. A security interest perfected under the law of the  
20 jurisdiction of the location of the debtor is perfected un-  
21 til the expiration of four months after a change of the  
22 debtor's location to another jurisdiction, or until perfec-  
23 tion would have ceased by the law of the first jurisdiction,  
24 whichever period first expires. Unless perfected in the new  
25 jurisdiction before the end of that period, it becomes un-  
26 perfected thereafter and is deemed to have been unperfected  
27 as against a person who became a purchaser after the change.

28 4. CHATTEL PAPER. The rules stated for goods in subsec-  
29 tion one (1) apply to a possessory security interest in chat-  
30 tel paper. The rules stated for accounts in subsection three  
31 (3) apply to a nonpossessory security interest in chattel  
32 paper, but the security interest may not be perfected by no-  
33 tification to the account debtor.

34 5. MINERALS. Perfection and the effect of perfection  
35 or nonperfection of a security interest which is created by

1 a debtor who has an interest in minerals or the like (in-  
2 cluding oil and gas) before extraction and which attaches  
3 thereto as extracted, or which attaches to an account re-  
4 sulting from the sale thereof at the wellhead or minehead  
5 are governed by the law (including the conflict of laws rules)  
6 of the jurisdiction wherein the wellhead or minehead is lo-  
7 cated.

8 Sec. 31. Section five hundred fifty-four point nine  
9 thousand one hundred four (554.9104), Code 1973, is amended  
10 to read as follows:

11 554.9104 TRANSACTIONS EXCLUDED FROM ARTICLE. This Article  
12 does not apply

13 a. to a security interest subject to any statute of the  
14 United States such as the Ship Mortgage Act, 1920, to the  
15 extent that such statute governs the rights of parties to  
16 and third parties affected by transactions in particular types  
17 of property; or

18 b. to a landlord's lien; or

19 c. to a lien given by statute or other rule of law for  
20 services or materials except as provided in section 554.9310  
21 on priority of such liens; or

22 d. to a transfer of a claim for wages, salary or other  
23 compensation of an employee; or

24 e. to ~~an equipment trust covering railway rolling stock~~  
25 a transfer by a government or governmental subdivision or  
26 agency; or

27 f. to a sale of accounts, ~~contract rights~~ or chattel paper  
28 as part of a sale of the business out of which they arose,  
29 or an assignment of accounts, ~~contract rights~~ or chattel paper  
30 which is for the purpose of collection only, or a transfer  
31 of a ~~contract~~ right to payment under a contract to an assignee  
32 who is also to do the performance under the contract or a  
33 transfer of a single account to an assignee in whole or partial  
34 satisfaction of a preexisting indebtedness; or

35 g. to a transfer of an interest or claim in or under any

1 policy of insurance, except as provided with respect to  
2 proceeds (section five hundred fifty-four point nine thousand  
3 three hundred six (554.9306)) and priorities in proceeds  
4 (section five hundred fifty-four point nine thousand three  
5 hundred twelve (554.9312)); or

6 h. to a right represented by a judgment (other than a  
7 judgment taken on a right to payment which was collateral);  
8 or

9 i. to any right of setoff; or

10 j. except to the extent that provision is made for fix-  
11 tures in section 554.9313, to the creation or transfer of  
12 an interest in or lien on real estate, including a lease or  
13 rents thereunder; or

14 k. to a transfer in whole or in part of ~~any-of-the-fol-~~  
15 ~~lowing: any claim arising out of tort; any-deposit,-savings,~~  
16 ~~passbook-or-like-account-maintained-with-a-bank,-savings-and~~  
17 ~~loan-association,-credit-union-or-like-organization, or~~

18 l. to a transfer of an interest in any deposit account  
19 (subsection one (1) of section five hundred fifty-four point  
20 nine thousand one hundred five (554.9105), except as provided  
21 with respect to proceeds (section five hundred fifty-four  
22 point nine thousand three hundred six (554.9306) and priorities  
23 in proceeds (section five hundred fifty-four point nine thou-  
24 sand three hundred twelve (554.9312)).

25 Sec. 32. Section five hundred fifty-four point nine thou-  
26 sand one hundred five (554.9105), subsections one (1) and  
27 two (2), Code 1973, are amended to read as follows:

28 1. In this Article unless the context otherwise requires:

29 a. "Account debtor" means the person who is obligated  
30 on an account, chattel paper, ~~contract-right~~ or general  
31 intangible;

32 b. "Chattel paper" means a writing or writings which  
33 evidence both a monetary obligation and a security interest  
34 in or a lease of specific goods, but a charter or other con-  
35 tract involving the use or hire of a vessel is not chattel

1 paper. When a transaction is evidenced both by such a secur-  
2 ity agreement or a lease and by an instrument or a series  
3 of instruments, the group of writings taken together  
4 constitutes chattel paper;

5 c. "Collateral" means the property subject to a security  
6 interest, and includes accounts, ~~contract-rights~~ and chattel  
7 paper which have been sold;

8 d. "Debtor" means the person who owes payment or other  
9 performance of the obligation secured, whether or not he owns  
10 or has rights in the collateral, and includes the seller of  
11 accounts, ~~contract-rights~~ or chattel paper. Where the debtor  
12 and the owner of the collateral are not the same person, the  
13 term "debtor" means the owner of the collateral in any  
14 provision of the Article dealing with the collateral, the  
15 obligor in any provision dealing with the obligation, and  
16 may include both where the context so requires;

17 e. "Deposit account" means a demand, time, savings,  
18 passbook or like account maintained with a bank, savings and  
19 loan association, credit union or like organization, other  
20 than an account evidenced by a certificate of deposit;

21 e f. "Document" means document of title as defined in  
22 the general definitions of Article 1 (section 554.1201), and  
23 a receipt of the kind described in subsection two (2) of  
24 section five hundred fifty-four point seven thousand two  
25 hundred one (554.7201);

26 g. "Encumbrance" includes real estate mortgages and other  
27 liens on real estate and all other rights in real estate that  
28 are not ownership interests;

29 f h. "Goods" include all things which are movable at the  
30 time the security interest attaches or which are fixtures  
31 (section 554.9313), but ~~does~~ do not include money, documents,  
32 instruments, accounts, chattel paper, general intangibles,  
33 ~~contract-rights-and-other-things-in-action~~ or minerals or  
34 the like (including oil and gas) before extraction. "Goods"  
35 also include standing timber which is to be cut and removed

1 under a conveyance or contract for sale, the unborn young  
2 of animals and growing crops;

3 § i. "Instrument" means a negotiable instrument (defined  
4 in section 554.3104), or a security (defined in section  
5 554.8102) or any other writing which evidences a right to  
6 the payment of money and is not itself a security agreement  
7 or lease and is of a type which is in ordinary course of  
8 business transferred by delivery with any necessary endorse-  
9 ment or assignment;

10 j. "Mortgage" means a consensual interest created by a  
11 real estate mortgage, a trust deed on real estate, or the  
12 like;

13 k. An advance is made "pursuant to commitment" if the  
14 secured party has bound himself to make it, whether or not  
15 a subsequent event of default or other event not within his  
16 control has relieved or may relieve him from his obligation.

17 h l. "Security agreement" means an agreement which creates  
18 or provides for a security interest;

19 ± m. "Secured party" means a lender, seller or other  
20 person in whose favor there is a security interest, including  
21 a person to whom accounts, ~~contract rights~~ or chattel paper  
22 have been sold. When the holders of obligations issued under  
23 an indenture of trust, equipment trust agreement or the like  
24 are represented by a trustee or other person, the  
25 representative is the secured party.

26 n. "Transmitting utility" means any person primarily  
27 engaged in the railroad, street railway or trolley bus  
28 business, the electric or electronics communications trans-  
29 mission business, the transmission of goods by pipeline, or  
30 the transmission or the production and transmission of  
31 electricity, steam, gas or water, or the provision of sewer  
32 service.

33 2. Other definitions applying to this Article and the  
34 sections in which they appear are:

35 "Account". Section 554.9106.

1 "Attach". Section five hundred fifty-four point nine  
2 thousand two hundred three (554.9203).

3 "Construction mortgage". Section five hundred fifty-four  
4 point nine thousand three hundred thirteen (554.9313), sub-  
5 section one (1).

6 "Consumer goods". Section 554.9109(1).  
7 ~~"Contract-right".--Section-554.9106.~~

8 "Equipment". Section 554.9109(2).  
9 "Farm products". Section 554.9109(3).  
10 "Fixture". Section five hundred fifty-four point nine  
11 thousand three hundred thirteen (554.9313).

12 "Fixture filing". Section five hundred fifty-four point  
13 nine thousand three hundred thirteen (554.9313).

14 "General intangibles". Section 554.9106.  
15 "Inventory". Section 554.9109(4).  
16 "Lien creditor". Section 554.9301(3).  
17 "Proceeds". Section 554.9306(1).  
18 "Purchase money security interest". Section 554.9107.  
19 "United States". Section five hundred fifty-four point  
20 nine thousand one hundred three (554.9103).

21 Sec. 33. Section five hundred fifty-four point nine  
22 thousand one hundred six (554.9106), Code 1973, is amended  
23 to read as follows:

24 554.9106 DEFINITIONS: ~~"ACCOUNT"--"CONTRACT-RIGHT"--~~  
25 "GENERAL INTANGIBLES". "Account" means any right to payment  
26 for goods sold or leased or for services rendered which is  
27 not evidenced by an instrument or chattel paper; ~~"Contract~~  
28 ~~right"--means-any-right-to-payment-under-a-contract-not-yet~~  
29 ~~earned-by-performance-and-not-evidenced-by-an-instrument-or~~  
30 ~~chattel-paper~~ , whether or not it has been earned by  
31 performance. "General intangibles" means any personal prop-  
32 erty (including things in action) other than goods, accounts,  
33 ~~contract-rights~~, chattel paper, documents and , instruments,  
34 and money. All rights to payment earned or unearned under  
35 a charter or other contract involving the use or hire of a

1 vessel and all rights incident to the charter or contract  
2 are accounts.

3 Sec. 34. Chapter five hundred fifty-four (554), Article  
4 nine (9), Part one (1), Code 1973, is amended by adding the  
5 following new section following section five hundred fifty-  
6 four point nine thousand one hundred thirteen (554.9113):

7 NEW SECTION. 554.9114. CONSIGNMENT.

8 1. A person who delivers goods under a consignment which  
9 is not a security interest and who would be required to file  
10 under this Article by section five hundred fifty-four point  
11 two thousand three hundred twenty-six (554.2326), subsection  
12 three (3), paragraph c, has priority over a secured party  
13 who is or becomes a creditor of the consignee and who would  
14 have a perfected security interest in the goods if they were  
15 the property of the consignee, and also has priority with  
16 respect to identifiable cash proceeds received on or before  
17 delivery of the goods to a buyer, if

18 a. the consignor complies with the filing provision of  
19 the Article on Sales with respect to consignments (section  
20 five hundred fifty-four point two thousand three hundred  
21 twenty-six (554.2326), subsection three (3), paragraph c,) and  
22 before the consignee receives possession of the goods; and

23 b. the consignor gives notification in writing to the  
24 holder of the security interest if the holder has filed a  
25 financing statement covering the same types of goods before  
26 the date of the filing made by the consignor; and

27 c. the holder of the security interest receives the notifi-  
28 cation within five years before the consignee receives pos-  
29 session of the goods; and

30 d. the notification states that the consignor expects  
31 to deliver goods on consignment to the consignee, describing  
32 the goods by item or type.

33 2. In the case of a consignment which is not a security  
34 interest and in which the requirements of the preceding sub-  
35 section have not been met, a person who delivers goods to

1 another is subordinate to a person who would have a perfected  
2 security interest in the goods if they were the property of  
3 the debtor.

4 Sec. 35. Section five hundred fifty-four point nine  
5 thousand two hundred three (554.9203), Code 1973, is amended  
6 by amending the title to read as follows:

7 554.9203 ~~ENFORCEABILITY~~ ATTACHMENT AND ENFORCEABILITY  
8 OF SECURITY INTEREST--PROCEEDS, FORMAL REQUISITES.

9 Sec. 36. Section five hundred fifty-four point nine thou-  
10 sand two hundred three (554.9203), Code 1973, is amended by  
11 striking subsection one (1), and inserting in lieu thereof  
12 the following, and renumbering the remaining subsection:

13 1. Subject to the provisions of section five hundred  
14 fifty-four point four thousand two hundred eight (554.4208)  
15 on the security interest of a collecting bank and section  
16 five hundred fifty-four point nine thousand one hundred  
17 thirteen (554.9113) on a security interest arising under the  
18 Article on Sales, a security interest is not enforceable  
19 against the debtor or third parties with respect to the  
20 collateral and does not attach unless

21 a. the collateral is in the possession of the secured  
22 party pursuant to agreement, or the debtor has signed a  
23 security agreement which contains a description of the  
24 collateral and in addition, when the security interest covers  
25 crops growing or to be grown or timber to be cut, a descrip-  
26 tion of the land concerned; and

27 b. value has been given; and

28 c. the debtor has rights in the collateral.

29 2. A security interest attaches when it becomes enforce-  
30 able against the debtor with respect to the collateral.

31 Attachment occurs as soon as all of the events specified in  
32 subsection one (1) have taken place unless explicit agree-  
33 ment postpones the time of attaching.

34 3. Unless otherwise agreed a security agreement gives  
35 the secured party the rights to proceeds provided by sec-

1 tion five hundred fifty-four point nine thousand three hun-  
2 dred six (554.9306).

3 Sec. 37. Section five hundred fifty-four point nine  
4 thousand two hundred four (554.9204), Code 1973, is amended  
5 by amending the title to read as follows:

6 554.9204 ~~WHEN-SECURITY-INTEREST-ATTACHES--AFTER-ACQUIRED~~  
7 AFTER-ACQUIRED PROPERTY--FUTURE ADVANCES.

8 Sec. 38. Section five hundred fifty-four point nine  
9 thousand two hundred four (554.9204), Code 1973, is amended  
10 by striking subsections one (1) through four (4), and inserting  
11 in lieu thereof the following:

12 1. Except as provided in subsection two (2), a security  
13 agreement may provide that any or all obligations covered  
14 by the security agreement are to be secured by after-acquired  
15 collateral.

16 2. No security interest attaches under an after-acquired  
17 property clause to consumer goods other than accessions  
18 (section five hundred fifty-four point nine thousand three  
19 hundred fourteen (554.9314)) when given as additional security  
20 unless the debtor acquires rights in them within ten days  
21 after the secured party gives value.

22 Sec. 39. Section five hundred fifty-four point nine  
23 thousand two hundred four (554.9204), subsection five (5),  
24 Code 1973, is amended to read as follows:

25 5 3. Obligations covered by a security agreement may  
26 include future advances or other value whether or not the  
27 advances or value are given pursuant to commitment (section  
28 five hundred fifty-four point nine thousand one hundred five  
29 (554.9105), subsection one (1).)

30 Sec. 40. Section five hundred fifty-four point nine  
31 thousand two hundred five (554.9205), Code 1973, is amended  
32 to read as follows:

33 554.9205 USE OR DISPOSITION OF COLLATERAL WITHOUT  
34 ACCOUNTING PERMISSIBLE. A security interest is not invalid  
35 or fraudulent against creditors by reason of liberty in the

1 debtor to use, commingle or dispose of all or part of the  
2 collateral (including returned or repossessed goods) or to  
3 collect or compromise accounts, ~~contract-rights~~ or chattel  
4 paper, or to accept the return of goods or make repossessions,  
5 or to use, commingle or dispose of proceeds, or by reason  
6 of the failure of the secured party to require the debtor  
7 to account for proceeds or replace collateral. This section  
8 does not relax the requirements of possession where perfection  
9 of a security interest depends upon possession of the  
10 collateral by the secured party or by a bailee.

11 Sec. 41. Section five hundred fifty-four point nine thou-  
12 sand three hundred one (554.9301), Code 1973, is amended to  
13 read as follows:

14 554.9301 PERSONS WHO TAKE PRIORITY OVER UNPERFECTED  
15 SECURITY INTERESTS --RIGHT OF "LIEN CREDITOR".

16 1. Except as otherwise provided in subsection 2, an  
17 unperfected security interest is subordinate to the rights  
18 of

19 a. persons entitled to priority under section 554.9312;

20 b. a person who becomes a lien creditor ~~without-knowl-~~  
21 ~~edge-of-the-security-interest-and~~ before it the security  
22 interest is perfected;

23 c. in the case of goods, instruments, documents, and  
24 chattel paper, a person who is not a secured party and who  
25 is a transferee in bulk or other buyer not in ordinary course  
26 of business, or is a buyer of farm products in ordinary course  
27 of business, to the extent that he gives value and receives  
28 delivery of the collateral without knowledge of the security  
29 interest and before it is perfected;

30 d. in the case of accounts, ~~contract-rights,~~ and gen-  
31 eral intangibles, a person who is not a secured party and  
32 who is a transferee to the extent that he gives value with-  
33 out knowledge of the security interest and before it is per-  
34 fected.

35 2. If the secured party files with respect to a purchase

1 money security interest before or within ten days after the  
2 debtor receives possession of the collateral comes-into  
3 ~~possession-of-the-debtor~~, he takes priority over the rights  
4 of a transferee in bulk or of a lien creditor which arise  
5 between the time the security interest attaches and the time  
6 of filing.

7 3. A "lien creditor" means a creditor who has acquired  
8 a lien on the property involved by attachment, levy or the  
9 like and includes an assignee for benefit of creditors from  
10 the time of assignment, and a trustee in bankruptcy from the  
11 date of the filing of the petition or a receiver in equity  
12 from the time of appointment. ~~Unless-all-the-creditors~~  
13 ~~represented-had-knowledge-of-the-security-interest-such-a~~  
14 ~~representative-of-creditors-is-a-lien-creditor-without~~  
15 ~~knowledge-even-though-he-personally-has-knowledge-of-the~~  
16 ~~security-interest.~~

17 4. A person who becomes a lien creditor while a security  
18 interest is perfected takes subject to the security interest  
19 only to the extent that it secures advances made before he  
20 becomes a lien creditor or within forty-five days thereafter  
21 or made without knowledge of the lien or pursuant to a com-  
22 mitment entered into without knowledge of the lien.

23 Sec. 42. Section five hundred fifty-four point nine thou-  
24 sand three hundred two (554.9302), subsection one (1), Code  
25 1973, is amended to read as follows:

26 1. A financing statement must be filed to perfect all  
27 security interests except the following:

28 a. a security interest in collateral in possession of  
29 the secured party under section 554.9305;

30 b. a security interest temporarily perfected in instru-  
31 ments or documents without delivery under section 554.9304  
32 or in proceeds for a ten-day period under section 554.9306;

33 c. ~~a-purchase-money-security-interest-in-farm-equipment~~  
34 ~~having-a-purchase-price-not-in-excess-of-one-thousand-dollars,~~  
35 ~~but-filing-is-required-for-a-fixture-or-for-a-vehicle-required~~

1 ~~to-be-licensed~~ a security interest created by an assignment  
2 of a beneficial interest in a trust or a decedent's estate;

3 d. a purchase money security interest in consumer goods;  
4 but filing is required ~~for-a-fixture-or-for-a-vehicle-required~~  
5 ~~to-be-licensed~~ for a motor vehicle required to be registered;  
6 and fixture filing is required for priority over conflicting  
7 interests in fixtures to the extent provided in section five  
8 hundred fifty-four point nine thousand three hundred thirteen  
9 (554.9313);

10 e. an assignment of accounts ~~or-contract-rights~~ which  
11 does not alone or in conjunction with other assignments to  
12 the same assignee transfer a significant part of the out-  
13 standing accounts ~~or-contract-rights~~ of the assignor;

14 f. a security interest of a collecting bank (section  
15 554.4208) or arising under the Article on Sales (see section  
16 554.9113) or covered in subsection 3 of this section.

17 g. an assignment for the benefit of all the creditors  
18 of the transferor, and subsequent transfers by the assignee  
19 thereunder.

20 Sec. 43. Section five hundred fifty-four point nine thou-  
21 sand three hundred two (554.9302), Code 1973, is amended by  
22 striking subsections three (3) and four (4) and inserting  
23 in lieu thereof the following:

24 3. The filing of a financing statement otherwise required  
25 by this Article is not necessary or effective to perfect a  
26 security interest in property subject to

27 a. a statute or treaty of the United States which pro-  
28 vides for a national or international registration or a nation-  
29 al or international certificate of title or which specifies  
30 a place of filing different from that specified in this Article  
31 for filing of the security interest; or

32 b. the following statutes of this state; section three  
33 hundred twenty-one point eighteen (321.18); but during any  
34 period in which collateral is inventory held for sale by a  
35 person who is in the business of selling goods of that kind,

1 the filing provisions of this Article (Part four (4)) apply  
2 to a security interest in that collateral created by him as  
3 debtor; or

4 c. a certificate of title statute of another jurisdic-  
5 tion under the law of which indication of a security inter-  
6 est on the certificate is required as a condition of perfec-  
7 tion (section five hundred fifty-four point nine thousand  
8 one hundred three (554.9103), subsection two (2)).

9 4. Compliance with a statute or treaty described in sub-  
10 section three (3) is equivalent to the filing of a financing  
11 statement under this Article, and a security interest in prop-  
12 erty subject to the statute or treaty can be perfected only  
13 by compliance therewith except as provided in section five  
14 hundred fifty-four point nine thousand one hundred three  
15 (554.9103) on multiple state transactions. Duration and  
16 renewal of perfection of a security interest perfected by  
17 compliance with the statute or treaty are governed by the  
18 provisions of the statute or treaty; in other respects the  
19 security interest is subject to this Article.

20 Sec. 44. Section five hundred fifty-four point nine thou-  
21 sand three hundred four (554.9304), subsections one (1) and  
22 five (5), Code 1973, are amended to read as follows:

23 1. A security interest in chattel paper or negotiable  
24 documents may be perfected by filing. A security interest  
25 in money or instruments (other than instruments which con-  
26 stitute part of chattel paper) can be perfected only by the  
27 secured party's taking possession, except as provided in sub-  
28 sections 4 and 5 of this section and subsections two (2) and  
29 three (3) of section five hundred fifty-four point nine  
30 thousand three hundred six (554.9306) on proceeds.

31 5. A security interest remains perfected for a period  
32 of twenty-one days without filing where a secured party having  
33 a perfected security interest in an instrument, a negotiable  
34 document or goods in possession of a bailee other than one  
35 who has issued a negotiable document thereof

1 a. makes available to the debtor the goods or documents  
2 representing the goods for the purpose of ultimate sale or  
3 exchange or for the purpose of loading, unloading, storing,  
4 shipping, transshipping, manufacturing, processing or other-  
5 wise dealing with them in a manner preliminary to their sale  
6 or exchange, but priority between conflicting security inter-  
7 ests in the goods is subject to section five hundred fifty-  
8 four point nine thousand three hundred twelve (554.9312),  
9 subsection three (3); or

10 b. delivers the instrument to the debtor for the purpose  
11 of ultimate sale or exchange or of presentation, collection,  
12 renewal or registration of transfer.

13 Sec. 45. Section five hundred fifty-four point nine thou-  
14 sand three hundred five (554.9305), Code 1973, is amended  
15 to read as follows:

16 554.9305 WHEN POSSESSION BY SECURED PARTY PERFECTS SECURITY  
17 INTEREST WITHOUT FILING. A security interest in letters of  
18 credit and advices of credit (subsection 2 "a" of section  
19 554.5116)), goods, instruments, money, negotiable documents  
20 or chattel paper may be perfected by the secured party's  
21 taking possession of the collateral. If such collateral other  
22 than goods covered by a negotiable document is held by a  
23 bailee, the secured party is deemed to have possession from  
24 the time the bailee receives notification of the secured  
25 party's interest. A security interest is perfected by pos-  
26 session from the time possession is taken without relation  
27 back and continues only so long as possession is retained,  
28 unless otherwise specified in this Article. The security  
29 interest may be otherwise perfected as provided in this Article  
30 before or after the period of possession by the secured party.

31 Sec. 46. Section five hundred fifty-four point nine thou-  
32 sand three hundred six (554.9306), subsections one (1) through  
33 four (4), Code 1973, are amended to read as follows:

34 1. "Proceeds" include whatever is received when upon the  
35 sale, exchange, collection or other disposition of collateral

1 or proceeds ~~is sold, exchanged, collected or otherwise disposed~~  
2 ~~of.~~ ~~The term also includes the account arising when the right~~  
3 ~~to payment is earned under a contract right.~~ Insurance payable  
4 by reason of loss or damage to the collateral is proceeds,  
5 except to the extent that it is payable to a person other  
6 than a party to the security agreement. Money, checks, deposit  
7 accounts, and the like are "cash proceeds". All other proceeds  
8 are "noncash proceeds".

9 2. Except where this Article otherwise provides, a security  
10 interest continues in collateral notwithstanding sale, exchange  
11 or other disposition thereof ~~by the debtor~~ unless ~~his action~~  
12 the disposition was authorized by the secured party in the  
13 security agreement or otherwise, and also continues in any  
14 identifiable proceeds including collections received by the  
15 debtor.

16 3. The security interest in proceeds is a continuously  
17 perfected security interest if the interest in the original  
18 collateral was perfected but it ceases to be a perfected  
19 security interest and becomes unperfected ten days after  
20 receipt of the proceeds by the debtor unless

21 a. a filed financing statement ~~covering~~ covers the original  
22 collateral ~~also covers~~ and the proceeds are collateral in  
23 which a security interest may be perfected by filing in the  
24 office or offices where the financing statement has been filed  
25 and, if the proceeds are acquired with cash proceeds, the  
26 description of collateral in the financing statement indicates  
27 the types of property constituting the proceeds; or

28 b. a filed financing statement covers the original col-  
29 lateral and the proceeds are identifiable cash proceeds; or

30 b c. the security interest in the proceeds is perfected  
31 before the expiration of the ten-day period.

32 Except as provided in this section, a security interest  
33 in proceeds can be perfected only by the methods or under  
34 the circumstances permitted in this Article for original  
35 collateral of the same type.

1 4. In the event of insolvency proceedings instituted by  
 2 or against a debtor, a secured party with a perfected security  
 3 interest in proceeds has a perfected security interest only  
 4 in the following proceeds:

5 a. in identifiable noncash proceeds and in separate deposit  
 6 accounts containing only proceeds;

7 b. in identifiable cash proceeds in the form of money  
 8 which is ~~not~~ neither commingled with other money ~~or~~ nor  
 9 deposited in a ~~bank~~ deposit account prior to the insolvency  
 10 proceedings;

11 c. in identifiable cash proceeds in the form of checks  
 12 and the like which are not deposited in a ~~bank~~ deposit account  
 13 prior to the insolvency proceedings; and

14 d. in all cash and ~~bank~~ deposit accounts of the debtor,  
 15 ~~if-other-cash in which~~ proceeds have been commingled ~~or~~  
 16 ~~deposited-in-a-bank-account~~ with other funds, but the perfected  
 17 security interest under this paragraph "d" is

18 i. subject to any right of setoff; and

19 ii. limited to an amount not greater than the amount of  
 20 any cash proceeds received by the debtor within ten days  
 21 before the institution of the insolvency proceedings ~~and~~  
 22 ~~commingled-or-deposited-in-a-bank-account-prior-to-the-insol-~~  
 23 ~~vency-proceedings-less-the-amount-of-cash-proceeds-received~~  
 24 ~~by-the-debtor-and-paid-over-to-the-secured-party-during-the~~  
 25 ~~ten-day-period~~ less the sum of (I) the payments to the secured  
 26 party on account of cash proceeds received by the debtor  
 27 during such period and (II) the cash proceeds received by  
 28 the debtor during such period to which the secured party is  
 29 entitled under paragraphs a through c of this subsection four  
 30 (4).

31 Sec. 47. Section five hundred fifty-four point nine thou-  
 32 sand three hundred seven (554.9307), subsection two (2), Code  
 33 1973, is amended to read as follows:

34 2. In the case of consumer goods ~~and-in-the-case-of-farm~~  
 35 ~~equipment-having-an-original-purchase-price-not-in-excess~~

1 ~~of one thousand dollars (other than fixtures)~~, a buyer takes  
2 free of a security interest even though perfected if he buys  
3 without knowledge of the security interest, for value and  
4 for his own personal, family or household purposes ~~or his~~  
5 ~~own farming operations~~ unless prior to the purchase the secured  
6 party has filed a financing statement covering such goods.

7 Sec. 48. Section five hundred fifty-four point nine thou-  
8 sand three hundred seven (554.9307), Code 1973, is amended  
9 by adding the following new subsection:

10 NEW SUBSECTION. A buyer other than a buyer in ordinary  
11 course of business (subsection one (1) of this section) takes  
12 free of a security interest to the extent that it secures  
13 future advances made after the secured party acquires knowledge  
14 of the purchase, or more than forty-five days after the pur-  
15 chase, whichever first occurs, unless made pursuant to a  
16 commitment entered into without knowledge of the purchase  
17 and before the expiration of the forty-five day period.

18 Sec. 49. Section five hundred fifty-four point nine thou-  
19 sand three hundred eight (554.9308), Code 1973, is amended  
20 by striking the section and inserting in lieu thereof the  
21 following:

22 554.9308. PURCHASE OF CHATTEL PAPER AND INSTRUMENTS.  
23 A purchaser of chattel paper or an instrument who gives new  
24 value and takes possession of it in the ordinary course of  
25 his business has priority over a security interest in the  
26 chattel paper or instrument

27 a. which is perfected under section five hundred fifty-  
28 four point nine thousand three hundred four (554.9304)  
29 (permissive filing and temporary perfection) or under section  
30 five hundred fifty-four point nine thousand three hundred  
31 six (554.9306) (perfection as to proceeds) if he acts without  
32 knowledge that the specific paper or instrument is subject  
33 to a security interest; or

34 b. which is claimed merely as proceeds of inventory subject  
35 to a security interest (section five hundred fifty-four point

1 nine thousand three hundred six (554.9306)) even though he  
2 knows that the specific paper or instrument is subject to  
3 the security interest.

4 Sec. 50. Section five hundred fifty-four point nine thou-  
5 sand three hundred twelve (554.9312), Code 1973, is amended  
6 by striking subsections one (1) and three (3) and inserting  
7 in lieu thereof the following:

8 1. The rules of priority stated in other sections of this  
9 Part and in the following sections shall govern when  
10 applicable: section five hundred fifty-four point four thousand  
11 two hundred eight (554.4208) with respect to the security  
12 interests of collecting banks in items being collected,  
13 accompanying documents and proceeds; section five hundred  
14 fifty-four point nine thousand one hundred three (554.9103)  
15 on security interests related to other jurisdictions; section  
16 five hundred fifty-four point nine thousand one hundred  
17 fourteen (554.9114) on consignments.

18 3. A perfected purchase money security interest in inven-  
19 tory has priority over a conflicting security interest in  
20 the same inventory and also has priority in identifiable cash  
21 proceeds received on or before the delivery of the inventory  
22 to a buyer if

23 a. the purchase money security interest is perfected at  
24 the time the debtor receives possession of the inventory;  
25 and

26 b. the purchase money secured party gives notification  
27 in writing to the holder of the conflicting security inter-  
28 est if the holder had filed a financing statement covering  
29 the same types of inventory (i) before the date of the filing  
30 made by the purchase money secured party, or (ii) before the  
31 beginning of the twenty-one day period where the purchase  
32 money security interest is temporarily perfected without  
33 filing or possession (section five hundred fifty-four point  
34 nine thousand three hundred four (554.9304), subsection five  
35 (5)); and

1 c. the holder of the conflicting security interest receives  
2 the notification within five years before the debtor receives  
3 possession of the inventory; and

4 d. the notification states that the person giving the  
5 notice has or expects to acquire a purchase money security  
6 interest in inventory of the debtor, describing such inven-  
7 tory by item or type.

8 Sec. 51. Section five hundred fifty-four point nine thou-  
9 sand three hundred twelve (554.9312), subsections four (4)  
10 and five (5), Code 1973, are amended to read as follows:

11 4. A purchase money security interest in collateral other  
12 than inventory has priority over a conflicting security inter-  
13 est in the same collateral or its proceeds if the purchase  
14 money security interest is perfected at the time the debtor  
15 receives possession of the collateral or within ten days  
16 thereafter.

17 5. In all cases not governed by other rules stated in  
18 this section (including cases of purchase money security  
19 interests which do not qualify for the special priorities  
20 set forth in subsections 3 and 4 of this section), priority  
21 between conflicting security interests in the same collateral  
22 shall be determined ~~as follows:~~

23 ~~a.--in-the-order-of-filing-if-both-are-perfected-by-filing,~~  
24 ~~regardless-of-which-security-interest-attached-first-under~~  
25 ~~section-554.9204,-subsection-1,-and-whether-it-attached-before~~  
26 ~~or-after-filing,~~

27 ~~b.--in-the-order-of-perfection-unless-both-are-perfected~~  
28 ~~by-filing,-regardless-of-which-security-interest-attached~~  
29 ~~first-under-section-554.9204,-subsection-1,-and,-in-the-case~~  
30 ~~of-a-filed-security-interest,-whether-it-attached-before-or~~  
31 ~~after-filing,-and~~

32 ~~c.--in-the-order-of-attachment-under-section-554.9204,~~  
33 ~~subsection-1,-so-long-as-neither-is-perfected~~  
34 according to the following rules:

35 a. Conflicting security interests rank according to pri-

1 riority in time of filing or perfection. Priority dates from  
2 the time a filing is first made covering the collateral or  
3 the time the security interest is first perfected, whichever  
4 is earlier, provided that there is no period thereafter when  
5 there is neither filing nor perfection.

6 b. So long as conflicting security interests are unper-  
7 fected, the first to attach has priority.

8 Sec. 52. Section five hundred fifty-four point nine thou-  
9 sand three hundred twelve (554.9312), Code 1973, is amended  
10 by striking subsection six (6) and inserting in lieu thereof  
11 the following:

12 6. For the purposes of subsection five (5) a date of  
13 filing or perfection as to collateral is also a date of filing  
14 or perfection as to proceeds.

15 7. If future advances are made while a security interest  
16 is perfected by filing or the taking of possession, the  
17 security interest has the same priority for the purposes of  
18 subsection five (5) with respect to the future advances as  
19 it does with respect to the first advance. If a commitment  
20 is made before or while the security interest is so perfected,  
21 the security interest has the same priority with respect to  
22 advances made pursuant thereto. In other cases a perfected  
23 security interest has priority from the date the advance is  
24 made.

25 Sec. 53. Section five hundred fifty-four point nine thou-  
26 sand three hundred thirteen (554.9313), Code 1973, is amended  
27 by striking the section and inserting in lieu thereof the  
28 following:

29 554.9313 PRIORITY OF SECURITY INTERESTS IN FIXTURES.

30 1. In this section and in the provisions of Part four  
31 (4) of this Article referring to fixture filing, unless the  
32 context otherwise requires

33 a. goods are "fixtures" when they become so related to  
34 particular real estate that an interest in them arises under  
35 real estate law

1 b. a "fixture filing" is the filing in the office where  
2 a mortgage on the real estate would be filed or recorded of  
3 a financing statement covering goods which are or are to  
4 become fixtures and conforming to the requirements of  
5 subsection five (5) of section five hundred fifty-four point  
6 nine thousand four hundred two (554.9402).

7 c. a mortgage is a "construction mortgage" to the extent  
8 that it secures an obligation incurred for the construction  
9 of an improvement on land including the acquisition cost of  
10 the land, if the recorded writing so indicates.

11 2. A security interest under this Article may be created  
12 in goods which are fixtures or may continue in goods which  
13 become fixtures, but no security interest exists under this  
14 Article in ordinary building materials incorporated into an  
15 improvement on land.

16 3. This Article does not prevent creation of an encum-  
17 brance upon fixtures pursuant to real estate law.

18 4. A perfected security interest in fixtures has priority  
19 over the conflicting interest of an encumbrancer or owner  
20 of the real estate where

21 a. the security interest is a purchase money security  
22 interest, the interest of the encumbrancer or owner arises  
23 before the goods become fixtures, the security interest is  
24 perfected by a fixture filing before the goods become fixtures  
25 or within ten days thereafter, and the debtor has an interest  
26 of record in the real estate or is in possession of the real  
27 estate; or

28 b. the security interest is perfected by a fixture filing  
29 before the interest of the encumbrancer or owner is of record,  
30 the security interest has priority over any conflicting  
31 interest of a predecessor in title of the encumbrancer or  
32 owner, and the debtor has an interest of record in the real  
33 estate or is in possession of the real estate; or

34 c. the fixtures are readily removable factory or office  
35 machines or readily removable replacements of domestic

1 appliances which are consumer goods, and before the goods  
2 become fixtures the security interest is perfected by any  
3 method permitted by this Article; or

4 d. the conflicting interest is a lien on the real estate  
5 obtained by legal or equitable proceedings after the security  
6 interest was perfected by any method permitted by this Article.

7 5. A security interest in fixtures, whether or not per-  
8 fected, has priority over the conflicting interest of an  
9 encumbrancer or owner of the real estate where

10 a. the encumbrancer or owner has consented in writing  
11 to the security interest or has disclaimed an interest in  
12 the goods as fixtures; or

13 b. the debtor has a right to remove the goods as against  
14 the encumbrancer or owner. If the debtor's right terminates,  
15 the priority of the security interest continues for a reason-  
16 able time.

17 6. Notwithstanding paragraph a of subsection four (4)  
18 but otherwise subject to subsections four (4) and five (5),  
19 a security interest in fixtures is subordinate to a construc-  
20 tion mortgage recorded before the goods become fixtures if  
21 the goods become fixtures before the completion of the con-  
22 struction. To the extent that it is given to refinance a  
23 construction mortgage, a mortgage has this priority to the  
24 same extent as the construction mortgage.

25 7. In cases not within the preceding subsections, a secu-  
26 rity interest in fixtures is subordinate to the conflicting  
27 interest of an encumbrancer or owner of the related real  
28 estate who is not the debtor.

29 8. When the secured party has priority over all owners  
30 and encumbrancers of the real estate, he may, on default,  
31 subject to the provisions of Part five (5), remove his collat-  
32 eral from the real estate but he must reimburse any encum-  
33 brancer or owner of the real estate who is not the debtor  
34 and who has not otherwise agreed for the cost of repair of  
35 any physical injury, but not for any diminution in value of

1 the real estate caused by the absence of the goods removed  
2 or by any necessity of replacing them. A person entitled  
3 to reimbursement may refuse permission to remove until the  
4 secured party gives adequate security for the performance  
5 of this obligation.

6 Sec. 54. Section five hundred fifty-four point nine  
7 thousand three hundred eighteen (554.9318), subsections two  
8 (2), three (3), and four (4), Code 1973, are amended to read  
9 as follows:

10 2. So far as the right to payment or a part thereof under  
11 an assigned contract ~~right-has-not-already-become-an-account~~  
12 has not been fully earned by performance, and notwithstanding  
13 notification of the assignment, any modification of or  
14 substitution for the contract made in good faith and in  
15 accordance with reasonable commercial standards is effective  
16 against an assignee unless the account debtor has otherwise  
17 agreed but the assignee acquires corresponding rights under  
18 the modified or substituted contract. The assignment may  
19 provide that such modification or substitution is a breach  
20 by the assignor.

21 3. The account debtor is authorized to pay the assignor  
22 until the account debtor receives notification that the ~~account~~  
23 amount due or to become due has been assigned and that pay-  
24 ment is to be made to the assignee. A notification which  
25 does not reasonably identify the rights assigned is  
26 ineffective. If requested by the account debtor, the assignee  
27 must seasonably furnish reasonable proof that the assignment  
28 has been made and unless he does so the account debtor may  
29 pay the assignor.

30 4. A term in any contract between an account debtor and  
31 an assignor ~~which~~ is ineffective if it prohibits assignment  
32 of an account ~~or contract right to which they are parties~~  
33 is ineffective or prohibits creation of a security interest  
34 in a general intangible for money due or to become due or  
35 requires the account debtor's consent to such assignment or

1 security interest.

2 Sec. 55. Section five hundred fifty-four point nine thou-  
3 sand four hundred one (554.9401), subsections one (1) and  
4 four (4), Code 1973, are amended to read as follows:

5 1. The proper place to file in order to perfect a security  
6 interest is as follows:

7 a. when the collateral is equipment-used-in-farming  
8 operations,-or-farm-products, timber to be cut or is minerals  
9 or the like (including oil and gas) or accounts,-contract  
10 rights-or-general-intangibles-arising-from-or-relating-to  
11 the-sale-of-farm-products-by-a-farmer,-or-consumer-goods sub-  
12 ject to subsection five (5) of section five hundred fifty-  
13 four point nine thousand one hundred three (554.9103), or  
14 when the financing statement is filed as a fixture filing  
15 (section five hundred fifty-four point nine thousand three  
16 hundred thirteen (554.9313)) and the collateral is goods which  
17 are or are to become fixtures, then in the office of-the  
18 Recorder-in-the-county-of-the-debtor's-residence-or-if-the  
19 debtor-is-not-a-resident-of-this-state-then-in-the-office  
20 of-the-Recorder-in-the-county-where-the-goods-are-kept,-and  
21 in-addition-when-the-collateral-is-crops-in-the-office-of  
22 the-Recorder-in-the-county-where-the-land-on-which-the-crops  
23 are-growing-or-to-be-grown-is-located where a mortgage on  
24 the real estate would be filed or recorded;

25 b. when the collateral is consumer goods which-at-the  
26 time-the-security-interest-attaches-are-or-are-to-become-fix-  
27 tures, then in the office where-a-mortgage-on-the-real-estate  
28 concerned-would-be-filed-or-recorded of the recorder in the  
29 county of the debtor's residence or if the debtor is not a  
30 resident of this state then in the office of the recorder  
31 in the county where the goods are kept;

32 c. in all other cases, in the office of the Secretary  
33 of-State secretary of state.

34 4. ~~If collateral is brought into this state from another~~  
35 jurisdiction,-the The rules stated in section 554.9103

1 determine whether filing is necessary in this state.

2 Sec. 56. Section five hundred fifty-four point nine thou-  
3 sand four hundred one (554.9401), Code 1973, is amended by  
4 adding the following new subsection:

5 NEW SUBSECTION. Notwithstanding the preceding subsec-  
6 tions, and subject to subsection three (3) of section five  
7 hundred fifty-four point nine thousand three hundred two  
8 (554.9302), the proper place to file in order to perfect a  
9 security interest in collateral, including fixtures, of a  
10 transmitting utility is the office of the secretary of state.  
11 This filing constitutes a fixture filing (section five hun-  
12 dred fifty-four point nine thousand three hundred thirteen  
13 (554.9313)) as to the collateral described therein which is  
14 or is to become fixtures.

15 Sec. 57. Section five hundred fifty-four point nine thou-  
16 sand four hundred two (554.9402), Code 1973, is amended to  
17 read as follows:

18 554.9402 FORMAL REQUISITES OF FINANCING STATEMENT--AMEND-  
19 MENTS MORTGAGE AS FINANCING STATEMENT.

20 1. A financing statement is sufficient if it gives the  
21 names of the debtor and the secured party, is signed by the  
22 debtor ~~and the secured party,~~ gives an address of the secured  
23 party from which information concerning the security interest  
24 may be obtained, gives a mailing address of the debtor and  
25 contains a statement indicating the types, or describing the  
26 items, of collateral. A financing statement may be filed  
27 before a security agreement is made or a security interest  
28 otherwise attaches. When the financing statement covers crops  
29 growing or to be grown ~~or goods which are or are to become~~  
30 fixtures, the statement must also contain a description of  
31 the real estate concerned. When the financing statement  
32 covers timber to be cut or covers minerals or the like  
33 (including oil and gas) or accounts subject to subsection  
34 five (5) of section five hundred fifty-four point nine thousand  
35 one hundred three (554.9103), or when the financing statement

1 is filed as a fixture filing (section five hundred fifty-four  
 2 point nine thousand three hundred thirteen (554.9313)) and  
 3 the collateral is goods which are or are to become fixtures,  
 4 the statement must also comply with subsection five (5).  
 5 A copy of the security agreement is sufficient as a financing  
 6 statement if it contains the above information and is signed  
 7 by ~~both-parties:~~ the debtor. A carbon, photographic or other  
 8 reproduction of a security agreement or a financing statement  
 9 is sufficient as a financing statement if the security  
 10 agreement so provides or if the original has been filed in  
 11 this state.

12 2. A financing statement which otherwise complies with  
 13 subsection 1 is sufficient ~~although~~ when it is signed ~~only~~  
 14 by the secured party ~~when~~ instead of the debtor if it is filed  
 15 to perfect a security interest in

16 a. collateral already subject to a security interest in  
 17 another jurisdiction when it is brought into this state, or  
 18 when the debtor's location is changed to this state. Such  
 19 a financing statement must state that the collateral was  
 20 brought into this state or that the debtor's location was  
 21 changed to this state under such circumstances; or

22 b. proceeds under section 554.9306 if the security inter-  
 23 est in the original collateral was perfected. Such a financing  
 24 statement must describe the original collateral; or

25 c. collateral as to which the filing has lapsed; or

26 d. collateral acquired after a change of name, identity  
 27 or corporate structure of the debtor (subsection seven (7)).

28 3. A form substantially as follows is sufficient to com-  
 29 ply with subsection 1:

- 30 Name of debtor (or assignor) . . . . .
- 31 Address . . . . .
- 32 Name of secured party (or assignee) . . . . .
- 33 Address . . . . .

34 (1) This financing statement covers the following types  
 35 (or items) of property:

1 (Describe) . . . . .

2 (2) (If collateral is crops) The above described crops  
3 are growing or are to be grown on:

4 (Describe Real Estate) . . . . .

5 ~~(3)--(If collateral is goods which are or are to become~~  
6 ~~fixtures)--The above described goods are affixed or to be~~  
7 ~~affixed to:~~

8 ~~(Describe Real Estate)-----~~

9 (3) (If applicable) The above goods are to become fixtures  
10 on

11 "Where appropriate substitute either "The above timber  
12 is standing on . . . ." or "The above minerals or the like  
13 (including oil and gas) or accounts will be financed at the  
14 wellhead or minehead of the well or mine located on . . ."

15 (Describe Real Estate) . . . . . and this  
16 financing statement is to be filed for record in the real  
17 estate records. (If the debtor does not have an interest  
18 of record) The name of a record owner is . . . . .

19 (4) (If ~~proceeds or~~ products of collateral are claimed)  
20 ~~Proceeds--~~Products of the collateral are also covered.

21 Signature of Debtor (or Assignor) . . . . .

22 Signature of Secured Party (or Assignee) . . . . .

23 . . .

24 4. ~~The term "financing statement" as used in this Article~~  
25 ~~means the original financing statement and any amendments~~  
26 ~~but if~~ A financing statement may be amended by filing a writing  
27 signed by both the debtor and the secured party. An amend-  
28 ment does not extend the period of effectiveness of a financing  
29 statement. If any amendment adds collateral, it is effec-  
30 tive as to the added collateral only from the filing date  
31 of the amendment. In this Article, unless the context  
32 otherwise requires, the term "financing statement" means the  
33 original financing statement and any amendments.

34 5. A financing statement covering timber to be cut or  
35 covering minerals or the like (including oil and gas) or

1 accounts subject to subsection five (5) of section five hun-  
2 dred fifty-four point nine thousand one hundred three  
3 (554.9103), or a financing statement filed as a fixture filing  
4 (section five hundred fifty-four point nine thousand three  
5 hundred thirteen (554.9313)) where the debtor is not a  
6 transmitting utility, must show that it covers this type of  
7 collateral, must recite that it is to be filed for record  
8 in the real estate records, and the financing statement must  
9 contain a description of the real estate sufficient if it  
10 were contained in a mortgage of the real estate to give  
11 constructive notice of the mortgage under the law of this  
12 state. If the debtor does not have an interest of record  
13 in the real estate, the financing statement must show the  
14 name of a record owner.

15 6. A mortgage is effective as a financing statement filed  
16 as a fixture filing from the date of its recording if (a)  
17 the goods are described in the mortgage by item or type, (b)  
18 the goods are or are to become fixtures related to the real  
19 estate described in the mortgage, (c) the mortgage complies  
20 with the requirements for a financing statement in this section  
21 other than a recital that it is to be filed in the real estate  
22 records, and (d) the mortgage is duly recorded. No fee with  
23 reference to the financing statement is required other than  
24 the regular recording and satisfaction fees with respect to  
25 the mortgage.

26 7. A financing statement sufficiently shows the name of  
27 the debtor if it gives the individual, partnership or cor-  
28 porate name of the debtor, whether or not it adds other trade  
29 names or the names of partners. Where the debtor so changes  
30 his name or in the case of an organization its name, identity  
31 or corporate structure that a filed financing statement becomes  
32 seriously misleading, the filing is not effective to perfect  
33 a security interest in collateral acquired by the debtor more  
34 than four months after the change, unless a new appropriate  
35 financing statement is filed before the expiration of that

1 time. A filed financing statement remains effective with  
2 respect to collateral transferred by the debtor even though  
3 the secured party knows of or consents to the transfer.

4 5 8. A financing statement substantially complying with  
5 the requirements of this section is effective even though  
6 it contains minor errors which are not seriously misleading.

7 Sec. 58. Section five hundred fifty-four point nine thou-  
8 sand four hundred three (554.9403), Code 1973, is amended  
9 to read as follows:

10 554.9403 WHAT CONSTITUTES FILING--DURATION OF FILING--  
11 EFFECT OF LAPSED FILING--DUTIES OF FILING OFFICER.

12 1. Presentation for filing of a financing statement and  
13 tender of the filing fee or acceptance of the statement by  
14 the filing officer constitutes filing under this Article.

15 2. A Except as provided in subsection six (6), a filed  
16 financing statement which-states-a-maturity-date-of-the  
17 obligation-secured-of-five-years-or-less-is-effective-until  
18 such-maturity-date-and-thereafter-for-a-period-of-sixty-days.  
19 Any-other-filed-financing-statement is effective for a period  
20 of five years from the date of filing. The effectiveness  
21 of a filed financing statement lapses on-the-expiration-of  
22 such-sixty-day-period-after-a-stated-maturity-date-or on the  
23 expiration of such the five-year period, as-the-case-may-be,  
24 unless a continuation statement is filed prior to the lapse.  
25 If a security interest perfected by filing exists at the time  
26 insolvency proceedings are commenced by or against the debtor,  
27 the security interest remains perfected until termination  
28 of the insolvency proceedings and thereafter for a period  
29 of sixty days or until expiration of the five-year period,  
30 whichever occurs later. Upon such lapse the security interest  
31 becomes unperfected. --A-filed-financing-statement-which-states  
32 that-the-obligation-secured-is-payable-on-demand-is-effective  
33 for-five-years-from-the-date-of-filing , unless it is perfected  
34 without filing. If the security interest becomes unperfected  
35 upon lapse, it is deemed to have been unperfected as against

1 a person who became a purchaser or lien creditor before lapse.  
2 3. A continuation statement may be filed by the secured  
3 party ~~(i) within six months before and sixty days after a~~  
4 ~~stated maturity date of five years or less, and (ii) other-~~  
5 wise within six months prior to the expiration of the five-  
6 year period specified in subsection 2. Any such continuation  
7 statement must be signed by the secured party, identify the  
8 original statement by file number and state that the original  
9 statement is still effective. A continuation statement signed  
10 by a person other than the secured party of record must be  
11 accompanied by a separate written statement of assignment  
12 signed by the secured party of record and complying with sub-  
13 section two (2) of section five hundred fifty-four point nine  
14 thousand four hundred five (554.9405), including payment of  
15 the required fee. Upon timely filing of the continuation  
16 statement, the effectiveness of the original statement is  
17 continued for five years after the last date to which the  
18 filing was effective whereupon it lapses in the same manner  
19 as provided in subsection 2 unless another continuation  
20 statement is filed prior to such lapse. Succeeding con-  
21 tinuation statements may be filed in the same manner to con-  
22 tinue the effectiveness of the original statement. Unless  
23 a statute on disposition of public records provides otherwise,  
24 the filing officer may remove a lapsed statement from the  
25 files and destroy it immediately if he has retained a microfilm  
26 or other photographic record, or in other cases after one  
27 year after the lapse. The filing officer shall so arrange  
28 matters by physical annexation of financing statements to  
29 continuation statements or other related filings, or by other  
30 means, that if he physically destroys the financing state-  
31 ments of a period more than five years past, those which have  
32 been continued by a continuation statement or which are still  
33 effective under subsection six (6) shall be retained.  
34 4. Except as provided in subsection seven (7), a filing  
35 officer shall mark each statement with a ~~consecutive~~ file

1 number and with the date and hour of filing and shall hold  
2 the statement or a microfilm or other photographic copy thereof  
3 for public inspection. In addition the filing officer shall  
4 index the statements according to the name of the debtor and  
5 shall note in the index the file number and the address of  
6 the debtor given in the statement.

7 5. ~~The uniform fee for filing, indexing and furnishing~~  
8 ~~filing data for an original or a continuation statement on~~  
9 ~~a form conforming to standards prescribed by the secretary~~  
10 ~~of state shall be one dollar and fifty cents. If the state~~  
11 ~~ment is not on a form conforming to standards prescribed by~~  
12 ~~the secretary of state but otherwise conforms to the require-~~  
13 ~~ments of the law, the fee shall be two dollars and fifty cents~~  
14 and indexing and for stamping a copy furnished by the secured  
15 party to show the date and place of filing shall be as follows:

16 a. Three dollars for an original financing statement if  
17 the statement is in the standard form prescribed by the secre-  
18 tary of state, and otherwise four dollars.

19 b. Two dollars for a continuation statement if the state-  
20 ment is in the standard form prescribed by the secretary of  
21 state, and otherwise three dollars.

22 6. If the debtor is a transmitting utility (subsection  
23 five (5) of section five hundred fifty-four point nine thou-  
24 sand four hundred one (554.9401) and a filed financing  
25 statement so states, it is effective until a termination  
26 statement is filed. A real estate mortgage which is effective  
27 as a fixture filing under subsection six (6) of section five  
28 hundred fifty-four point nine thousand four hundred two  
29 (554.9402) remains effective as a fixture filing until the  
30 mortgage is released or satisfied of record or its  
31 effectiveness otherwise terminates as to the real estate.

32 7. When a financing statement covers timber to be cut  
33 or covers minerals or the like (including oil and gas) or  
34 accounts subject to subsection five (5) of section five hun-  
35 dred fifty-four point nine thousand one hundred three

1 (554.9103), or is filed as a fixture filing, it shall be filed  
2 for record and the filing officer shall index it under the  
3 names of the debtor and any owner of record shown on the  
4 financing statement in the same fashion as if they were the  
5 mortgagors in a mortgage of the real estate described, and,  
6 to the extent that the law of this state provides for indexing  
7 of mortgages under the name of the mortgagee, under the name  
8 of the secured party as if he were the mortgagee thereunder,  
9 or where indexing is by description in the same fashion as  
10 if the financing statement were a mortgage of the real estate  
11 described.

12       Sec. 59. Section five hundred fifty-four point nine thou-  
13 sand four hundred four (554.9404), Code 1973, is amended to  
14 read as follows:

15       554.9404 TERMINATION STATEMENT.

16       1. ~~Whenever~~ If a financing statement covering consumer  
17 goods is filed on or after January 1, 1975, then within one  
18 month or within ten days following written demand by the  
19 debtor after there is no outstanding secured obligation and  
20 no commitment to make advances, incur obligations or other-  
21 wise give value, the secured party must file with each filing  
22 officer with whom the financing statement was filed, a termina-  
23 tion statement to the effect that he no longer claims a secu-  
24 rity interest under the financing statement, which shall be  
25 identified by file number. In other cases whenever there  
26 is no outstanding secured obligation and no commitment to  
27 make advances, incur obligations or otherwise give value,  
28 the secured party must on written demand by the debtor send  
29 the debtor a , for each filing officer with whom the financing  
30 statement was filed, a termination statement to the effect  
31 that he no longer claims a security interest under the  
32 financing statement, which shall be identified by file number.  
33 A termination statement signed by a person other than the  
34 secured party of record must ~~include-or~~ be accompanied by  
35 ~~the-assignment-or~~ a separate written statement of assignment

1 signed by the secured party of record ~~that he has assigned~~  
2 ~~the security interest to the signer of the termination~~  
3 ~~statement. -- The uniform fee for filing and indexing such an~~  
4 ~~assignment or statement on a form conforming to standards~~  
5 ~~prescribed by the secretary of state shall be one dollar and~~  
6 ~~fifty cents, or if the assignment or statement thereof~~  
7 ~~otherwise conforms to the requirements of this section, two~~  
8 ~~dollars and fifty cents~~ complying with subsection two (2)  
9 of section five hundred fifty-four point nine thousand four  
10 hundred five (554.9405), including payment of the required  
11 fee. If the affected secured party fails to file such a  
12 termination statement as required by this subsection, or to  
13 send such a termination statement within ten days after proper  
14 demand therefor he shall be liable to the debtor for one  
15 hundred dollars, and in addition for any loss caused to the  
16 debtor by such failure.

17 2. On presentation to the filing officer of such a  
18 termination statement he must note it in the index. ~~The~~  
19 ~~filing officer shall remove from the files, mark "terminated"~~  
20 ~~and send or deliver to the secured party the financing state-~~  
21 ~~ment and any continuation statement, statement of assignment~~  
22 ~~or statement of release pertaining thereto~~ If he has received  
23 the termination statement in duplicate, he shall return one  
24 copy of the termination statement to the secured party stamped  
25 to show the time of receipt thereof. If the filing officer  
26 has a microfilm or other photographic record of the financing  
27 statement, and of any related continuation statement, state-  
28 ment of assignment and statement of release, he may remove  
29 the originals from the files at any time after receipt of  
30 the termination statement, or if he has no such record, he  
31 may remove them from the files at any time after one year  
32 after receipt of the termination statement.

33 3. ~~The uniform fee for filing and indexing a termina-~~  
34 ~~tion statement on a form conforming to standards prescribed~~  
35 ~~by the secretary of state including sending or delivering~~

1 ~~the financing statement shall be one dollar and fifty cents,~~  
2 ~~or if the termination statement otherwise conforms to the~~  
3 ~~requirements of this section, two dollars and fifty cents~~  
4 There shall be no fee for filing a termination statement.

5 Sec. 60. Section five hundred fifty-four point nine thou-  
6 sand four hundred five (554.9405), subsections one (1) and  
7 two (2), Code 1973, are amended to read as follows:

8 1. A financing statement may disclose an assignment of  
9 a security interest in the collateral described in the  
10 financing statement by indication in the financing statement  
11 of the name and address of the assignee or by an assignment  
12 itself or a copy thereof on the face or back of the statement.  
13 ~~Either the original secured party or the assignee may sign~~  
14 ~~this statement as the secured party.~~ On presentation to the  
15 filing officer of such a financing statement the filing offi-  
16 cer shall mark the same as provided in section 554.9403, sub-  
17 section 4. The uniform fee for filing, indexing and furnishing  
18 filing data for a financing statement so indicating an  
19 assignment on a form conforming to standards prescribed by  
20 the secretary of state shall be ~~one dollar and fifty cents~~  
21 two dollar, or if such statement otherwise conforms to the  
22 requirements of this section, ~~two dollars and fifty cents~~  
23 three dollars.

24 2. A secured party may assign of record all or a part  
25 of his rights under a financing statement by the filing in  
26 the place where the original financing statement was filed  
27 of a separate written statement of assignment signed by the  
28 secured party of record and setting forth the name of the  
29 secured party of record and the debtor, the file number and  
30 the date of filing of the financing statement and the name  
31 and address of the assignee and containing a description of  
32 the collateral assigned. A copy of the assignment is suffi-  
33 cient as a separate statement if it complies with the preceding  
34 sentence. On presentation to the filing officer of such a  
35 separate statement, the filing officer shall mark such separate

1 statement with the date and hour of the filing. He shall  
2 note the assignment on the index of the financing statement,  
3 or in the case of a fixture filing, or a filing covering tim-  
4 ber to be cut, or covering minerals or the like (including  
5 oil and gas) or accounts subject to subsection five (5) of  
6 section five hundred fifty-four point nine thousand one hun-  
7 dred three (554.9103), he shall index the assignment under  
8 the name of the assignor as grantor and, to the extent that  
9 the law of this state provides for indexing the assignment  
10 of a mortgage under the name of the assignee, he shall index  
11 the assignment of the financing statement under the name of  
12 the assignee. The uniform fee for filing, indexing and  
13 furnishing filing data about such a separate statement of  
14 assignment on a form conforming to standards prescribed by  
15 the secretary of state shall be ~~one-dollar-and-fifty-cents~~  
16 two dollars, or if such statement otherwise conforms to the  
17 requirements of this section, ~~two-dollars-and-fifty-cents~~  
18 three dollars. Notwithstanding the provisions of this  
19 subsection, an assignment of record of a security interest  
20 in a fixture contained in a mortgage effective as a fixture  
21 filing (subsection six (6) of section five hundred fifty-four  
22 point nine thousand four hundred two (554.9402) may be made  
23 only by an assignment of the mortgage in the manner provided  
24 by the law of this state other than this Act.

25 Sec. 61. Section five hundred fifty-four point nine thou-  
26 sand four hundred six (554.9406), Code 1973, is amended to  
27 read as follows:

28 554.9406 RELEASE OF COLLATERAL--DUTIES OF FILING OFFICER-  
29 -FEES. A secured party of record may by his signed statement  
30 release all or a part of any collateral described in a filed  
31 financing statement. The statement of release is sufficient  
32 if it contains a description of the collateral being released,  
33 the name and address of the debtor, the name and address of  
34 the secured party, and the file number of the financing state-  
35 ment. A statement of release signed by a person other than

1 the secured party of record must be accompanied by a separate  
2 written statement of assignment signed by the secured party  
3 of record and complying with subsection two (2) of section  
4 five hundred fifty-four point nine thousand four hundred five  
5 (554.9405), including payment of the required fee. Upon  
6 presentation of such a statement of release to the filing  
7 officer he shall mark the statement with the hour and date  
8 of filing and shall note the same upon the margin of the  
9 index of the filing of the financing statement. The uniform  
10 fee for filing and noting such a statement of release on a  
11 form conforming to standards prescribed by the secretary of  
12 state shall be ~~one-dollar-and-fifty-cents~~ two dollars, or  
13 if such statement otherwise conforms to the requirements of  
14 this section, ~~two-dollars-and-fifty-cents~~ three dollars.

15 Sec. 62. Section five hundred fifty-four point nine  
16 thousand four hundred seven (554.9407), Code 1973, is amended  
17 by adding the following new subsection:

18 NEW SUBSECTION.

19 3. Charging no more than a reasonable estimate of  
20 cost, in his discretion the secretary of state may adopt one  
21 or more of the following methods of providing information  
22 concerning public filings in his office to persons with an  
23 interest in this information that is related exclusively to  
24 the purposes of this Article:

- 25 a. subscription telephone service;
- 26 b. subscription daily, weekly, or monthly written sum-  
27 maries;
- 28 c. granting suitable space for the preparation of written  
29 summaries and the provision of telephone service by those  
30 persons deemed by the secretary of state to have a legiti-  
31 mate interest in regular examination of the secretary of  
32 state's public files; and
- 33 d. any other appropriate method of disseminating infor-  
34 mation.

35 Except with respect to willful misconduct, the state of Iowa,

1 the secretary of state, and their employees and agents are  
2 immune from liability as a result of errors or omissions in  
3 information supplied pursuant to this subsection.

4 Sec. 63. Chapter five hundred fifty-four (554), Article  
5 nine (9), Part four (4), Code 1973, is amended by adding the  
6 following new section following section five hundred fifty-  
7 four point nine thousand four hundred seven (554.9407):

8 NEW SECTION. 554.9408 FINANCING STATEMENTS COVERING  
9 CONSIGNED OR LEASED GOODS. A consignor or lessor of goods  
10 may file a financing statement using the terms "consignor,"  
11 "consignee," "lessor," "lessee" or the like instead of the  
12 terms specified in section five hundred fifty-four point nine  
13 thousand four hundred two (554.9402). The provisions of  
14 this Part shall apply as appropriate to such a financing  
15 statement but its filing shall not of itself be a factor in  
16 determining whether or not the consignment or lease is intended  
17 as security (section five hundred fifty-four point one thousand  
18 two hundred one (554.1201), subsection thirty-seven (37)).  
19 However, if it is determined for other reasons that the  
20 consignment or lease is so intended, a security interest of  
21 the consignor or lessor which attaches to the consigned or  
22 leased goods is perfected by such filing.

23 Sec. 64. Section five hundred fifty-four point nine thou-  
24 sand five hundred one (554.9501), subsection three (3),  
25 unnumbered paragraph one (1), Code 1973, is amended to read  
26 as follows:

27 3. To the extent that they give rights to the debtor and  
28 impose duties on the secured party, the rules stated in the  
29 subsections referred to below may not be waived or varied  
30 except as provided with respect to compulsory disposition  
31 of collateral (~~subsection 4 of~~ section five hundred fifty-  
32 four point nine thousand five hundred four (554.9504),  
33 subsection three (3), and section 554.9505) and with respect  
34 to redemption of collateral (section 554.9506) but the parties  
35 may by agreement determine the standards by which the fulfill-

1 ment of these rights and duties is to be measured if such  
2 standards are not manifestly unreasonable:

3 Sec. 65. Section five hundred fifty-four point nine thou-  
4 sand five hundred two (554.9502), subsection two (2), Code  
5 1973, is amended to read as follows:

6 2. A secured party who by agreement is entitled to charge  
7 back uncollected collateral or otherwise to full or limited  
8 recourse against the debtor and who undertakes to collect  
9 from the account debtors or obligors must proceed in a com-  
10 mercially reasonable manner and may deduct his reasonable  
11 expenses of realization from the collections. If the security  
12 agreement secures an indebtedness, the secured party must  
13 account to the debtor for any surplus, and unless otherwise  
14 agreed, the debtor is liable for any deficiency. But, if  
15 the underlying transaction was a sale of accounts, ~~contract~~  
16 ~~rights~~, or chattel paper, the debtor is entitled to any sur-  
17 plus or is liable for any deficiency only if the security  
18 agreement so provides.

19 Sec. 66. Section five hundred fifty-four point nine thou-  
20 sand five hundred four (554.9504), subsections one (1), two  
21 (2), and three (3), Code 1973, are amended to read as follows:

22 1. A secured party after default may sell, lease or other-  
23 wise dispose of any or all of the collateral in its then con-  
24 dition or following any commercially reasonable preparation  
25 or processing. Any sale of goods is subject to the Article  
26 on Sales (Article 2). The proceeds of disposition shall be  
27 applied in the order following to

28 a. the reasonable expenses of retaking, holding, preparing  
29 for sale or lease, selling, leasing and the like and, to the  
30 extent provided for in the agreement and not prohibited by  
31 law, the reasonable attorneys' fees and legal expenses incurred  
32 by the secured party;

33 b. the satisfaction of indebtedness secured by the secu-  
34 rity interest under which the disposition is made;

35 c. the satisfaction of indebtedness secured by any sub-

1 ordinate security interest in the collateral if written noti-  
2 fication of demand therefor is received before distribution  
3 of the proceeds is completed. If requested by the secured  
4 party, the holder of a subordinate security interest must  
5 seasonably furnish reasonable proof of his interest, and  
6 unless he does so, the secured party need not comply with  
7 his demand.

8 2. If the security interest secures an indebtedness, the  
9 secured party must account to the debtor for any surplus,  
10 and, unless otherwise agreed, the debtor is liable for any  
11 deficiency. But if the underlying transaction was a sale  
12 of accounts, ~~contract rights~~, or chattel paper, the debtor  
13 is entitled to any surplus or is liable for any deficiency  
14 only if the security agreement so provides.

15 3. Disposition of the collateral may be by public or pri-  
16 vate proceedings and may be made by way of one or more  
17 contracts. Sale or other disposition may be as a unit or  
18 in parcels and at any time and place and on any terms but  
19 every aspect of the disposition including the method, manner,  
20 time, place and terms must be commercially reasonable. Unless  
21 collateral is perishable or threatens to decline speedily  
22 in value or is of a type customarily sold on a recognized  
23 market, reasonable notification of the time and place of any  
24 public sale or reasonable notification of the time after which  
25 any private sale or other intended disposition is to be made  
26 shall be sent by the secured party to the debtor, ~~and except~~  
27 ~~in the case of consumer goods to any other person who has~~  
28 ~~a security interest in the collateral and who has duly filed~~  
29 ~~a financing statement indexed in the name of the debtor in~~  
30 ~~this state or who is known by the secured party to have a~~  
31 ~~security interest in the collateral~~ if he has not signed after  
32 default a statement renouncing or modifying his right to  
33 notification of sale. In the case of consumer goods no other  
34 notification need be sent. In other cases notification shall  
35 be sent to any other secured party from whom the secured party

1 has received (before sending his notification to the debtor  
2 or before the debtor's renunciation of his rights) written  
3 notice of a claim of an interest in the collateral. The  
4 secured party may buy at any public sale and if the collateral  
5 is of a type customarily sold in a recognized market or is  
6 of a type which is the subject of widely distributed standard  
7 price quotations he may buy at private sale.

8 Sec. 67. Section five hundred fifty-four point nine thou-  
9 sand five hundred five (554.9505), subsection two (2), Code  
10 1973, is amended to read as follows:

11 2. In any other case involving consumer goods or any other  
12 collateral a secured party in possession may, after default,  
13 propose to retain the collateral in satisfaction of the  
14 obligation. Written notice of such proposal shall be sent  
15 to the debtor ~~and except in the case of consumer goods to~~  
16 ~~any other secured party who has a security interest in the~~  
17 ~~collateral and who has duly filed a financing statement indexed~~  
18 ~~in the name of the debtor in this state or is known by the~~  
19 ~~secured party in possession to have a security interest in~~  
20 ~~it. If the debtor or other person entitled to receive~~  
21 ~~notification objects in writing within thirty days from the~~  
22 ~~receipt of the notification or if any other secured party~~  
23 ~~objects in writing within thirty days after the secured party~~  
24 ~~obtains possession~~ if he has not signed after default a  
25 statement renouncing or modifying his rights under this sub-  
26 section. In the case of consumer goods no other notice need  
27 be given. In other cases notice shall be sent to any other  
28 secured party from whom the secured party has received (before  
29 sending his notice to the debtor or before the debtor's  
30 renunciation of his rights) written notice of a claim of an  
31 interest in the collateral. If the secured party receives  
32 objection in writing from a person entitled to receive noti-  
33 fication within twenty-one days after the notice was sent,  
34 the secured party must dispose of the collateral under sec-  
35 tion 554.9504. In the absence of such written objection the

1 secured party may retain the collateral in satisfaction of  
2 the debtor's obligation.

3 Sec. 68. Section five hundred fifty-four point ten thou-  
4 sand one hundred one (554.10101), unnumbered paragraph one  
5 (1), Code 1973, is amended to read as follows:

6 This Except as otherwise provided in Article eleven (11)  
7 of this chapter, this chapter shall take effect and be in  
8 force on and after July 4, 1966. It applies to transactions  
9 entered into and events occurring after that date.

10 Sec. 69. Chapter five hundred fifty-four (554), Code 1973,  
11 is amended by adding the following new sections as Article  
12 eleven (11) of the chapter:

13 NEW SECTION. 554.11101. EFFECTIVE DATE. Division two  
14 (2) of this Act, sections nine (9) through seventy-three (73),  
15 the Iowa amendments to the Uniform Commercial Code pertaining  
16 primarily to security interests, and related amendments, shall  
17 become effective at 12:01 a.m. on January 1, 1975.

18 NEW SECTION. 554.11102. PRESERVATION OF OLD TRANSITION  
19 PROVISION. The provisions of Article ten (10) of this chapter,  
20 sections 554.10101 through 554.10105, shall continue to apply  
21 to this chapter as amended and for this purpose this chapter  
22 prior to amendment and this chapter as amended shall be  
23 considered one continuous statute.

24 NEW SECTION. 554.11103. TRANSITION TO THIS CHAPTER AS  
25 AMENDED--GENERAL RULE. Transactions validly entered into  
26 after July 4, 1966, and before January 1, 1975, which were  
27 subject to the provisions of this chapter prior to amendment  
28 and which would be subject to this chapter as amended if they  
29 had been entered into on or after January 1, 1975, and the  
30 rights, duties and interests flowing from such transactions  
31 remain valid after January 1, 1975, and may be terminated,  
32 completed, consummated or enforced as required or permitted  
33 by this chapter as amended. Security interests arising out  
34 of such transactions which are perfected on January 1, 1975,  
35 shall remain perfected until they lapse or are terminated

1 as provided in this chapter as amended, and may be continued  
2 as permitted by this chapter as amended, except as stated  
3 in section five hundred fifty-four point eleven thousand one  
4 hundred five (554.11105).

5 NEW SECTION. 554.11104. TRANSITION PROVISION ON CHANGE  
6 OF REQUIREMENT OF FILING. A security interest for the perfec-  
7 tion of which filing or the taking of possession was required  
8 under this chapter prior to amendment and which attached prior  
9 to January 1, 1975, but was not perfected shall be deemed  
10 perfected on January 1, 1975, if this chapter as amended  
11 permits perfection without filing or the taking of possession,  
12 or authorizes filing in the office or offices where a prior  
13 ineffective filing was made.

14 NEW SECTION. 554.11105. TRANSITION PROVISION ON CHANGE  
15 OF PLACE OF FILING.

16 1. Except as provided in subsection five (5), a filed  
17 financing or continuation statement which has not lapsed or  
18 been terminated prior to January 1, 1975, shall remain  
19 effective for the period provided in this chapter prior to  
20 amendment, but not less than five years after the filing.

21 2. Except as provided in subsection five (5), with respect  
22 to any collateral acquired by the debtor subsequent to January  
23 1, 1975, any effective financing statement or continuation  
24 statement described in this section shall apply only if the  
25 filing or filings are in the office or offices that would  
26 be appropriate to perfect the security interests in the new  
27 collateral under this chapter as amended.

28 3. The effectiveness of any financing statement or contin-  
29 uation statement filed prior to January 1, 1975, may be con-  
30 tinued by a continuation statement as permitted by this chap-  
31 ter as amended, except that if this chapter as amended requires  
32 a filing in an office where there was no previous financing  
33 statement, a new financing statement conforming to either  
34 section five hundred fifty-four point nine thousand four hun-  
35 dred two (554.9402) or subsection seven (7) shall be filed

1 in that office.

2 4. If the record of a mortgage of real estate would have  
3 been effective as a fixture filing of goods described therein  
4 if this chapter as amended had been in effect on the date  
5 of recording the mortgage, the mortgage shall be deemed effec-  
6 tive as a fixture filing as to such goods under subsection  
7 six (6) of section five hundred fifty-four point nine thousand  
8 four hundred two (554.9402) on January 1, 1975.

9 5. If collateral consists of equipment used in farming  
10 operations, or farm products, or accounts, contract rights,  
11 or general intangibles arising from or relating to the sale  
12 of farm products by a farmer, the place of effective filing  
13 is as follows:

14 a. Filings in the office of a county recorder which have  
15 not lapsed or been terminated prior to January 1, 1975, retain  
16 their effectiveness unless subsequently lapsed or terminated  
17 until January 1, 1976; however, on or after January 1, 1975,  
18 continuation statements are not to be filed in the office  
19 of a county recorder, and effectiveness can be continued only  
20 through the filing in the office of the secretary of state  
21 of a financing statement which complies with section five  
22 hundred fifty-four point nine thousand four hundred two  
23 (554.9402) or, if filed before January 1, 1976, with subsection  
24 seven (7);

25 b. on or after January 1, 1975, initial financing  
26 statements must be filed in the office of the secretary of  
27 state; and must conform to section five hundred fifty-  
28 four point nine thousand four hundred two (554.9402);  
29 and

30 c. on or after January 1, 1976, except as provided in  
31 subsection six (6), all filings must be in the office of the  
32 secretary of state and must conform to either section five  
33 hundred fifty-four point nine thousand four hundred two  
34 (554.9402) or subsection seven (7).

35 6. If a security interest is perfected or has priority

1 on January 1, 1975, as to all persons or as to certain per-  
2 sons without any filing or recording, and if the filing of  
3 a financing statement would be required for the perfection  
4 or priority of the security interest against those persons  
5 under this chapter as amended, the perfection and priority  
6 rights of the security interest continue until three years  
7 after January 1, 1975. The perfection will then lapse unless  
8 a financing statement which complies with either section five  
9 hundred fifty-four point nine thousand four hundred two  
10 (554.9402) or subsection seven (7) of this section has been  
11 filed or unless the security interest has been perfected  
12 otherwise than by filing.

13 7. Where indicated by this section, a financing statement  
14 which otherwise complies with section five hundred fifty-four  
15 point nine thousand four hundred two (554.9402) may be signed  
16 by the secured party instead of the debtor provided that the  
17 financing statement is accompanied by a carbon, photocopy,  
18 or other suitable reproduction of an effective prior filing,  
19 and evidence of proper prior filing, and states that the prior  
20 filing is still effective. Insofar as subsection six (6)  
21 authorizes perfection by filing of security interests which  
22 have been perfected without filing under section five hun-  
23 dred fifty-four point nine thousand three hundred two  
24 (554.9302), subsection one (1), paragraph c, prior to amend-  
25 ment, a financing statement which otherwise complies with  
26 section five hundred fifty-four point nine thousand four hun-  
27 dred two (554.9402) may be signed by the secured party instead  
28 of the debtor provided that the financing statement identifies  
29 the security agreement and states that the security  
30 interest was perfected without filing under section five  
31 hundred fifty-four point nine thousand three hundred two  
32 (554.9302), subsection one (1), paragraph c, prior to amend-  
33 ment.

34 NEW SECTION. 554.11106. Reserved for future use.

35 NEW SECTION. 554.11107. TRANSITION PROVISIONS AS TO

1 PRIORITIES. Except as otherwise provided in this Article,  
2 this chapter prior to amendment shall apply to any questions  
3 of priority if the positions of the parties were fixed prior  
4 to January 1, 1975. In other cases questions of priority  
5 shall be determined by this chapter as amended.

6 NEW SECTION. 554.11108 PRESUMPTION THAT RULE OF LAW  
7 CONTINUES UNCHANGED. Unless a change in law has clearly been  
8 made, the provisions of this chapter as amended shall be  
9 deemed declaratory of the meaning of this chapter prior to  
10 amendment. The first sentence of section 554.9402, subsection  
11 seven (7), shall be deemed to be a change in law.

12 NEW SECTION. 554.11109. EFFECT OF OFFICIAL COMMENTS.  
13 To the extent that they are consistent with the statutory  
14 text, the 1972 Official Comments to the 1972 Official Text  
15 of the Uniform Commercial Code are evidence of legislative  
16 intent as to the meaning of this chapter as amended. However,  
17 prior drafts of the Official Text and Comments may not be  
18 used to ascertain legislative intent.

19 Sec. 70. Section five hundred fifty-five point one (555.1),  
20 Code 1973, is amended to read as follows:

21 555.1 DEFINITIONS. As used in this chapter "~~transmitting~~  
22 ~~utility~~" ~~means any corporation or other entity primarily~~  
23 ~~engaged in the railroad or street railway business, the fur-~~  
24 ~~nishing of telephone or telegraph service, the transmission~~  
25 ~~of oil, gas, or petroleum products by pipe line, or the pro-~~  
26 ~~duction, transmission, or distribution of electricity, steam,~~  
27 ~~gas, or water~~ has the same meaning as defined in the Uni-  
28 form Commercial Code, section five hundred fifty-four point  
29 nine thousand one hundred five (554.9105), subsection one  
30 (1), paragraph n of the Code. Security interests filed  
31 pursuant to chapter five hundred fifty-five (555) of the Code  
32 prior to January 1, 1975, which have not been terminated,  
33 are deemed to be filed in accordance with section five hundred  
34 fifty-four point nine thousand four hundred one (554.9401),  
35 subsection five (5), of the Code.



1 natives for section 554.9401, subsection 1, which states the  
2 proper place for filing to perfect security interests in  
3 various types of collateral. The Study Committee developed  
4 a different subsection tailored more closely to Iowa's needs,  
5 which provides that when the collateral is timber to be cut  
6 or minerals or the like, or is a fixture filing, the filing  
7 must be in the office where a mortgage on the real estate  
8 would be filed; when the collateral is consumer goods, the  
9 filing must be in the county recorder's office in the county  
10 where the debtor resides; and all other filings must be in  
11 the office of the secretary of state. This means that filings  
12 on farm-related collateral which is not a fixture must be  
13 transferred from the county to the state level, and to imple-  
14 ment the transfer the bill provides a one-year transition  
15 period, from January 1, 1975, to January 1, 1976, during which  
16 farm-related filings at the county level will remain in effect  
17 (section 554.11105(5)). The bill also contains a nonuni-  
18 form amendment to section 554.9407 which authorizes the secre-  
19 tary of state to adopt methods which will make information  
20 concerning the public files in his office readily available  
21 to legitimate business interests.

22 Section 8 of the bill provides that the first seven sec-  
23 tions, designated as division 1, are to be effective on July  
24 1, 1974, although the remainder of the bill, designated as  
25 division 2, is not effective until January 1, 1975, (section  
26 554.11101) in order to give sufficient time for commercial  
27 interests in the state to become acquainted with the new pro-  
28 visions. The sections in division 1 which were considered  
29 important enough to merit the earlier effective date include  
30 four sections relating to the security interest of persons  
31 who entrust farm products to a person engaged in farming  
32 operations. These provisions, commonly called "feeder cattle"  
33 amendments, were inserted in 1965 as nonuniform variations  
34 in Iowa, and experience has shown that they may actually have  
35 an adverse effect on the security interest of the owner of

1 the entrusted farm products. Therefore, the nonuniform "feeder  
2 cattle" provisions are deleted in sections 1 through 4 of  
3 the bill. Sections 5 through 7 contain the Official Amendment  
4 to section 554.8102, which expands the definition of a  
5 "clearing corporation" in order to facilitate the deposit  
6 of securities in a clearing corporation and the subsequent  
7 transfer of the securities by book entry. In order to ensure  
8 development of sound business practices, financial institu-  
9 tions are allowed limited participation in the ownership of  
10 clearing corporations, and Iowa fiduciaries are permitted  
11 to utilize only federally regulated clearing corporations.  
12 Supplementary amendments to the banking law (chapter 524 of  
13 the Code) and the probate law (chapter 633 of the Code) permit  
14 banks and other fiduciaries to utilize federal reserve banks  
15 and clearing corporations for the deposit of securities.

16 Division 2 of the bill begins with a coordinating amendment  
17 to section 135D.26 of the Code, which permits an encumbered  
18 mobile home to be converted to real property if the inter-  
19 ests of the secured party are given appropriate considera-  
20 tion. Another coordinating amendment in section 10 of the  
21 bill adds to section 321.50 of the Code a requirement that  
22 the county treasurer certify whether liens are noted on a  
23 vehicle's certificate of title. The remainder of division  
24 2 through section 69 amends the UCC, primarily Article 9 of  
25 the UCC.

26 A major provision added to Article 9 of the UCC is the  
27 new section 554.9313, which provides for a specific "fixture  
28 filing" when a security interest is in goods which are or  
29 will become fixtures (as defined under other state law).  
30 The section also provides that a security interest in fix-  
31 tures will have priority over the interest of an encumbrancer  
32 or owner of the real estate, under specified conditions.  
33 This section will replace the present section 554.9313, which  
34 is a nonuniform provision stating that the Iowa Uniform  
35 Commercial Code does not govern the priorities between such

1 conflicting interests, and which has the effect of leaving  
2 priority with the real estate mortgagee under other Iowa law.  
3 After weighing the interests involved, the Study Committee  
4 determined that the new uniform section 554.9313 is a desirable  
5 change for Iowa that will encourage the financing of home  
6 improvements.

7 Other important provisions in the 1972 Official Text of  
8 Article 9 include:

- 9 1. Revision of the conflict of laws rules (section  
10 554.9103).
- 11 2. Changes in priorities relating to future advances  
12 (sections 554.9105(1)(k), 554.9204(3), 554.9301(4),  
13 554.9307(3), and 554.9312(7)).
- 14 3. Provisions relating to consignments or leases of goods  
15 (new sections 554.9114 and 554.9408).
- 16 4. Clarifications of the law relating to security inter-  
17 ests in "proceeds" and insurance benefits as proceeds (sec-  
18 tions 554.9203(3), 554.9306, and 554.9312(6)).
- 19 5. Modifications of the prerequisites to foreclosure sales  
20 (sections 554.9504(3) and 554.9505(2)).
- 21 6. Simplification of filing provisions (sections 554.9401  
22 through 554.9408).

23 Section 69 of the bill contains the transition provisions  
24 which will govern the applicability of amended provisions  
25 of the UCC, and which will appear as Article 11. Section  
26 554.11105, subsection 5, spells out the special provisions  
27 relating to the transfer of filings on farm-related collateral  
28 from county recorders' offices to the secretary of state's  
29 office.

30 Because filing of security interests in the property of  
31 "transmitting utilities" is covered under the amended UCC  
32 (sections 554.9105(1)(n), 554.9401(5), 554.9402(5) and  
33 554.9403(6)), present chapter 555 of the Code is amended in  
34 the final sections of the bill, in order to cross reference  
35 to the UCC, while still retaining specific provisions not  
36 covered in the UCC.

1 Amend Senate File 1315 as follows:

2 1. Page 6, line 27, strike the words and figure  
3 "subsection five (5) of".

4 2. Page 41, strike lines 7 through 31 and insert  
5 in lieu thereof the following:

6 a. when the collateral is equipment used in farm-  
7 ing operations, or farm products, or accounts, ~~con-~~  
8 ~~tract-rights~~ or general intangibles arising from or  
9 relating to the sale of farm products by a farmer,  
10 or consumer goods, then in the office of the Recorder  
11 recorder in the county of the debtor's residence or  
12 if the debtor is not a resident of this state then  
13 in the office of the Recorder recorder in the county  
14 where the goods are kept, and in addition when the  
15 collateral is crops growing or to be grown in the  
16 office of the Recorder recorder in the county where  
17 the land ~~on-which-the-crops-are-growing-or-to-be~~  
18 ~~grown~~ is located;

19 b. when the collateral is timber to be cut or  
20 is minerals or the like (including oil and gas) or  
21 accounts subject to subsection five (5) of section  
22 five hundred fifty-four point nine thousand one  
23 hundred three (554,9103), or when the financing  
24 statement is filed as a fixture filing (section  
25 five hundred fifty-four point nine thousand three

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1 hundred thirteen (554.9313) and the collateral is  
2 goods which ~~at-the-time-the-security-interest~~ attaches  
3 are or are to become fixtures, then in the office  
4 where a mortgage on the real estate concerned would  
5 be filed or recorded;

6 3. Page 59, line 16, strike the words and figure  
7 "Except as provided in subsection five (5), a" and  
8 inserting in lieu thereof the word "A".

9 4. Page 59, line 21, strike the words and figure  
10 "Except as provided in subsection five (5), with"  
11 and insert in lieu thereof the word "With".

12 5. Page 59, line 35, strike the word and figure  
13 "seven (7)" and insert in lieu thereof the word and  
14 figure "six (6)".

15 6. Page 60, strike lines 9 through 34.

16 7. Page 60, line 35, strike the figure "6" and  
17 insert in lieu thereof the figure "5".

18 8. Page 61, line 10, strike the words and figure  
19 "seven (7) of this section" and insert in lieu  
20 thereof the word and figure "six (6)".

21 9. Page 61, line 13, strike the figure "7" and  
22 insert in lieu thereof the figure "6".

23 10. Page 61, line 20, strike the word and figure  
24 "six (6)" and insert in lieu thereof the word and  
25 figure "five (5)".

S-2586

- 1 Amend Senate File 1315 as follows:
- 2 1. Page 3, line 34, strike the figure "(1)" and
- 3 insert in lieu thereof the letter "i".
- 4 2. Page 4, line 2, strike the figure "(2)" and
- 5 insert in lieu thereof the letters "ii".
- 6 3. Page 4, line 9, strike the figure "(3)" and
- 7 insert in lieu thereof the letters "iii".
- 8 4. Page 6, line 29, strike the word and figure
- 9 "nine (9)" and insert in lieu thereof the word and
- 10 figure "eight (8)".
- 11 5. Page 8, lines 6 and 7, strike the words
- 12 "names and addresses" and insert in lieu thereof
- 13 the words "name and address".
- 14 6. Page 10, line 4, strike the word "not".
- 15 7. Page 11, line 20, strike the word "OR" and
- 16 insert in lieu thereof the word "OF".
- 17 8. Page 19, line 14, strike the words and figure
- 18 "such as the Ship Mortgage Act, 1920," and insert
- 19 in lieu thereof the words and figure "~~such-as-the~~
- 20 ~~Ship-Mortgage-Act, 1920~~".
- 21 9. Page 29, line 5, strike the word "motor".
- 22 10. Page 29, line 32, strike the word "section"
- 23 and insert in lieu thereof the word "sections".
- 24 11. Page 29, line 33, insert after the figure
- 25 "(321.18)" the words and figure "and three hundred

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- 1 twenty-one point twenty (321.20)".
- 2 12. Page 30, line 35, strike the word "thereof"
- 3 and insert in lieu thereof the word "therefor".
- 4 13. Page 44, insert after line 20 the following:
- 5 (use whichever is applicable)
- 6 14. Page 51, line 21, strike the words "two
- 7 dollar" and insert in lieu thereof the words "three
- 8 dollars".
- 9 15. Page 51, line 23, strike the word "three"
- 10 and insert in lieu thereof the word "four".
- 11 16. Page 51, line 33, strike the word "spearate"
- 12 and insert in lieu thereof the word "separate".
- 13 17. Page 58, line 14, strike the word and figure
- 14 "seventy-three (73)" and insert in lieu thereof the
- 15 word and figure "seventy-two (72)".
- 16 18. Page 62, line 13, insert before the word
- 17 "statutory" the word "Iowa".

S-2586 Filed- *adopted 3/27*  
March 26, 1974

By WILLITS

S-2589

- 1 Amend Senate File 1315, page 8, line 8, by insert-
- 2 ing after the word "a" the word "written".

S-2589 Filed and adopted  
March 27, 1974

By WILLITS

HOUSE AMENDMENT TO SENATE FILE 1315

- 1 Amend Senate File 1315, as amended and passed by the  
2 Senate, as follows:  
3 1. Page 5, line 24, strike the words "federally regulated".  
4 2. Page 5, line 27, insert before the period the words  
5 ", if the clearing corporation is federally regulated".  
6 3. Page 6, line 27, strike the words and figure "sub-  
7 section five (5) of".  
8 4. Page 7, line 8, by striking the words "on real estate  
9 owned by him" and inserting in lieu thereof the words "~~on~~  
10 ~~real-estate-owned-by-him~~".  
11 5. Page 16, line 1, strike the letter and punctuation  
12 mark "(i)" and insert in lieu thereof the letter and  
13 punctuation mark "i."  
14 6. Page 16, line 8, strike the letter and punctuation  
15 mark "(ii)" and insert in lieu thereof the letter and  
16 punctuation mark "ii."  
17 7. Page 16, line 11, strike the letter and punctuation  
18 mark "(iii)" and insert in lieu thereof the letter and  
19 punctuation mark "iii."  
20 8. Page 20, line 20, insert before the comma the  
21 punctuation mark ")".  
22 9. Page 20, line 22, insert after the punctuation mark  
23 ")" another punctuation mark ")".  
24 10. Page 21, line 32, strike the punctuation mark "7"  
25 and insert in lieu thereof the punctuation mark ",."

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- 1 11. Page 22, line 16, strike the period and insert in  
2 lieu thereof a semicolon.  
3 12. Page 22, line 25, strike the period and insert in  
4 lieu thereof a semicolon.  
5 13. Page 24, line 21, strike the comma after the words  
6 "paragraph c".  
7 14. Page 25, line 7, strike the words "~~ENFORCEABILITY~~  
8 ~~ATTACHMENT AND ENFORCEABILITY~~" and insert in lieu thereof  
9 the words "ATTACHMENT AND ENFORCEABILITY".  
10 15. Page 26, line 6, strike the words "~~AFTER-ACQUIRED~~"  
11 and insert in lieu thereof the word "AFTER-ACQUIRED".  
12 16. Page 26, line 7, strike the word "~~AFTER-ACQUIRED~~".  
13 17. Page 29, line 16, strike the period and insert in  
14 lieu thereof a semicolon.  
15 18. Page 31, line 19, strike the punctuation mark ")"  
16 immediately before the first comma.  
17 19. Page 38, line 6, strike the period.  
18 20. Page 41, strike lines 7 through 31 and insert in  
19 lieu thereof the following:  
20 a. when the collateral is equipment used in farming  
21 operations, or farm products, or accounts, ~~contract-rights~~  
22 or general intangibles arising from or relating to the sale  
23 of farm products by a farmer, or consumer goods, then in the  
24 office of the Recorder recorder in the county of the debtor's  
25 residence or if the debtor is not a resident of this state

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1 then in the office of the Recorder recorder in the county  
2 where the goods are kept, except if the farmer is a domestic  
3 or a foreign corporation, then in the office of the secretary  
4 of state, and in addition when the collateral is crops  
5 growing or to be grown in the office of the Recorder recorder  
6 in the county where the land on-which-the-crops-are-growing  
7 or-to-be-grown is located;

8 b. when the collateral is timber to be cut or is minerals  
9 or the like (including oil and gas) or accounts subject to  
10 subsection five (5) of section five hundred fifty-four point  
11 nine thousand one hundred three (554.9103), or when the  
12 financing statement is filed as a fixture filing (section  
13 five hundred fifty-four point nine thousand three hundred  
14 thirteen (554.9313) and the collateral is goods which at-the  
15 time-the-security-interest-attaches are or are to become  
16 fixtures, then in the office where a mortgage on the real  
17 estate concerned would be filed or recorded;

18 21. Page 46, line 15, strike the underlined comma.

19 22. Page 46, line 23, strike the punctuation mark ","  
20 and insert in lieu thereof the punctuation mark "7".

21 23. Page 47, line 34, strike the underlined comma.

22 24. Page 59, line 16, strike the words and figure "Except  
23 as provided in subsection five (5), a" and insert in lieu  
24 thereof the word "A".

25 25. Page 59, line 21, strike the words and figure "Except

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1 as provided in subsection five (5), with" and insert in lieu  
2 thereof the word "With".

3 26. Page 59, line 35, strike the word and figure "seven  
4 (7)" and insert in lieu thereof the word and figure "six (6)".

5 27. Page 60, strike lines 9 through 34.

6 28. Page 60, line 35, strike the figure "6" and insert  
7 in lieu thereof the figure "5".

8 29. Page 61, line 10, strike the words and figure "seven  
9 (7) of this section" and insert in lieu thereof the word  
10 and figure "six (6)".

11 30. Page 61, line 13, strike the figure "7" and insert  
12 in lieu thereof the figure "6".

13 31. Page 61, line 20, strike the word and figure "six  
14 (6)" and insert in lieu thereof the word and figure "five (5)".

15 32. Page 63, line 11, strike the word "is" and insert  
16 in lieu thereof the words and figures "and Acts of the  
17 Sixty-fifth General Assembly, 1974 Session, Senate File  
18 four hundred forty-two (442), section eleven (11), are".

Received from the House  
April 29, 1974

*Senate amended and  
concurred 4/29*

S-2585

1 Amend Senate File 1315 as follows:  
2 1. Page 60, line 17, strike the figure "1976"  
3 and insert in lieu thereof the figure "1980".  
4 2. Page 60, line 23, strike the figure "1976"  
5 and insert in lieu thereof the figure "1980".  
6 3. Page 60, lines 30 and 31, strike the words  
7 and figures "1976, except as provided in subsection  
8 six (6)" and insert in lieu thereof the figure  
9 "1980".

S-2585 Filed - *Adopted 3/27* By WILLITS and CURTIS  
March 26, 1974

S-2913

1 Amend the House Amendment to Senate File 1315  
2 as follows:  
3 1. Page 1, by striking lines 6 and 7.  
4 2. Page 2, by striking lines 18 through 25.  
5 3. Page 3, by striking lines 1 through 17 and  
6 lines 22 through 25.  
7 4. Page 4, by striking lines 1 through 14.

S-2913 Filed and adopted By WILLITS and KELLY  
April 29, 1974

H-2910

1 Amend Senate File 1315 as passed by the Senate as  
2 follows:  
3 1. Page 7, line 8, by striking the words "on  
4 real estate owned by him" and inserting in lieu  
5 thereof the words "~~on-real-estate-owned-by-him~~".

H-2910 Filed - *Adopted 4/26* By KRAUSE of Palo Alto  
April 17, 1974

H-3016

1 Amend Senate File 1315, as amended and passed by  
2 the Senate, as follows:  
3 1. Page 5, line 24, strike the words "federally  
4 regulated".  
5 2. Page 5, line 27, insert before the period the  
6 words ", if the clearing corporation is federally  
7 regulated".  
8 3. Page 63, line 11, strike the word "is" and  
9 insert in lieu thereof the words and figures "and  
10 Acts of the Sixty-fifth General Assembly, 1974 Ses-  
11 sion, Senate File four hundred forty-two (442), sec-  
12 tion eleven (11), are".

H-3016 Filed - *Adopted 4/26* By HILL of Polk  
April 25, 1974 STANLEY of Muscatine

SENATE FILE 1315

H-2991

- 1 Amend Senate File 1315, as amended and passed
- 2 by the Senate, as follows:
- 3 1. Page 6, line 27, strike the words and figure
- 4 "subsection five (5) of".
- 5 2. Page 41, strike lines 7 through 31 and insert
- 6 in lieu thereof the following:
- 7 a. when the collateral is equipment used in farm-
- 8 ing operations, or farm products, or accounts, ~~con-~~
- 9 ~~tract-rights~~ or general intangibles arising from or
- 10 relating to the sale of farm products by a farmer,
- 11 or consumer goods, then in the office of the Recorder
- 12 recorder in the county of the debtor's residence or
- 13 if the debtor is not a resident of this state then
- 14 in the office of the Recorder recorder in the county
- 15 where the goods are kept, and in addition when the
- 16 collateral is crops growing or to be grown in the
- 17 office of the Recorder recorder in the county where
- 18 the land ~~on-which-the-crops-are-growing-or-to-be~~
- 19 ~~grown~~ is located;
- 20 b. when the collateral is timber to be cut or
- 21 is minerals or the like (including oil and gas) or
- 22 accounts subject to subsection five (5) of section
- 23 five hundred fifty-four point nine thousand one
- 24 hundred three (554.9103), or when the financing
- 25 statement is filed as a fixture filing (section
- 26 five hundred fifty-four point nine thousand three
- 27 hundred thirteen (554.9313) and the collateral is
- 28 goods which at-the-time-the-security-interest-attaches
- 29 are or are to become fixtures, then in the office
- 30 where a mortgage on the real estate concerned would
- 31 be filed or recorded;
- 32 3. Page 59, line 16, strike the words and figure
- 33 "Except as provided in subsection five (5), a" and
- 34 insert in lieu thereof the word "A".
- 35 4. Page 59, line 21, strike the words and figures
- 36 "Except as provided in subsection five (5), with"
- 37 and insert in lieu thereof the word "With".
- 38 5. Page 59, line 35, strike the word and figure
- 39 "seven (7)" and insert in lieu thereof the word and
- 40 figure "six (6)".
- 41 6. Page 60, strike lines 9 through 34.
- 42 7. Page 60, line 35, strike the figure "6" and
- 43 insert in lieu thereof the figure "5".
- 44 8. Page 61, line 10, strike the words and figure
- 45 "seven (7) of this section" and insert in lieu
- 46 thereof the word and figure "six (6)".
- 47 9. Page 61, line 13, strike the figure "7" and
- 48 insert in lieu thereof the figure "6".
- 49 10. Page 61, line 20, strike the word and figure
- 50 "six (6)" and insert in lieu thereof the word and
- 51 figure "five (5)".

H-3014

- 1 Amend the Daggett, et al., amendment H-2991 to Sen-  
2 ate File 1315, as amended and passed by the Senate,  
3 as follows:  
4 1. Insert after line 31 the following:  
5 \_\_\_\_\_. Page 42, line 4, strike the word "subsection"  
6 and insert in lieu thereof the word "subsections".  
7 \_\_\_\_\_. Page 42, insert after line 14 the following:  
8 NEW SUBSECTION. For the purposes of this sec-  
9 tion, the residence of an organization is its place  
10 of business if it has one or its chief executive  
11 office if it has more than one place of business.  
12 2. Renumber the remaining items of the amendment.

H-3014 Filed - *Adopted 4/26* By DAGGETT of Adams  
April 25, 1974 *Reconsidered and withdrawn 4/26* BORTELL of Madison

H-3023

- 1 Amend the Daggett, et al., amendment H-2991 to  
2 Senate File 1315, as amended and passed by the Senate,  
3 by inserting after the comma in line 15 the words  
4 "except if the farmer is a domestic or a foreign  
5 corporation, then in the office of the secretary of  
6 state,".

H-3023 Filed and adopted By DAGGETT of Adams  
April 26, 1974 BORTELL of Madison

SENATE AMENDMENT TO THE HOUSE AMENDMENT TO  
SENATE FILE 1315

- 1 Amend the House Amendment to Senate File 1315 as  
2 follows:  
3 1. Page 1, by striking lines 6 and 7.  
4 2. Page 2, by striking lines 18 through 25.  
5 3. Page 3, by striking lines 1 through 17 and  
6 lines 22 through 25.  
7 4. Page 4, by striking lines 1 through 14.

Received from the Senate  
April 29, 1974

*House concurred 4/30*

- 1 Amend Senate File 1315, as amended and passed by
- 2 the Senate, as follows:
- 3 1. Page 16, line 1, strike the letter and punctua-
- 4 tion mark "(i)" and insert in lieu thereof the letter
- 5 and punctuation mark "i."
- 6 2. Page 16, line 8, strike the letter and punctua-
- 7 tion mark "(ii)" and insert in lieu thereof the letter
- 8 and punctuaion mark "ii."
- 9 3. Page 16, line 11, strike the letter and punctua-
- 10 tion mark "(iii)" and insert in lieu thereof the
- 11 letter and punctuation mark "iii."
- 12 4. Page 20, line 20, insert before the comma the
- 13 'unctuation mark ")".
- 14 5. Page 20, line 22, insert after the punctuation
- 15 mark ")." another punctuaion mark ")".
- 16 6. Page 21, line 32, strike the punctuation mark
- 17 "7" and insert in lieu thereof the punctuation mark
- 18 ",,".
- 19 7. Page 22, line 16, strike the period and insert
- 20 in lieu thereof a semicolon.
- 21 8. Page 22, line 25, strike the period and insert
- 22 in lieu thereof a semicolon.
- 23 9. Page 24, line 21, strike the comma after the
- 24 words "paragraph c".
- 25 10. Page 25, line 7, strike the words "ENFORCE-
- 26 ~~ABILITY~~ ATTACHMENT AND ENFORCEABILITY" and insert in
- 27 lieu thereof the words "ATTACHMENT AND ENFORCEABILITY".
- 28 11. Page 26, line 6, strike the word "AFTER-ACQUIRED"
- 29 and insert in lieu thereof the word "AFTER-ACQUIRED".
- 30 12. Page 26, line 7, strike the word "AFTER-
- 31 ACQUIRED".
- 32 13. Page 29, line 16, strike the period and insert
- 33 in lieu thereof a semicolon.
- 34 14. Page 31, line 19, strike the punctuation mark
- 35 ")" immediately before the first comma.
- 36 15. Page 38, line 6, strike the period.
- 37 16. Page 46, line 15, strike the underlined comma.
- 38 17. Page 46, line 23, strike the punctuation mark
- 39 ",," and insert in lieu thereof the punctuation mark
- 40 "7".
- 41 18. Page 47, line 34, strike the underlined comma.