

HOUSE FILE 570 *4/5/83 Do Pass 4/5/83 (p. 1164)*  
Commerce  
Jensen, Chair  
Priebe  
Holden

MAR 23 1983  
Place On Calendar

HOUSE FILE 570  
BY COMMITTEE ON STATE GOVERNMENT  
(Formerly Study Bill 313)

Passed House, Date 3-30-83 (p. 974) Passed Senate, Date 4-13-83 (p. 1228)  
Vote: Ayes 98 Nays 0 Vote: Ayes 43 Nays 1  
Approved May 3, 1983 (p. 1164)

### A BILL FOR

- 1 An Act regarding the recording of financing statements
- 2 under the uniform commercial code.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
- 4

HOUSE FILE 570  
FISCAL NOTE  
REQUESTED BY REPRESENTATIVE SWARTZ

In compliance with a written request received March 30, 1983, there is hereby submitted a Fiscal Note for House File 570 pursuant to Joint Rule 17. Background information used in developing this Fiscal Note is available from the Legislative Fiscal Bureau, to members of the Legislature upon request.

House File 570 makes several changes in procedures pertaining to filing financing statements under the uniform commercial code. A uniform fee of four dollars will be charged whenever the Secretary of State's office responds to a written or verbal request for information on whether a presently effective financing statement is on file for a debtor. Currently a fee is only charged for responding to written requests; no fee is charged for responding to verbal requests.

The number of requests for searches received by the Secretary of State's office varies depending upon the economy; adverse conditions result in more loans resulting in more requests for searches. It is estimated that the Secretary of State will receive 40,000 requests; charging four dollars per request will generate \$160,000 in additional revenue to the state general fund.

(1607S, 83-459, JMN)

SOURCE: SECRETARY OF STATE  
FILED MARCH 31, 1983

BY DENNIS C. PROUTY, FISCAL DIRECTOR

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HF 570

1 Section 1. Section 554.9403, subsection 3, Code 1983,  
2 is amended to read as follows:

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

33 Sec. 2. Section 554.9404, subsection 2, Code 1983, is  
34 amended to read as follows:

35 2. On presentation to the filing officer of such a

1 termination statement ~~he~~ the filing officer must note it in  
2 the index. If ~~he~~ the filing officer has received the  
3 termination statement in duplicate, ~~he~~ the filing officer  
4 shall return one copy of the termination statement to the  
5 secured party stamped to show the time of receipt thereof.  
6 ~~If the filing officer has a microfilm or other photographic~~  
7 ~~record of the financing statement, and of any related~~  
8 ~~continuation statement, statement of assignment and statement~~  
9 ~~of release, he may remove the originals from the files at~~  
10 ~~any time after receipt of the termination statement, or if~~  
11 ~~he has no such record, he may remove them from the files at~~  
12 ~~any time after one year after receipt of the termination~~  
13 ~~statement.~~

14 Sec. 3. Section 554.9407, subsection 2, Code 1983, is  
15 amended to read as follows:

16 2. Upon written request of any person, the filing officer  
17 shall issue a certificate showing whether there is on file  
18 on the date and hour stated therein, any presently effective  
19 financing statement naming a particular debtor and any  
20 financing statement changes and if there is, giving the date  
21 and hour of filing of each such filing and the names and  
22 addresses of each secured party therein. The uniform fee  
23 for such a certificate shall be four dollars if the request  
24 for the certificate is on a form conforming to standards  
25 prescribed by the secretary of state; otherwise, five dollars.  
26 Upon request and the payment of the appropriate fee the filing  
27 officer shall furnish a certified copy of any filed financing  
28 statement or financing statement changes for a uniform fee  
29 of one dollar per page.

30 Sec. 4. Section 554.9407, Code 1983, is amended by adding  
31 the following new subsection as subsection 2 and renumbering  
32 the remaining subsections:

33 NEW SUBSECTION. 2. Upon a verbal request of a person,  
34 the filing officer shall verbally give information concerning  
35 a presently effective financing statement. The uniform fee

1 for responding to a verbal request is four dollars. The  
2 requesting party may request a certificate from the filing  
3 officer confirming the information given. The uniform fee  
4 for a certificate is one dollar.

5 Sec. 5. Section 554.9407, subsection 3, paragraph a, Code  
6 1983, is amended by striking the paragraph.

7 EXPLANATION

8 This bill amends sections of the uniform commercial code  
9 regarding the recording of financing statements for security  
10 interests.

11 Sections 1 and 2 allow for the filing officer to destroy  
12 a financing or continuation statement if the filing officer  
13 has a microfilm or photographic record of the statement.

14 Sections 3 and 4 relate to written and verbal requests  
15 to the filing officer regarding whether a presently effective  
16 financing statement is on file for a debtor.

17 Section 5 eliminates a subscription telephone service as  
18 a designated way that the secretary of state or county recorder  
19 may select to provide information on public filings.

20 This bill becomes effective July 1 following enactment.

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HOUSE FILE 570

AN ACT

REGARDING THE RECORDING OF FINANCING STATEMENTS UNDER THE UNIFORM COMMERCIAL CODE.

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

Section 1. Section 554.9403, subsection 3, Code 1983, is amended to read as follows:

3. A continuation statement may be filed by the secured party within six months prior to the expiration of the five-year period specified in subsection 2. Any such continuation statement must be signed by the secured party, identify the original statement by file number and state that the original statement is still effective. A continuation statement signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with section 554.9405, subsection 2, including payment of the required fee. Upon timely filing of the continuation statement, the effectiveness of the original statement is continued for five years after the last date to which the filing was effective whereupon it lapses in the same manner as provided in subsection 2 unless another continuation statement is filed prior to such lapse. Succeeding continuation statements may be filed in the same manner to continue the effectiveness of the original statement. Unless a statute on disposition of public records provides otherwise, the filing officer may remove a lapsed statement from the files and destroy it immediately if he the filing officer has retained a microfilm or other photographic record, or in other cases after one year after the lapse. ~~The filing officer shall so arrange matters by physical annexation of financing statements to continuation statements or other~~

~~related filing or by other means that it he physically destroys the financing statements of a period more than five years past, those which have been continued by a continuation statement or which are still effective under subsection 6 shall be retained.~~

Sec. 2. Section 554.9404, subsection 2, Code 1983, is amended to read as follows:

2. On presentation to the filing officer of such a termination statement he the filing officer must note it in the index. If he the filing officer has received the termination statement in duplicate, he the filing officer shall return one copy of the termination statement to the secured party stamped to show the time of receipt thereof. ~~if the filing officer has a microfilm or other photographic record of the financing statement, and of any related continuation statement, statement of assignment and statement of release, he may remove the originals from the files at any time after receipt of the termination statement or if he has no such record, he may remove them from the files at any time after one year after receipt of the termination statement.~~

Sec. 3. Section 554.9407, subsection 2, Code 1983, is amended to read as follows:

2. Upon written request of any person, the filing officer shall issue a certificate showing whether there is on file on the date and hour stated therein, any presently effective financing statement naming a particular debtor and any financing statement changes and if there is, giving the date and hour of filing of each such filing and the names and addresses of each secured party therein. The uniform fee for such a certificate shall be four dollars if the request for the certificate is on a form conforming to standards prescribed by the secretary of state; otherwise, five dollars. Upon request and the payment of the appropriate fee the filing officer shall furnish a certified copy of any filed financing statement or financing statement changes for a uniform fee of one dollar per page.

Sec. 4. Section 554.9407, Code 1983, is amended by adding the following new subsection as subsection 2 and renumbering the remaining subsections:

NEW SUBSECTION. 2. Upon a verbal request of a person, the filing officer shall verbally give information concerning a presently effective financing statement. The uniform fee for responding to a verbal request is four dollars. The requesting party may request a certificate from the filing officer confirming the information given. The uniform fee for a certificate is one dollar.

Sec. 5. Section 554.9407, subsection 3, paragraph a, Code 1983, is amended by striking the paragraph.

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DONALD D. AVENSON  
Speaker of the House

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ROBERT T. ANDERSON  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 570, Seventieth General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved May 3, 1983

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TERRY E. BRANSTAD  
Governor