

LEGISLATIVE BILL 606

Approved by the Governor June 4, 1985

Introduced by DeCamp, 40

AN ACT relating to the Uniform Commercial Code; to amend sections 9-307, 9-401 to 9-406, 9-414, 9-415, and 9-417, Uniform Commercial Code; to change provisions relating to buyers of farm products taking free of security interests or liens as prescribed; to provide for notice to sellers; to provide a penalty; to change provisions relating to filing to perfect security interests; to change certain fees; to change provisions relating to financing statements, continuation statements, termination statements, statements of release, and the transmittal of information; to provide duties; to provide for termination statements for liens as prescribed; to provide operative dates; to repeal the original sections; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 9-307, Uniform Commercial Code, be amended to read as follows:
9-307. Protection of buyers of goods; review committee; notice; penalty.

(1) A buyer in ordinary course of business (subsection (9) of section 1-201) other than a person buying farm products from a person engaged in farming operations takes free of a security interest created by his or her seller even though the security interest is perfected and even though the buyer knows of its existence.

(2) In the case of consumer goods, a buyer takes free of a security interest even though perfected if he or she buys without knowledge of the security interest, for value and for his or her own personal, family or household purposes unless prior to the purchase the secured party has filed a financing statement covering such goods.

(3) A buyer other than a buyer in ordinary course of business (subsection (1) of this section) takes free of a security interest to the extent that it secures future advances made after the secured party acquires knowledge of the purchase.

(4) A buyer who purchases farm products or a person who sells farm products for another for a fee or commission ~~shall~~ may require that the seller, under the penalties prescribed, declare and identify in writing the first security interest holder or first lienholder, as the case may be, with regard to the farm products being sold.

If such buyer acts in good faith and without actual knowledge that such disclosure is other than accurate and if such seller is then paid tendered the total purchase price by means of a check payable to such seller and, if one be named, the named first security interest holder or first lienholder, as the case may be, and if the named first security interest holder or first lienholder authorizes the cashing negotiation of such check, the buyer of such farm products so purchased shall take free of any security interest or lien. No buyer shall be allowed to take advantage of and apply the right of offset to defeat a priority established by any lien or security interest. The buyer's good faith reliance upon the seller not naming a security interest holder or lienholder in accordance with this subsection shall allow such buyer to take such farm products free of any security interest or lien. Any endorsement for payment made on such check shall not serve to establish or alter in any way security interest or lien priorities under Nebraska law.

(5) Subsection (4) of this section shall terminate on September 1, 1987 1988. In 1986 1987 the Executive Board of the Legislature shall designate an appropriate committee of the Legislature to review the operation of subsection (4) of this section. The committee shall conduct such review and may propose legislation to amend or postpone the termination date of subsection (4) of this section if the committee deems such action appropriate.

(6) Commencing September 1, 1988, a person buying farm products from a person engaged in farming operations shall be subject to a security interest created by his or her seller only when such security interest is indicated on the computer index established pursuant to section 9-415 at the beginning of the business day on which the purchase was completed. The beginning of the business day shall be 8:00 a.m. central daylight time. A business day shall be any day Monday through Friday when state offices are not closed pursuant to an official state holiday. If the purchase is on any day other than a business day as defined in this subsection, then for purposes of this subsection the immediately preceding business day shall be considered the business day on which the purchase was completed.

(7) A buyer who in the ordinary course of business purchases farm products from a person engaged in farming or a person who sells farm products for another for a fee or commission who wishes to avail himself or herself of the protections of subsection (4) of this section shall post, in public view in a prominent place on the premises where the transactions are initiated, or deliver, in writing to a prospective seller at the time the transaction is initiated, the following or substantially similar notice:

Notice to Sellers

Nebraska law, section 9-307(4), Uniform Commercial Code, provides that a buyer who purchases farm products or a person who sells farm products for another for a fee or commission may require that the seller, under the penalties of a Class I misdemeanor, declare and identify in writing the first security interest holder or first lienholder, as the case may be, with regard to the farm products being sold. If such seller is then tendered the total purchase price by means of a check payable to such seller and, if one is named, payable to the named first security interest holder or first lienholder, as the case may be, and if the named first security interest holder or first lienholder authorizes the negotiation of such check, the buyer of such farm products so purchased shall take free of any security interest or lien.

(8) Any seller who violates the disclosure requirement of subsection (4) of this section shall be guilty of a Class I misdemeanor.

Sec. 2. That section 9-401, Uniform Commercial Code, be amended to read as follows:

9-401. Place of filing; erroneous filing; change of residence or place of business; removal of collateral.

(1) The proper place to file in order to perfect a security interest is as follows:

(a) When the collateral is (i) equipment used in farming operations, (ii) farm products, including crops growing or to be grown, (iii) farm products which become inventory of a person engaged in farming, (iv) accounts or general intangibles arising from or relating to the sale of farm products by a farmer, or (v) consumer goods, then in the office of the county clerk in the county of the debtor's residence or if the debtor is not a resident of this state then in the office of the county clerk in the county where the goods are kept or grown.

(b) When the collateral is timber to be cut or is minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 9-103, or when the financing statement is filed as a fixture filing (section 9-313) and the collateral is goods which are or are to become fixtures, then in the office where a mortgage on the real estate would be filed or recorded.

(c) In all other cases, in the office of the Secretary of State.

(2) A filing which is made in good faith in an improper place or not in all of the places required by this section is nevertheless effective with regard to any collateral as to which the filing complied with the requirements of this article and is also effective with regard to collateral covered by the financing statement against any person who has knowledge of the contents of such financing statement.

(3) A filing which is made in the proper place in

this state continues effective even though the debtor's residence or place of business or the location of the collateral or its use, whichever controlled the original filing, is thereafter changed. A debtor's residence is presumed to be the residence shown on the filing. The showing of an improper residence shall not affect the validity of the filing or the perfection of such filing.

(4) The rules stated in section 9-103 determine whether filing is necessary in this state.

(5) Notwithstanding the preceding subsections, and subject to subsection (3) of section 9-302, the proper place to file in order to perfect a security interest in collateral, including fixtures, of a transmitting utility is the office of the Secretary of State. This filing constitutes a fixture filing (section 9-313) as to the collateral described therein which is or is to become fixtures.

(6) For the purposes of this section, the residence of an organization is its place of business if it has one or its chief executive office if it has more than one place of business.

Sec. 3. That section 9-402, Uniform Commercial Code, be amended to read as follows:

9-402. Formal requisites of financing statement; amendments; fees; mortgage as financing statement; substantial compliance; effect.

(1) A financing statement may be in a form prescribed by the Secretary of State and is sufficient if it gives the names of the debtor and the secured party, is signed by the debtor, gives an address of the secured party from which information concerning the security interest may be obtained, gives a mailing address of the debtor and contains a statement indicating the types, or describing the items, of collateral. The Secretary of State shall require that the social security number or the federal tax identification number of both the secured party and the debtor be provided on the financing statement and other related filings. A financing statement may be filed before a security agreement is made or a security interest otherwise attaches. When the financing statement covers crops growing or to be grown, the statement must also contain a description of the real estate concerned. When the financing statement covers timber to be cut or covers minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 9-103, or when the financing statement is filed as a fixture filing (section 9-313) and the collateral is goods which are or are to become fixtures, the statement must also comply with subsection (5). A copy of the security agreement is sufficient as a financing statement if it contains the above information and is signed by the debtor. A carbon, photographic or other reproduction of a security agreement or a financing statement is sufficient as a financing

statement if the security agreement so provides or if the original has been filed in this state.

(2) A financing statement which otherwise complies with subsection (1) is sufficient when it is signed by the secured party instead of the debtor when it is filed to perfect a security interest in

- (a) collateral already subject to a security interest in another jurisdiction when it is brought into this state, or when the debtor's location is changed to this state. Such a financing statement must state that the collateral was brought into this state or that the debtor's location was changed to this state under such circumstances; or
- (b) proceeds under section 9-306 if the security interest in the original collateral was perfected. Such a financing statement must describe the original collateral; or
- (c) collateral as to which the filing has lapsed; or
- (d) collateral acquired after a change of name, identity or corporate structure of the debtor (subsection (7)).

(3) The Secretary of State shall prescribe a form substantially as follows to comply with subsection (1):

Name of debtor (or assignor)

Address

Name of secured party (or assignee)

Address

1. This financing statement covers the following types (or items) of property:
(Describe)
.....

2. (If collateral is crops) The above described crops are growing of are to be grown on:
(Describe real estate)
.....

3. (If applicable) The above goods are to become fixtures on (Describe real estate) and this financing statement is to be filed for record in the real estate records. (If the debtor does not have an interest of record) The name of a record owner is

4. (If products of collateral are claimed) Products of the collateral are also covered. Signature of debtor (or assignor) Signature of secured party (or assignee)

(4) A financing statement may be amended by filing a writing signed by both the debtor and the secured party. An amendment does not extend the period of

effectiveness of a financing statement. If any amendment adds collateral, it is effective as to the added collateral only from the filing date of the amendment. The fee for such filings shall be as provided in subsection (5) of section 9-403. The uniform fee for filing and indexing and for stamping a copy furnished by the secured party to show the date and place of filing for an amendment shall be three dollars plus in each case an additional fee of three dollars for each name more than one against which the amendment is required to be indexed. In this article, unless the context otherwise requires, the term "financing statement" means the original financing statement and any amendments.

(5) A financing statement covering timber to be cut or covering minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 9-103, or a financing statement filed as a fixture filing (section 9-313) where the debtor is not a transmitting utility, must show that it covers this type of collateral, must recite that it is to be filed for record in the real estate records, and the financing statement must contain a description of the real estate sufficient if it were contained in a mortgage of real estate to give constructive notice of the mortgage under the law of this state. If the debtor does not have an interest of record in the real estate, the financing statement must show the name of a record owner.

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

(7) A financing statement sufficiently shows the name of the debtor if it gives the individual, partnership or corporate name of the debtor, whether or not it adds other trade names or the names of the partners. Where the debtor so changes his or her name or in the case of an organization its name, identity or corporate structure that a filed financing statement becomes seriously misleading, the filing is not effective to perfect a security interest in collateral acquired by the debtor more than four months after the change, unless a new appropriate financing statement is filed before the expiration of that time. A filed financing statement remains effective with respect to collateral transferred by the debtor even though the secured party knows of or

consents to the transfer.

(8) A financing statement substantially complying with the requirements of this section is effective even though it contains minor errors which are not seriously misleading. The failure to include the social security number or the federal tax identification number shall not render any filing unperfected.

Sec. 4. That section 9-403, Uniform Commercial Code, be amended to read as follows:

9-403. What constitutes filing; duration of filing; effect of lapsed filing; duties of filing officer; uniform fees; fee distribution.

(1) Presentation for filing of a financing statement and tender of the filing fee or acceptance of the statement by the filing officer constitutes filing under this article.

(2) Except as provided in subsection (6) a filed financing statement is effective for a period of five years from the date of filing. The effectiveness of a filed financing statement lapses on the expiration of the five year period unless a continuation statement is filed prior to the lapse. If a security interest perfected by filing exists at the time insolvency proceedings are commenced by or against the debtor, the security interest remains perfected until termination of the insolvency proceedings and thereafter for a period of sixty days or until expiration of the five year period, whichever occurs later. Upon lapse the security interest becomes unperfected, unless it is perfected without filing. If the security interest becomes unperfected upon lapse, it is deemed to have been unperfected as against a person who became a purchaser or lien creditor before lapse.

(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 ~~subsections (2) and (3)~~ subsections (2) and (3) of section 9-405, 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.

(4) Except as provided in subsection (7) a

filing officer shall mark each statement or other document with a consecutive file number and with the date and hour of filing and shall hold the statement or a microfilm or other photographic copy thereof for public inspection. In addition the filing officer shall index the statements according to the name of the debtor and shall note in the index the file number and the address of the debtor given in the statement.

(5) The uniform fee for filing and indexing and for stamping a copy furnished by the secured party to show the date and place of filing for an original financing statement, an amendment, a separate statement of assignment, a continuation statement, a partial release, or a full release shall be ~~five~~ six dollars. There shall be no fee for the filing of a termination statement. The uniform fee for each name more than one required to be indexed shall be ~~three~~ four dollars. The secured party may at his or her option show a trade name for any person and an extra uniform indexing fee of ~~three~~ four dollars shall be paid with respect thereto. The uniform fee for filing and indexing and for stamping a copy furnished by a lienholder to show the date and place of filing of a lien or an amendment, a separate statement of assignment, a certificate of discharge or subordination, a notice, a certificate of release or nonattachment, partial release, or full release of a lien filed pursuant to Chapter 52, article 2, 5, 7, 9, 10, or 11, or Chapter 54, article 2, shall be ~~five~~ six dollars.

(6) If the debtor is a transmitting utility (subsection (5) of section 9-401) and a filed financing statement so states, it is effective until a termination statement is filed. A real estate mortgage which is effective as a fixture filing under subsection (6) of section 9-402 remains effective as a fixture filing until the mortgage is released or satisfied of record or its effectiveness otherwise terminates as to the real estate.

(7) When a financing statement covers timber to be cut or covers minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 9-103, or is filed as a fixture filing, it shall be filed for record and the filing officer shall index it under the names of the debtor and any owner of record shown on the financing statement in the same fashion as if they were the mortgagors in a mortgage of the real estate described, and, to the extent that the law of this state provides for indexing of mortgages under the name of the mortgagee, under the name of the secured party as if he or she were the mortgagee thereunder, or where indexing is by description in the same fashion as if the financing statement were a mortgage of the real estate described.

(8) The provisions of subsections (2) and (3) of this section shall not apply to mortgages or deeds of trust and instruments supplementary or amendatory thereto

covering real estate as well as personal property where such property constitutes a portion of the property used in carrying on the business of a public utility or a gas or oil pipeline system and which are executed to secure the payment of money. The lien of such mortgages or deeds of trust and amendments and supplements thereto shall continue in force and effect as to the personal property described therein, together with any interest of the mortgagor in real estate therein described even if the same has been on file five years or more. The instruments filed shall disclose that the mortgagor or grantor therein is then carrying on the business of a public utility or an oil or gas pipeline system or such fact shall be disclosed by an affidavit of the mortgagor or grantor to that effect filed for record with the county clerk.

(9) Any county clerk receiving a fee under subsection (5) of this section for filing any document from which information is required to be transmitted to the Secretary of State shall on a monthly basis forward ~~one dollar two dollars~~ of each ~~three four dollar fee~~ and ~~two three dollars~~ of each ~~five six dollar fee~~ received pursuant to subsection (5) of this section to the Secretary of State for deposit in the Uniform Commercial Code Cash Fund.

(10) The Secretary of State shall deposit ~~one dollar two dollars~~ of each ~~three four dollar fee~~ and ~~two three dollars~~ of each ~~five six dollar fee~~ received pursuant to subsection (5) of this section in the Uniform Commercial Code Cash Fund.

Sec. 5. That section 9-404, Uniform Commercial Code, be amended to read as follows:
9-404. Termination statement; fee.

(1) Whenever there is no outstanding secured obligation and no commitment to make advances, incur obligations or otherwise give value, the secured party must on written demand by the debtor send the debtor a termination statement to the effect that he or she no longer claims a security interest under the financing statement, which shall be identified by file number. A termination 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 complying with subsection (2) of section 9-405, including payment of the required fee. If the affected secured party fails to send such a termination statement within ten days after proper demand therefor he or she shall be liable to the debtor for one hundred dollars, and in addition for any loss caused to the debtor by such failure.

(2) On presentation to the filing officer of such a termination statement he or she must note it in the index. If he or she has received the termination statement in duplicate, he or she shall return one copy of the termination statement to the secured party stamped to show

the time of receipt thereof.

(3) The fee for such filings shall be as provided in subsection (5) of section 9-403.

~~(3) The uniform fee for filing and indexing the termination statement including sending or delivering the financing statement shall be three dollars.~~

Sec. 6. That section 9-405, Uniform Commercial Code, be amended to read as follows:

9-405. Assignment of security interest; duties of filing officer; fees.

(1) A financing statement may disclose an assignment of a security interest in the collateral described in the financing statement by indication in the financing statement of the name and address of the assignee or by an assignment itself or a copy thereof on the face or back of the statement. On presentation to the filing officer of such a financing statement the filing officer shall mark the same as provided in section 9-403(4). ~~The uniform fee for filing, indexing and furnishing filing data for a financing statement so indicating an assignment shall be three dollars, plus in each case an additional fee of three dollars for each name more than one against which the financing statement is required to be indexed.~~

(2) A secured party may assign of record all or a part of his or her rights under a financing statement by the filing in the place where the original financing statement was filed of a separate written statement of assignment signed by the secured party of record and setting forth the name of the secured party of record and the debtor, the file number and the date of filing of the financing statement and the name and address of the assignee and containing a description of the collateral assigned. A copy of the assignment is sufficient as a separate statement if it complies with the preceding sentence. On presentation to the filing officer of such a separate statement, the filing officer shall mark such separate statement with the date and hour of the filing as provided in section 9-403(4). He or she shall note the assignment on the index of the financing statement, or in the case of a fixture filing, or a filing covering timber to be cut, or covering minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 9-103, he or she shall index the assignment under the name of the assignor as grantor and, to the extent that the law of this state provides for indexing the assignment of a mortgage under the name of the assignee, he or she shall index the assignment of the financing statement under the name of the assignee. ~~The uniform fee for filing, indexing and furnishing filing data about such a separate statement of assignment shall be three dollars, plus in each case an additional fee of three dollars for each name more than one against which the statement of assignment is required to be indexed.~~ Notwithstanding the provisions of this

subsection, an assignment of record of a security interest in a fixture contained in a mortgage effective as a fixture filing (subsection (6) of section 9-402) may be made only by an assignment of the mortgage in the manner provided by the law of this state other than this act.

(3) After the disclosure or filing of an assignment under this section the assignee is the secured party of record.

(4) The fee for such filings shall be as provided in subsection (5) of section 9-403.

Sec. 7. That section 9-406, Uniform Commercial Code, be amended to read as follows:
9-406. Release of collateral; duties of filing officer; fees.

A secured party of record may by his or her signed statement release all or a part of any collateral described in a filed financing statement. The statement of release is sufficient if it contains a description of the collateral being released, the name and address of the debtor, the name and address of the secured party, and the file number of the financing statement. A statement of release 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 ~~subsection (2)~~ subsections (2) and (3) of section 9-405, including payment of the required fee. Upon presentation of such a statement of release to the filing officer he or she shall mark the statement with the hour and date of filing and shall note the same upon the margin of the index of the filing or the financing statement. ~~The uniform fee for filing and noting such a statement of release shall be three dollars, plus in each case an additional fee of three dollars for each name more than one against which the statement of release is required to be indexed.~~ The fee for such filing shall be as provided in subsection (5) of section 9-403.

Sec. 8. That section 9-414, Uniform Commercial Code, be amended to read as follows:
9-414. Filing information; county clerk; register of deeds; Secretary of State; duties; fees.

(1) Upon receipt of a financing statement, an amendment to a financing statement, an assignment, a continuation statement, a termination statement, or a release of collateral, relating to (a) equipment used in farming operations, (b) farm products, including crops growing or to be grown, (c) farm products which become inventory of a person engaged in farming, or (d) accounts or general intangibles arising from or relating to the sale of farm products by a farmer, each county clerk shall on the day of receipt ~~immediately~~ transmit to the Secretary of State the following document information:

(i) Identification of the document and the county where the original document may be found;

(ii) Document number;
 (iii) Name and address of the debtor or debtors;
 (iv) Name and address of the creditor or creditors;

(v) Type or types of goods covered;
 (vi) Date and time of filing; and
 (vii) Social security or federal identification number of the debtor or debtors, if available.

(2) Upon receipt of a lien filed pursuant to Chapter 52, article 2, 5, 7, 9, 10, or 11 or Chapter 54, article 2, or an amendment, release, or termination of such lien, the county clerk or register of deeds shall on the day of receipt immediately transmit to the Secretary of State the following document information:

(a) Identification of the document and the county where the original document may be found;

(b) Document number;

(c) Name and address of the debtor or debtors;

(d) Name and address of the creditor or creditors;

(e) Type or types of goods covered;

(f) Date and time of filing; and

(g) Social security or federal identification number of the debtor or debtors, if known.

(3) For each filing, amendment, separate statement of assignment, certificate of discharge or subordination, notice, certificate of release or nonattachment, partial release, or full release of a lien filed pursuant to Chapter 52, article 2, 5, 7, 9, 10, or 11 or Chapter 54, article 2, the county clerk or register of deeds shall charge such fees as are set forth in section 9-403. ~~Uniform Commercial Code.~~ The retention and distribution of such funds shall be the same as is provided for fees under subsection (9) of section 9-403. ~~Uniform Commercial Code.~~

(4) Upon receipt of information transmitted pursuant to this section, the Secretary of State shall record and index the information so that on or before January 1, 1986, such information shall be available for the following types of inquiry: In person, written, and telephone and other electronic medium, including computers, except that information relative to security interests in crops growing or to be grown shall continue to be available for inquiry in the same manner as provided in section 9-411 before July 1, 1983.

Sec. 9. That section 9-415, Uniform Commercial Code, be amended to read as follows:
 9-415. Secretary of State; implementation of centralized computer system.

The Secretary of State shall, on or before January 1, 1986, implement a centralized computer system as developed or recommended by the Uniform Commercial Code Filing Council for the accumulation and dissemination of

information relative to financing statements and other necessary Uniform Commercial Code documents whenever the collateral is equipment used in farming operations, farm products, farm products which have become inventory of a person engaged in farming, or accounts or general intangibles arising from or relating to the sale of farm products by a farmer. Such a system shall include the entry of information relative to notice of liens into the computer system by county clerks and the dissemination of such information by a computer system or systems, telephone, mail, and such other means of communication as may be deemed appropriate. Such system shall be designed as an interactive system.

When the centralized computer system is implemented, computer access to information regarding obligations of debtors shall be made available twenty-four hours a day, three hundred sixty-five days per year. When such system is implemented, the Secretary of State shall until June 30, 1987, provide information from the system by telephone between the hours of 8:00 a.m. and 9:00 p.m. central daylight time, Monday through Saturday except on January 1, Memorial Day, Labor Day, Thanksgiving Day, and December 25. After June 30, 1987, the Secretary of State shall provide information from the system by telephone during normal business hours.

Sec. 10. That section 9-417, Uniform Commercial Code, be amended to read as follows:
9-417. Uniform Commercial Code Filing Council; develop or recommend computer system; duties.

The Governor shall appoint a chairperson from the membership of the Uniform Commercial Code Filing Council. The council shall be responsible for developing or recommending a system or systems to implement the provisions of sections 9-401, 9-403, and 9-411 to 9-420, ~~Uniform Commercial Code~~, as well as recommended rules and regulations and any further statutory changes as may be necessary to implement such provisions.

Such system or systems shall be designed so that for liens arising under Chapter 52, articles 5, 7, 9, 10, and 11, and Chapter 54, article 2, information similar to that required by section 9-414 may be transmitted and made available in the same manner as provided in sections 9-413 to 9-420 for Uniform Commercial Code filings.

Estimates of the costs of such recommendations shall be made, including the costs of computer terminals, line costs, and other associated costs for each county. The council shall recommend a schedule of fees adequate to meet all such costs.

The Uniform Commercial Code Council shall, on or before December 1, 1985, develop a plan for including in the data base of the centralized indexing computer system information relative to valid security interests and liens which were filed prior to July 1, 1983. Such plan shall

include cost alternatives, and a copy of such plan shall be reported to the Legislature's Banking, Commerce and Insurance Committee prior to December 1, 1985.

Sec. 11. When a lien provided by section 52-501 is satisfied, the holder of the lien shall on written demand by the debtor send the debtor a termination statement to the effect that he or she no longer claims a security interest under the lien, which shall be identified by file number. A termination statement signed by a person other than the lienholder of record shall be accompanied by a separate written statement of assignment signed by the lienholder of record complying with subsection (2) of section 9-405, Uniform Commercial Code, including payment of the required fee. If the affected lienholder fails to send such a termination statement within ten days after proper demand, he or she shall be liable to the debtor for one hundred dollars and any losses caused to the debtor by such failure.

On presentation to the filing officer of such a termination statement, he or she shall note it in the index. If the filing officer has received the termination statement in duplicate, he or she shall return one copy of the termination statement to the lienholder stamped to show the time of receipt.

Sec. 12. When a lien provided by section 52-701 is satisfied, the holder of the lien shall on written demand by the debtor send the debtor a termination statement to the effect that he or she no longer claims a security interest under the lien, which shall be identified by file number. A termination statement signed by a person other than the lienholder of record shall be accompanied by a separate written statement of assignment signed by the lienholder of record complying with subsection (2) of section 9-405, Uniform Commercial Code, including payment of the required fee. If the affected lienholder fails to send such a termination statement within ten days after proper demand, he or she shall be liable to the debtor for one hundred dollars and any losses caused to the debtor by such failure.

On presentation to the filing officer of such a termination statement, he or she shall note it in the index. If the filing officer has received the termination statement in duplicate, he or she shall return one copy of the termination statement to the lienholder stamped to show the time of receipt.

Sec. 13. When a lien provided by section 52-901 is satisfied, the holder of the lien shall on written demand by the debtor send the debtor a termination statement to the effect that he or she no longer claims a security interest under the lien, which shall be identified by file number. A termination statement signed by a person other than the lienholder of record shall be accompanied by a separate written statement of assignment

signed by the lienholder of record complying with subsection (2) of section 9-405, Uniform Commercial Code, including payment of the required fee. If the affected lienholder fails to send such a termination statement within ten days after proper demand, he or she shall be liable to the debtor for one hundred dollars and any losses caused to the debtor by such failure.

On presentation to the filing officer of such termination statement, he or she shall note it in the index. If the filing officer has received the termination statement in duplicate, he or she shall return one copy of the termination statement to the lienholder stamped to show the time of receipt.

Sec. 14. When a federal tax lien registered pursuant to Chapter 52, article 10, is satisfied, the holder of the lien may on written demand by the debtor send the debtor a termination statement to the effect that he or she no longer claims a security interest under the lien, which shall be identified by file number.

On presentation to the filing officer of such a termination statement, he or she shall note it in the index. If the filing officer has received the termination statement in duplicate, he or she shall return one copy of the termination statement to the lienholder stamped to show the time of receipt.

Sec. 15. When a lien provided by section 52-1101 is satisfied, the holder of the lien shall on written demand by the debtor send the debtor a termination statement to the effect that he or she no longer claims a security interest under the lien, which shall be identified by file number. A termination statement signed by a person other than the lienholder of record shall be accompanied by a separate written statement of assignment signed by the lienholder of record complying with subsection (2) of section 9-405, Uniform Commercial Code, including payment of the required fee. If the affected lienholder fails to send such a termination statement within ten days after proper demand, he or she shall be liable to the debtor for one hundred dollars and any losses caused to the debtor by such failure.

On presentation to the filing officer of such a termination statement, he or she shall note it in the index. If the filing officer has received the termination statement in duplicate, he or she shall return one copy of the termination statement to the lienholder stamped to show the time of receipt.

Sec. 16. When a lien provided by Chapter 54, article 2, is satisfied, the holder of the lien shall on written demand by the debtor send the debtor a termination statement to the effect that he or she no longer claims a security interest under the lien, which shall be identified by file number. A termination statement signed by a person other than the lienholder of record shall be

accompanied by a separate written statement of assignment signed by the lienholder of record complying with subsection (2) of section 9-405, Uniform Commercial Code, including payment of the required fee. If the affected lienholder fails to send such a termination statement within ten days after proper demand, he or she shall be liable to the debtor for one hundred dollars and any losses caused to the debtor by such failure.

On presentation to the filing officer of such a termination statement, he or she shall note it in the index. If the filing officer has received the termination statement in duplicate, he or she shall return one copy of the termination statement to the lienholder stamped to show the time of receipt.

Sec. 17. Sections 4 and 19 of this act shall become operative on July 1, 1985. The remaining sections shall become operative on their effective date.

Sec. 18. That original sections 9-307, 9-401, 9-402, 9-404 to 9-406, 9-414, 9-415, and 9-417, Uniform Commercial Code, are repealed.

Sec. 19. That original section 9-403, Uniform Commercial Code, is repealed.

Sec. 20. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.