

# COMMITTEE REPORT

## MR. PRESIDENT:

The Senate Committee on Judiciary, to which was referred House Bill No. 1326, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 11, line 18, delete "promissary" and insert "**promissory**".
- 2 Page 14, line 24, delete "this article." and insert "**IC 26-1.**".
- 3 Page 30, line 2, strike "subsections" and insert "**subsection**".
- 4 Page 30, line 2, after "(4)" delete "and".
- 5 Page 47, line 15, delete ",".
- 6 Page 52, line 37, delete "This article" and insert "**IC 26-1-9.1**".
- 7 Page 52, line 39, delete "this article" and insert "**IC 26-1-9.1**".
- 8 Page 54, line 37, after "the goods," insert "**a security interest in**
- 9 **specific goods and license of software used in the goods,**".
- 10 Page 54, line 38, delete "a".
- 11 Page 55, line 1, after "include" insert "**: (i)**".
- 12 Page 55, line 2, delete "." and insert "**; or (ii) records that evidence**
- 13 **a right to payment arising out of the use of a credit or charge card**
- 14 **or information contained on or for use with the card.**".
- 15 Page 59, line 3, delete "with" and insert "**in**".
- 16 Page 60, line 2, delete "and" and insert "**or**".
- 17 Page 61, line 20, after "debtor"" insert "**, except as used in**
- 18 **IC 26-1-9.1-310(c),**".
- 19 Page 62, line 7, after ""Proceeds"" insert "**, except as used in**
- 20 **IC 26-1-9.1-609(b),**".

- 1 Page 64, line 34, delete "in other articles" and insert "**outside**  
2 **IC 26-1-9.1**".
- 3 Page 64, line 34, delete "this" and insert "**IC 26-1-9.1**".
- 4 Page 64, delete line 35.
- 5 Page 65, line 30, delete "Article 1" and insert "**IC 26-1-1**".
- 6 Page 65, line 31, delete "this article" and insert "**IC 26-1-9.1**".
- 7 Page 65, line 38, delete "in,or" and insert "**in, or**".
- 8 Page 69, line 5, delete "this article" and insert "**IC 26-1-9.1**".
- 9 Page 69, line 17, after "in" insert "**a**".
- 10 Page 69, line 20, delete "this article" and insert "**IC 26-1-9.1**".
- 11 Page 69, line 22, delete "this article" and insert "**IC 26-1-9.1**".
- 12 Page 69, line 24, delete "This article" and insert "**IC 26-1-9.1**".
- 13 Page 69, line 26, delete "this article" and insert "**IC 26-1-9.1**".
- 14 Page 69, line 30, delete "This article" and insert "**IC 26-1-9.1**".
- 15 Page 70, line 37, delete "IC 26-1-9.1" and insert "**IC 26-1-9.1-315**".
- 16 Page 71, line 5, delete "this article" and insert "**IC 26-1-9.1**".
- 17 Page 71, line 20, delete "this article" and insert "**IC 26-1-9.1**".
- 18 Page 71, line 25, delete "This article" and insert "**IC 26-1-9.1**".
- 19 Page 72, line 29, delete "this article" and insert "**IC 26-1-9.1**".
- 20 Page 78, line 4, delete "security".
- 21 Page 83, line 14, delete "this" and insert "**IC 26-1-9.1**".
- 22 Page 83, line 15, before "and" delete "article".
- 23 Page 83, line 15, after "under" delete "this article" and insert "**IC**  
24 **26-1-9.1**".
- 25 Page 85, line 4, delete "this article" and insert "**IC 26-1-9.1**".
- 26 Page 85, line 26, delete "this article" and insert "**IC 26-1-9.1**".
- 27 Page 85, line 39, delete "this" and insert "**IC 26-1-9.1**".
- 28 Page 85, delete line 40.
- 29 Page 85, line 41, after "collateral" insert ", **subject to a statute**  
30 **specified in subsection (a)(2)**".
- 31 Page 86, line 1, delete "or leasing".
- 32 Page 86, line 3, delete "as debtor".
- 33 Page 87, line 12, delete "this" and insert "**IC 26-1-9.1**".
- 34 Page 87, delete line 13.
- 35 Page 87, line 23, delete "IC 26-1-9.1-316(d)" and insert "**IC**  
36 **26-1-9.1-316(e)**".
- 37 Page 88, line 9, delete "this" and insert "**IC 26-1-9.1**".

- 1 Page 88, line 10, delete "article".
- 2 Page 88, line 27, delete "this article" and insert "**IC 26-1-9.1**".
- 3 Page 89, line 7, delete "this article" and insert "**IC 26-1-9.1**".
- 4 Page 89, line 23, delete "this article" and insert "**IC 26-1-9.1**".
- 5 Page 90, line 13, after "jurisdiction;" insert "**or**".
- 6 Page 90, line 16, delete "; or" and insert ".".
- 7 Page 90, delete lines 17 through 18.
- 8 Page 91, line 35, after "time" insert ":".
- 9 Page 91, line 35, before "the security" begin a new line double block  
10 indented and insert:
- 11 "(A)".
- 12 Page 91, line 35, after "perfected" insert ";".
- 13 Page 91, line 36, after "or" begin a new line double block indented  
14 and insert:
- 15 "**(B) one (1) of the conditions specified in**  
16 **IC 26-1-9.1-203(b)(3) is met;**".
- 17 Page 91, line 36, before "a" begin a new line single blocked  
18 indented and insert "**and**".
- 19 Page 93, line 4, delete "he" and insert ", **within one (1) year before**  
20 **the sale of the farm products, the buyer**".
- 21 Page 93, line 6, delete "an original financing statement or a" and  
22 insert "**any writing**".
- 23 Page 93, delete lines 7 through 9.
- 24 Page 93, line 10, delete "photographic, or other reproduction of the  
25 form".
- 26 Page 93, run in lines 6 through 10.
- 27 Page 93, between lines 13 and 14, begin a new line double block  
28 indented and insert:
- 29 "**(C) In the case of a debtor doing business other than as an**  
30 **individual, the United States Internal Revenue Service**  
31 **taxpayer identification number of the debtor.**".
- 32 Page 93, line 14, delete "(C)" and insert "**(D)**".
- 33 Page 93, line 14, delete "." and insert ", **including the type and**  
34 **amount of farm products, the crop year, the county of location, and**  
35 **a description of the real property on which the farm products were**  
36 **grown or produced.**".
- 37 Page 93, delete lines 15 through 20, begin a new line double block  
38 indented and insert:

1           **"(E) Any payment obligations imposed on the buyer by the**  
 2           **secured party as conditions for waiver or release of the**  
 3           **security interest."**

4           Page 93, line 21, beginning with "Notice" begin a new line single  
 5           block indented.

6           Page 93, line 24, after "notice"." insert **"The written notice lapses**  
 7           **on either the expiration period of the statement or the transmission**  
 8           **of a notice signed by the secured party that the statement has**  
 9           **lapsed, whichever occurs first."**

10          Page 94, line 5, delete "(a)" and insert **"(1)"**.

11          Page 94, line 15, delete "subdivision" and insert **"subsection"**.

12          Page 95, line 10, after "under" delete "the" and insert **"a**  
 13          **nonexclusive"**.

14          Page 97, line 6, delete "while" and insert **"to the extent that"**.

15          Page 97, line 6, delete "is perfected only to the extent" and insert  
 16          **"secures an advance"**.

17          Page 97, line 7, delete "that it secures advances".

18          Page 98, line 24, delete "Subsections" and insert **"Subsection"**.

19          Page 99, line 9, delete "Subsections" and insert **"Subsection"**.

20          Page 103, line 17, delete "this article" and insert **"IC 26-1-9.1"**.

21          Page 103, line 39, delete "this article" and insert **"IC 26-1-9.1"**.

22          Page 103, line 41, delete "this article" and insert **"IC 26-1-9.1"**.

23          Page 104, line 2, delete "This article" and insert **"IC 26-1-9.1"**.

24          Page 104, line 28, delete "this article" and insert **"IC 26-1-9.1"**.

25          Page 104, line 37, delete "this" and insert **"IC 26-1-9.1;"**.

26          Page 104, line 38, delete "article;"

27          Page 106, line 3, delete "encumbrancer" and insert **"holder of a**  
 28          **security interest or other lien on,"**

29          Page 106, line 4, after "owner of" insert ","

30          Page 106, line 4, after "whole or" delete "of".

31          Page 106, line 7, delete "encumbrancer" and insert **"holder"**.

32          Page 107, line 8, delete "26-1-9.1-311(b)" and insert  
 33          **"26-1-9.1-311(b),"**

34          Page 107, line 26, delete "This article" and insert **"IC 26-1-9.1"**.

35          Page 107, line 33, delete "this article" and insert **"IC 26-1-9.1"**.

36          Page 108, line 8, delete "This article" and insert **"IC 26-1-9.1"**.

37          Page 108, line 18, delete "this article." and insert **"IC 26-1-9.1."**

38          Page 109, line 2, delete "this article" and insert **"IC 26-1-9.1"**.

- 1 Page 109, line 12, delete "this article" and insert "**IC 26-1-9.1**".
- 2 Page 109, line 17, delete "this article" and insert "**IC 26-1-9.1**".
- 3 Page 109, line 34, delete "this article" and insert "**IC 26-1-9.1**".
- 4 Page 109, line 39, delete "this article" and insert "**IC 26-1-9.1**".
- 5 Page 110, line 20, delete "this article" and insert "**IC 26-1-9.1**".
- 6 Page 110, line 26, delete "(h)" and insert "**(i)**".
- 7 Page 110, line 35, delete "(g)" and insert "**(h)**".
- 8 Page 110, line 41, delete "this article;" and insert "**IC 26-1-9.1;**".
- 9 Page 111, line 4, delete "general" and insert "**payment**".
- 10 Page 111, line 9, delete "(g)" and insert "**(h)**".
- 11 Page 111, line 16, delete "(g)" and insert "**(h)**".
- 12 Page 112, line 10, delete "this article" and insert "**IC 26-1-9.1**".
- 13 Page 112, line 19, after "to the" insert "**assignment, transfer,**".
- 14 Page 112, line 23, after "that the" insert "**assignment, transfer,**".
- 15 Page 112, line 41, delete "seller. Even in that event, the creation,"
- 16 and insert "**lessor.**".
- 17 Page 112, delete line 42.
- 18 Page 113, delete line 1.
- 19 Page 113, line 14, after "that the" insert "**assignment, transfer,**".
- 20 Page 113, line 32, after "that the" insert "**assignment, transfer,**".
- 21 Page 113, line 41, delete "this article" and insert "**IC 26-1-9.1**".
- 22 Page 113, line 42, after "the" insert "**assignment, transfer,**".
- 23 Page 114, line 35, after "that the" insert "**assignment, transfer,**".
- 24 Page 114, line 41, delete "this article" and insert "**IC 26-1-9.1**".
- 25 Page 115, line 13, delete "subsection" and insert "**subsections**".
- 26 Page 115, line 13, after "(b)" insert "**and (c)**".
- 27 Page 115, between lines 32 and 33, begin a new paragraph and
- 28 insert:
- 29 "**(c) Before July 1, 2002, the office in which to file a financing**
- 30 **statement to perfect a security interest or agricultural lien in:**
- 31 **(1) equipment used in a farming operation;**
- 32 **(2) a farm product; or**
- 33 **(3) an account or a general intangible arising from or relating**
- 34 **to the sale of a farm product by a farmer;**
- 35 **is the office of county recorder in the county of the debtor's**
- 36 **location, as determined under IC 26-1-9.1-307.**
- 37 **(d) A financing statement filed under subsection (c) is effective**
- 38 **for five (5) years after the date the financing statement is filed.**

1 (e) After June 30, 2001, and before July 1, 2002, a financing  
2 statement filed under subsection (c) may be amended only by filing  
3 an amendment in the same office of county recorder as the office  
4 in which the financing statement being amended was filed.

5 (f) After June 30, 2002, a financing statement filed under  
6 subsection (c) may be amended only if a replacement financing  
7 statement is filed in the office of the secretary of state. The  
8 replacement financing statement must:

9 (1) satisfy the requirements of IC 26-1-9.1 for an initial  
10 financing statement;

11 (2) identify the earlier financing statement filed under  
12 subsection (c) by:

13 (A) indicating the office in which the earlier financing  
14 statement was filed; and

15 (B) providing the dates of filing and file numbers, if any,  
16 of:

17 (i) the earlier financing statement filed under subsection  
18 (c); and

19 (ii) the most recent amendment filed with respect to the  
20 financing statement filed under subsection (c); and

21 (3) indicate that the earlier financing statement filed under  
22 subsection (c) remains effective.

23 (g) The filing of a replacement financing statement under  
24 subsection (f) is effective as a continuation statement of the earlier  
25 financing statement filed under subsection (c) if it is filed:

26 (1) after June 30, 2002; and

27 (2) before the lapse of the earlier financing statement filed  
28 under subsection (c).

29 The filing of a replacement financing statement under subsection  
30 (f) continues the effectiveness of the earlier financing statement  
31 filed under subsection (c) for five (5) years after the date the  
32 replacement financing statement is filed.

33 (h) After June 30, 2002, a financing statement filed under  
34 subsection (c) may be terminated only if:

35 (1) a replacement financing statement is filed under  
36 subsection (f); and

37 (2) a termination statement has been filed that satisfies  
38 IC 26-1-9.1-513.

1 (i) After June 30, 2002, a financing statement filed under  
2 subsection (c) may be assigned only if:

3 (1) a replacement financing statement is filed under  
4 subsection (f); and

5 (2) an assignment of record is filed that satisfies  
6 IC 26-1-9.1-514.

7 (j) After June 30, 2002, a financing statement filed under  
8 subsection (c) may be amended (for purposes other than  
9 continuation, termination, or assignment) only if:

10 (1) a replacement financing statement is filed under  
11 subsection (f); and

12 (2) an amendment is filed that satisfies IC 26-1-9.1-512.".

13 Page 116, line 20, delete "complies with" and insert "satisfies".

14 Page 117, line 27, delete "only".

15 Page 117, line 36, after ""bailee"", insert ""licensor", "licensee",".

16 Page 119, line 26, delete ";" and insert "or under subsection (b) or  
17 (c);".

18 Page 119, line 32, after "authenticating" insert "or becoming bound  
19 as debtor by".

20 Page 119, line 32, after "debtor" insert "or new debtor".

21 Page 122, line 18, after "effective." insert "Except as otherwise  
22 provided in IC 26-1-9.1-510, for purposes of IC 26-1-9.1-519(g),  
23 IC 26-1-9.1-522(a), and IC 26-1-9.1-523(c), the filing with the filing  
24 office of a termination statement relating to a financing statement  
25 that indicates that the debtor is a transmitting utility also causes  
26 the effectiveness of the financing statement to lapse.".

27 Page 123, line 10, delete "without filing" and insert "otherwise".

28 Page 126, line 5, delete "enables" and insert "aids".

29 Page 126, line 5, delete "to detect" and insert "in determining".

30 Page 130, line 23, delete "this article." and insert "IC 26-1-9.1.".

31 Page 130, line 24, delete "this chapter." and insert "IC 26-1-9.1.".

32 Page 130, line 31, delete "this article," and insert "IC 26-1-9.1,".

33 Page 132, line 1, delete "this article." and insert "IC 26-1-9.1.".

34 Page 132, line 28, delete "IC 26-1-9.1-610(b),IC 26-1-9.1-611" and  
35 insert "IC 26-1-9.1-610(b), IC 26-1-9.1-611".

36 Page 133, line 1, delete "this article." and insert "IC 26-1-9.1.".

37 Page 135, line 22, delete "this section" and insert "IC  
38 26-1-9.1-607".

- 1 Page 136, line 1, delete "this" and insert "**IC 26-1-9.1-607**".
- 2 Page 136, line 2, delete "section".
- 3 Page 138, line 29, delete "sale" and insert "**disposition**".
- 4 Page 140, line 40, delete "this article." and insert "**IC 26-1-9.1**".
- 5 Page 140, line 42, delete "this article" and insert "**IC 26-1-9.1**".
- 6 Page 141, line 4, after "disposition" insert "**under IC 26-1-9.1-610**".
- 7 Page 141, line 34, delete "this section" and insert "**IC**
- 8 **26-1-9.1-610**".
- 9 Page 144, line 28, delete "this article" and insert "**IC 26-1-9.1**".
- 10 Page 145, line 8, delete "this" and insert "**IC 26-1-9.1**".
- 11 Page 145, delete line 9.
- 12 Page 145, line 33, delete "this article" and insert "**IC 26-1-9.1**".
- 13 Page 145, line 34, delete "this article." and insert "**IC 26-1-9.1**".
- 14 Page 148, line 13, delete "this" and insert "**IC 26-1-9.1**".
- 15 Page 148, delete line 14.
- 16 Page 148, line 42, delete "this article," and insert "**IC 26-1-9.1**".
- 17 Page 149, line 3, after "(c)" delete ",".
- 18 Page 149, line 3, delete "secured party" and insert "**person**".
- 19 Page 149, line 5, delete "this article." and insert "**IC 26-1-9.1**".
- 20 Page 149, line 5, delete "with a".
- 21 Page 149, line 6, delete "request under IC 26-1-9.1-210".
- 22 Page 149, line 31, after "the" insert "**list or**".
- 23 Page 151, line 16, delete "this" and insert "**IC 26-1-9.1**";.
- 24 Page 151, line 17, delete "article;".
- 25 Page 151, line 18, delete "this article" and insert "**IC 26-1-9.1**".
- 26 Page 152, line 5, delete "708" and insert "**709**".
- 27 Page 152, line 9, delete "IC 26-1-9.1-708:" and insert "**IC**
- 28 **26-1-9.1-709**:".
- 29 Page 154, line 23, delete "for the" and insert "**if**".
- 30 Page 154, delete lines 24 through 25.
- 31 Page 154, line 34, after "filed" insert ":".
- 32 Page 154, line 34, before "before" begin a new line block indented
- 33 and insert:
- 34 **"(1)**".
- 35 Page 154, line 35, delete ":".
- 36 Page 154, line 36, delete "(1)".
- 37 Page 154, run in lines 35 through 36.
- 38 Page 154, line 38, delete "IC 26-1-9-115 (before its repeal)" and

1 insert "after IC 26-1-9.1 takes effect, for the period provided in  
2 IC 26-1-9.1-9-515".

3 Page 154, line 42, delete "IC 26-1-9.1-705(e)" and insert "IC  
4 26-1-9.1-501 through IC 26-1-9.1-526".

5 Page 155, between lines 8 and 9, begin a new paragraph and insert:  
6 "Sec. 707. (a) In this section, "pre-effective-date financing  
7 statement" means a financing statement filed before IC 26-1-9.1  
8 takes effect.

9 (b) After IC 26-1-9.1 takes effect, a person may add or delete  
10 collateral covered by, continue, or terminate the effectiveness of,  
11 or otherwise amend the information provided in, a  
12 pre-effective-date financing statement only in accordance with the  
13 law of the jurisdiction governing perfection as provided under  
14 IC 26-1-9.1-301 through IC 26-1-9.1-342. However, the  
15 effectiveness of a pre-effective-date financing statement also may  
16 be terminated in accordance with the law of the jurisdiction in  
17 which the financing statement is filed.

18 (c) Except as otherwise provided in subsection (d), if Indiana  
19 law governs perfection of a security interest, the information in a  
20 pre-effective-date financing statement may be amended after  
21 IC 26-1-9.1 takes effect only if:

- 22 (1) the pre-effective date financing statement and an  
23 amendment are filed in the office specified in IC 26-1-9.1-501;  
24 (2) an amendment is filed in the office specified in  
25 IC 26-1-9.1-501 concurrently with, or after the filing in that  
26 office of, an initial financing statement that satisfies  
27 IC 26-1-9.1-706(c); or  
28 (3) an initial financing statement that provides the  
29 information as amended and satisfies IC 26-1-9.1-706(c) is  
30 filed in the office specified in IC 26-1-9.1-501.

31 (d) If Indiana law governs the perfection of a security interest,  
32 the effectiveness of a pre-effective-date financing statement may be  
33 continued only under IC 26-1-9.1-705(d) and IC 26-1-9.1-705(f) or  
34 IC 26-1-9.1-706

35 (e) Whether or not Indiana law governs perfection of a security  
36 interest, the effectiveness of a pre-effective-date financing  
37 statement filed in Indiana may be terminated after IC 26-1-9.1  
38 takes effect by filing a termination statement in the office in which

1       **the pre-effective-date financing statement is filed, unless an initial**  
2       **financing statement that satisfies IC 26-1-9.1-706(c) has been filed**  
3       **in the office specified by the law of the jurisdiction governing**  
4       **perfection in IC 26-1-9.1-301 through IC 26-1-9.1-342 as the office**  
5       **in which to file a financing statement."**

6           Page 155, line 9, delete "707." and insert "**708.**".

7           Page 155, line 11, delete "IC 26-1-9.1-708" and insert "**IC**  
8       **26-1-9.1-709**".

9           Page 155, line 14, delete "IC 26-1-9.1-708:" and insert "**IC**  
10       **26-1-9.1-709:**".

11          Page 155, line 19, delete "708." and insert "**709.**".

12          Page 155, line 21, delete "parties" and insert "**claims**".

13          Page 155, line 21, delete "fixed" and insert "**established**".

14          Page 155, delete lines 23 through 28.

15          Page 155, line 29, delete "(c)" and insert "**(b)**".

(Reference is to HB 1326 as reprinted February 2, 2000.)

**and when so amended that said bill do pass.**

Committee Vote: Yeas 8, Nays 0.

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**Bray**

**Chairperson**