

57-26-115 Perfection and priority of assignee's security interest in proceeds.

(1) In this section:

- (a) "Article 9" means Title 70A, Chapter 9a, Uniform Commercial Code - Secured Transactions, or, to the extent applicable to any particular issue, Article 9 as adopted by the state whose laws govern that issue under the choice-of-laws rules contained in Title 70A, Chapter 9a, Uniform Commercial Code - Secured Transactions.
 - (b) "Conflicting interest" means an interest in proceeds, held by a person other than an assignee, that is:
 - (i) a security interest arising under Article 9; or
 - (ii) any other interest if Article 9 resolves the priority conflict between that person and a secured party with a conflicting security interest in the proceeds.
- (2) An assignee's security interest in identifiable cash proceeds is perfected if its security interest in rents is perfected. An assignee's security interest in identifiable noncash proceeds is perfected only if the assignee perfects that interest in accordance with Article 9.
- (3) Except as otherwise provided in Subsection (4), priority between an assignee's security interest in identifiable proceeds and a conflicting interest is governed by the priority rules in Article 9.
- (4) An assignee's perfected security interest in identifiable cash proceeds is subordinate to a conflicting interest that is perfected by control under Article 9 but has priority over a conflicting interest that is perfected other than by control.
- (5) An assignee's perfected security interest in identifiable cash proceeds is subordinate to a conflicting interest arising under a right of recoupment or setoff.

Enacted by Chapter 139, 2009 General Session