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**COMMERCIAL FILING AMENDMENTS**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Curtis S. Bramble**

House Sponsor: A. Cory Maloy

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**LONG TITLE**

**General Description:**

This bill requires a filing office to send notice to a secured party of record if a debtor files a termination statement terminating a financing statement.

**Highlighted Provisions:**

This bill:

▸ requires a filing office to send notice to a secured party of record if a debtor files a termination statement terminating a financing statement.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**70A-9a-513**, as enacted by Laws of Utah 2000, Chapter 252

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **70A-9a-513** is amended to read:

**70A-9a-513 . Termination statement.**

(1) A secured party shall cause the secured party of record for a financing statement to file a termination statement for the financing statement if the financing statement covers consumer goods and:

- (a) there is no obligation secured by the collateral covered by the financing statement and no commitment to make an advance, incur an obligation, or otherwise give value;
- or
- (b) the debtor did not authorize the filing of the initial financing statement.

- 29 (2) To comply with Subsection (1), a secured party shall cause the secured party of record  
30 to file the termination statement:
- 31 (a) within one month after there is no obligation secured by the collateral covered by the  
32 financing statement and no commitment to make an advance, incur an obligation, or  
33 otherwise give value; or
- 34 (b) if earlier, within 20 days after the secured party receives an authenticated demand  
35 from a debtor.
- 36 (3) In cases not governed by Subsection (1), within 20 days after a secured party receives  
37 an authenticated demand from a debtor, the secured party shall cause the secured party  
38 of record for a financing statement to send to the debtor a termination statement for the  
39 financing statement or file the termination statement in the filing office if:
- 40 (a) except in the case of a financing statement covering accounts or chattel paper that has  
41 been sold or goods that are the subject of a consignment, there is no obligation  
42 secured by the collateral covered by the financing statement and no commitment to  
43 make an advance, incur an obligation, or otherwise give value;
- 44 (b) the financing statement covers accounts or chattel paper that has been sold but as to  
45 which the account debtor or other person obligated has discharged its obligation;
- 46 (c) the financing statement covers goods that were the subject of a consignment to the  
47 debtor but are not in the debtor's possession; or
- 48 (d) the debtor did not authorize the filing of the initial financing statement.
- 49 (4) Except as otherwise provided in Section 70A-9a-510, upon the filing of a termination  
50 statement with the filing office, the financing statement to which the termination  
51 statement relates ceases to be effective. Except as otherwise provided in Section  
52 70A-9a-510, for purposes of Subsections 70A-9a-519(7), 70A-9a-522(1), and  
53 70A-9a-525(3), the filing with the filing office of a termination statement relating to a  
54 financing statement that indicates that the debtor is a transmitting utility also causes the  
55 effectiveness of the financing statement to lapse.
- 56 (5) (a) If a debtor files a termination statement, the filing office shall send to the secured  
57 party of record for the financing statement to which the termination statement relates,  
58 a notice stating that the termination statement has been filed.
- 59 (b) The filing office shall send notice described in Subsection (5)(a):
- 60 (i) (A) by mail to the address provided for the secured party of record in the  
61 financing statement; or
- 62 (B) by electronic mail to the electronic mail address provided by the secured party

63                    of record, if any; and

64                    (ii) no later than 14 days after the day on which the termination statement is filed.

65                    Section 2. **Effective date.**

66                    This bill takes effect on May 1, 2024.