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COMMERCIAL FILING AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Curtis S. Bramble

House Sponsor: A. Cory Maloy

LONG TITLE

Committee Note:

The Business and Labor Interim Committee recommended this bill.

Legislative Vote: 9 voting for 2 voting against 10 absent

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

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

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



28 **70A-9a-513. Termination statement.**

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

32 (a) there is no obligation secured by the collateral covered by the financing statement
33 and no commitment to make an advance, incur an obligation, or otherwise give value; or

34 (b) the debtor did not authorize the filing of the initial financing statement.

35 (2) To comply with Subsection (1), a secured party shall cause the secured party of
36 record to file the termination statement:

37 (a) within one month after there is no obligation secured by the collateral covered by
38 the financing statement and no commitment to make an advance, incur an obligation, or
39 otherwise give value; or

40 (b) if earlier, within 20 days after the secured party receives an authenticated demand
41 from a debtor.

42 (3) In cases not governed by Subsection (1), within 20 days after a secured party
43 receives an authenticated demand from a debtor, the secured party shall cause the secured party
44 of record for a financing statement to send to the debtor a termination statement for the
45 financing statement or file the termination statement in the filing office if:

46 (a) except in the case of a financing statement covering accounts or chattel paper that
47 has been sold or goods that are the subject of a consignment, there is no obligation secured by
48 the collateral covered by the financing statement and no commitment to make an advance,
49 incur an obligation, or otherwise give value;

50 (b) the financing statement covers accounts or chattel paper that has been sold but as to
51 which the account debtor or other person obligated has discharged its obligation;

52 (c) the financing statement covers goods that were the subject of a consignment to the
53 debtor but are not in the debtor's possession; or

54 (d) the debtor did not authorize the filing of the initial financing statement.

55 (4) Except as otherwise provided in Section 70A-9a-510, upon the filing of a
56 termination statement with the filing office, the financing statement to which the termination
57 statement relates ceases to be effective. Except as otherwise provided in Section 70A-9a-510,
58 for purposes of Subsections 70A-9a-519(7), 70A-9a-522(1), and 70A-9a-525(3), the filing with

59 the filing office of a termination statement relating to a financing statement that indicates that
60 the debtor is a transmitting utility also causes the effectiveness of the financing statement to
61 lapse.

62 (5) (a) If a debtor files a termination statement, the filing office shall send to the
63 secured party of record for the financing statement to which the termination statement relates, a
64 notice stating that the termination statement has been filed.

65 (b) The filing office shall send notice described in Subsection (5)(a):

66 (i) (A) by mail to the address provided for the secured party of record in the financing
67 statement; or

68 (B) by electronic mail to the electronic mail address provided by the secured party of
69 record, if any; and

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

71 Section 2. **Effective date.**

72 This bill takes effect on May 1, 2024.