

5502

2015-2016 Regular Sessions

I N S E N A T E

May 14, 2015

Introduced by Sen. FARLEY -- read twice and ordered printed, and when printed to be committed to the Committee on Judiciary

AN ACT to amend the uniform commercial code, the civil practice law and rules, the lien law, the general obligations law, the banking law, the general business law, the arts and cultural affairs law and the personal property law, in relation to making technical corrections to conform with revisions to the uniform commercial code; and to amend chapter 505 of the laws of 2014 amending the uniform commercial code relating to modernizing commercial law in New York state, in relation to making technical amendments thereto

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Paragraph (g) of subsection 1 of section 4-A-105 of the  
2 uniform commercial code, as added by chapter 208 of the laws of 1990, is  
3 amended to read as follows:

4 (g) "Prove" with respect to a fact means to meet the burden of estab-  
5 lishing the fact (subsection (B)(8) of section [1-201] 1--201).

6 S 2. Subsection 1 of section 4-A-106 of the uniform commercial code,  
7 as added by chapter 208 of the laws of 1990, is amended to read as  
8 follows:

9 (1) The time of receipt of a payment order or communication cancelling  
10 or amending a payment order is determined by the rules applicable to  
11 receipt of a notice stated in [subsection (27) of] Section [1-201]  
12 1--202. A receiving bank may fix a cut-off time or times on a funds-  
13 transfer business day for the receipt and processing of payment orders  
14 and communications cancelling or amending payment orders. Different  
15 cut-off times may apply to payment orders, cancellations, or amendments,  
16 or to different categories of payment orders, cancellations, or amend-  
17 ments. A cut-off time may apply to senders generally or different cut-  
18 off times may apply to different senders or categories of payment  
19 orders. If a payment order or communication cancelling or amending a

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

LBD07881-04-5

1 payment order is received after the close of a funds-transfer business  
2 day or after the appropriate cut-off time on a funds-transfer business  
3 day, the receiving bank may treat the payment order or communication as  
4 received at the opening of the next funds-transfer business day.

5 S 3. Subsection 2 of section 4-A-204 of the uniform commercial code,  
6 as added by chapter 208 of the laws of 1990, is amended to read as  
7 follows:

8 (2) Reasonable time under subsection (1) may be fixed by agreement as  
9 stated in [subsection (1) of] Section [1-204] 1--302(B), but the obli-  
10 gation of a receiving bank to refund payment as stated in subsection (1)  
11 may not otherwise be varied by agreement.

12 S 4. Subsection (c) of section 5--103 of the uniform commercial code,  
13 as added by chapter 471 of the laws of 2000, is amended to read as  
14 follows:

15 (c) With the exception of this subsection, subsections (a) and (d) of  
16 this section, paragraphs (9) and (10) of subsection (a) of section  
17 5--102, subsection (d) of section 5--106, and subsection (d) of section  
18 5--114, and except to the extent prohibited in [subsection (3) of]  
19 section [1--102] 1--302 and subsection (d) of section 5--117, the effect  
20 of this article may be varied by agreement or by a provision stated or  
21 incorporated by reference in an undertaking. A term in an agreement or  
22 undertaking generally excusing liability or generally limiting remedies  
23 for failure to perform obligations is not sufficient to vary obligations  
24 prescribed by this article.

25 S 5. Subdivision (c) of rule 4518 of the civil practice law and rules,  
26 as amended by chapter 170 of the laws of 1994, is amended to read as  
27 follows:

28 (c) Other records. All records, writings and other things referred to  
29 in sections 2306 and 2307 are admissible in evidence under this rule and  
30 are prima facie evidence of the facts contained, provided they bear a  
31 certification or authentication by the head of the hospital, laboratory,  
32 department or bureau of a municipal corporation or of the state, or by  
33 an employee delegated for that purpose or by a qualified physician.  
34 Where a hospital record is in the custody of a warehouse[, or "ware-  
35 houseman"] as that term is defined by paragraph [(h) of subdivision one]  
36 THIRTEEN OF SUBSECTION (A) of section [7-102] 7--102 of the uniform  
37 commercial code, pursuant to a plan approved in writing by the state  
38 commissioner of health, admissibility under this subdivision may be  
39 established by a certification made by the manager of the warehouse that  
40 sets forth (i) the authority by which the record is held, including but  
41 not limited to a court order, order of the commissioner, or order or  
42 resolution of the governing body or official of the hospital, and (ii)  
43 that the record has been in the exclusive custody of such warehouse [or  
44 warehousemen] since its receipt from the hospital or, if another has had  
45 access to it, the name and address of such person and the date on which  
46 and the circumstances under which such access was had. Any [warehouse-  
47 man] WAREHOUSE providing a certification as required by this subdivision  
48 shall have no liability for acts or omissions relating thereto, except  
49 for intentional misconduct, and the [warehouseman] WAREHOUSE is author-  
50 ized to assess and collect a reasonable charge for providing the certifi-  
51 cation described by this subdivision.

52 S 6. Section 200 of the lien law, as amended by chapter 30 of the laws  
53 of 1968, is amended to read as follows:

54 S 200. Sale of personal property to satisfy a lien. A lien against  
55 personal property, other than the lien of a [warehouseman] WAREHOUSE  
56 pursuant to section 7--209 of the uniform commercial code, the lien of a

1 carrier pursuant to section 7--307 of the uniform commercial code, a  
2 security interest in goods and the lien of a keeper of a hotel, apart-  
3 ment hotel, inn, boarding-house or lodging-house, except an immigrant  
4 lodging-house, if in the legal possession of the lienor, may be satis-  
5 fied by the sale of such property according to the provisions of this  
6 article.

7 S 7. Subdivision 1 of section 5-1401 of the general obligations law,  
8 as added by chapter 421 of the laws of 1984, is amended to read as  
9 follows:

10 1. The parties to any contract, agreement or undertaking, contingent  
11 or otherwise, in consideration of, or relating to any obligation arising  
12 out of a transaction covering in the aggregate not less than two hundred  
13 fifty thousand dollars, including a transaction otherwise covered by  
14 subsection [one] (A) of section [1-105] 1--301 of the uniform commercial  
15 code, may agree that the law of this state shall govern their rights and  
16 duties in whole or in part, whether or not such contract, agreement or  
17 undertaking bears a reasonable relation to this state. This section  
18 shall not apply to any contract, agreement or undertaking (a) for labor  
19 or personal services, (b) relating to any transaction for personal,  
20 family or household services, or (c) to the extent provided to the  
21 contrary in subsection [two] (C) of section [1-105] 1--301 of the  
22 uniform commercial code.

23 S 8. Subdivision 1-c of section 7-101 of the general obligations law,  
24 as amended by chapter 84 of the laws of 2001, is amended to read as  
25 follows:

26 1-c. This section shall apply to money deposited or advanced on  
27 contracts for the use or rental of personal property as security for  
28 performance of the contract or to be applied to payments upon such  
29 contract when due, only if (a) such contract is governed by the laws of  
30 this state as the result of a choice of law provision in such contract,  
31 in accordance with section [1-105] 1--301 of the uniform commercial code  
32 (subject to the limitations on choice of law by the parties to a consum-  
33 er lease under section 2-A-106 of the uniform commercial code), or such  
34 contract is otherwise governed by the laws of this state in accordance  
35 with applicable conflict of laws rules, and (b) the lessee under such  
36 contract is located within this state, within the meaning of the uniform  
37 commercial code (with respect to the location of debtors), except that a  
38 foreign air carrier under the Federal Aviation Act of 1958, as amended,  
39 shall not be deemed located in this state solely as a result of having a  
40 designated office of an agent upon whom service of process may be made  
41 located in this state.

42 S 9. Subdivisions 1 and 2 of section 138 of the banking law, as  
43 amended by chapter 689 of the laws of 1984, are amended to read as  
44 follows:

45 1. Notwithstanding section [1-105] 1--301 of the uniform commercial  
46 code, any bank or trust company or national bank located in this state  
47 which in accordance with the provisions of this chapter or otherwise  
48 applicable law shall have opened and occupied a branch office or branch  
49 offices in any foreign country shall be liable for contracts to be  
50 performed at such branch office or offices and for deposits to be repaid  
51 at such branch office or offices to no greater extent than a bank, bank-  
52 ing corporation or other organization or association for banking  
53 purposes organized and existing under the laws of such foreign country  
54 would be liable under its laws. The laws of such foreign country for the  
55 purpose of this section shall be deemed to include all acts, decrees,  
56 regulations and orders promulgated or enforced by a dominant authority

1 asserting governmental, military or police power of any kind at the  
2 place where any such branch office is located, whether or not such domi-  
3 nant authority be recognized as a de facto or de jure government.

4 2. Notwithstanding section [1-105] 1--301 of the uniform commercial  
5 code, if by action of any such dominant authority which is not recog-  
6 nized by the United States as the de jure government of the foreign  
7 territory concerned, any property situated in or any amount to be  
8 received in such foreign territory and carried as an asset of any branch  
9 office of such bank or trust company or national bank in such foreign  
10 territory is seized, destroyed or cancelled, then the liability of such  
11 bank or trust company or national bank for any deposit theretofore  
12 received and thereafter to be repaid by it, and for any contract there-  
13 tofore made and thereafter to be performed by it, at any branch office  
14 in such foreign territory shall be reduced pro tanto by the proportion  
15 that the value (as shown by the books or other records of such bank or  
16 trust company or national bank at the time of such seizure, destruction  
17 or cancellation) of such assets bears to the aggregate of all the depos-  
18 it and contract liabilities of the branch office or offices of such bank  
19 or trust company or national bank in such foreign territory, as shown at  
20 such time by the books or other records of such bank or trust company or  
21 national bank.

22 S 10. Paragraphs (a) and (b) of subdivision 3 of section 204-a of the  
23 banking law, as amended by chapter 552 of the laws of 1962, are amended  
24 to read as follows:

25 (a) Notwithstanding section [1-105] 1--301 of the uniform commercial  
26 code, any foreign banking corporation doing business in this state under  
27 a license issued by the superintendent in accordance with the provisions  
28 of this chapter shall be liable in this state for contracts to be  
29 performed at its office or offices in any foreign country, and for  
30 deposits to be repaid at such office or offices, to no greater extent  
31 than a bank, banking corporation or other organization or association  
32 for banking purposes organized and existing under the laws of such  
33 foreign country would be liable under its laws. The laws of such foreign  
34 country for the purpose of this subdivision shall be deemed to include  
35 all acts, decrees, regulations and orders promulgated or enforced by a  
36 dominant authority asserting governmental, military or police power of  
37 any kind at the place where any such office is located, whether or not  
38 such dominant authority be recognized as a de facto or de jure govern-  
39 ment.

40 (b) Notwithstanding section [1-105] 1--301 of the uniform commercial  
41 code, if by action of any such dominant authority which is not recog-  
42 nized by the United States as the de jure government of the foreign  
43 territory concerned, any property situated in or any amount to be  
44 received in such foreign territory and carried as an asset of any office  
45 of such foreign banking corporation in such foreign territory is seized,  
46 destroyed or cancelled, then the liability, if any, in this state of  
47 such foreign banking corporation for any deposit theretofore received  
48 and thereafter to be repaid by it, and for any contract theretofore made  
49 and thereafter to be performed by it, at any office in such foreign  
50 territory shall be reduced pro tanto by the proportion that the value  
51 (as shown by the books or other records of such foreign banking corpo-  
52 ration, at the time of such seizure, destruction or cancellation) of  
53 such assets bears to the aggregate of all the deposit and contract  
54 liabilities of the office or offices of such foreign banking corporation  
55 in such foreign territory, as shown at such time by the books or other  
56 records of such foreign banking corporations. Nothing contained in this

1 paragraph shall diminish or otherwise affect the liability of any such  
2 foreign banking corporation to any corporation, firm or individual which  
3 at the time of such seizure, destruction or cancellation was incorpo-  
4 rated or resident in any state of the United States.

5 S 11. Subdivision 4 of section 11.01 of the arts and cultural affairs  
6 law, as added by chapter 849 of the laws of 1984, is amended to read as  
7 follows:

8 4. "Creditors" means "creditor" as defined in [subdivision twelve]  
9 PARAGRAPH THIRTEEN of SUBSECTION (B) OF section [1-201] 1--201 of the  
10 uniform [commerical] COMMERCIAL code.

11 S 12. Subdivision 5 of section 331 of the personal property law, as  
12 added by chapter 1 of the laws of 1994, is amended to read as follows:

13 5. "Retail lease agreement" or "agreement" means an agreement, entered  
14 into in this state, for the lease of a motor vehicle, and which may  
15 include the purchase of goods or services incidental thereto, by a  
16 retail lessee for a scheduled term exceeding four months, whether or not  
17 the lessee has the option to purchase or otherwise become the owner of  
18 the vehicle at the expiration of the agreement. The term includes such  
19 an agreement wherever entered into if executed by the lessee in this  
20 state and if solicited in person by a person acting on his own behalf or  
21 that of the lessor. The term does not include a retail instalment  
22 contract or a rental-purchase agreement as defined in articles nine and  
23 eleven of this chapter. An agreement that substantially complies with  
24 this article does not create a security interest in a motor vehicle as  
25 the term "security interest" is defined in [subdivision thirty-seven]  
26 PARAGRAPH THIRTY-FIVE of SUBSECTION (B) OF section [1-201] 1--201 of the  
27 uniform commercial code.

28 S 13. Paragraph (e) of subdivision 7 of section 399-w of the general  
29 business law, as amended by chapter 140 of the laws of 1995, is amended  
30 to read as follows:

31 (e) "Retail lease agreement" or "agreement" means an agreement,  
32 entered into in this state, for the lease of goods and which may include  
33 the purchase of goods or services incidental thereto by a lessee for a  
34 scheduled term exceeding four months, whether or not the lessee has the  
35 option to purchase or otherwise become the owner of the goods at the  
36 expiration of the agreement. The term includes such an agreement wherev-  
37 er entered into if executed by the lessee in this state and if solicited  
38 in person by a person acting on his or her own behalf or that of the  
39 lessor. The term does not include a retail instalment contract or a  
40 rental-purchase agreement as defined in articles ten and eleven of the  
41 personal property law. An agreement that substantially complies with  
42 this article does not create a security interest in the goods as the  
43 term "security interest" is defined in [subdivision thirty-seven] PARA-  
44 GRAPH THIRTY-FIVE of SUBSECTION (B) OF section [1-201] 1--201 of the  
45 uniform commercial code.

46 S 14. Subdivision 6 of section 500 of the personal property law, as  
47 amended by chapter 309 of the laws of 2010, is amended to read as  
48 follows:

49 6. "Rental-purchase agreement" means an agreement for the use of  
50 merchandise by a consumer for primarily personal, family, or household  
51 purposes, for an initial period of four months or less, that is renewa-  
52 ble with each payment after the initial period and that permits the  
53 consumer to become the owner of the property. An agreement that complies  
54 with this article is not a retail installment sales contract, agreement,  
55 or obligation as defined in this chapter nor a security interest as

1 defined in [subdivision thirty-seven] PARAGRAPH THIRTY-FIVE of  
2 SUBSECTION (B) OF section [1-201] 1--201 of the uniform commercial code.

3 S 15. Subsection (e) of section 9--406 of the uniform commercial  
4 code, as added by chapter 84 of the laws of 2001, is amended to read as  
5 follows:

6 (e) Inapplicability of subsection (d) to certain sales. Subsection (d)  
7 does not apply to the sale of a payment intangible or promissory note,  
8 OTHER THAN A SALE PURSUANT TO A DISPOSITION UNDER SECTION 9--610 OR AN  
9 ACCEPTANCE OF COLLATERAL UNDER SECTION 9--620.

10 S 16. Subsection (b) of section 9--408 of the uniform commercial code,  
11 as added by chapter 84 of the laws of 2001, is amended to read as  
12 follows:

13 (b) Applicability of subsection (a) to sales of certain rights to  
14 payment. Subsection (a) applies to a security interest in a payment  
15 intangible or promissory note only if the security interest arises out  
16 of a sale of the payment intangible or promissory note, OTHER THAN A  
17 SALE PURSUANT TO A DISPOSITION UNDER SECTION 9--610 OR AN ACCEPTANCE OF  
18 COLLATERAL UNDER SECTION 9--620.

19 S 17. Subsection (b) of section 9--516 of the uniform commercial code,  
20 as added by chapter 84 of the laws of 2001, is amended to read as  
21 follows:

22 (b) Refusal to accept record; filing does not occur. Filing does not  
23 occur with respect to a record that a filing office refuses to accept  
24 because:

- 25 (1) the record is not communicated by a method or medium of  
26 communication authorized by the filing office;
- 27 (2) an amount equal to or greater than the applicable filing fee  
28 is not tendered;
- 29 (3) the filing office is unable to index the record because:
  - 30 (A) in the case of an initial financing statement, the record  
31 does not provide a name for the debtor;
  - 32 (B) in the case of an amendment or [correction] INFORMATION  
33 statement, the record:
    - 34 (i) does not identify the initial financing statement as  
35 required by Section 9--512 or 9--518, as applicable;  
36 or
    - 37 (ii) identifies an initial financing statement whose  
38 effectiveness has lapsed under Section 9--515;
  - 39 (C) in the case of an initial financing statement that  
40 provides the name of a debtor identified as an individual  
41 or an amendment that provides a name of a debtor identi-  
42 fied as an individual which was not previously provided  
43 in the financing statement to which the record relates,  
44 the record does not identify the debtor's [last name]  
45 SURNAME; or
  - 46 (D) in the case of a record filed in the filing office  
47 described in Section 9--501 (a) (1), the record does not  
48 provide a sufficient description of the real property to  
49 which it relates;
- 50 (4) in the case of an initial financing statement or an amendment  
51 that adds a secured party of record, the record does not  
52 provide a name and mailing address for the secured party of  
53 record;
- 54 (5) in the case of an initial financing statement or an amendment  
55 that provides a name of a debtor which was not previously

provided in the financing statement to which the amendment relates, the record does not:

- (A) provide a mailing address for the debtor; or
- (B) indicate whether the NAME PROVIDED AS THE NAME OF THE debtor is THE NAME OF an individual or an organization;
- [(C) if the financing statement indicates that the debtor is an organization, provide:
  - (i) a type of organization for the debtor, or
  - (ii) a jurisdiction of organization for the debtor; or]

- (6) in the case of an assignment reflected in an initial financing statement under Section 9--514(a) or an amendment filed under Section 9--514(b), the record does not provide a name and mailing address for the assignee; or
- (7) in the case of a continuation statement, the record is not filed within the six-month period prescribed by Section 9--515(d).

S 18. Section 9--518 of the uniform commercial code, as added by chapter 84 of the laws of 2001 and subsection (d) as added by chapter 490 of the laws of 2013, is amended to read as follows:

Section 9--518. Claim Concerning Inaccurate or Wrongfully Filed Record.

(a) [Correction statement] STATEMENT WITH RESPECT TO RECORD INDEXED UNDER PERSON'S NAME. A person may file in the filing office [a correction] AN INFORMATION statement with respect to a record indexed there under the person's name if the person believes that the record is inaccurate or was wrongfully filed.

(b) [Sufficiency] CONTENTS of [correction] statement UNDER SUBSECTION (A) OF THIS SECTION. [A correction] AN INFORMATION statement UNDER SUBSECTION (A) OF THIS SECTION must:

- (1) identify the record to which it relates by:
  - (A) the file number assigned to the initial financing statement to which the record relates; and
  - (B) if the [correction] INFORMATION statement relates to a record filed in a filing office described in Section 9--501(a)(1), the date and time that the initial financing statement was filed and the information specified in Section 9--502(b);
- (2) indicate that it is [a correction] AN INFORMATION statement; and
- (3) provide the basis for the person's belief that the record is inaccurate and indicate the manner in which the person believes the record should be amended to cure any inaccuracy or provide the basis for the person's belief that the record was wrongfully filed.

(c) STATEMENT BY SECURED PARTY OF RECORD. A PERSON MAY FILE IN THE FILING OFFICE AN INFORMATION STATEMENT WITH RESPECT TO A RECORD FILED THERE IF THE PERSON IS A SECURED PARTY OF RECORD WITH RESPECT TO THE FINANCING STATEMENT TO WHICH THE RECORD RELATES AND BELIEVES THAT THE PERSON THAT FILED THE RECORD WAS NOT ENTITLED TO DO SO UNDER SECTION 9--509(D).

(d) CONTENTS OF STATEMENT UNDER SUBSECTION (C) OF THIS SECTION. AN INFORMATION STATEMENT UNDER SUBSECTION (C) OF THIS SECTION MUST:

- (1) IDENTIFY THE RECORD TO WHICH IT RELATES BY:

(A) THE FILE NUMBER ASSIGNED TO THE INITIAL FINANCING STATEMENT TO WHICH THE RECORD RELATES; AND

(B) IF THE INFORMATION STATEMENT RELATES TO A RECORD FILED IN A FILING OFFICE DESCRIBED IN SECTION 9--501(A)(1), THE DATE THAT THE INITIAL

1 FINANCING STATEMENT WAS FILED AND THE INFORMATION SPECIFIED IN SECTION  
2 9--502(B);

3 (2) INDICATE THAT IT IS AN INFORMATION STATEMENT; AND

4 (3) PROVIDE THE BASIS FOR THE PERSON'S BELIEF THAT THE PERSON THAT  
5 FILED THE RECORD WAS NOT ENTITLED TO DO SO UNDER SECTION 9--509(D).

6 (E) Record not affected by [correction] INFORMATION statement. The  
7 filing of [a correction] AN INFORMATION statement does not affect the  
8 effectiveness of an initial financing statement or other filed record.

9 [(d) Special proceeding to redact or expunge a falsely filed or  
10 amended financing statement. (1) Provided he or she is an employee of  
11 the state or a political subdivision thereof, a person identified as a  
12 debtor in a financing statement filed pursuant to this subpart may bring  
13 a special proceeding against the named filer of such statement or any  
14 amendment thereof to invalidate the filing or amendment thereof where  
15 such statement was falsely filed or amended; except that an attorney who  
16 is not an employee of the state or a political subdivision thereof may  
17 also bring a special proceeding hereunder where he or she represents or  
18 has represented the respondent therein in a criminal court. Such special  
19 proceeding shall be governed by article four of the civil practice law  
20 and rules, and shall be commenced in the supreme court of Albany county,  
21 the county of the petitioner's residence or a county within the judicial  
22 district in which any property covered by the financing statement is  
23 located. No fee pursuant to article eighty of the civil practice law and  
24 rules shall be collected in such special proceeding.

25 (2) The petition in a special proceeding hereunder shall plead that:

26 (A) the financing statement filed or amended by the respondent pursu-  
27 ant to section 9--509 was falsely filed or amended to retaliate for: (i)  
28 the performance of the petitioner's official duties in his or her capac-  
29 ity as an employee of the state or a political subdivision thereof, or  
30 (ii) in the case of a special proceeding brought by an attorney who is  
31 not an employee of the state or a political subdivision thereof, to  
32 retaliate for the performance of the petitioner's duties in his or her  
33 capacity as an attorney for the respondent in a criminal court; and

34 (B) such financing statement does not relate to an interest in a  
35 consumer-goods transaction, a commercial transaction, or any other actu-  
36 al transaction between the petitioner and the respondent; and

37 (C) the collateral covered in such financing statement is the property  
38 of the petitioner; and

39 (D) prompt redaction or invalidation of the financing statement is  
40 necessary to avert or mitigate prejudice to the petitioner.

41 (3) If the court makes a written finding that the allegations in para-  
42 graph two of this subsection are established, the court shall order the  
43 expungement of such statement or its redaction in the public records in  
44 the office in which the financing statement is filed, as appropriate,  
45 and may grant any additional relief authorized by section 9--625. In  
46 such case, the court shall cause a copy of its order to be filed with  
47 the secretary of state or other appropriate filing office pursuant to  
48 this chapter. Upon a finding that the respondent has engaged in a  
49 repeated pattern of false filings as found under this subsection, the  
50 court also may enjoin the respondent from filing or amending any further  
51 financing statement pursuant to this article without leave of the court.  
52 If the respondent is incarcerated at the time the court issues an order  
53 containing such an injunction, the court shall cause the head of the  
54 correctional facility in which the respondent is incarcerated to receive  
55 a copy of such determination. The head of such a facility shall cause a  
56 copy of such order to be provided to the respondent. In any instances of



1 the issuance of such an injunction where the respondent has defaulted,  
2 the court shall direct service of such injunction upon the respondent.]

3 S 19. Section 9--521 of the uniform commercial code, as added by chap-  
4 ter 84 of the laws of 2001, is amended to read as follows:

5 Section 9--521. Uniform Form of Written Financing Statement; Amendment;  
6 and Cooperative Addendum.

7 (a) Initial financing statement form. A filing office that accepts  
8 written records may not refuse to accept a written initial financing  
9 statement AND ADDENDUM in the form AND FORMAT THAT IS EITHER (1) SET  
10 FORTH IN THE OFFICIAL TEXT OF THE 2010 AMENDMENTS TO ARTICLE 9 OF THE  
11 UNIFORM COMMERCIAL CODE PROMULGATED BY THE AMERICAN LAW INSTITUTE AND  
12 THE NATIONAL CONFERENCE OF COMMISSIONERS ON UNIFORM STATE LAWS OR (2)  
13 promulgated by the department of state, IN EACH CASE except for a reason  
14 as set forth in Section 9--516(b).

15 (b) Amendment form. A filing office that accepts written records may  
16 not refuse to accept a written [financing statement amendment] RECORD  
17 AND ADDENDUM in the form AND FORMAT SET FORTH AS FORM UCC3 AND FORM  
18 UCC3AD THAT IS EITHER (1) SET FORTH IN THE FINAL OFFICIAL TEXT OF THE  
19 2010 AMENDMENTS TO ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE promulgated  
20 by THE AMERICAN LAW INSTITUTE AND THE NATIONAL CONFERENCE OF COMMISSION-  
21 ERS ON THE UNIFORM STATE LAWS, OR (2) PROMULGATED BY THE DEPARTMENT OF  
22 STATE, IN EACH CASE except for a reason as set forth in Section 9--516  
23 (b).

24 (c) Cooperative addendum form. A filing office that accepts written  
25 records may not refuse to accept a written cooperative addendum in the  
26 form promulgated by the department of state except for a reason as set  
27 forth in Section 9--516 (b).

28 S 20. Section 51 of chapter 505 of the laws of 2014 amending the  
29 uniform commercial code relating to modernizing commercial law in New  
30 York state, is amended to read as follows:

31 S 51. This act shall take effect immediately and shall apply to trans-  
32 actions entered into on or after [such date] DECEMBER 17, 2014; PROVIDED  
33 HOWEVER THAT:

34 (A) WITH RESPECT TO SECTIONS TWENTY-SIX THROUGH FIFTY OF THIS ACT,  
35 SUBJECT TO SUBDIVISION (B) OF THIS SECTION, A "TRANSACTION ENTERED INTO  
36 ON OR AFTER DECEMBER 17, 2014" SHALL MEAN THE CREATION OF AN ENFORCEABLE  
37 SECURITY INTEREST BETWEEN THE DEBTOR AND THE SECURED PARTY PURSUANT TO  
38 AN AGREEMENT ORIGINALLY ENTERED INTO ON OR AFTER DECEMBER 17, 2014. A  
39 TERM SHEET OR OTHER PROPOSAL FOR THE CREATION OF A SECURITY INTEREST  
40 SHALL NOT CONSTITUTE A "TRANSACTION."

41 (B) A "TRANSACTION ENTERED INTO ON OR AFTER DECEMBER 17, 2014" SHALL  
42 ALSO INCLUDE ANY ENFORCEABLE SECURITY INTEREST CREATED PURSUANT TO AN  
43 AGREEMENT ORIGINALLY ENTERED INTO PRIOR TO DECEMBER 17, 2014 THAT HAS  
44 BEEN AMENDED, MODIFIED, SUPPLEMENTED OR RESTATED ON OR AFTER DECEMBER  
45 17, 2014 IF, BUT ONLY IF, SUCH AMENDMENT, MODIFICATION, SUPPLEMENT OR  
46 RESTATEMENT EXPRESSLY PROVIDES THAT THE PARTIES INTEND THAT THE SECURITY  
47 INTEREST THEREUNDER CONSTITUTE A "TRANSACTION" SUBJECT TO THIS SECTION.

48 (C) EXCEPT AS OTHERWISE PROVIDED IN SUBDIVISION (B) OF THIS SECTION,  
49 NEITHER (I) THE PROVISION OF ADDITIONAL FINANCING TO A DEBTOR SECURED BY  
50 AN AGREEMENT ORIGINALLY ENTERED INTO PRIOR TO DECEMBER 17, 2014, (II)  
51 THE ATTACHMENT OF THE SECURITY INTEREST TO AFTER-ACQUIRED PROPERTY OF  
52 THE DEBTOR PURSUANT TO AN AGREEMENT ORIGINALLY ENTERED INTO PRIOR TO  
53 DECEMBER 17, 2014, NOR (III) THE DEBTOR'S PROVISION OF ADDITIONAL COLLA-  
54 TERAL TO THE SECURED PARTY PURSUANT TO AN AMENDMENT, MODIFICATION,  
55 SUPPLEMENT OR RESTATEMENT OF AN AGREEMENT ORIGINALLY ENTERED INTO PRIOR  
56 TO DECEMBER 17, 2014, SHALL, WITHOUT THE ACTIONS REFERRED TO IN SUBDIVI-

1 SION (B) OF THIS SECTION, CONSTITUTE A "TRANSACTION ENTERED INTO ON OR  
2 AFTER DECEMBER 17, 2014" WITHIN THE MEANING OF THIS SECTION. SIMILARLY,  
3 EXCEPT AS OTHERWISE PROVIDED IN SUBDIVISION (D) OF THIS SECTION,  
4 SECTIONS TWENTY-SIX THROUGH FIFTY OF THIS ACT SHALL NOT APPLY TO ACTIONS  
5 TAKEN ON OR AFTER DECEMBER 17, 2014 TO PERFECT OR MAINTAIN THE  
6 PERFECTION OF A SECURITY INTEREST UNLESS THE CREATION OF THE SECURITY  
7 INTEREST TO WHICH SUCH PERFECTION RELATES SHALL CONSTITUTE A TRANSACTION  
8 WITHIN THE MEANING OF EITHER SUBDIVISION (A) OR (C) OF THIS SECTION.

9 (D) NOTWITHSTANDING THE FOREGOING, THIS ACT SHALL APPLY TO ALL INITIAL  
10 FINANCING STATEMENTS FILED ON OR AFTER DECEMBER 17, 2014 REGARDLESS OF  
11 WHETHER OR NOT THEY RELATE TO A "TRANSACTION ENTERED INTO ON OR AFTER  
12 DECEMBER 17, 2014." CONVERSELY, THIS ACT SHALL NOT APPLY TO INITIAL  
13 FINANCING STATEMENTS FILED PRIOR TO DECEMBER 17, 2014 OR TO ANY AMEND-  
14 MENTS THEREOF REGARDLESS OF WHEN SUCH AMENDMENTS ARE FILED EVEN IF SUCH  
15 FINANCING STATEMENTS RELATE TO A "TRANSACTION ENTERED INTO ON OR AFTER  
16 DECEMBER 17, 2014."

17 (E) THIS ACT SHALL NOT APPLY TO A DOCUMENT OF TITLE THAT IS ISSUED OR  
18 A BAILMENT THAT ARISES BEFORE THE EFFECTIVE DATE OF THIS ACT.

19 S 21. This act shall take effect on the same date and in the same  
20 manner as chapter 505 of the laws of 2014 took effect, and shall apply  
21 to transactions entered into on or after December 17, 2014; provided,  
22 however, that:

23 (a) With respect to sections fifteen through nineteen of this act,  
24 subject to subdivision (b) of this section, a "transaction entered into  
25 on or after December 17, 2014" shall mean the creation of an enforceable  
26 security interest between the debtor and the secured party pursuant to  
27 an agreement originally entered into on or after December 17, 2014. A  
28 term sheet or other proposal for the creation of a security interest  
29 shall not constitute a "transaction."

30 (b) A "transaction entered into on or after December 17, 2014" shall  
31 also include any enforceable security interest created pursuant to an  
32 agreement originally entered into prior to December 17, 2014 that has  
33 been amended, modified, supplemented or restated on or after December  
34 17, 2014 if, but only if, such amendment, modification, supplement or  
35 restatement expressly provides that the parties intend that the security  
36 interest thereunder constitute a "transaction" subject to this section.

37 (c) Except as otherwise provided in subdivision (b) of this section,  
38 neither (i) the provision of additional financing to a debtor secured by  
39 an agreement originally entered into prior to December 17, 2014, (ii)  
40 the attachment of the security interest to after-acquired property of  
41 the debtor pursuant to an agreement originally entered into prior to  
42 December 17, 2014, nor (iii) the debtor's provision of additional colla-  
43 teral to the secured party pursuant to an amendment, modification,  
44 supplement or restatement of an agreement originally entered into prior  
45 to December 17, 2014, shall, without the actions referred to in subdivi-  
46 sion (b) of this section, constitute a "transaction entered into on or  
47 after December 17, 2014" within the meaning of this section. Similarly,  
48 except as otherwise provided in subdivision (d) of this section,  
49 sections fifteen through nineteen of this act shall not apply to actions  
50 taken on or after December 17, 2014 to perfect or maintain the  
51 perfection of a security interest unless the creation of the security  
52 interest to which such perfection relates shall constitute a transaction  
53 within the meaning of either subdivision (a) or (c) of this section.

54 (d) Notwithstanding the foregoing, this act shall apply to all initial  
55 financing statements filed on or after December 17, 2014 regardless of  
56 whether or not they relate to a "transaction entered into on or after

1 December 17, 2014." Conversely, this act shall not apply to initial  
2 financing statements filed prior to December 17, 2014 or to any amend-  
3 ments thereof regardless of when such amendments are filed even if such  
4 financing statements relate to a "transaction entered into on or after  
5 December 17, 2014."

6 (e) This act shall not apply to a document of title that is issued or  
7 a bailment that arises before the effective date of this act.