

CHAPTER 170

CONSUMER AND COMMERCIAL TRANSACTIONS

HOUSE BILL 12-1262

BY REPRESENTATIVE(S) Gardner B., Barker, Baumgardner, Bradford, Waller;
also SENATOR(S) Roberts, Guzman.

AN ACT

**CONCERNING ENACTMENT OF AMENDMENTS TO THE SECURED TRANSACTIONS PROVISIONS OF THE
"UNIFORM COMMERCIAL CODE".**

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 4-9-102, **amend** (a) (7) (B), (a) (10), (a) (68), and (a) (73); **repeal** (a) (69); and **add with relocated provisions** (a) (65) and (a) (66) as follows:

4-9-102. Definitions and index of definitions. (a) In this article:

(7) "Authenticate" means:

(B) ~~To execute or otherwise adopt a symbol, or encrypt or similarly process a record in whole or in part, with the present intent of the authenticating person to identify the person and adopt or accept a record~~ WITH PRESENT INTENT TO ADOPT OR ACCEPT A RECORD, TO ATTACH TO OR LOGICALLY ASSOCIATE WITH THE RECORD AN ELECTRONIC SOUND, SYMBOL, OR PROCESS.

(10) "Certificate of title" means a certificate of title with respect to which a statute provides for the security interest in question to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral. THE TERM INCLUDES ANOTHER RECORD MAINTAINED AS AN ALTERNATIVE TO A CERTIFICATE OF TITLE BY THE GOVERNMENTAL UNIT THAT ISSUES CERTIFICATES OF TITLE IF A STATUTE PERMITS THE SECURITY INTEREST IN QUESTION TO BE INDICATED ON THE RECORD AS A CONDITION OR RESULT OF THE SECURITY INTEREST'S OBTAINING PRIORITY OVER THE RIGHTS OF A LIEN CREDITOR WITH RESPECT TO THE COLLATERAL.

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

(65) ~~Reserved. [Formerly (68)]~~ "Promissory note" means an instrument that evidences a promise to pay a monetary obligation, does not evidence an order to pay, and does not contain an acknowledgment by a bank that the bank has received for deposit a sum of money or funds.

(66) ~~Reserved. [Formerly (69)]~~ "Proposal" means a record authenticated by a secured party which includes the terms on which the secured party is willing to accept collateral in full or partial satisfaction of the obligation it secures pursuant to sections 4-9-620, 4-9-621, and 4-9-622.

(68) ~~"Promissory note" means an instrument that evidences a promise to pay a monetary obligation, does not evidence an order to pay, and does not contain an acknowledgment by a bank that the bank has received for deposit a sum of money or funds.~~ "PUBLIC ORGANIC RECORD" MEANS A RECORD THAT IS AVAILABLE TO THE PUBLIC FOR INSPECTION AND IS:

(A) A RECORD CONSISTING OF THE RECORD INITIALLY FILED WITH OR ISSUED BY A STATE OR THE UNITED STATES TO FORM OR ORGANIZE AN ORGANIZATION AND ANY RECORD FILED WITH OR ISSUED BY THE STATE OR THE UNITED STATES THAT AMENDS OR RESTATES THE INITIAL RECORD;

(B) AN ORGANIC RECORD OF A BUSINESS TRUST CONSISTING OF THE RECORD INITIALLY FILED WITH A STATE AND ANY RECORD FILED WITH THE STATE THAT AMENDS OR RESTATES THE INITIAL RECORD, IF A STATUTE OF THE STATE GOVERNING BUSINESS TRUSTS REQUIRES THAT THE RECORD BE FILED WITH THE STATE; OR

(C) A RECORD CONSISTING OF LEGISLATION ENACTED BY THE LEGISLATURE OF A STATE OR THE CONGRESS OF THE UNITED STATES THAT FORMS OR ORGANIZES AN ORGANIZATION, ANY RECORD AMENDING THE LEGISLATION, AND ANY RECORD FILED WITH OR ISSUED BY THE STATE OR THE UNITED STATES THAT AMENDS OR RESTATES THE NAME OF THE ORGANIZATION.

(69) ~~"Proposal" means a record authenticated by a secured party which includes the terms on which the secured party is willing to accept collateral in full or partial satisfaction of the obligation it secures pursuant to sections 4-9-620, 4-9-621, and 4-9-622.~~

(73) "Registered organization" means an organization FORMED OR organized solely under the law of a single state or the United States ~~and as to which the state or the United States must maintain a public record showing the organization to have been organized~~ BY THE FILING OF A PUBLIC ORGANIC RECORD WITH, THE ISSUANCE OF A PUBLIC ORGANIC RECORD BY, OR THE ENACTMENT OF LEGISLATION BY THE STATE OR THE UNITED STATES. THE TERM INCLUDES A BUSINESS TRUST THAT IS FORMED OR ORGANIZED UNDER THE LAW OF A SINGLE STATE IF A STATUTE OF THE STATE GOVERNING BUSINESS TRUSTS REQUIRES THAT THE BUSINESS TRUST'S ORGANIC RECORD BE FILED WITH THE STATE.

SECTION 2. In Colorado Revised Statutes, **amend** 4-9-105 as follows:

4-9-105. Control of electronic chattel paper. (a) A secured party has control of electronic chattel paper if A SYSTEM EMPLOYED FOR EVIDENCING THE TRANSFER

OF INTERESTS IN THE CHATTEL PAPER RELIABLY ESTABLISHES THE SECURED PARTY AS THE PERSON TO WHICH THE CHATTEL PAPER WAS ASSIGNED.

(b) A SYSTEM SATISFIES SUBSECTION (a) OF THIS SECTION IF the record or records comprising the chattel paper are created, stored, and assigned in such a manner that:

(1) A single authoritative copy of the record or records exists ~~which~~ THAT is unique, identifiable, and, except as otherwise provided in paragraphs (4), (5), and (6) of this ~~section~~ SUBSECTION (b), unalterable;

(2) The authoritative copy identifies the secured party as the assignee of the record or records;

(3) The authoritative copy is communicated to and maintained by the secured party or its designated custodian;

(4) Copies or ~~revisions~~ AMENDMENTS that add or change an identified assignee of the authoritative copy can be made only with the ~~participation~~ CONSENT of the secured party;

(5) Each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy; and

(6) Any ~~revision~~ AMENDMENT of the authoritative copy is readily identifiable as ~~an~~ authorized or unauthorized. ~~revision~~.

SECTION 3. In Colorado Revised Statutes, 4-9-307, **amend** (f) (2) as follows:

4-9-307. Location of debtor. (f) Except as otherwise provided in subsection (i) of this section, a registered organization that is organized under the law of the United States and a branch or agency of a bank that is not organized under the law of the United States or a state are located:

(2) In the state that the registered organization, branch, or agency designates, if the law of the United States authorizes the registered organization, branch, or agency to designate its state of location, INCLUDING BY DESIGNATING ITS MAIN OFFICE, HOME OFFICE, OR OTHER COMPARABLE OFFICE; or

SECTION 4. In Colorado Revised Statutes, 4-9-311, **amend** (a) (2) and (a) (3) as follows:

4-9-311. Perfection of security interests in property subject to certain statutes, regulations, and treaties. (a) Except as otherwise provided in subsection (d) of this section, the filing of a financing statement is not necessary or effective to perfect a security interest in property subject to:

(2) A ~~certificate-of-title~~ statute of this state covering automobiles or other goods ~~which~~ THAT provides for a security interest to be indicated on ~~the~~ A certificate OF TITLE as a condition or result of perfection of the security interest; or

(3) A ~~certificate-of-title~~ statute of another jurisdiction ~~which~~ THAT provides for

a security interest to be indicated on ~~the~~ A certificate OF TITLE as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the property.

SECTION 5. In Colorado Revised Statutes, 4-9-316, **add** (h) and (i) as follows:

4-9-316. Effect of change in governing law. (h) THE FOLLOWING RULES APPLY TO COLLATERAL TO WHICH A SECURITY INTEREST ATTACHES WITHIN FOUR MONTHS AFTER THE DEBTOR CHANGES ITS LOCATION TO ANOTHER JURISDICTION:

(1) A FINANCING STATEMENT FILED BEFORE THE CHANGE PURSUANT TO THE LAW OF THE JURISDICTION DESIGNATED IN SECTION 4-9-301 (1) OR 4-9-305 (c) IS EFFECTIVE TO PERFECT A SECURITY INTEREST IN THE COLLATERAL IF THE FINANCING STATEMENT WOULD HAVE BEEN EFFECTIVE TO PERFECT A SECURITY INTEREST IN THE COLLATERAL HAD THE DEBTOR NOT CHANGED ITS LOCATION.

(2) IF A SECURITY INTEREST PERFECTED BY A FINANCING STATEMENT THAT IS EFFECTIVE UNDER PARAGRAPH (1) OF THIS SUBSECTION (h) BECOMES PERFECTED UNDER THE LAW OF THE OTHER JURISDICTION BEFORE THE EARLIER OF THE TIME THE FINANCING STATEMENT WOULD HAVE BECOME INEFFECTIVE UNDER THE LAW OF THE JURISDICTION DESIGNATED IN SECTION 4-9-301 (1) OR 4-9-305 (c) OR THE EXPIRATION OF THE FOUR-MONTH PERIOD, IT REMAINS PERFECTED THEREAFTER. IF THE SECURITY INTEREST DOES NOT BECOME PERFECTED UNDER THE LAW OF THE OTHER JURISDICTION BEFORE THE EARLIER TIME OR EVENT, IT BECOMES UNPERFECTED AND IS DEEMED NEVER TO HAVE BEEN PERFECTED AS AGAINST A PURCHASER OF THE COLLATERAL FOR VALUE.

(i) IF A FINANCING STATEMENT NAMING AN ORIGINAL DEBTOR IS FILED PURSUANT TO THE LAW OF THE JURISDICTION DESIGNATED IN SECTION 4-9-301 (1) OR 4-9-305 (c) AND THE NEW DEBTOR IS LOCATED IN ANOTHER JURISDICTION, THE FOLLOWING RULES APPLY:

(1) THE FINANCING STATEMENT IS EFFECTIVE TO PERFECT A SECURITY INTEREST IN COLLATERAL ACQUIRED BY THE NEW DEBTOR BEFORE, AND WITHIN FOUR MONTHS AFTER, THE NEW DEBTOR BECOMES BOUND UNDER SECTION 4-9-203 (d) IF THE FINANCING STATEMENT WOULD HAVE BEEN EFFECTIVE TO PERFECT A SECURITY INTEREST IN THE COLLATERAL HAD THE COLLATERAL BEEN ACQUIRED BY THE ORIGINAL DEBTOR.

(2) A SECURITY INTEREST THAT IS PERFECTED BY THE FINANCING STATEMENT AND THAT BECOMES PERFECTED UNDER THE LAW OF THE OTHER JURISDICTION BEFORE THE EARLIER OF THE TIME THE FINANCING STATEMENT WOULD HAVE BECOME INEFFECTIVE UNDER THE LAW OF THE JURISDICTION DESIGNATED IN SECTION 4-9-301 (1) OR 4-9-305 (c) OR THE EXPIRATION OF THE FOUR-MONTH PERIOD REMAINS PERFECTED THEREAFTER. A SECURITY INTEREST THAT IS PERFECTED BY THE FINANCING STATEMENT BUT THAT DOES NOT BECOME PERFECTED UNDER THE LAW OF THE OTHER JURISDICTION BEFORE THE EARLIER TIME OR EVENT BECOMES UNPERFECTED AND IS DEEMED NEVER TO HAVE BEEN PERFECTED AS AGAINST A PURCHASER OF THE COLLATERAL FOR VALUE.

SECTION 6. In Colorado Revised Statutes, 4-9-317, **amend** (b) and (d) as

follows:

4-9-317. Interests that take priority over or take free of security interest or agricultural lien. (b) Except as otherwise provided in subsection (e) of this section, a buyer, other than a secured party, of tangible chattel paper, tangible documents, goods, instruments, or a CERTIFICATED security ~~certificate~~ takes free of a security interest or agricultural lien if the buyer gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

(d) A licensee of a general intangible or a buyer, other than a secured party, of ~~accounts, electronic chattel paper, electronic documents, general intangibles, or investment property~~ COLLATERAL other than TANGIBLE CHATTEL PAPER, TANGIBLE DOCUMENTS, GOODS, INSTRUMENTS, OR a certificated security takes free of a security interest if the licensee or buyer gives value without knowledge of the security interest and before it is perfected.

SECTION 7. In Colorado Revised Statutes, **amend** 4-9-326 as follows:

4-9-326. Priority of security interests created by new debtor. (a) Subject to subsection (b) of this section, a security interest THAT IS created by a new debtor ~~which is~~ IN COLLATERAL IN WHICH THE NEW DEBTOR HAS OR ACQUIRES RIGHTS AND IS perfected SOLELY by a filed financing statement that ~~is effective solely under section 4-9-508 in collateral in which a new debtor has or acquires rights~~ WOULD BE INEFFECTIVE TO PERFECT THE SECURITY INTEREST BUT FOR THE APPLICATION OF SECTION 4-9-316 (i) (1) OR 4-9-508 is subordinate to a security interest in the same collateral ~~which~~ THAT is perfected other than by SUCH a filed financing statement. ~~that is effective solely under section 4-9-508.~~

(b) The other provisions of this part 3 determine the priority among conflicting security interests in the same collateral perfected by filed financing statements ~~that are effective solely under section 4-9-508~~ DESCRIBED IN SUBSECTION (a) OF THIS SECTION. However, if the security agreements to which a new debtor became bound as debtor were not entered into by the same original debtor, the conflicting security interests rank according to priority in time of the new debtor's having become bound.

SECTION 8. In Colorado Revised Statutes, 4-9-406, **amend** (e) as follows:

4-9-406. Discharge of account debtor - notification of assignment - identification and proof of assignment - restrictions on assignment of accounts, chattel paper, payment intangibles, and promissory notes ineffective. (e) Subsection (d) of this section does not apply to the sale of a payment intangible or promissory note, OTHER THAN A SALE PURSUANT TO A DISPOSITION UNDER SECTION 4-9-610 OR AN ACCEPTANCE OF COLLATERAL UNDER SECTION 4-9-620.

SECTION 9. In Colorado Revised Statutes, 4-9-408, **amend** (b) as follows:

4-9-408. Restrictions on assignment of promissory notes, health-care-insurance receivables, and certain general intangibles ineffective. (b) Subsection (a) of this section applies to a security interest in a payment

intangible or promissory note only if the security interest arises out of a sale of the payment intangible or promissory note, OTHER THAN A SALE PURSUANT TO A DISPOSITION UNDER SECTION 4-9-610 OR AN ACCEPTANCE OF COLLATERAL UNDER SECTION 4-9-620.

SECTION 10. In Colorado Revised Statutes, 4-9-503, **amend** (a) and (b); and **add** (f), (g), and (h) as follows:

4-9-503. Name of debtor and secured party. (a) A financing statement sufficiently provides the name of the debtor:

(1) EXCEPT AS OTHERWISE PROVIDED IN PARAGRAPH (3) OF THIS SUBSECTION (a), if the debtor is a registered organization OR THE COLLATERAL IS HELD IN A TRUST THAT IS A REGISTERED ORGANIZATION, only if the financing statement provides the name ~~of the debtor indicated~~ THAT IS STATED TO BE THE REGISTERED ORGANIZATION'S NAME on the public ORGANIC record ~~of~~ MOST RECENTLY FILED WITH OR ISSUED OR ENACTED BY the ~~debtor's~~ REGISTERED ORGANIZATION'S jurisdiction of organization ~~which shows the debtor to have been organized~~ THAT PURPORTS TO STATE, AMEND, OR RESTATE THE REGISTERED ORGANIZATION'S NAME;

(2) SUBJECT TO SUBSECTION (f) OF THIS SECTION, if the ~~debtor is a decedent's estate~~ COLLATERAL IS BEING ADMINISTERED BY THE PERSONAL REPRESENTATIVE OF A DECEDENT, only if the financing statement provides, AS THE NAME OF THE DEBTOR, the name of the decedent and, IN A SEPARATE PART OF THE FINANCING STATEMENT, indicates that the ~~debtor is an estate~~ COLLATERAL IS BEING ADMINISTERED BY A PERSONAL REPRESENTATIVE;

(3) If the ~~debtor is a trust or a trustee acting with respect to property held in trust, only if the financing statement~~ COLLATERAL IS HELD IN A TRUST THAT IS NOT A REGISTERED ORGANIZATION, ONLY IF THE FINANCING STATEMENT:

(A) ~~Provides the name specified for the trust in its organic documents or, if no name is specified, provides the name of the settlor and additional information sufficient to distinguish the debtor from other trusts having one or more of the same settlors; and~~ PROVIDES, AS THE NAME OF THE DEBTOR:

(i) IF THE ORGANIC RECORD OF THE TRUST SPECIFIES A NAME FOR THE TRUST, THE NAME SPECIFIED; OR

(ii) IF THE ORGANIC RECORD OF THE TRUST DOES NOT SPECIFY A NAME FOR THE TRUST, THE NAME OF THE SETTLOR OR TESTATOR; AND

(B) ~~Indicates, in the debtor's name or otherwise, that the debtor is a trust or is a trustee acting with respect to property held in trust; and~~ IN A SEPARATE PART OF THE FINANCING STATEMENT:

(i) IF THE NAME IS PROVIDED IN ACCORDANCE WITH SUB-SUBPARAGRAPH (i) OF SUBPARAGRAPH (A) OF THIS PARAGRAPH (3), INDICATES THAT THE COLLATERAL IS HELD IN A TRUST; OR

(ii) IF THE NAME IS PROVIDED IN ACCORDANCE WITH SUB-SUBPARAGRAPH (ii) OF

SUBPARAGRAPH (A) OF THIS PARAGRAPH (3), PROVIDES ADDITIONAL INFORMATION SUFFICIENT TO DISTINGUISH THE TRUST FROM OTHER TRUSTS HAVING ONE OR MORE OF THE SAME SETTLORS OR THE SAME TESTATOR AND INDICATES THAT THE COLLATERAL IS HELD IN A TRUST, UNLESS THE ADDITIONAL INFORMATION SO INDICATES;

(4) IF THE DEBTOR IS AN INDIVIDUAL, ONLY IF THE FINANCING STATEMENT:

(A) PROVIDES THE INDIVIDUAL NAME OF THE DEBTOR;

(B) PROVIDES THE SURNAME AND FIRST PERSONAL NAME OF THE DEBTOR; OR

(C) SUBJECT TO SUBSECTION (g) OF THIS SECTION, PROVIDES THE NAME OF THE INDIVIDUAL THAT IS INDICATED ON A DRIVER'S LICENSE THAT THIS STATE HAS ISSUED TO THE INDIVIDUAL AND THAT HAS NOT EXPIRED; AND

~~(4)~~ (5) In other cases:

(A) If the debtor has a name, only if ~~it~~ THE FINANCING STATEMENT provides the individual or organizational name of the debtor; and

(B) If the debtor does not have a name, only if ~~it~~ THE FINANCING STATEMENT provides the names of the partners, members, associates, or other persons comprising the debtor, IN A MANNER THAT EACH NAME PROVIDED WOULD BE SUFFICIENT IF THE PERSON NAMED WERE THE DEBTOR.

(b) A financing statement that provides the name of the debtor in accordance with subsection (a) OF THIS SECTION is not rendered ineffective by the absence of:

(1) A trade name or other name of the debtor; or

(2) Unless required under subparagraph (B) of paragraph ~~(4)~~ (5) of subsection (a) of this section, names of partners, members, associates, or other persons comprising the debtor.

(f) THE NAME OF THE DECEDENT INDICATED ON THE ORDER APPOINTING THE PERSONAL REPRESENTATIVE OF THE DECEDENT ISSUED BY THE COURT HAVING JURISDICTION OVER THE COLLATERAL IS SUFFICIENT AS THE "NAME OF THE DECEDENT" UNDER PARAGRAPH (2) OF SUBSECTION (a) OF THIS SECTION.

(g) IF THIS STATE HAS ISSUED TO AN INDIVIDUAL MORE THAN ONE DRIVER'S LICENSE OF A KIND DESCRIBED IN SUBPARAGRAPH (C) OF PARAGRAPH (4) OF SUBSECTION (a) OF THIS SECTION, THE ONE THAT WAS ISSUED MOST RECENTLY IS THE ONE TO WHICH SUBPARAGRAPH (C) OF PARAGRAPH (4) OF SUBSECTION (a) OF THIS SECTION REFERS.

(h) IN THIS SECTION, THE "NAME OF THE SETTLOR OR TESTATOR" MEANS:

(1) IF THE SETTLOR IS A REGISTERED ORGANIZATION, THE NAME THAT IS STATED TO BE THE SETTLOR'S NAME ON THE PUBLIC ORGANIC RECORD MOST RECENTLY FILED WITH OR ISSUED OR ENACTED BY THE SETTLOR'S JURISDICTION OF ORGANIZATION

THAT PURPORTS TO STATE, AMEND, OR RESTATE THE SETTLOR'S NAME; OR

(2) IN OTHER CASES, THE NAME OF THE SETTLOR OR TESTATOR INDICATED IN THE TRUST'S ORGANIC RECORD.

SECTION 11. In Colorado Revised Statutes, 4-9-507, **amend** (c) as follows:

4-9-507. Effect of certain events on effectiveness of financing statement.

(c) If ~~a debtor so changes its~~ THE name that a filed financing statement PROVIDES FOR A DEBTOR becomes INSUFFICIENT AS THE NAME OF THE DEBTOR UNDER SECTION 4-9-503 (a) SO THAT THE FINANCING STATEMENT BECOMES seriously misleading under section 4-9-506:

(1) The financing statement is effective to perfect a security interest in collateral acquired by the debtor before, or within four months after, the ~~change~~ FILED FINANCING STATEMENT BECOMES SERIOUSLY MISLEADING; and

(2) The financing statement is not effective to perfect a security interest in collateral acquired by the debtor more than four months after the ~~change~~ FILED FINANCING STATEMENT BECOMES SERIOUSLY MISLEADING, unless an amendment to the financing statement ~~which~~ THAT renders the financing statement not seriously misleading is filed within four months after the ~~change~~ FILED FINANCING STATEMENT BECOMES SERIOUSLY MISLEADING.

SECTION 12. In Colorado Revised Statutes, 4-9-515, **amend** (f) as follows:

4-9-515. Duration and effectiveness of financing statement - effect of lapsed financing statement. (f) If a debtor is a transmitting utility and a filed INITIAL financing statement so indicates, the financing statement is effective until a termination statement is filed.

SECTION 13. In Colorado Revised Statutes, 4-9-516, **amend** (b) (3) (B) introductory portion, (b) (3) (C), (b) (5) introductory portion, (b) (5) (A), and (b) (5) (B); and **repeal** (b) (5) (C) as follows:

4-9-516. What constitutes filing - effectiveness of filing. (b) Filing does not occur with respect to a record that a filing office refuses to accept because:

(3) The filing office is unable to index the record because:

(B) In the case of an amendment or ~~correction~~ INFORMATION statement, the record:

(C) In the case of an initial financing statement that provides the name of a debtor identified as an individual or an amendment that provides a name of a debtor identified as an individual ~~which~~ THAT was not previously provided in the financing statement to which the record relates, the record does not identify the debtor's ~~last name~~ SURNAME; or

(5) In the case of an initial financing statement or an amendment that provides a name of a debtor ~~which~~ THAT 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 debtor is an individual or an organization. ~~or~~
- (C) ~~If the financing statement indicates that the debtor is an organization, provide:~~
 - ~~(i) A type of organization for the debtor;~~
 - ~~(ii) A jurisdiction of organization for the debtor; or~~
 - ~~(iii) An organizational identification number for the debtor or indicate that the debtor has none;~~

SECTION 14. In Colorado Revised Statutes, **amend** 4-9-518 as follows:

4-9-518. Claim concerning inaccurate or wrongfully filed record. (a) (1) Any person named as a debtor may file in the filing office ~~a correction~~ AN INFORMATION statement with respect to a record indexed there under the debtor's name if the person believes that the record is inaccurate or was wrongfully filed.

(2) Any person named as a secured party may file in the filing office ~~a correction~~ AN INFORMATION statement with respect to a record filed there in which the person is identified as a secured party, consignor, lessor, or the like if the person believes the record is inaccurate or was wrongfully filed.

(3) Any person who incorrectly files an amendment affecting a record may file ~~a correction~~ AN INFORMATION statement with respect to the record.

(b) ~~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 or recorded in a filing office described in section 4-9-501 (a) (1), the date that the initial financing statement was filed or recorded;

(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) 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 4-9-509 (d).

(d) 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 OR RECORDED IN A FILING OFFICE DESCRIBED IN SECTION 4-9-501 (a) (1), THE DATE THAT THE INITIAL FINANCING STATEMENT WAS FILED OR RECORDED;

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

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

~~(c)~~ (e) The filing of a ~~correction~~ AN INFORMATION statement does not affect the effectiveness of an initial financing statement or other filed record.

~~(d)~~ (f) The filing of a ~~correction~~ AN INFORMATION statement is not effective as an amendment to a filed financing statement and is not sufficient to effect a change in the manner in which the filing office has indexed a financing statement or information contained in a financing statement.

SECTION 15. In Colorado Revised Statutes, 4-9-607, **amend** (b) (2) (A) as follows:

4-9-607. Collection and enforcement by secured party. (b) If necessary to enable a secured party to exercise under paragraph (3) of subsection (a) of this section the right of a debtor to enforce a mortgage nonjudicially, the secured party may record in the office in which a record of the mortgage is recorded:

(2) The secured party's sworn affidavit in recordable form stating that:

(A) A default has occurred WITH RESPECT TO THE OBLIGATION SECURED BY THE MORTGAGE; and

SECTION 16. In Colorado Revised Statutes, **add** part 8 to article 9 of title 4 as follows:

PART 8
TRANSITION PROVISIONS FOR 2010 AMENDMENTS

4-9-801. Effective date. HOUSE BILL 12-1262, ENACTED IN 2012, TAKES EFFECT ON JULY 1, 2013.

4-9-802. Savings clause. (a) EXCEPT AS OTHERWISE PROVIDED IN THIS PART 8, HOUSE BILL 12-1262, ENACTED IN 2012, APPLIES TO A TRANSACTION OR LIEN WITHIN ITS SCOPE EVEN IF THE TRANSACTION OR LIEN WAS ENTERED INTO OR CREATED BEFORE JULY 1, 2013.

(b) HOUSE BILL 12-1262, ENACTED IN 2012, DOES NOT AFFECT AN ACTION, CASE, OR PROCEEDING COMMENCED BEFORE JULY 1, 2013.

4-9-803. Security interest perfected before effective date. (a) A SECURITY INTEREST THAT IS A PERFECTED SECURITY INTEREST IMMEDIATELY BEFORE JULY 1, 2013, IS A PERFECTED SECURITY INTEREST UNDER THIS ARTICLE, AS AMENDED, IF, WHEN HOUSE BILL 12-1262, ENACTED IN 2012, TAKES EFFECT, THE APPLICABLE REQUIREMENTS FOR ATTACHMENT AND PERFECTION UNDER THIS ARTICLE, AS AMENDED BY HOUSE BILL 12-1262, ENACTED IN 2012, ARE SATISFIED WITHOUT FURTHER ACTION.

(b) EXCEPT AS OTHERWISE PROVIDED IN SECTION 4-9-805, WHICH CONTROLS WITH RESPECT TO SECURITY INTERESTS PERFECTED BY THE FILING OF A FINANCING STATEMENT PURSUANT TO PART 5 OF THIS ARTICLE AS IT EXISTED BEFORE JULY 1, 2013, IF, IMMEDIATELY BEFORE JULY 1, 2013, A SECURITY INTEREST IS A PERFECTED SECURITY INTEREST BUT THE APPLICABLE REQUIREMENTS FOR PERFECTION UNDER THIS ARTICLE, AS AMENDED BY HOUSE BILL 12-1262, ENACTED IN 2012, ARE NOT SATISFIED BY JULY 1, 2013, THE SECURITY INTEREST REMAINS PERFECTED THEREAFTER ONLY IF THE APPLICABLE REQUIREMENTS FOR PERFECTION UNDER THIS ARTICLE, AS AMENDED BY HOUSE BILL 12-1262, ENACTED IN 2012, ARE SATISFIED WITHIN ONE YEAR AFTER JULY 1, 2013.

4-9-804. Security interest unperfected before effective date. (a) A SECURITY INTEREST THAT IS AN UNPERFECTED SECURITY INTEREST IMMEDIATELY BEFORE JULY 1, 2013, BECOMES A PERFECTED SECURITY INTEREST:

(1) WITHOUT FURTHER ACTION, ON JULY 1, 2013, IF THE APPLICABLE REQUIREMENTS FOR PERFECTION UNDER THIS ARTICLE, AS AMENDED BY HOUSE BILL 12-1262, ENACTED IN 2012, ARE SATISFIED ON OR BEFORE JULY 1, 2013; OR

(2) WHEN THE APPLICABLE REQUIREMENTS FOR PERFECTION ARE SATISFIED IF THE REQUIREMENTS ARE SATISFIED AFTER JULY 1, 2013.

4-9-805. Effectiveness of action taken before effective date. (a) THE FILING OF A FINANCING STATEMENT BEFORE JULY 1, 2013, IS EFFECTIVE TO PERFECT A SECURITY INTEREST TO THE EXTENT THE FILING WOULD SATISFY THE APPLICABLE REQUIREMENTS FOR PERFECTION UNDER THIS ARTICLE, AS AMENDED BY HOUSE BILL 12-1262, ENACTED IN 2012.

(b) HOUSE BILL 12-1262, ENACTED IN 2012, DOES NOT RENDER SERIOUSLY MISLEADING OR OTHERWISE INEFFECTIVE AN EFFECTIVE FINANCING STATEMENT THAT, BEFORE JULY 1, 2013, WAS FILED AND SATISFIED THE APPLICABLE REQUIREMENTS FOR PERFECTION UNDER THE LAW OF THE JURISDICTION GOVERNING PERFECTION AS PROVIDED IN THIS ARTICLE AS IT EXISTED BEFORE JULY 1, 2013. HOWEVER, EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS (c) AND (d) OF THIS SECTION AND SECTION 4-9-806, THE FINANCING STATEMENT CEASES TO BE

EFFECTIVE:

(1) IF THE FINANCING STATEMENT WAS FILED IN THIS STATE, AT THE TIME THE FINANCING STATEMENT WOULD HAVE CEASED TO BE EFFECTIVE HAD HOUSE BILL 12-1262, ENACTED IN 2012, NOT TAKEN EFFECT; OR

(2) IF THE FINANCING STATEMENT WAS FILED IN ANOTHER JURISDICTION, AT THE EARLIER OF:

(A) THE TIME THE FINANCING STATEMENT WOULD HAVE CEASED TO BE EFFECTIVE UNDER THE LAW OF THAT JURISDICTION; OR

(B) JUNE 30, 2018.

(c) THE TIMELY FILING OF A CONTINUATION STATEMENT ON OR AFTER JULY 1, 2013, IN ACCORDANCE WITH THE LAW OF THE JURISDICTION GOVERNING PERFECTION AS PROVIDED IN THIS ARTICLE, AS AMENDED BY HOUSE BILL 12-1262, ENACTED IN 2012, CONTINUES THE EFFECTIVENESS OF A FINANCING STATEMENT FILED IN THE SAME OFFICE IN THAT JURISDICTION BEFORE JULY 1, 2013, FOR THE PERIOD PROVIDED BY THE LAW OF THAT JURISDICTION, BUT ONLY TO THE EXTENT THE FINANCING STATEMENT, INCLUDING ANY AMENDMENT FILED BEFORE OR, IF PERMITTED BY THE RULES OF THE FILING OFFICE, AS PART OF, THE CONTINUATION STATEMENT, SATISFIES THE REQUIREMENTS OF PART 5 OF THIS ARTICLE, AS AMENDED BY HOUSE BILL 12-1262, ENACTED IN 2012, FOR AN INITIAL FINANCING STATEMENT. EXCEPT AS PROVIDED IN THE PRECEDING SENTENCE, THE FILING OF A CONTINUATION STATEMENT ON OR AFTER JULY 1, 2013, DOES NOT CONTINUE THE EFFECTIVENESS OF A FINANCING STATEMENT FILED BEFORE JULY 1, 2013.

(d) SUBPARAGRAPH (B) OF PARAGRAPH (2) OF SUBSECTION (b) OF THIS SECTION APPLIES TO A FINANCING STATEMENT THAT, BEFORE JULY 1, 2013, IS FILED AGAINST A TRANSMITTING UTILITY AND SATISFIES THE APPLICABLE REQUIREMENTS FOR PERFECTION UNDER THE LAW OF THE JURISDICTION GOVERNING PERFECTION AS PROVIDED IN THIS ARTICLE AS IT EXISTED BEFORE JULY 1, 2013, ONLY TO THE EXTENT THAT THIS ARTICLE, AS AMENDED BY HOUSE BILL 12-1262, ENACTED IN 2012, PROVIDES THAT THE LAW OF A JURISDICTION OTHER THAN THE JURISDICTION IN WHICH THE FINANCING STATEMENT IS FILED GOVERNS PERFECTION OF A SECURITY INTEREST IN COLLATERAL COVERED BY THE FINANCING STATEMENT.

(e) A FINANCING STATEMENT THAT INCLUDES BOTH A FINANCING STATEMENT FILED BEFORE JULY 1, 2013, AND A CONTINUATION STATEMENT FILED ON OR AFTER JULY 1, 2013, IS EFFECTIVE ONLY TO THE EXTENT THAT, AFTER GIVING EFFECT TO ANY AMENDMENT FILED BEFORE OR, IF PERMITTED BY THE RULES OF THE FILING OFFICE, AS PART OF, THE CONTINUATION STATEMENT, THE FINANCING STATEMENT SATISFIES THE REQUIREMENTS OF PART 5 OF THIS ARTICLE, AS AMENDED BY HOUSE BILL 12-1262, ENACTED IN 2012, FOR AN INITIAL FINANCING STATEMENT. A FINANCING STATEMENT FILED BEFORE JULY 1, 2013, THAT INDICATES THAT THE DEBTOR IS A DECEDENT'S ESTATE INDICATES THAT THE COLLATERAL IS BEING ADMINISTERED BY A PERSONAL REPRESENTATIVE WITHIN THE MEANING OF SECTION 4-9-503 (a) (2), AS AMENDED BY HOUSE BILL 12-1262, ENACTED IN 2012. A FINANCING STATEMENT FILED BEFORE JULY 1, 2013, THAT INDICATES THAT THE DEBTOR IS A TRUST OR IS A TRUSTEE ACTING WITH RESPECT TO PROPERTY HELD IN

TRUST INDICATES THAT THE COLLATERAL IS HELD IN A TRUST WITHIN THE MEANING OF SECTION 4-9-503 (a) (3), AS AMENDED BY HOUSE BILL 12-1262, ENACTED IN 2012.

4-9-806. When initial financing statement suffices to continue effectiveness of financing statement. (a) THE FILING OF AN INITIAL FINANCING STATEMENT IN THE OFFICE SPECIFIED IN SECTION 4-9-501 CONTINUES THE EFFECTIVENESS OF A FINANCING STATEMENT FILED BEFORE JULY 1, 2013, IF:

(1) THE FILING OF AN INITIAL FINANCING STATEMENT IN THAT OFFICE WOULD BE EFFECTIVE TO PERFECT A SECURITY INTEREST UNDER THIS ARTICLE, AS AMENDED BY HOUSE BILL 12-1262, ENACTED IN 2012;

(2) THE PRE-EFFECTIVE-DATE FINANCING STATEMENT WAS FILED IN AN OFFICE IN ANOTHER STATE; AND

(3) THE INITIAL FINANCING STATEMENT SATISFIES SUBSECTION (c) OF THIS SECTION.

(b) THE FILING OF AN INITIAL FINANCING STATEMENT UNDER SUBSECTION (a) OF THIS SECTION CONTINUES THE EFFECTIVENESS OF THE PRE-EFFECTIVE-DATE FINANCING STATEMENT:

(1) IF THE INITIAL FINANCING STATEMENT IS FILED BEFORE JULY 1, 2013, FOR THE PERIOD PROVIDED IN SECTION 4-9-515, AS IT EXISTED BEFORE JULY 1, 2013, WITH RESPECT TO AN INITIAL FINANCING STATEMENT; AND

(2) IF THE INITIAL FINANCING STATEMENT IS FILED AFTER JULY 1, 2013, FOR THE PERIOD PROVIDED IN SECTION 4-9-515, AS AMENDED BY HOUSE BILL 12-1262, ENACTED IN 2012, WITH RESPECT TO AN INITIAL FINANCING STATEMENT.

(c) TO BE EFFECTIVE FOR PURPOSES OF SUBSECTION (a) OF THIS SECTION, AN INITIAL FINANCING STATEMENT MUST:

(1) SATISFY THE REQUIREMENTS OF PART 5 OF THIS ARTICLE, AS AMENDED BY HOUSE BILL 12-1262, ENACTED IN 2012, FOR AN INITIAL FINANCING STATEMENT;

(2) IDENTIFY THE PRE-EFFECTIVE-DATE FINANCING STATEMENT BY INDICATING THE OFFICE IN WHICH THE FINANCING STATEMENT WAS FILED AND PROVIDING THE DATES OF FILING AND FILE NUMBERS, IF ANY, OF THE FINANCING STATEMENT AND OF THE MOST RECENT CONTINUATION STATEMENT FILED WITH RESPECT TO THE FINANCING STATEMENT; AND

(3) INDICATE THAT THE PRE-EFFECTIVE-DATE FINANCING STATEMENT REMAINS EFFECTIVE.

4-9-807. Amendment of pre-effective-date financing statement. (a) IN THIS SECTION, "PRE-EFFECTIVE-DATE FINANCING STATEMENT" MEANS A FINANCING STATEMENT FILED BEFORE JULY 1, 2013.

(b) ON OR AFTER JULY 1, 2013, A PERSON MAY ADD OR DELETE COLLATERAL

COVERED BY, CONTINUE OR TERMINATE THE EFFECTIVENESS OF, OR OTHERWISE AMEND THE INFORMATION PROVIDED IN, A PRE-EFFECTIVE-DATE FINANCING STATEMENT ONLY IN ACCORDANCE WITH THE LAW OF THE JURISDICTION GOVERNING PERFECTION AS PROVIDED IN THIS ARTICLE, AS AMENDED BY HOUSE BILL 12-1262, ENACTED IN 2012. HOWEVER, THE EFFECTIVENESS OF A PRE-EFFECTIVE-DATE FINANCING STATEMENT ALSO MAY BE TERMINATED IN ACCORDANCE WITH THE LAW OF THE JURISDICTION IN WHICH THE FINANCING STATEMENT IS FILED.

(c) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (d) OF THIS SECTION, IF THE LAW OF THIS STATE GOVERNS PERFECTION OF A SECURITY INTEREST, THE INFORMATION IN A PRE-EFFECTIVE-DATE FINANCING STATEMENT MAY BE AMENDED ON OR AFTER JULY 1, 2013, ONLY IF:

(1) THE PRE-EFFECTIVE-DATE FINANCING STATEMENT AND AN AMENDMENT ARE FILED IN THE OFFICE SPECIFIED IN SECTION 4-9-501;

(2) AN AMENDMENT IS FILED IN THE OFFICE SPECIFIED IN SECTION 4-9-501 CONCURRENTLY WITH, OR AFTER THE FILING IN THAT OFFICE OF, AN INITIAL FINANCING STATEMENT THAT SATISFIES SECTION 4-9-806 (c); OR

(3) AN INITIAL FINANCING STATEMENT THAT PROVIDES THE INFORMATION AS AMENDED AND SATISFIES SECTION 4-9-806 (c) IS FILED IN THE OFFICE SPECIFIED IN SECTION 4-9-501.

(d) IF THE LAW OF THIS STATE GOVERNS PERFECTION OF A SECURITY INTEREST, THE EFFECTIVENESS OF A PRE-EFFECTIVE-DATE FINANCING STATEMENT MAY BE CONTINUED ONLY UNDER SECTION 4-9-805 (c) AND (e) OR 4-9-806.

(e) WHETHER OR NOT THE LAW OF THIS STATE GOVERNS PERFECTION OF A SECURITY INTEREST, THE EFFECTIVENESS OF A PRE-EFFECTIVE-DATE FINANCING STATEMENT FILED IN THIS STATE MAY BE TERMINATED AFTER JULY 1, 2013, BY FILING A TERMINATION STATEMENT IN THE OFFICE IN WHICH THE PRE-EFFECTIVE-DATE FINANCING STATEMENT IS FILED, UNLESS AN INITIAL FINANCING STATEMENT THAT SATISFIES SECTION 4-9-806 (c) HAS BEEN FILED IN THE OFFICE SPECIFIED BY THE LAW OF THE JURISDICTION GOVERNING PERFECTION AS PROVIDED IN THIS ARTICLE, AS AMENDED BY HOUSE BILL 12-1262, ENACTED IN 2012, AS THE OFFICE IN WHICH TO FILE A FINANCING STATEMENT.

4-9-808. Person entitled to file initial financing statement or continuation statement. (a) A PERSON MAY FILE AN INITIAL FINANCING STATEMENT OR A CONTINUATION STATEMENT UNDER THIS PART 8 IF:

(1) THE SECURED PARTY OF RECORD AUTHORIZES THE FILING; AND

(2) THE FILING IS NECESSARY UNDER THIS PART 8:

(A) TO CONTINUE THE EFFECTIVENESS OF A FINANCING STATEMENT FILED BEFORE JULY 1, 2013; OR

(B) TO PERFECT OR CONTINUE THE PERFECTION OF A SECURITY INTEREST.

4-9-809. Priority. HOUSE BILL 12-1262, ENACTED IN 2012, DETERMINES THE PRIORITY OF CONFLICTING CLAIMS TO COLLATERAL. HOWEVER, IF THE RELATIVE PRIORITIES OF THE CLAIMS WERE ESTABLISHED BEFORE JULY 1, 2013, THIS ARTICLE, AS IT EXISTED BEFORE JULY 1, 2013, DETERMINES PRIORITY.

SECTION 17. In Colorado Revised Statutes, 2-5-102, **amend** (4) as follows:

2-5-102. Inclusions - nonstatutory. (4) ~~There~~ THE REVISOR OF STATUTES shall ~~be included~~ INCLUDE in the publication of the "Uniform Commercial Code", as nonstatutory matter, a complete index to ~~said~~ THE code and, following each section of ~~said~~ THE code, the session law source of that section AND a specific designation of differences in text, if any, between that section and the ~~corresponding section of the 1972~~ VERSION OF THAT SECTION IN THE official text of the "Uniform Commercial Code" issued by the American law institute and the national conference of commissioners on uniform state laws ~~the full text of the official comment to that section contained in the official volume containing said 1972 official text;~~ UPON WHICH THAT ARTICLE OF THE "UNIFORM COMMERCIAL CODE" AS ENACTED IN COLORADO WAS BASED. IN ADDITION, THE REVISOR OF STATUTES SHALL INCLUDE AFTER EACH SECTION THE FULL TEXT OF THE OFFICIAL COMMENT TO THAT SECTION IN THAT VERSION OF THE ARTICLE IN THE OFFICIAL TEXT IN EFFECT AT THE TIME OF THE ENACTMENT OF THAT VERSION OF THAT ARTICLE IN COLORADO, and BY the Colorado comments of the revisor of statutes. ~~Cross references in said official comments which use section numbers of sections of the official text shall be changed to show the full section numbers under Colorado Revised Statutes. There shall be added to all references to prior uniform statutory law in said official comments a parenthetical reference to the section number under Colorado Revised Statutes of any comparable or corresponding provision of prior Colorado statutory law.~~ The inclusion of said nonstatutory matter ~~shall be~~ IS only for the purpose of information, and no ~~implication~~ INFERENCE or presumption of legislative intent shall be drawn therefrom.

SECTION 18. Act subject to petition - effective date. This act takes effect July 1, 2013; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within the ninety-day period after final adjournment of the general assembly, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2012 and, in such case, will take effect on July 1, 2013, or on the date of the official declaration of the vote thereon by the governor, whichever is later.

Approved: May 9, 2012