

May 15, 2006

H 1977. AMEND TRANSITION PROVISIONS ARTICLE 9/UCC. Filed 5/15/06. TO AMEND THE TRANSITION PROVISIONS OF ARTICLE 9 OF THE uniform commercial code to resolve a time-sensitive problem regarding the effectiveness of certain financing statements, as recommended by the general statutes commission. Adds new GS 25-9-705(g), as title indicates. Specifies that GS 25-9-705(c)(2) (establishing sunset date of June 30, 2006, for effectiveness of certain financing statements) does not apply to an effective financing statement that (1) before July 1, 2001, was filed and satisfied the applicable requirements for perfection under the law of the jurisdiction governing perfection as provided in GS 25-9-103 of former GS Chapter 25, Article 9; (2) would satisfy the applicable requirements for perfection under this act, and (3) was properly continued before July 1, 2001, such that the effectiveness of the financing statement would lapse after June 30, 2006, but before January 1, 2007, but for GS 25-9-705(c)(2). Provides that the filing of a continuation statement with respect to the financing statement is timely if it occurs before the financing statement ceases to be effective and not before the earlier of December 30, 2005, or six months before the effectiveness of the financing statement would lapse.

Provides that nothing in the bill makes ineffective a continuation statement that was filed and effective before the bill's effective date. Effective June 30, 2006, or when it becomes law, whichever is earlier.

Intro. by Ross.

GS 25