

ENGROSSED HOUSE
BILL NO. 1661

BY: BEGLEY and THOMAS of the
HOUSE

and

TALIAFERRO of the SENATE

AN ACT RELATING TO THE COMMERCIAL CODE; AMENDING
SECTION 6, CHAPTER 69, O.S.L. 1987 (12A O.S. SUPP.
1990, SECTION 9-307.6), WHICH RELATES TO CENTRAL
FILING SYSTEM RELATING TO FARM PRODUCTS; INCREASING
TIME TO TERMINATE STATEMENT; INCREASING CERTAIN
LIABILITY; AND PROVIDING AN EFFECTIVE DATE.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY Section 6, Chapter 69, O.S.L. 1987
(12A O.S. Supp. 1990, Section 9-307.6), is amended to read as
follows:

Section 9-307.6 Central Filing System Relating to Farm
Products.

(1) The Secretary of State shall be responsible for developing
and implementing the central filing system. This responsibility
shall include obtaining the necessary certification for the system
from the United States Department of Agriculture ("USDA"). The
Secretary of State shall declare an effective date for the
implementation of the central filing system, as soon as is
practicable following certification by the USDA.

(2) The Secretary of State may adopt, in accordance with the
applicable provisions of the Oklahoma Administrative Procedures Act,

appropriate rules and regulations for the implementation and operation of the central filing system.

(3) The Office of State Finance shall assist the Secretary of State in developing and implementing the central filing system.

(4) The central filing system shall conform to the following requirements:

(a) The Secretary of State shall record the date and hour of the filing of each effective financing statement;

(b) The Secretary of State shall compile all effective financing statements into a master list:

(i) organized according to farm products;

(ii) arranged within each such product:

(A) in alphabetical order according to the last name of the individual debtors or, in the case of debtors doing business other than as individuals, the first word in the name of such debtors;

(B) in numerical order according to the social security number of the individual debtors or, in the case of debtors doing business other than as individuals, the Internal Revenue Service taxpayer identification number of such debtors;

(C) geographically by county; and

(D) by crop year; and

(iii) containing the information provided for in subparagraph (iv) of paragraph (d) of subsection (1) of Section 2 of this act;

(c) The Secretary of State shall maintain a list of all buyers of farm products, commission merchants, and selling agents who register with the Secretary of State, on a form indicating:

- (i) the name and address of each buyer of farm products, commission merchant and selling agent; and
 - (ii) what information each buyer of farm products, commission merchant, and selling agent requests from the master list;
- (d)
- (i) A copy of those portions of the master list covering the information requested by a buyer of farm products, commission merchant or selling agent at the time of registration shall be distributed to such registrants by the Secretary of State on the last business day of each month and shall be presumed to have been received three (3) days thereafter.
 - (ii) Registrants shall be deemed to be registered only as to those portions of the master list for which they register, and shall be deemed to have failed to register and shall not be considered to be registrants as to those portions for which they do not register.
 - (iii) Registrants are subject only to security interests shown on the portions of the master list which they receive as a consequence of registration with the Secretary of State.
 - (iv) If a particular security interest is shown on the master list, but was included since the last regular distribution of portions of such master list to registrants, registrants shall not be subject to that security interest;
- (e) Persons other than those specified in paragraph (c) of this subsection may register with the Secretary of

State to receive portions of the master list. Such registration shall be on a form indicating:

- (i) the name and address of each such person; and
- (ii) what information each such person requests from the master list.

(f) (i) Within twenty-four (24) hours of any oral inquiry, including any telephone inquiry, for information, the Secretary of State shall provide oral confirmation of the existence of any effective financing statement on file in the office of the Secretary of State requested by persons who have not registered. Such oral confirmation shall be followed by written confirmation thereof by the close of the business day following the day on which the oral confirmation was given.

(ii) Oral confirmation shall be conditioned upon receipt by the Secretary of State, at the time of the inquiry, of the name, address, telephone number, and social security number or Internal Revenue Service taxpayer identification number of the requestor and receipt of the following information:

- (A) the name of the debtor;
- (B) the social security number of the debtor or, if the debtor is doing business other than as an individual, the Internal Revenue Service taxpayer identification number of such debtor;
- (C) type of farm product;
- (D) the county; and
- (E) the crop year, if applicable; and

(g) The duration of the registration with the Secretary of State of a buyer of farm products, commission merchant or selling agent shall be one (1) year from the date of acceptance of such registration by the Secretary of State.

(5) Any person may submit a written request to the Secretary of State for written confirmation of the existence of an effective financing statement on file in the office of the Secretary of State. The written request shall be accompanied by the requisite fee provided for in Section 111 of Title 28 of the Oklahoma Statutes and shall contain:

- (a) the name and address of the debtor,
- (b) the social security number of the debtor or, in the case of a debtor doing business other than as an individual, the Internal Revenue Service taxpayer identification number of such debtor, and
- (c) a description of the farm products subject to the security interest created by the debtor, including the amount of such products where applicable; and a reasonable description of the property, including the name of the county in which the property is located and the crop year, if applicable.

(6) The filing in the office of the Secretary of State under this section shall be in addition to the filing requirements provided for in Section 9-401 of Title 12A of the Oklahoma Statutes.

(7) A financing or continuation statement covering farm products that has not lapsed and which was filed pursuant to Section 9-401 of Title 12A of the Oklahoma Statutes between December 23, 1986, and the effective date of this act, inclusive, and for which no written notice was furnished as provided in Section 7 of this act, shall become ineffective as to a buyer of farm products, commission merchant or selling agent, unless the secured party files

an effective financing statement in the office of the Secretary of State.

(8) An effective financing statement shall not be deemed filed in accordance with the provisions of this section until all fees authorized by Section 111 of Title 28 of the Oklahoma Statutes relating to the filing of such a statement are tendered to the Secretary of State.

(9) The secured party shall file a termination statement within ~~ten (10)~~ twenty (20) days after there is no outstanding secured obligation and no commitment to make advances, incur obligations or otherwise give value. If the affected secured party fails to file such a termination statement as required by this subsection, he shall be liable to the debtor for ~~One Hundred Dollars (\$100.00)~~ One Thousand Dollars (\$1,000.00) and in addition for any loss caused to the debtor by such failure.

SECTION 2. This act shall become effective September 1, 1991.

Passed the House of Representatives the 6th day of March, 1991.

Speaker of the House of Representatives

Passed the Senate the ____ day of _____, 1991.

President of the Senate