

SENATE BILL No. 468

DIGEST OF INTRODUCED BILL

Citations Affected: IC 26-1; IC 32-34-1.5.

Synopsis: Uniform Commercial Code amendments. Incorporates into Indiana's Uniform Commercial Code (UCC) the Amendments to the Uniform Commercial Code (2022) approved and recommended for enactment in all states by the Uniform Law Commission (ULC) to address emerging technologies. Makes conforming amendments to general provisions and definitions that apply throughout the UCC. Makes conforming amendments to chapters of the UCC governing the following: (1) Sales. (2) Leases. (3) Negotiable instruments. (4) Fund transfers. (5) Letters of credit. (6) Documents of title. (7) Investment securities. (8) Secured transactions. Repeals the chapter in the UCC governing controllable electronic records. Establishes a new chapter in the UCC that: (1) governs controllable electronic records; and (2) incorporates the provisions of the ULC's amendments governing controllable electronic records. Establishes a new chapter in the UCC that: (1) addresses the validity, enforceability, and perfection of certain commercial transactions, including secured transactions, entered into before the effective date of the amendments on July 1, 2023; and (2) establishes July 1, 2025, as an "adjustment date" on or after which certain transactions must conform to the requirements of the amendments to remain valid, enforceable, or perfected.

Effective: July 1, 2023.

Garten, Koch, Taylor G

January 19, 2023, read first time and referred to Committee on Judiciary.



First Regular Session of the 123rd General Assembly (2023)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2022 Regular Session of the General Assembly.

SENATE BILL No. 468

A BILL FOR AN ACT to amend the Indiana Code concerning commercial law.

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

1 SECTION 1. IC 26-1-1-201, AS AMENDED BY P.L.54-2011,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2023]: Sec. 201. Subject to additional definitions contained
4 in IC 26-1-2 through IC 26-1-10 which are applicable to specific
5 provisions, and unless the context otherwise requires, in IC 26-1:
6 (1) "Action" in the sense of a judicial proceeding includes
7 recoupment, counterclaim, setoff, suit in equity, and any other
8 proceedings in which rights are determined.
9 (2) "Aggrieved party" means a party entitled to resort to a remedy.
10 (3) "Agreement" means the bargain of the parties in fact as found
11 in their language or by implication from other circumstances
12 including course of dealing or usage of trade or course of
13 performance as provided in IC 26-1-1-205. Whether an agreement
14 has legal consequences is determined by the provisions of
15 IC 26-1, if applicable; otherwise by the law of contracts (IC
16 26-1-1-103). (Compare "Contract".)
17 (4) "Bank" means a person engaged in the business of banking



1 and includes a savings bank, savings and loan association, credit
2 union, and trust company.

3 (5) "Bearer" means the person:

4 (A) in control of a negotiable electronic document of title; or

5 (B) in possession of a negotiable instrument, a negotiable
6 tangible document of title, or a certificated security payable to
7 bearer or endorsed in blank.

8 (6) "Bill of lading" means a document of title evidencing the
9 receipt of goods for shipment issued by a person engaged in the
10 business of directly or indirectly transporting or forwarding
11 goods. The term does not include a warehouse receipt. The term
12 includes an airbill. "Airbill" means a document serving for air
13 transportation as a bill of lading does for marine or rail
14 transportation, and includes an air consignment note or air
15 waybill.

16 (7) "Branch" includes a separately incorporated foreign branch of
17 a bank.

18 (8) "Burden of establishing" a fact means the burden of
19 persuading the triers of fact that the existence of the fact is more
20 probable than its nonexistence.

21 (9) "Buyer in ordinary course of business" means a person that
22 buys goods in good faith without knowledge that the sale violates
23 the rights of another person in the goods, and in the ordinary
24 course from a person, other than a pawnbroker, in the business of
25 selling goods of that kind. A person buys goods in the ordinary
26 course of business if the sale to the person comports with the
27 usual or customary practices in the kind of business in which the
28 seller is engaged or with the seller's own usual or customary
29 practices. A person that sells oil, gas, or other minerals at the
30 wellhead or minehead is a person in the business of selling goods
31 of that kind. A buyer in ordinary course of business may buy for
32 cash, by exchange of other property, or on secured or unsecured
33 credit, and may require goods or documents of title under a
34 preexisting contract for sale. Only a buyer that takes possession
35 of the goods or has a right to recover the goods from that seller
36 under IC 26-1-2 may be a buyer in ordinary course of business. A
37 person that acquires goods in a transfer in bulk or as security for
38 or total or partial satisfaction of a money debt is not a buyer in
39 ordinary course of business.

40 (10) "Conspicuous", ~~A~~ **with reference to a term, or clause is**
41 **conspicuous when it is means** so written, **displayed, or**
42 **presented that, based on the totality of the circumstances, a**



1 reasonable person against ~~whom~~ **which** it is to operate ought to
 2 have noticed it. ~~A printed heading in capitals (as:~~
 3 ~~NONNEGOTIABLE BILL OF LADING) is conspicuous.~~
 4 ~~Language in the body of a form is conspicuous if it is in larger or~~
 5 ~~other contrasting type or color. But in a telegram any stated term~~
 6 ~~is conspicuous. Whether a term or clause is "conspicuous" or not~~
 7 ~~is for a decision by for the court.~~

8 (11) "Contract" means the total legal obligation which results
 9 from the parties' agreement as affected by this Act and any other
 10 applicable rules of law. (Compare "Agreement".)

11 (12) "Creditor" includes a general creditor, a secured creditor, a
 12 lien creditor and any representative of creditors, including an
 13 assignee for the benefit of creditors, a trustee in bankruptcy, a
 14 receiver in equity, and an executor or administrator of an
 15 insolvent debtor's or assignor's estate.

16 (13) "Defendant" includes a person in the position of defendant
 17 in a cross-action or counterclaim.

18 (14) "Delivery", ~~means the following:~~ **with respect to:**

19 (A) ~~With respect to~~ an electronic document of title, **means**
 20 **voluntary transfer of control; and**

21 (B) ~~With respect to instruments;~~ **an instrument, a tangible**
 22 **documents document of title, or an authoritative tangible**
 23 **copy of a record evidencing** chattel paper, ~~or certificated~~
 24 **securities; means** voluntary transfer of possession.

25 (15) "Document of title" means a record that:

26 (A) in the regular course of business or financing, is treated as
 27 adequately evidencing that the person in possession or control
 28 of the record is entitled to receive, control, hold, and dispose
 29 of the record and the goods it covers; and

30 (B) purports to be issued by or addressed to a bailee and
 31 purports to cover goods in the bailee's possession which are
 32 either identified or are fungible portions of an identified mass.

33 The term includes a bill of lading, transport document, dock
 34 warrant, dock receipt, warehouse receipt, or order for delivery of
 35 goods. An electronic document of title means a document of title
 36 evidenced by a record consisting of information stored in an
 37 electronic medium. A tangible document of title means a
 38 document of title evidenced by a record consisting of information
 39 that is inscribed on a tangible medium.

40 (16) **The following terms have the following meanings:**

41 (A) **"Electronic" means relating to technology having**
 42 **electrical, digital, magnetic, wireless, optical,**



- 1 **electromagnetic, or similar capabilities.**
 2 **(B)** "Fault" means wrongful act, omission, or breach.
 3 (17) "Fungible" with respect to goods or securities means goods
 4 or securities of which any unit is, by nature or usage of trade, the
 5 equivalent of any other like unit. Goods which are not fungible
 6 shall be deemed fungible for the purposes of IC 26-1 to the extent
 7 that under a particular agreement or document unlike units are
 8 treated as equivalents.
 9 (18) "Genuine" means free of forgery or counterfeiting.
 10 (19) "Good faith", except as otherwise provided by IC 26-1-4 or
 11 IC 26-1-5.1, means honesty in fact and the observance of
 12 reasonable commercial standards of fair dealing.
 13 (20) "Holder" means:
 14 (A) the person in possession of a negotiable instrument that is
 15 payable either to bearer or to an identified person if the
 16 identified person is in possession of the instrument;
 17 (B) the person in possession of a negotiable tangible document
 18 of title if the goods are deliverable either to bearer or to the
 19 order of the person in possession; or
 20 (C) the person in control, **other than under IC 26-1-7-106(g)**,
 21 of a negotiable electronic document of title.
 22 (21) To "honor" is to pay or to accept and pay or where a credit so
 23 engages to purchase or discount a draft complying with the terms
 24 of the credit.
 25 (22) "Insolvency proceedings" includes any assignment for the
 26 benefit of creditors or other proceedings intended to liquidate or
 27 rehabilitate the estate of the person involved.
 28 (23) A person is "insolvent" who either has ceased to pay the
 29 person's debts in the ordinary course of business or cannot pay the
 30 person's debts as they become due or is insolvent within the
 31 meaning of the federal bankruptcy law.
 32 (24) "Money" means a medium of exchange **that is currently**
 33 authorized or adopted by a domestic or foreign government. ~~and~~
 34 **The term** includes a monetary unit of account established by an
 35 intergovernmental organization or by agreement between two (2)
 36 or more nations. **The term does not include an electronic**
 37 **record that is a medium of exchange recorded and**
 38 **transferable in a system that existed and operated for the**
 39 **medium of exchange before the medium of exchange was**
 40 **authorized or adopted by the government.**
 41 (25) A person has "notice" of a fact when:
 42 (a) the person has actual knowledge of it;



- 1 (b) the person has received a notice or notification of it; or
 2 (c) from all the facts and circumstances known to the person
 3 at the time in question, the person has reason to know that it
 4 exists.
- 5 A person "knows" or has "knowledge" of a fact when the person
 6 has actual knowledge of it. "Discover" or "learn" or a word or
 7 phrase of similar import refers to knowledge rather than to reason
 8 to know. The time and circumstances under which a notice or
 9 notification may cease to be effective are not determined by
 10 IC 26-1.
- 11 (26) A person "notifies" or "gives" a notice or notification to
 12 another by taking such steps as may be reasonably required to
 13 inform the other in ordinary course whether or not such other
 14 actually comes to know of it. A person "receives" a notice or
 15 notification when:
- 16 (a) it comes to the person's attention; or
 17 (b) it is duly delivered at the place of business through which
 18 the contract was made or at any other place held out by the
 19 person as the place for receipt of such communications.
- 20 (27) Notice, knowledge, or a notice of notification received by an
 21 organization is effective for a particular transaction from the time
 22 when it is brought to the attention of the individual conducting
 23 that transaction and, in any event, from the time when it would
 24 have been brought to the person's attention if the organization had
 25 exercised due diligence. An organization exercises due diligence
 26 if it maintains reasonable routines for communicating significant
 27 information to the person conducting the transaction and there is
 28 reasonable compliance with the routines. Due diligence does not
 29 require an individual acting for the organization to communicate
 30 information unless such communication is part of the person's
 31 regular duties or unless the person has reason to know of the
 32 transaction and that the transaction would be materially affected
 33 by the information.
- 34 (28) "Organization" includes a corporation, government or
 35 governmental subdivision or agency, business trust, estate, trust,
 36 partnership or association, two (2) or more persons having a joint
 37 or common interest, or any other legal or commercial entity.
- 38 (29) "Party", as distinct from "third party", means a person who
 39 has engaged in a transaction or made an agreement within
 40 IC 26-1.
- 41 (30) "Person" ~~includes means~~ an individual, ~~or an organization.~~
 42 ~~(See IC 26-1-1-102.)~~ **corporation, business trust, estate, trust,**



1 **partnership, limited liability company, association, joint**
 2 **venture, government, governmental subdivision, agency, or**
 3 **instrumentality, or any other legal or commercial entity. The**
 4 **term includes a protected series, however denominated, of an**
 5 **entity if the protected series is established under law other**
 6 **than IC 26-1 that limits, or limits if conditions specified under**
 7 **the law are satisfied, the ability of a creditor of the entity or**
 8 **of any other protected series of the entity to satisfy a claim**
 9 **from assets of the protected series.**

10 (31) "Presumption" or "presumed" means that the trier of fact
 11 must find the existence of the fact presumed unless and until
 12 evidence is introduced which would support a finding of its
 13 nonexistence.

14 (32) "Purchase" includes taking by sale, discount, negotiation,
 15 mortgage, pledge, lien, security interest, issue or reissue, gift, or
 16 any other voluntary transaction creating an interest in property.

17 (33) "Purchaser" means a person who takes by purchase.

18 (33a) "Registered mail" includes certified mail.

19 (33b) "Record", except as used in IC 26-1-2.1-309, means
 20 information that is inscribed on a tangible medium or that is
 21 stored in an electronic or other medium and is retrievable in
 22 perceivable form.

23 (34) "Remedy" means any remedial right to which an aggrieved
 24 party is entitled with or without resort to a tribunal.

25 (35) "Representative" includes an agent, an officer of a
 26 corporation or association, and a trustee, executor, or
 27 administrator of an estate, or any other person empowered to act
 28 for another.

29 (36) "Rights" includes remedies.

30 (37) "Security interest" means an interest in personal property or
 31 fixtures which secures payment or performance of an obligation.
 32 The term also includes any interest of a consignor and a buyer of
 33 accounts, chattel paper, a payment intangible, or a promissory
 34 note in a transaction that is subject to IC 26-1-9.1. The special
 35 property interest of a buyer of goods on identification of such
 36 goods to a contract for sale under IC 26-1-2-401 is not a security
 37 interest, but a buyer may also acquire a security interest by
 38 complying with IC 26-1-9.1. Except as otherwise provided in
 39 IC 26-1-2-505, the right of a seller or lessor of goods under
 40 IC 26-1-2 or IC 26-1-2.1 to retain or acquire possession of the
 41 goods is not a "security interest", but a seller or lessor may also
 42 acquire a "security interest" by complying with IC 26-1-9.1. The



1 retention or reservation of title by a seller of goods
2 notwithstanding shipment or delivery to the buyer (IC
3 26-1-2-401) is limited in effect to a reservation of a "security
4 interest". Whether a transaction creates a lease or security interest
5 is determined by the facts of each case. However, a transaction
6 creates a security interest if the consideration the lessee is to pay
7 the lessor for the right to possession and use of the goods is an
8 obligation for the term of the lease not subject to termination by
9 the lessee and:

10 (a) the original term of the lease is equal to or greater than the
11 remaining economic life of the goods;

12 (b) the lessee is bound to renew the lease for the remaining
13 economic life of the goods or is bound to become the owner of
14 the goods;

15 (c) the lessee has an option to renew the lease for the
16 remaining economic life of the goods for no additional
17 consideration or nominal additional consideration upon
18 compliance with the lease agreement; or

19 (d) the lessee has an option to become the owner of the goods
20 for no additional consideration or nominal additional
21 consideration upon compliance with the lease agreement.

22 A transaction does not create a security interest merely because
23 it provides that:

24 (a) the present value of the consideration the lessee is
25 obligated to pay the lessor for the right to possession and use
26 of the goods is substantially equal to or is greater than the fair
27 market value of the goods at the time the lease is entered into;

28 (b) the lessee assumes risk of loss of the goods, or agrees to
29 pay taxes, insurance, filing, recording, or registration fees, or
30 service or maintenance costs with respect to the goods;

31 (c) the lessee has an option to renew the lease or to become the
32 owner of the goods;

33 (d) the lessee has an option to renew the lease for a fixed rent
34 that is equal to or greater than the reasonably predictable fair
35 market rent for the use of the goods for the term of the renewal
36 at the time the option is to be performed; or

37 (e) the lessee has an option to become the owner of the goods
38 for a fixed price that is equal to or greater than the reasonably
39 predictable fair market value of the goods at the time the
40 option is to be performed.

41 For purposes of this subsection:

42 (x) Additional consideration is not nominal if:



1 (i) when the option to renew the lease is granted to the lessee
 2 the rent is stated to be the fair market rent for the use of the
 3 goods for the term of the renewal determined at the time the
 4 option is to be performed; or

5 (ii) when the option to become the owner of the goods is
 6 granted to the lessee the price is stated to be the fair market
 7 value of the goods determined at the time the option is to be
 8 performed.

9 Additional consideration is nominal if it is less than the
 10 lessee's reasonably predictable cost of performing under the
 11 lease agreement if the option is not exercised.

12 (y) "Reasonably predictable" and "remaining economic life of
 13 the goods" are to be determined with reference to the facts and
 14 circumstances at the time the transaction is entered into.

15 (z) "Present value" means the amount as of a date certain of
 16 one (1) or more sums payable in the future, discounted to the
 17 date certain. The discount is determined by the interest rate
 18 specified by the parties if the rate is not manifestly
 19 unreasonable at the time the transaction is entered into.
 20 Otherwise, the discount is determined by a commercially
 21 reasonable rate that takes into account the facts and
 22 circumstances of each case at the time the transaction was
 23 entered into.

24 (38) "Send" in connection with ~~any writing~~ **a record** or **notice**
 25 **notification** means:

26 **(A)** to deposit in the mail, ~~or~~ deliver for transmission, **or**
 27 **transmit** by any other usual means of communication, with
 28 postage or cost of transmission provided for, and **properly**
 29 **addressed** ~~and, in the case of an instrument, to an address~~
 30 ~~specified thereon or otherwise agreed or, if there be none, to~~
 31 any address reasonable under the circumstances; ~~or The~~
 32 receipt of any writing or notice within the time at which it
 33 would have arrived if properly sent has the effect of a proper
 34 ~~sending.~~

35 **(B)** to cause the record or notification to be received within
 36 the time it would have been received if properly sent under
 37 clause (B).

38 (39) "Signed" includes any symbol executed or adopted by a party
 39 **"Sign" means**, with present ~~intention~~ **intent** to authenticate a
 40 ~~writing.~~ **or adopt a record, to:**

41 **(A)** execute or adopt a tangible symbol; or

42 **(B)** attach to or logically associate with the record an



- 1 **electronic symbol, sound, or process.**
 2 **"Signed", "signing", and "signature" have corresponding**
 3 **meanings.**
 4 (40) "Surety" includes guarantor.
 5 (41) "Telegram" includes a message transmitted by radio,
 6 teletype, cable, any mechanical method of transmission, or the
 7 like.
 8 (42) "Term" means that portion of an agreement which relates to
 9 a particular matter.
 10 (43) "Unauthorized" signature means one made without actual,
 11 implied, or apparent authority and includes a forgery.
 12 (44) "Value". Except as otherwise provided ~~with respect to~~
 13 ~~negotiable instruments and bank collections (IC 26-1-3.1-303,~~
 14 ~~IC 26-1-4-208, and IC 26-1-4-209)~~ **in IC 26-1-3.1, IC 26-1-4,**
 15 **IC 26-1-5.1, IC 26-1-6.2, and IC 26-1-12,** a person gives value
 16 for rights if the person acquires them:
 17 (a) in return for a binding commitment to extend credit or for
 18 the extension of immediately available credit whether or not
 19 drawn upon and whether or not a chargeback is provided for
 20 in the event of difficulties in collection;
 21 (b) as security for or in total or partial satisfaction of a
 22 preexisting claim;
 23 (c) by accepting delivery pursuant to a preexisting contract for
 24 purchase; or
 25 (d) generally, in return for any consideration sufficient to
 26 support a simple contract.
 27 (45) "Warehouse receipt" means a document of title issued by a
 28 person engaged in the business of storing goods for hire.
 29 (46) "Written" or "writing" includes printing, typewriting, or any
 30 other intentional reduction to tangible form.
 31 SECTION 2. IC 26-1-1-301, AS ADDED BY P.L.143-2007,
 32 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 33 JULY 1, 2023]: Sec. 301. (1) Except as otherwise provided in this
 34 section, if a transaction bears a reasonable relation to Indiana and also
 35 to another state or nation, the parties may agree that the law either of
 36 Indiana or of the other state or nation shall govern their rights and
 37 duties.
 38 (2) In the absence of an agreement under subsection (1), and except
 39 as provided in subsection (3), IC 26-1 applies to transactions bearing
 40 an appropriate relation to Indiana.
 41 (3) If any of the following provisions specifies the applicable law,
 42 that provision governs, and a contrary agreement is effective only to the



1 extent permitted by the law so specified:

- 2 (a) IC 26-1-2-402.
 3 (b) IC 26-1-2.1-105 and IC 26-1-2.1-106.
 4 (c) IC 26-1-4-102.
 5 (d) IC 26-1-4.1-507.
 6 (e) IC 26-1-5.1-116.
 7 (f) IC 26-1-8.1-110.
 8 (g) IC 26-1-9.1-301 through IC 26-1-9.1-307.
 9 **(h) IC 26-1-12-107.**

10 SECTION 3. IC 26-1-2-102 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 102. **(1)** Unless the
 12 context otherwise requires, ~~IC 26-1-2~~ applies to transactions in goods.
 13 It does not apply to any transaction which although in the form of an
 14 unconditional contract to sell or present sale is intended to operate only
 15 as a security transaction; nor does ~~IC 26-1-2~~ impair or repeal any
 16 statute regulating sales to consumers, farmers, or other specified
 17 classes of buyers. ~~IC 26-1-2~~ does not impair or repeal ~~IC 9-14, IC 9-17,~~
 18 ~~or IC 9-22-5.~~ **and except as provided in subsection (3), this chapter**
 19 **applies to transactions in goods and, in the case of a hybrid**
 20 **transaction, this chapter applies to the extent provided in**
 21 **subsection (2).**

22 **(2) In a hybrid transaction, the following apply:**

- 23 **(a) If the sale of goods aspects do not predominate, only the**
 24 **provisions of this chapter which relate primarily to the sales**
 25 **of goods aspects of the transaction apply, and the provisions**
 26 **that relate to the transaction as a whole do not apply.**
 27 **(b) If the sale of goods aspects predominate, this chapter**
 28 **applies to the transaction but does not preclude the**
 29 **application in appropriate circumstances of other law to**
 30 **aspects of the transaction that do not relate to the sale of**
 31 **goods.**

32 **(3) This chapter does not:**

- 33 **(a) apply to a transaction that, even though in the form of an**
 34 **unconditional contract to sell or present sale, operates to**
 35 **create a security interest; or**
 36 **(b) impair or repeal a statute regulating sales to consumers,**
 37 **farmers, or other specified classes of buyers.**

38 SECTION 4. IC 26-1-2-106 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 106. (1) In IC 26-1-2,
 40 unless the context otherwise requires, "contract" and "agreement" are
 41 limited to those relating to the present or future sale of goods. "Contract
 42 for sale" includes both a present sale of goods and a contract to sell



1 goods at a future time. A "sale" consists in the passing of title from the
 2 seller to the buyer for a price (IC 26-1-2-401). A "present sale" means
 3 a sale which is accomplished by the making of the contract.
 4 (2) Goods or conduct including any part of a performance are
 5 "conforming" or conform to the contract when they are in accordance
 6 with the obligations under the contract.
 7 (3) "Termination" occurs when either party pursuant to a power
 8 created by agreement or law puts an end to the contract otherwise than
 9 for its breach. On "termination" all obligations which are still executory
 10 on both sides are discharged but any right based on prior breach or
 11 performance survives.
 12 (4) "Cancellation" occurs when either party puts an end to the
 13 contract for breach by the other, and its effect is the same as that of
 14 "termination" except that the cancelling party also retains any remedy
 15 for breach of the whole contract or of any unperformed balance.
 16 **(5) "Hybrid transaction" means a single transaction involving**
 17 **a sale of goods and:**
 18 **(a) the provision of services;**
 19 **(b) a lease of other goods; or**
 20 **(c) a sale, lease, or license of property other than goods.**
 21 SECTION 5. IC 26-1-2-201 IS AMENDED TO READ AS
 22 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 201. (1) Except as
 23 otherwise provided in this section, a contract for the sale of goods for
 24 the price of five hundred dollars (\$500) or more is not enforceable by
 25 way of action or defense unless there is ~~some writing~~ **a record**
 26 sufficient to indicate that a contract for sale has been made between the
 27 parties and signed by the party against whom enforcement is sought or
 28 by ~~his~~ **the party's** authorized agent or broker. A ~~writing~~ **record** is not
 29 insufficient because it omits or incorrectly states a term agreed upon,
 30 but the contract is not enforceable under this ~~paragraph~~ **section** beyond
 31 the quantity of goods shown in ~~such writing~~ **the record**.
 32 (2) Between merchants, if within a reasonable time a ~~writing~~ **record**
 33 in confirmation of the contract and sufficiently against the sender is
 34 received and the party receiving it has reason to know its contents, it
 35 satisfies the requirements of subsection (1) against ~~such~~ **the** party
 36 unless ~~written~~ **notice in a record** of objection to its contents is given
 37 within ten (10) days after it is received.
 38 (3) A contract which does not satisfy the requirements of subsection
 39 (1) but which is valid in other respects is enforceable:
 40 (a) if the goods are to be specially manufactured for the buyer and
 41 are not suitable for sale to others in the ordinary course of the
 42 seller's business and the seller, before notice of repudiation is



1 received and under circumstances which reasonably indicate that
 2 the goods are for the buyer, has made either a substantial
 3 beginning of their manufacture or commitments for their
 4 procurement; or

5 (b) if the party against whom enforcement is sought admits in his
 6 pleading, testimony, or otherwise in court that a contract for sale
 7 was made, but the contract is not enforceable under this provision
 8 beyond the quantity of goods admitted; or

9 (c) with respect to goods for which payment has been made and
 10 accepted or which have been received and accepted (IC
 11 26-1-2-606).

12 SECTION 6. IC 26-1-2-202, AS AMENDED BY P.L.143-2007,
 13 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 14 JULY 1, 2023]: Sec. 202. Terms with respect to which the confirmatory
 15 memoranda of the parties agree or which are otherwise set forth in a
 16 **writing record** intended by the parties as a final expression of their
 17 agreement with respect to such terms as are included therein may not
 18 be contradicted by evidence of any prior agreement or of a
 19 contemporaneous oral agreement but may be explained or
 20 supplemented:

21 (a) by course of dealing or usage of trade (IC 26-1-1-205) or by
 22 course of performance (IC 26-1-1-205); and

23 (b) by evidence of consistent additional terms, unless the court
 24 finds the **writing record** to have been intended also as a complete
 25 and exclusive statement of the terms of the agreement.

26 SECTION 7. IC 26-1-2-203 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 203. The affixing of a
 28 seal to a **writing record** evidencing a contract for sale or an offer to buy
 29 or sell goods does not constitute the **writing record** a sealed instrument
 30 and the law with respect to sealed instruments does not apply to such
 31 a contract or offer.

32 SECTION 8. IC 26-1-2-205 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 205. An offer by a
 34 merchant to buy or sell goods in a signed **writing record** which by its
 35 terms gives assurance that it will be held open is not revocable, for lack
 36 of consideration, during the time stated or if no time is stated for a
 37 reasonable time, but in no event may such period of irrevocability
 38 exceed three (3) months; but any such term of assurance on a form
 39 supplied by the offeree must be separately signed by the offeror.

40 SECTION 9. IC 26-1-2-209 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 209. (1) An agreement
 42 modifying a contract within IC 26-1-2 needs no consideration to be



1 binding.

2 (2) A signed agreement which excludes modification or rescission,
3 except by a signed writing **or another signed record**, cannot be
4 otherwise modified or rescinded, but except as between merchants such
5 a requirement on a form supplied by the merchant must be separately
6 signed by the other party.

7 (3) The requirements of the statute of frauds section (IC 26-1-2-201)
8 must be satisfied if the contract as modified is within its provisions.

9 (4) Although an attempt at modification or rescission does not
10 satisfy the requirements of subsection (2) or (3), it can operate as a
11 waiver.

12 (5) A party who has made a waiver affecting an executory portion
13 of the contract may retract the waiver by reasonable notification
14 received by the other party that strict performance will be required of
15 any term waived, unless the retraction would be unjust in view of a
16 material change of position in reliance on the waiver.

17 SECTION 10. IC 26-1-2.1-102 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 102. **(1)** IC 26-1-2.1
19 applies to any transaction, regardless of form, that creates a lease **and,**
20 **in the case of a hybrid lease, it applies to the extent provided in**
21 **subsection (2).**

22 **(2) In a hybrid lease, the following apply:**

23 **(a) If the lease of goods aspects do not predominate:**

24 **(i) only the provisions of this chapter that relate primarily**
25 **to the lease of goods aspects of the transaction apply, and**
26 **the provisions that relate primarily to the transaction as a**
27 **whole do not apply;**

28 **(ii) section 209 of this chapter applies if the lease is a**
29 **finance lease; and**

30 **(iii) section 407 of this chapter applies to the promises of**
31 **the lessee in a finance lease to the extent the promises are**
32 **consideration for the right to possession and use of the**
33 **leased goods.**

34 **(b) If the lease of goods aspects predominate, this chapter**
35 **applies to the transaction, but does not preclude the**
36 **application in appropriate circumstances of other law to**
37 **aspects of the lease that do not relate to the lease of goods.**

38 SECTION 11. IC 26-1-2.1-103, AS AMENDED BY P.L.32-2021,
39 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
40 JULY 1, 2023]: Sec. 103. (1) Unless the context otherwise requires, in
41 IC 26-1-2.1:

42 (a) "Buyer in ordinary course of business" means a person who in



- 1 good faith and without knowledge that the sale to the person is in
2 violation of the ownership rights or security interest or leasehold
3 interest of a third party in the goods, buys in ordinary course from
4 a person in the business of selling goods of that kind but does not
5 include a pawnbroker. "Buying" may be for cash or by exchange
6 of other property or on secured or unsecured credit and includes
7 acquiring goods or documents of title under a pre-existing
8 contract for sale but does not include a transfer in bulk or as
9 security for or in total or partial satisfaction of a money debt.
- 10 (b) "Cancellation" occurs when either party puts an end to the
11 lease contract for default by the other party.
- 12 (c) "Commercial unit" means such a unit of goods as by
13 commercial usage is a single whole for purposes of lease and
14 division of which materially impairs its character or value on the
15 market or in use. A commercial unit may be a single article, as a
16 machine, or a set of articles, as a suite of furniture or a line of
17 machinery, or a quantity, as a gross or carload, or any other unit
18 treated in use or in the relevant market as a single whole.
- 19 (d) "Conforming" goods or performance under a lease contract
20 means goods or performance that are in accordance with the
21 obligations under the lease contract.
- 22 (e) "Consumer lease" means a lease that a lessor regularly
23 engaged in the business of leasing or selling makes to a lessee
24 who is an individual and who takes under the lease primarily for
25 a personal, family, or household purpose if the total payments to
26 be made under the lease contract, excluding payments for options
27 to renew or buy, do not exceed twenty-five thousand dollars
28 (\$25,000).
- 29 (f) "Fault" means wrongful act, omission, breach, or default.
- 30 (g) "Finance lease" means a lease with respect to which:
- 31 (i) the lessor does not select, manufacture, or supply the goods;
32 (ii) the lessor acquires the goods or the right to possession and
33 use of the goods in connection with the lease; and
34 (iii) one (1) of the following occurs:
- 35 (A) the lessee receives a copy of the contract by which the
36 lessor acquired the goods or the right to possession and use
37 of the goods before signing the lease contract;
38 (B) the lessee's approval of the contract by which the lessor
39 acquired the goods or the right to possession and use of the
40 goods is a condition to effectiveness of the lease contract;
41 (C) the lessee, before signing the lease contract, receives an
42 accurate and complete statement designating the promises



1 and warranties, and any disclaimers of warranties,
 2 limitations, or modifications of remedies, or liquidated
 3 damages, including those of a third party, such as the
 4 manufacturer of the goods, provided to the lessor by the
 5 person supplying the goods in connection with or as part of
 6 the contract by which the lessor acquired the goods or the
 7 right to possession and use of the goods; or

8 (D) if the lease is not a consumer lease, the lessor, before the
 9 lessee signs the lease contract, informs the lessee in writing:
 10 (a) of the identity of the person supplying the goods to the
 11 lessor, unless the lessee has selected that person and
 12 directed the lessor to acquire the goods or the right to
 13 possession and use of the goods from that person; (b) that
 14 the lessee is entitled under IC 26-1-2.1 to the promises and
 15 warranties, including those of any third party, provided to
 16 the lessor by the person supplying the goods in connection
 17 with or as part of the contract by which the lessor acquired
 18 the goods or the right to possession and use of the goods;
 19 and (c) that the lessee may communicate with the person
 20 supplying the goods to the lessor and receive an accurate
 21 and complete statement of those promises and warranties,
 22 including any disclaimers and limitations of them or of
 23 remedies.

24 **(h) The following terms have the following meanings:**

25 **(i) "Goods"** means all things that are movable at the time of
 26 identification to the lease contract, or are fixtures (IC
 27 26-1-2.1-309), but the term does not include money,
 28 documents, instruments, accounts, chattel paper, general
 29 intangibles, or minerals or the like, including oil and gas,
 30 before extraction. The term also includes the unborn young of
 31 animals.

32 **(ii) "Hybrid lease"** means a single transaction involving a
 33 lease of goods and either the provision of services, a sale of
 34 other goods, or a sale, lease, or license of property other
 35 than goods.

36 (i) "Installment lease contract" means a lease contract that
 37 authorizes or requires the delivery of goods in separate lots to be
 38 separately accepted, even though the lease contract contains a
 39 clause "each delivery is a separate lease" or its equivalent.

40 (j) "Lease" means a transfer of the right to possession and use of
 41 goods for a term in return for consideration, but a sale, including
 42 a sale on approval or a sale or return, or retention or creation of a



- 1 security interest is not a lease. Unless the context clearly indicates
 2 otherwise, the term includes a sublease.
- 3 (k) "Lease agreement" means the bargain, with respect to the
 4 lease, of the lessor and the lessee in fact as found in their
 5 language or by implication from other circumstances including
 6 course of dealing or usage of trade or course of performance as
 7 provided in IC 26-1-2.1. Unless the context clearly indicates
 8 otherwise, the term includes a sublease agreement.
- 9 (l) "Lease contract" means the total legal obligation that results
 10 from the lease agreement as affected by IC 26-1-2.1 and any other
 11 applicable rules of law. Unless the context clearly indicates
 12 otherwise, the term includes a sublease contract.
- 13 (m) "Leasehold interest" means the interest of the lessor or the
 14 lessee under a lease contract.
- 15 (n) "Lessee" means a person who acquires the right to possession
 16 and use of goods under a lease. Unless the context clearly
 17 indicates otherwise, the term includes a sublessee.
- 18 (o) "Lessee in ordinary course of business" means a person who
 19 in good faith and without knowledge that the lease to the person
 20 is in violation of the ownership rights or security interest or
 21 leasehold interest of a third party in the goods leases in ordinary
 22 course from a person in the business of selling or leasing goods of
 23 that kind but does not include a pawnbroker. "Leasing" may be for
 24 cash or by exchange of other property or on secured or unsecured
 25 credit and includes acquiring goods or documents of title under a
 26 pre-existing lease contract but does not include a transfer in bulk
 27 or as security for or in total or partial satisfaction of a money debt.
- 28 (p) "Lessor" means a person who transfers the right to possession
 29 and use of goods under a lease. Unless the context clearly
 30 indicates otherwise, the term includes a sublessor.
- 31 (q) "Lessor's residual interest" means the lessor's interest in the
 32 goods after expiration, termination, or cancellation of the lease
 33 contract.
- 34 (r) "Lien" means a charge against or interest in goods to secure
 35 payment of a debt or performance of an obligation, but the term
 36 does not include a security interest.
- 37 (s) "Lot" means a parcel or a single article that is the subject
 38 matter of a separate lease or delivery, whether or not it is
 39 sufficient to perform the lease contract.
- 40 (t) "Merchant lessee" means a lessee that is a merchant with
 41 respect to goods of the kind subject to the lease.
- 42 (u) "Present value" means the amount as of a date certain of one



- 1 (1) or more sums payable in the future, discounted to the date
 2 certain. The discount is determined by the interest rate specified
 3 by the parties if the rate was not manifestly unreasonable at the
 4 time the transaction was entered into; otherwise, the discount is
 5 determined by a commercially reasonable rate that takes into
 6 account the facts and circumstances of each case at the time the
 7 transaction was entered into.
- 8 (v) "Purchase" includes taking by sale, lease, mortgage, security
 9 interest, pledge, gift, or any other voluntary transaction creating
 10 an interest in goods.
- 11 (w) "Sublease" means a lease of goods the right to possession and
 12 use of which was acquired by the lessor as a lessee under an
 13 existing lease.
- 14 (x) "Supplier" means a person from whom a lessor buys or leases
 15 goods to be leased under a finance lease.
- 16 (y) "Supply contract" means a contract under which a lessor buys
 17 or leases goods to be leased.
- 18 (z) "Termination" occurs when either party pursuant to a power
 19 created by agreement or law puts an end to the lease contract
 20 otherwise than for default.
- 21 (2) Other definitions applying to IC 26-1-2.1 and the sections in
 22 which they appear are:
- 23 "Accessions". IC 26-1-2.1-310(1).
 24 "Construction mortgage". IC 26-1-2.1-309(1)(d).
 25 "Encumbrance". IC 26-1-2.1-309(1)(e).
 26 "Fixtures". IC 26-1-2.1-309(1)(a).
 27 "Fixture filing". IC 26-1-2.1-309(1)(b).
 28 "Purchase money lease". IC 26-1-2.1-309(1)(c).
- 29 (3) The following definitions in other chapters apply to IC 26-1-2.1:
- 30 "Account". IC 26-1-9.1-102(a)(2).
 31 "Between merchants". IC 26-1-2-104(3).
 32 "Buyer". IC 26-1-2-103(1)(a).
 33 "Chattel paper". IC 26-1-9.1-102(a)(11).
 34 "Consumer goods". IC 26-1-9.1-102(a)(23).
 35 "Document". IC 26-1-9.1-102(a)(30).
 36 "Entrusting". IC 26-1-2-403(3).
 37 "General intangibles". IC 26-1-9.1-102(a)(42).
 38 "Good faith". IC 26-1-2-103(1)(b).
 39 "Instrument". IC 26-1-9.1-102(a)(47).
 40 "Merchant". IC 26-1-2-104(1).
 41 "Mortgage". IC 26-1-9.1-102(a)(55).
 42 "Pursuant to commitment". IC 26-1-9.1-102(a)(69).



- 1 "Receipt". IC 26-1-2-103(1)(c).
 2 "Sale". IC 26-1-2-106(1).
 3 "Sale on approval". IC 26-1-2-326.
 4 "Sale or return". IC 26-1-2-326.
 5 "Seller". IC 26-1-2-103(1)(d).

6 (4) In addition, IC 26-1-1 contains general definitions and principles
 7 of construction and interpretation applicable throughout IC 26-1-2.1.

8 SECTION 12. IC 26-1-2.1-107 IS AMENDED TO READ AS
 9 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 107. Any claim or right
 10 arising out of an alleged default or breach of warranty may be
 11 discharged in whole or in part without consideration by a ~~written~~
 12 waiver or renunciation **in a signed and record** delivered by the
 13 aggrieved party.

14 SECTION 13. IC 26-1-2.1-201 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 201. (1) A lease
 16 contract is not enforceable by way of action or defense unless:

- 17 (a) the total payments to be made under the lease contract,
 18 excluding payments for options to renew or buy, are less than one
 19 thousand dollars (\$1,000); or
 20 (b) there is a ~~writing~~ **record**, signed by the party against whom
 21 enforcement is sought or by that party's authorized agent,
 22 sufficient to indicate that a lease contract has been made between
 23 the parties and to describe the goods leased and the lease term.

24 (2) Any description of leased goods or of the lease term is sufficient
 25 and satisfies subsection (1)(b), whether or not it is specific, if it
 26 reasonably identifies what is described.

27 (3) A ~~writing~~ **record** is not insufficient because it omits or
 28 incorrectly states a term agreed upon, but the lease contract is not
 29 enforceable under subsection (1)(b) beyond the lease term and the
 30 quantity of goods shown in the ~~writing~~ **record**.

31 (4) A lease contract that does not satisfy the requirements of
 32 subsection (1), but which is valid in other respects, is enforceable:

- 33 (a) if the goods are to be specially manufactured or obtained for
 34 the lessee and are not suitable for lease or sale to others in the
 35 ordinary course of the lessor's business, and the lessor, before
 36 notice of repudiation is received and under circumstances that
 37 reasonably indicate that the goods are for the lessee, has made
 38 either a substantial beginning of their manufacture or
 39 commitments for their procurement;
 40 (b) if the party against whom enforcement is sought admits in that
 41 party's pleading, testimony or otherwise in court that a lease
 42 contract was made, but the lease contract is not enforceable under



- 1 this provision beyond the quantity of goods admitted; or
 2 (c) with respect to goods that have been received and accepted by
 3 the lessee.
- 4 (5) The lease term under a lease contract referred to in subsection
 5 (4) is:
- 6 (a) if there is a **writing record** signed by the party against whom
 7 enforcement is sought or by that party's authorized agent
 8 specifying the lease term, the term so specified;
 9 (b) if the party against whom enforcement is sought admits in that
 10 party's pleading, testimony, or otherwise in court a lease term, the
 11 term so admitted; or
 12 (c) a reasonable lease term.
- 13 SECTION 14. IC 26-1-2.1-202 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 202. Terms with
 15 respect to which the confirmatory memoranda of the parties agree or
 16 which are otherwise set forth in a **writing record** intended by the
 17 parties as a final expression of their agreement with respect to such
 18 terms as are included therein may not be contradicted by evidence of
 19 any prior agreement or of a contemporaneous oral agreement but may
 20 be explained or supplemented:
- 21 (a) by course of dealing or usage of trade or by course of
 22 performance; and
 23 (b) by evidence of consistent additional terms unless the court
 24 finds the **writing record** to have been intended also as a complete
 25 and exclusive statement of the terms of the agreement.
- 26 SECTION 15. IC 26-1-2.1-203 IS AMENDED TO READ AS
 27 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 203. The affixing of a
 28 seal to a **writing record** evidencing a lease contract or an offer to enter
 29 into a lease contract does not render the **writing record** a sealed
 30 instrument and the law with respect to sealed instruments does not
 31 apply to the lease contract or offer.
- 32 SECTION 16. IC 26-1-2.1-205 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 205. An offer by a
 34 merchant to lease goods to or from another person in a signed **writing**
 35 **record** that by its terms gives assurance it will be held open is not
 36 revocable, for lack of consideration, during the time stated or, if no
 37 time is stated, for a reasonable time, but in no event may the period of
 38 irrevocability exceed three (3) months. Any such term of assurance on
 39 a form supplied by the offeree must be separately signed by the offeror.
- 40 SECTION 17. IC 26-1-2.1-208 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 208. (1) An agreement
 42 modifying a lease contract needs no consideration to be binding.



1 (2) A signed lease agreement that excludes modification or
 2 rescission except by a signed ~~writing~~ **record** may not be otherwise
 3 modified or rescinded, but, except as between merchants, such a
 4 requirement on a form supplied by a merchant must be separately
 5 signed by the other party.

6 (3) Although an attempt at modification or rescission does not
 7 satisfy the requirements of subsection (2), it may operate as a waiver.

8 (4) A party who has made a waiver affecting an executory portion
 9 of a lease contract may retract the waiver by reasonable notification
 10 received by the other party that strict performance will be required of
 11 any term waived, unless the retraction would be unjust in view of a
 12 material change of position in reliance on the waiver.

13 SECTION 18. IC 26-1-3.1-104 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 104. (a) Except as
 15 provided in subsections (c) and (d), "negotiable instrument" means an
 16 unconditional promise or order to pay a fixed amount of money, with
 17 or without interest or other charges described in the promise or order,
 18 if it:

19 (1) is payable to bearer or to order at the time it is issued or first
 20 comes into possession of a holder;

21 (2) is payable on demand or at a definite time; and

22 (3) does not state any other undertaking or instruction by the
 23 person promising or ordering payment to do any act in addition to
 24 the payment of money, but the promise or order may contain:

25 (A) an undertaking or power to give, maintain, or protect
 26 collateral to secure payment;

27 (B) an authorization or power to the holder to confess
 28 judgment or realize on or dispose of collateral; ~~or~~

29 (C) a waiver of the benefit of any law intended for the
 30 advantage or protection of an obligor;

31 **(D) a term that specifies the law that governs the promise**
 32 **or order; or**

33 **(E) an undertaking to resolve in a specified forum a**
 34 **dispute concerning the promise or order.**

35 (b) "Instrument" means a negotiable instrument.

36 (c) An order that meets all of the requirements of subsection (a),
 37 except subdivision (1), and otherwise falls within the definition of
 38 "check" in subsection (f) is a negotiable instrument and a check.

39 (d) A promise or order other than a check is not an instrument if, at
 40 the time it is issued or first comes into possession of a holder, it
 41 contains a conspicuous statement, however expressed, to the effect that
 42 the promise or order is not negotiable or is not an instrument governed



1 by IC 26-1-3.1.

2 (e) An instrument is a "note" if it is a promise and is a "draft" if it is
3 an order. If an instrument falls within the definition of both "note" and
4 "draft", a person entitled to enforce the instrument may treat it as either.

5 (f) "Check" means:

6 (1) a draft, other than a documentary draft, payable on demand
7 and drawn on a bank; or

8 (2) a cashier's check or teller's check.

9 An instrument may be a check even though it is described on its face
10 by another term, such as "money order".

11 (g) "Cashier's check" means a draft with respect to which the drawer
12 and drawee are the same bank or branches of the same bank.

13 (h) "Teller's check" means a draft drawn by a bank:

14 (1) on another bank; or

15 (2) payable at or through a bank.

16 (i) "Traveler's check" means an instrument that:

17 (1) is payable on demand;

18 (2) is drawn on or payable at or through a bank;

19 (3) is designated by the term "traveler's check" or by a
20 substantially similar term; and

21 (4) requires, as a condition to payment, a countersignature by a
22 person whose specimen signature appears on the instrument.

23 (j) "Certificate of deposit" means an instrument containing an
24 acknowledgment by a bank that a sum of money has been received by
25 the bank and a promise by the bank to repay the sum of money. A
26 certificate of deposit is a note of the bank.

27 SECTION 19. IC 26-1-3.1-105 IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 105. (a) "Issue" means:

29 (1) the first delivery of an instrument by the maker or drawer,
30 whether to a holder or nonholder, for the purpose of giving rights
31 on the instrument to any person; or

32 (2) **if agreed by the payee, the first transmission by the drawer
33 to the payee of an image of an item and information derived
34 from the item that enables the depository bank to collect the
35 item by transferring or presenting under federal law an
36 electronic check.**

37 (b) An unissued instrument, or an unissued incomplete instrument
38 that is completed, is binding on the maker or drawer, but nonissuance
39 is a defense. An instrument that is conditionally issued or is issued for
40 a special purpose is binding on the maker or drawer, but failure of the
41 condition or special purpose to be fulfilled is a defense.

42 (c) "Issuer" applies to issued and unissued instruments and means



1 a maker or drawer of an instrument.

2 SECTION 20. IC 26-1-3.1-401 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 401. ~~(a)~~ A person is not
4 liable on an instrument unless:

5 (1) the person signed the instrument; or

6 (2) the person is represented by an agent or representative who
7 signed the instrument and the signature is binding on the
8 represented person under IC 26-1-3.1-402.

9 ~~(b) A signature may be made:~~

10 ~~(1) manually or by means of a device or machine; and~~

11 ~~(2) by the use of any name, including a trade or assumed name; or~~
12 ~~by a word, mark, or symbol executed or adopted by a person with~~
13 ~~present intention to authenticate a writing.~~

14 SECTION 21. IC 26-1-3.1-604, AS AMENDED BY P.L.135-2009,
15 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2023]: Sec. 604. (a) A person entitled to enforce an
17 instrument, with or without consideration, may discharge the obligation
18 of a party to pay the instrument:

19 (1) by an intentional voluntary act, such as surrender of the
20 instrument to the party, destruction, mutilation, or cancellation of
21 the instrument, cancellation or striking out of the party's signature,
22 or the addition of words to the instrument indicating discharge; or

23 (2) by agreeing not to sue or otherwise renouncing rights against
24 the party by a signed record.

25 **The obligation of a party to pay a check is not discharged solely by**
26 **destruction of the check in connection with a process in which**
27 **information is extracted from the check and an image of the check**
28 **is made and, subsequently, the information and image are**
29 **transmitted for payment.**

30 (b) Cancellation or striking out of an endorsement under subsection
31 (a) does not affect the status and rights of a party derived from the
32 endorsement.

33 ~~(c) As used in this section, "signed", with respect to a record that is~~
34 ~~not a writing, includes the attachment to or logical association with the~~
35 ~~record of an electronic symbol, sound, or process with the present~~
36 ~~intent to adopt or accept the record.~~

37 SECTION 22. IC 26-1-4.1-103 IS AMENDED TO READ AS
38 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 103. (a) In IC 26-1-4.1:

39 (1) "Payment order" means an instruction of a sender to a
40 receiving bank, transmitted orally ~~electronically~~, or in ~~writing~~; **a**
41 **record**, to pay, or to cause another bank to pay, a fixed or
42 determinable amount of money to a beneficiary if:



- 1 (i) the instruction does not state a condition to payment to the
 2 beneficiary other than time of payment;
 3 (ii) the receiving bank is to be reimbursed by debiting a
 4 account of, or otherwise receiving payment from, the sender;
 5 and
 6 (iii) the instruction is transmitted by the sender directly to the
 7 receiving bank or to an agent, funds-transfer system, or
 8 communication system for transmittal to the receiving bank.
- 9 (2) "Beneficiary" means the person to be paid by the beneficiary's
 10 bank.
 11 (3) "Beneficiary's bank" means the bank identified in a payment
 12 order in which an account of the beneficiary is to be credited
 13 pursuant to the order or which otherwise is to make payment to
 14 the beneficiary if the order does not provide for payment to an
 15 account.
 16 (4) "Receiving bank" means the bank to which the sender's
 17 instruction is addressed.
 18 (5) "Sender" means the person giving the instruction to the
 19 receiving bank.
- 20 (b) If an instruction complying with subsection (a)(1) is to make
 21 more than one (1) payment to a beneficiary, the instruction is a separate
 22 payment order with respect to each payment.
- 23 (c) A payment order is issued when it is sent to the receiving bank.
- 24 SECTION 23. IC 26-1-4.1-201 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 201. "Security
 26 procedure" means a procedure established by agreement of a customer
 27 and a receiving bank for the purpose of (i) verifying that a payment
 28 order or communication amending or canceling a payment order is that
 29 of the customer, or (ii) detecting error in the transmission or the content
 30 of the payment order or communication. A security procedure may
 31 **impose an obligation on the receiving bank or the customer and**
 32 **may** require the use of algorithms or other codes, identifying words, or
 33 numbers, **symbols, sounds, biometrics**, encryption, callback
 34 procedures, or similar security devices. Comparison of a signature on
 35 a payment order or communication with an authorized specimen
 36 signature of the customer **or requiring a payment order to be sent**
 37 **from a known electronic mail address, Internet protocol address,**
 38 **or telephone number** is not by itself a security procedure.
- 39 SECTION 24. IC 26-1-4.1-202 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 202. (a) A payment
 41 order received by the receiving bank is the authorized order of the
 42 person identified as sender if that person authorized the order or is



1 otherwise bound by it under the law of agency.

2 (b) If a bank and its customer have agreed that the authenticity of
3 payment orders issued to the bank in the name of the customer as
4 sender will be verified pursuant to a security procedure, a payment
5 order received by the receiving bank is effective as the order of the
6 customer, whether or not authorized, if (i) the security procedure is a
7 commercially reasonable method of providing security against
8 unauthorized payment orders, and (ii) the bank proves that it accepted
9 the payment order in good faith and in compliance with **the bank's**
10 **obligations under** the security procedure and any ~~written~~ agreement
11 or instruction of the customer, **evidenced by a record**, restricting
12 acceptance of payment orders issued in the name of the customer. The
13 bank is not required to follow an instruction that violates a ~~written an~~
14 agreement with the customer, **evidenced by a record**, or notice of
15 which is not received at a time and in a manner affording the bank a
16 reasonable opportunity to act on it before the payment order is
17 accepted.

18 (c) Commercial reasonableness of a security procedure is a question
19 of law to be determined by considering the wishes of the customer
20 expressed to the bank, the circumstances of the customer known to the
21 bank, including the size, type, and frequency of payment orders
22 normally issued by the customer to the bank, alternative security
23 procedures offered to the customer, and security procedures in general
24 use by customers and receiving banks similarly situated. A security
25 procedure is deemed to be commercially reasonable if (i) the security
26 procedure was chosen by the customer after the bank offered, and the
27 customer refused, a security procedure that was commercially
28 reasonable for that customer, and (ii) the customer expressly agreed in
29 ~~writing a record~~ to be bound by any payment order, whether or not
30 authorized, issued in its name and accepted by the bank in compliance
31 with **the bank's obligations under** the security procedure chosen by
32 the customer.

33 (d) The term "sender" in IC 26-1-4.1 includes the customer in whose
34 name a payment order is issued if the order is the authorized order of
35 the customer under subsection (a), or it is effective as the order of the
36 customer under subsection (b).

37 (e) This section applies to amendments and cancellations of
38 payment orders to the same extent it applies to payment orders.

39 (f) Except as provided in this section and in IC 26-1-4.1-203(a)(1),
40 rights and obligations arising under this section or IC 26-1-4.1-203 may
41 not be varied by agreement.

42 SECTION 25. IC 26-1-4.1-203 IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 203. (a) If an accepted
 2 payment order is not, under IC 26-1-4.1-202(a), an authorized order of
 3 a customer identified as sender, but is effective as an order of the
 4 customer pursuant to IC 26-1-4.1-202(b), the following rules apply:

5 (1) By express ~~written~~ agreement, **evidenced by a record**, the
 6 receiving bank may limit the extent to which it is entitled to
 7 enforce or retain payment of the payment order.

8 (2) The receiving bank is not entitled to enforce or retain payment
 9 of the payment order if the customer proves that the order was not
 10 caused, directly or indirectly, by a person:

11 (i) entrusted at any time with duties to act for the customer
 12 with respect to payment orders or the security procedure; or

13 (ii) who obtained access to transmitting facilities of the
 14 customer or who obtained, from a source controlled by the
 15 customer and without authority of the receiving bank,
 16 information facilitating breach of the security procedure,
 17 regardless of how the information was obtained or whether the
 18 customer was at fault. Information includes any access device,
 19 computer software, or the like.

20 (b) This section applies to amendments of payment orders to the
 21 same extent it applies to payment orders.

22 SECTION 26. IC 26-1-4.1-207 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 207. (a) Subject to
 24 subsection (b), if, in a payment order received by the beneficiary's
 25 bank, the name, bank account number, or other identification of the
 26 beneficiary refers to a nonexistent or unidentifiable person or account,
 27 no person has rights as a beneficiary of the order and acceptance of the
 28 order cannot occur.

29 (b) If a payment order received by the beneficiary's bank identifies
 30 the beneficiary both by name and by an identifying or bank account
 31 number and the name and number identify different persons, the
 32 following rules apply:

33 (1) Except as otherwise provided in subsection (c), if the
 34 beneficiary's bank does not know that the name and number refer
 35 to different persons, it may rely on the number as the proper
 36 identification of the beneficiary of the order. The beneficiary's
 37 bank need not determine whether the name and number refer to
 38 the same person.

39 (2) If the beneficiary's bank pays the person identified by name or
 40 knows that the name and number identify different persons, no
 41 person has rights as beneficiary except the person paid by the
 42 beneficiary's bank if that person was entitled to receive payment



1 from the originator of the funds transfer. If no person has rights as
2 beneficiary, acceptance of the order cannot occur.

3 (c) If (i) a payment order described in subsection (b) is accepted, (ii)
4 the originator's payment order described the beneficiary inconsistently
5 by name and number, and (iii) the beneficiary's bank pays the person
6 identified by number as permitted by subsection (b)(1), the following
7 rules apply:

8 (1) If the originator is a bank, the originator is obliged to pay its
9 order.

10 (2) If the originator is not a bank and proves that the person
11 identified by number was not entitled to receive payment from the
12 originator, the originator is not obliged to pay its order unless the
13 originator's bank proves that the originator, before acceptance of
14 the originator's order, had notice that payment of a payment order
15 issued by the originator might be made by the beneficiary's bank
16 on the basis of an identifying or bank account number even if it
17 identifies a person different from the named beneficiary. Proof of
18 notice may be made by any admissible evidence. The originator's
19 bank satisfies the burden of proof if it proves that the originator,
20 before the payment order was accepted, signed a **writing record**
21 stating the information to which the notice relates.

22 (d) In a case governed by subsection (b)(1), if the beneficiary's bank
23 rightfully pays the person identified by number and that person was not
24 entitled to receive payment from the originator, the amount paid may
25 be recovered from that person to the extent allowed by the law
26 governing mistake and restitution as follows:

27 (1) If the originator is obliged to pay its payment order as stated
28 in subsection (c), the originator has the right to recover.

29 (2) If the originator is not a bank and is not obliged to pay its
30 payment order, the originator's bank has the right to recover.

31 SECTION 27. IC 26-1-4.1-208 IS AMENDED TO READ AS
32 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 208. (a) This
33 subsection applies to a payment order identifying an intermediary bank
34 or the beneficiary's bank only by an identifying number.

35 (1) The receiving bank may rely on the number as the proper
36 identification of the intermediary or beneficiary's bank and need
37 not determine whether the number identifies a bank.

38 (2) The sender is obliged to compensate the receiving bank for
39 any loss and expenses incurred by the receiving bank as a result
40 of its reliance on the number in executing or attempting to
41 execute the order.

42 (b) This subsection applies to a payment order identifying an



1 intermediary bank or the beneficiary's bank both by name and an
 2 identifying number if the name and number identify different persons.

3 (1) If the sender is a bank, the receiving bank may rely on the
 4 number as the proper identification of the intermediary or
 5 beneficiary's bank if the receiving bank, when it executes the
 6 sender's order, does not know that the name and number identify
 7 different persons. The receiving bank need not determine whether
 8 the name and number refer to the same person or whether the
 9 number refers to a bank. The sender is obliged to compensate the
 10 receiving bank for any loss and expenses incurred by the
 11 receiving bank as a result of its reliance on the number in
 12 executing or attempting to execute the order.

13 (2) If the sender is not a bank and the receiving bank proves that
 14 the sender, before the payment order was accepted, had notice
 15 that the receiving bank might rely on the number as the proper
 16 identification of the intermediary or beneficiary's bank even if it
 17 identifies a person different from the bank identified by name, the
 18 rights and obligations of the sender and the receiving bank are
 19 governed by subdivision (1), as though the sender were a bank.
 20 Proof of notice may be made by any admissible evidence. The
 21 receiving bank satisfies the burden of proof if it proves that the
 22 sender, before the payment order was accepted, signed a ~~writing~~
 23 **record** stating the information to which the notice relates.

24 (3) Regardless of whether the sender is a bank, the receiving bank
 25 may rely on the name as the proper identification of the
 26 intermediary or beneficiary's bank if the receiving bank, at the
 27 time it executes the sender's order, does not know that the name
 28 and number identify different persons. The receiving bank need
 29 not determine whether the name and number refer to the same
 30 person.

31 (4) If the receiving bank knows that the name and number identify
 32 different persons, reliance on either the name or the number in
 33 executing the sender's payment order is a breach of the obligation
 34 stated in IC 26-1-4.1-302(a)(1).

35 SECTION 28. IC 26-1-4.1-210 IS AMENDED TO READ AS
 36 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 210. (a) A payment
 37 order is rejected by the receiving bank by a notice of rejection
 38 transmitted to the sender orally ~~electronically~~, or in ~~writing~~: **a record**.
 39 A notice of rejection need not use any particular words and is sufficient
 40 if it indicates that the receiving bank is rejecting the order or will not
 41 execute or pay the order. Rejection is effective when the notice is given
 42 if transmission is by a means that is reasonable in the circumstances.



1 If notice of rejection is given by a means that is not reasonable,
 2 rejection is effective when the notice is received. If an agreement of the
 3 sender and receiving bank establishes the means to be used to reject a
 4 payment order, (i) any means complying with the agreement is
 5 reasonable and (ii) any means not complying is not reasonable unless
 6 no significant delay in receipt of the notice resulted from the use of the
 7 noncomplying means.

8 (b) This subsection applies if a receiving bank other than the
 9 beneficiary's bank fails to execute a payment order despite the
 10 existence on the execution date of a withdrawable credit balance in an
 11 authorized account of the sender sufficient to cover the order. If the
 12 sender does not receive notice of rejection of the order on the execution
 13 date and the authorized account of the sender does not bear interest, the
 14 bank is obliged to pay interest to the sender on the amount of the order
 15 for the number of days elapsing after the execution date to the earlier
 16 of the day the order is canceled pursuant to IC 26-1-4.1-211(d) or the
 17 day the sender receives notice or learns that the order was not executed,
 18 counting the final day of the period as an elapsed day. If the
 19 withdrawable credit balance during that period falls below the amount
 20 of the order, the amount of interest is reduced accordingly.

21 (c) If a receiving bank suspends payments, all unaccepted payment
 22 orders issued to it are deemed rejected at the time the bank suspends
 23 payments.

24 (d) Acceptance of a payment order precludes a later rejection of the
 25 order. Rejection of a payment order precludes a later acceptance of the
 26 order.

27 SECTION 29. IC 26-1-4.1-211 IS AMENDED TO READ AS
 28 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 211. (a) A
 29 communication of the sender of a payment order canceling or
 30 amending the order may be transmitted to the receiving bank orally
 31 ~~electronically~~, or in ~~writing~~. **a record**. If a security procedure is in
 32 effect between the sender and the receiving bank, the communication
 33 is not effective to cancel or amend the order unless the communication
 34 is verified pursuant to the security procedure or the bank agrees to the
 35 cancellation or amendment.

36 (b) Subject to subsection (a), a communication by the sender
 37 canceling or amending a payment order is effective to cancel or amend
 38 the order if notice of the communication is received at a time and in a
 39 manner affording the receiving bank a reasonable opportunity to act on
 40 the communication before the bank accepts the payment order.

41 (c) After a payment order has been accepted, cancellation or
 42 amendment of the order is not effective unless the receiving bank



1 agrees or a funds-transfer system rule allows cancellation or
2 amendment without agreement of the bank.

3 (1) With respect to a payment order accepted by a receiving bank
4 other than the beneficiary's bank, cancellation or amendment is
5 not effective unless a conforming cancellation or amendment of
6 the payment order issued by the receiving bank is also made.

7 (2) With respect to a payment order accepted by the beneficiary's
8 bank, cancellation or amendment is not effective unless the order
9 was issued in execution of an unauthorized payment order, or
10 because of a mistake by a sender in the funds transfer which
11 resulted in the issuance of a payment order:

12 (i) that is a duplicate of a payment order previously issued by
13 the sender;

14 (ii) that orders payment to a beneficiary not entitled to receive
15 payment from the originator; or

16 (iii) that orders payment in an amount greater than the amount
17 the beneficiary was entitled to receive from the originator. If
18 the payment order is canceled or amended, the beneficiary's
19 bank is entitled to recover from the beneficiary any amount
20 paid to the beneficiary to the extent allowed by the law
21 governing mistake and restitution.

22 (d) An unaccepted payment order is canceled by operation of law at
23 the close of the fifth funds-transfer business day of the receiving bank
24 after the execution date or payment date of the order.

25 (e) A canceled payment order cannot be accepted. If an accepted
26 payment order is canceled, the acceptance is nullified and no person
27 has any right or obligation based on the acceptance. Amendment of a
28 payment order is deemed to be cancellation of the original order at the
29 time of amendment and issue of a new payment order in the amended
30 form at the same time.

31 (f) Unless otherwise provided in an agreement of the parties or in a
32 funds-transfer system rule, if the receiving bank, after accepting a
33 payment order, agrees to cancellation or amendment of the order by the
34 sender or is bound by a funds-transfer system rule allowing
35 cancellation or amendment without the bank's agreement, the sender,
36 whether or not cancellation or amendment is effective, is liable to the
37 bank for any loss and expenses, including reasonable attorney's fees,
38 incurred by the bank as a result of the cancellation or amendment or
39 attempted cancellation or amendment.

40 (g) A payment order is not revoked by the death or legal incapacity
41 of the sender unless the receiving bank knows of the death or of an
42 adjudication of incapacity by a court of competent jurisdiction and has



1 reasonable opportunity to act before acceptance of the order.

2 (h) A funds-transfer system rule is not effective to the extent it
3 conflicts with subsection (c)(2).

4 SECTION 30. IC 26-1-4.1-305 IS AMENDED TO READ AS
5 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 305. (a) If a funds
6 transfer is completed but execution of a payment order by the receiving
7 bank in breach of IC 26-1-4.1-302 results in delay in payment to the
8 beneficiary, the bank is obliged to pay interest to either the originator
9 or the beneficiary of the funds transfer for the period of delay caused
10 by the improper execution. Except as provided in subsection (c),
11 additional damages are not recoverable.

12 (b) If execution of a payment order by a receiving bank in breach of
13 IC 26-1-4.1-302 results in (i) noncompletion of the funds transfer, (ii)
14 failure to use an intermediary bank designated by the originator, or (iii)
15 issuance of a payment order that does not comply with the terms of the
16 payment order of the originator, the bank is liable to the originator for
17 its expenses in the funds transfer and for incidental expenses and
18 interest losses, to the extent not covered by subsection (a), resulting
19 from the improper execution. Except as provided in subsection (c),
20 additional damages are not recoverable.

21 (c) In addition to the amounts payable under subsections (a) and (b),
22 damages, including consequential damages, are recoverable to the
23 extent provided in an express ~~written~~ agreement of the receiving bank,
24 **evidenced by a record.**

25 (d) If a receiving bank fails to execute a payment order it was
26 obliged by express agreement to execute, the receiving bank is liable
27 to the sender for its expenses in the transaction and for incidental
28 expenses and interest losses resulting from the failure to execute.
29 Additional damages, including consequential damages, are recoverable
30 to the extent provided in an express ~~written~~ agreement of the receiving
31 bank, **evidenced by a record**, but are not otherwise recoverable.

32 (e) Reasonable attorney's fees are recoverable if demand for
33 compensation under subsection (a) or (b) is made and refused before
34 an action is brought on the claim. If a claim is made for breach of an
35 agreement under subsection (d) and the agreement does not provide for
36 damages, reasonable attorney's fees are recoverable if demand for
37 compensation under subsection (d) is made and refused before an
38 action is brought on the claim.

39 (f) Except as stated in this section, the liability of a receiving bank
40 under subsections (a) and (b) may not be varied by agreement.

41 SECTION 31. IC 26-1-5.1-104 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 104. A letter of credit,



1 confirmation, advice, transfer, amendment, or cancellation may be
 2 issued in any form that is a **signed** record. ~~and is authenticated:~~

3 ~~(i) by a signature; or~~

4 ~~(ii) in accordance with the agreement of the parties or the~~
 5 ~~standard practice referred to in IC 26-1-5.1-108(e).~~

6 SECTION 32. IC 26-1-5.1-116 IS AMENDED TO READ AS
 7 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 116. (a) The liability of
 8 an issuer, nominated person, or adviser for action or omission is
 9 governed by the law of the jurisdiction chosen by an agreement in the
 10 form of a record signed ~~or otherwise authenticated~~ by the affected
 11 parties ~~in the manner provided in IC 26-1-5.1-104~~ or by a provision in
 12 the person's letter of credit, confirmation, or other undertaking. The
 13 jurisdiction whose law is chosen need not bear any relation to the
 14 transaction.

15 (b) Unless subsection (a) applies, the liability of an issuer,
 16 nominated person, or adviser for action or omission is governed by the
 17 law of the jurisdiction in which the person is located. The person is
 18 considered to be located at the address indicated in the person's
 19 undertaking. If more than one (1) address is indicated, the person is
 20 considered to be located at the address from which the person's
 21 undertaking was issued.

22 (c) For the purpose of jurisdiction, choice of law, and recognition of
 23 interbranch letters of credit, but not enforcement of a judgment, all
 24 branches of a bank are considered separate juridical entities and a bank
 25 is considered to be located at the place where its relevant branch is
 26 considered to be located under ~~this~~ subsection (d).

27 **(d) A branch of a bank is considered to be located at the address**
 28 **indicated in the branch's undertaking. If more than one (1) address**
 29 **is indicated, the branch is considered to be located at the address**
 30 **from which the undertaking was issued.**

31 ~~(e)~~ (e) Except as otherwise provided in this subsection, the liability
 32 of an issuer, nominated person, or adviser is governed by any rules of
 33 custom or practice, such as the Uniform Customs and Practice for
 34 Documentary Credits, to which the letter of credit, confirmation, or
 35 other undertaking is expressly made subject. If:

36 (i) IC 26-1-5.1 would govern the liability of an issuer, nominated
 37 person, or adviser under subsection (a) or (b);

38 (ii) the relevant undertaking incorporates rules of custom or
 39 practice; and

40 (iii) there is conflict between IC 26-1-5.1 and those rules as
 41 applied to that undertaking;

42 those rules govern except to the extent of any conflict with the



1 nonvariable provisions specified in IC 26-1-5.1-103(c).

2 ~~(d)~~ (f) If there is conflict between IC 26-1-5.1 and IC 26-1-3.1,
3 IC 26-1-4, IC 26-1-4.1, or IC 26-1-9.1, IC 26-1-5.1 governs.

4 ~~(e)~~ (g) The forum for settling disputes arising out of an undertaking
5 within IC 26-1-5.1 may be chosen in the manner and with the binding
6 effect that governing law may be chosen in accordance with subsection
7 (a).

8 SECTION 33. IC 26-1-7-102, AS AMENDED BY P.L.143-2007,
9 SECTION 25, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2023]: Sec. 102. (a) In this chapter unless the context
11 otherwise requires:

12 (1) "Bailee" means a person that by a warehouse receipt, bill of
13 lading, or other document of title acknowledges possession of
14 goods and contracts to deliver them.

15 (2) "Carrier" means a person that issues a bill of lading.

16 (3) "Consignee" means a person named in a bill of lading to
17 which or to whose order the bill promises delivery.

18 (4) "Consignor" means a person named in a bill of lading as the
19 person from which the goods have been received for shipment.

20 (5) "Delivery order" means a record that contains an order to
21 deliver goods directed to a warehouse, carrier, or other person that
22 in the ordinary course of business issues warehouse receipts or
23 bills of lading.

24 (6) "Good faith" means honesty in fact and the observance of
25 reasonable commercial standards of fair dealing.

26 (7) "Goods" means all things that are treated as movable for the
27 purposes of a contract for storage or transportation.

28 (8) "Issuer" means a bailee that issues a document of title or, in
29 the case of an unaccepted delivery order, the person that orders
30 the possessor of goods to deliver. The term includes a person for
31 which an agent or employee purports to act in issuing a document
32 if the agent or employee has real or apparent authority to issue
33 documents, even if the issuer did not receive any goods, the goods
34 were misdescribed, or in any other respect the agent or employee
35 violated the issuer's instructions.

36 (9) "Person entitled under the document" means the holder, in the
37 case of a negotiable document of title, or the person to which
38 delivery of the goods is to be made by the terms of, or pursuant to
39 instructions in a record under, a nonnegotiable document of title.

40 (10) "Record" means information that is inscribed on a tangible
41 medium or that is stored in an electronic or other medium and is
42 retrievable in perceivable form. [Reserved.]



- 1 (11) "Shipper" means a person that enters into a contract of
 2 transportation with a carrier.
- 3 (12) "Sign" means, with present intent to authenticate or adopt a
 4 record:
 5 (A) to execute or adopt a tangible symbol; or
 6 (B) to attach to or logically associate with the record an
 7 electronic sound, symbol, or process. [Reserved.]
- 8 (13) "Warehouse" means a person engaged in the business of
 9 storing goods for hire.
- 10 (b) Other definitions applying to this chapter and the sections in
 11 which they appear are:
 12 "Duly negotiate". IC 26-1-7-501.
 13 "Contract for sale". IC 26-1-2-106.
 14 "Lessee in the ordinary course of business". IC 26-1-2.1-103(o).
 15 "Receipt" of goods. IC 26-1-2-103.
- 16 (c) In addition, IC 26-1-1 contains general definitions and principles
 17 of construction and interpretation applicable throughout this chapter.
- 18 SECTION 34. IC 26-1-7-106, AS ADDED BY P.L.143-2007,
 19 SECTION 29, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 20 JULY 1, 2023]: Sec. 106. (a) A person has control of an electronic
 21 document of title if a system employed for evidencing the transfer of
 22 interests in the electronic document reliably establishes that person as
 23 the person to which the electronic document was issued or transferred.
- 24 (b) A system satisfies subsection (a), and a person ~~is deemed to have~~
 25 **has** control of an electronic document of title, if the document is
 26 created, stored, and ~~assigned transferred~~ in such a manner that:
 27 (1) a single authoritative copy of the document exists that is
 28 unique, identifiable, and, except as otherwise provided in
 29 subdivisions (4), (5), and (6), unalterable;
 30 (2) the authoritative copy identifies the person asserting control
 31 as:
 32 (A) the person to which the document was issued; or
 33 (B) if the authoritative copy indicates that the document has
 34 been transferred, the person to which the document was most
 35 recently transferred;
 36 (3) the authoritative copy is communicated to and maintained by
 37 the person asserting control or its designated custodian;
 38 (4) copies or amendments that add or change an identified
 39 ~~assignee transferee~~ of the authoritative copy can be made only
 40 with the consent of the person asserting control;
 41 (5) each copy of the authoritative copy and any copy of a copy is
 42 readily identifiable as a copy that is not the authoritative copy;



- 1 and
 2 (6) any amendment of the authoritative copy is readily identifiable
 3 as authorized or unauthorized.
- 4 **(c) A system satisfies subsection (a), and a person has control of**
 5 **an electronic document of title, if an authoritative electronic copy**
 6 **of the document, a record attached to or logically associated with**
 7 **the electronic copy, or a system in which the electronic copy is**
 8 **recorded:**
- 9 (1) enables the person readily to identify each electronic copy
 10 as either an authoritative copy or a nonauthoritative copy;
 11 (2) enables the person readily to identify itself in any way,
 12 including by name, identifying number, cryptographic key,
 13 office, or account number, as the person to which each
 14 authoritative electronic copy was issued or transferred; and
 15 (3) gives the person exclusive power, subject to subsection (d),
 16 to:
- 17 (A) prevent others from adding or changing the person to
 18 which each authoritative electronic copy has been issued or
 19 transferred; and
 20 (B) transfer control of each authoritative electronic copy.
- 21 **(d) Subject to subsection (e), a power is exclusive under**
 22 **subsection (c)(3)(A) and (c)(3)(B) even if:**
- 23 (1) the authoritative electronic copy, a record attached to or
 24 logically associated with the authoritative electronic copy, or
 25 a system in which the authoritative electronic copy is
 26 recorded limits the use of the document of title or has a
 27 protocol programmed to cause a change, including a transfer
 28 or loss of control; or
 29 (2) the power is shared with another person.
- 30 **(e) A power of a person is not shared with another person under**
 31 **subsection (d)(2), and the person's power is not exclusive if:**
- 32 (1) the person can exercise the power only if the power also is
 33 exercised by the other person; and
 34 (2) the other person:
 35 (A) can exercise the power without exercise of the power
 36 by the person; or
 37 (B) is the transferor to the person of an interest in the
 38 document of title.
- 39 **(f) If a person has the powers specified in subsection (c)(3)(A)**
 40 **and (c)(3)(B), the powers are presumed to be exclusive.**
- 41 **(g) A person has control of an electronic document of title if**
 42 **another person, other than the transferor to the person of an**



- 1 interest in the document:
- 2 (1) has control of the document and acknowledges that it has
- 3 control on behalf of the person; or
- 4 (2) obtains control of the document after having
- 5 acknowledged that it will obtain control of the document on
- 6 behalf of the person.
- 7 (h) A person that has control under this section is not required
- 8 to acknowledge that it has control on behalf of another person.
- 9 (i) If a person acknowledges that it has or will obtain control on
- 10 behalf of another person, unless the person otherwise agrees, or
- 11 law other than this chapter or IC 26-1-9.1 otherwise provides, the
- 12 person does not owe any duty to the other person and is not
- 13 required to confirm the acknowledgment to any other person.
- 14 SECTION 35. IC 26-1-8.1-102 IS AMENDED TO READ AS
- 15 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 102. (a) In IC 26-1-8.1:
- 16 (1) "Adverse claim" means a claim that a claimant has a property
- 17 interest in a financial asset and that it is a violation of the rights
- 18 of the claimant for another person to hold, transfer, or deal with
- 19 the financial asset.
- 20 (2) "Bearer form", as applied to a certificated security, means a
- 21 form in which the security is payable to the bearer of the security
- 22 certificate according to its terms but not by reason of an
- 23 endorsement.
- 24 (3) "Broker" means a person defined as a broker or dealer under
- 25 the federal securities laws, but without excluding a bank acting in
- 26 that capacity.
- 27 (4) "Certificated security" means a security that is represented by
- 28 a certificate.
- 29 (5) "Clearing corporation" means:
- 30 (i) a person that is registered as a "clearing agency" under the
- 31 federal securities laws;
- 32 (ii) a federal reserve bank; or
- 33 (iii) any other person that provides clearance or settlement
- 34 services with respect to financial assets that would require it
- 35 to register as a clearing agency under the federal securities
- 36 laws but for an exclusion or exemption from the registration
- 37 requirement, if its activities as a clearing corporation,
- 38 including promulgation of rules, are subject to regulation by a
- 39 federal or state governmental authority.
- 40 (6) "Communicate" means to:
- 41 (i) send a signed ~~writing~~; **record**; or
- 42 (ii) transmit information by any mechanism agreed upon by



- 1 the persons transmitting and receiving the information.
- 2 (7) "Entitlement holder" means a person identified in the records
- 3 of a securities intermediary as the person having a security
- 4 entitlement against the securities intermediary. If a person
- 5 acquires a security entitlement by virtue of IC 26-1-8.1-501(b)(2)
- 6 or IC 26-1-8.1-501(b)(3), that person is the entitlement holder.
- 7 (8) "Entitlement order" means a notification communicated to a
- 8 securities intermediary directing transfer or redemption of a
- 9 financial asset to which the entitlement holder has a security
- 10 entitlement.
- 11 (9) "Financial asset", except as otherwise provided in
- 12 IC 26-1-8.1-103, means:
- 13 (i) a security;
- 14 (ii) an obligation of a person or a share, participation, or other
- 15 interest in a person or in property or an enterprise of a person,
- 16 that is, or is of a type, dealt in or traded on financial markets,
- 17 or that is recognized in any area in which it is issued or dealt
- 18 in as a medium for investment; or
- 19 (iii) any property that is held by a securities intermediary for
- 20 another person in a securities account if the securities
- 21 intermediary has expressly agreed with the other person that
- 22 the property is to be treated as a financial asset under
- 23 IC 26-1-8.1.
- 24 As context requires, the term means either the interest itself or the
- 25 means by which a person's claim to it is evidenced, including a
- 26 certificated or an uncertificated security, a security certificate, or
- 27 a security entitlement.
- 28 (10) "Good faith", for purposes of the obligation of good faith in
- 29 the performance or enforcement of contracts or duties within
- 30 IC 26-1-8.1, means honesty in fact and the observance of
- 31 reasonable commercial standards of fair dealing.
- 32 (11) "Endorsement" means a signature that alone or accompanied
- 33 by other words is made on a security certificate in registered form
- 34 or on a separate document for the purpose of assigning,
- 35 transferring, or redeeming the security or granting a power to
- 36 assign, transfer, or redeem it.
- 37 (12) "Instruction" means a notification communicated to the
- 38 issuer of an uncertificated security which directs that the transfer
- 39 of the security be registered or that the security be redeemed.
- 40 (13) "Registered form", as applied to a certificated security,
- 41 means a form in which:
- 42 (i) the security certificate specifies a person entitled to the



- 1 security; and
 2 (ii) a transfer of the security may be registered upon books
 3 maintained for that purpose by or on behalf of the issuer, or the
 4 security certificate so states.
- 5 (14) "Securities intermediary" means:
 6 (i) a clearing corporation; or
 7 (ii) a person, including a bank or broker, that in the ordinary
 8 course of its business maintains securities accounts for others
 9 and is acting in that capacity.
- 10 (15) "Security", except as otherwise provided in IC 26-1-8.1-103,
 11 means an obligation of an issuer or a share, participation, or other
 12 interest in an issuer or in property or an enterprise of an issuer:
 13 (i) which is represented by a security certificate in bearer or
 14 registered form, or the transfer of which may be registered
 15 upon books maintained for that purpose by or on behalf of the
 16 issuer;
 17 (ii) which is one (1) of a class or series or by its terms is
 18 divisible into a class or series of shares, participations,
 19 interests, or obligations; and
 20 (iii) which:
 21 (A) is, or is of a type, dealt in or traded on securities
 22 exchanges or securities markets; or
 23 (B) is a medium for investment and by its terms expressly
 24 provides that it is a security governed by IC 26-1-8.1.
- 25 (16) "Security certificate" means a certificate representing a
 26 security.
- 27 (17) "Security entitlement" means the rights and property interest
 28 of an entitlement holder with respect to a financial asset specified
 29 in IC 26-1-8.1-501 through IC 26-1-8.1-511.
- 30 (18) "Uncertificated security" means a security that is not
 31 represented by a certificate.
- 32 **(b) Other The following definitions applying to in IC 26-1-8.1 and**
 33 **the sections in which they appear are: in IC 26-1 apply to this article:**
 34 "Appropriate person". IC 26-1-8.1-107.
 35 "Control". IC 26-1-8.1-106.
 36 **"Controllable account". IC 26-1-12-102.**
 37 **"Controllable electronic record". IC 26-1-12-102.**
 38 **"Controllable payment intangible". IC 26-1-12-102.**
 39 "Delivery". IC 26-1-8.1-301.
 40 "Investment company security". IC 26-1-8.1-103.
 41 "Issuer". IC 26-1-8.1-201.
 42 "Overissue". IC 26-1-8.1-210.



1 "Protected purchaser". IC 26-1-8.1-303.

2 "Securities account". IC 26-1-8.1-501.

3 (c) In addition, IC 26-1-1 contains general definitions and principles
4 of construction and interpretation applicable throughout IC 26-1-8.1.

5 (d) The characterization of a person, business, or transaction for
6 purposes of IC 26-1-8.1 does not determine the characterization of the
7 person, business, or transaction for purposes of any other law,
8 regulation, or rule.

9 SECTION 36. IC 26-1-8.1-103, AS AMENDED BY P.L.143-2007,
10 SECTION 64, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2023]: Sec. 103. (a) A share or similar equity interest issued
12 by a corporation, business trust, joint stock company, or similar entity
13 is a security.

14 (b) An "investment company security" is a security. "Investment
15 company security" means a share or similar equity interest issued by an
16 entity that is registered as an investment company under the federal
17 investment company laws, an interest in a unit investment trust that is
18 so registered, or a face amount certificate issued by a face amount
19 certificate company that is so registered. Investment company security
20 does not include an insurance policy or endowment policy or annuity
21 contract issued by an insurance company.

22 (c) An interest in a partnership or limited liability company is not a
23 security unless it is dealt in or traded on securities exchanges or in
24 securities markets, its terms expressly provide that it is a security
25 governed by IC 26-1-8.1, or it is an investment company security.
26 However, an interest in a partnership or limited liability company is a
27 financial asset if it is held in a securities account.

28 (d) A writing that is a security certificate is governed by IC 26-1-8.1
29 and not by IC 26-1-3.1, even though it also meets the requirements of
30 that article. However, a negotiable instrument governed by IC 26-1-3.1
31 is a financial asset if it is held in a securities account.

32 (e) An option or a similar obligation issued by a clearing corporation
33 to its participants is not a security, but it is a financial asset.

34 (f) A commodity contract (as defined in IC 26-1-9.1-102(a)(15)) is
35 not a security or a financial asset.

36 (g) A document of title is not a financial asset unless section
37 102(a)(9)(iii) of this chapter applies.

38 **(h) A controllable account, a controllable electronic record, or**
39 **a controllable payment intangible is not a financial asset unless**
40 **section 102(a)(9)(iii) of this chapter applies.**

41 SECTION 37. IC 26-1-8.1-106 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 106. (a) A purchaser



- 1 has "control" of a certificated security in bearer form if the certificated
 2 security is delivered to the purchaser.
- 3 (b) A purchaser has "control" of a certificated security in registered
 4 form if the certificated security is delivered to the purchaser, and:
 5 (1) the certificate is endorsed to the purchaser or in blank by an
 6 effective endorsement; or
 7 (2) the certificate is registered in the name of the purchaser, upon
 8 original issue or registration of transfer by the issuer.
- 9 (c) A purchaser has "control" of an uncertificated security if:
 10 (1) the uncertificated security is delivered to the purchaser; or
 11 (2) the issuer has agreed that it will comply with instructions
 12 originated by the purchaser without further consent by the
 13 registered owner.
- 14 (d) A purchaser has "control" of a security entitlement if:
 15 (1) the purchaser becomes the entitlement holder;
 16 (2) the securities intermediary has agreed that it will comply with
 17 entitlement orders originated by the purchaser without further
 18 consent by the entitlement holder; or
 19 (3) another person, ~~has control of the security entitlement on~~
 20 ~~behalf of the purchaser or, having previously acquired control of~~
 21 ~~the security entitlement, acknowledges that it has control on~~
 22 ~~behalf of the purchaser. **other than the transferor to the**~~
 23 ~~**purchaser of an interest in the security entitlement:**~~
 24 ~~**(A) has control of the security entitlement and**~~
 25 ~~**acknowledges that it has control on behalf of the**~~
 26 ~~**purchaser; or**~~
 27 ~~**(B) obtains control of the security entitlement after having**~~
 28 ~~**acknowledged that it will obtain control of the security**~~
 29 ~~**entitlement on behalf of the purchaser.**~~
- 30 (e) If an interest in a security entitlement is granted by the
 31 entitlement holder to the entitlement holder's own securities
 32 intermediary, the securities intermediary has control.
- 33 (f) A purchaser who has satisfied the requirements of subsection (c)
 34 or (d) has control even if the registered owner in the case of subsection
 35 (c) or the entitlement holder in the case of subsection (d) retains the
 36 right to make substitutions for the uncertificated security or security
 37 entitlement, to originate instructions or entitlement orders to the issuer
 38 or a securities intermediary, or otherwise to deal with the uncertificated
 39 security or security entitlement.
- 40 (g) An issuer or a securities intermediary may not enter into an
 41 agreement of the kind described in subsection (c)(2) or (d)(2) without
 42 the consent of the registered owner or entitlement holder, but an issuer



1 or a securities intermediary is not required to enter into such an
 2 agreement even though the registered owner or entitlement holder so
 3 directs. An issuer or securities intermediary that has entered into such
 4 an agreement is not required to confirm the existence of the agreement
 5 to another party unless requested to do so by the registered owner or
 6 entitlement holder.

7 **(h) A person that has control under this section is not required**
 8 **to acknowledge that it has control on behalf of a purchaser.**

9 **(i) If a person acknowledges that it has or will obtain control on**
 10 **behalf of a purchaser, unless the person otherwise agrees, or law**
 11 **other than this chapter or IC 26-1-9.1 otherwise provides, the**
 12 **person does not owe any duty to the purchaser and is not required**
 13 **to confirm the acknowledgment to any other person.**

14 SECTION 38. IC 26-1-8.1-110 IS AMENDED TO READ AS
 15 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 110. (a) The local law
 16 of the issuer's jurisdiction, as specified in subsection (d), governs:

- 17 (1) the validity of a security;
- 18 (2) the rights and duties of the issuer with respect to registration
 19 of transfer;
- 20 (3) the effectiveness of registration of transfer by the issuer;
- 21 (4) whether the issuer owes any duties to an adverse claimant to
 22 a security; and
- 23 (5) whether an adverse claim can be asserted against a person to
 24 whom transfer of a certificated or uncertificated security is
 25 registered or a person who obtains control of an uncertificated
 26 security.

27 (b) The local law of the securities intermediary's jurisdiction, as
 28 specified in subsection (e), governs:

- 29 (1) acquisition of a security entitlement from the securities
 30 intermediary;
- 31 (2) the rights and duties of the securities intermediary and
 32 entitlement holder arising out of a security entitlement;
- 33 (3) whether the securities intermediary owes any duties to an
 34 adverse claimant to a security entitlement; and
- 35 (4) whether an adverse claim can be asserted against a person
 36 who acquires a security entitlement from the securities
 37 intermediary or a person who purchases a security entitlement or
 38 interest therein from an entitlement holder.

39 (c) The local law of the jurisdiction in which a security certificate
 40 is located at the time of delivery governs whether an adverse claim can
 41 be asserted against a person to whom the security certificate is
 42 delivered.



1 (d) "Issuer's jurisdiction" means the jurisdiction under which the
2 issuer of the security is organized or, if permitted by the law of that
3 jurisdiction, the law of another jurisdiction specified by the issuer. An
4 issuer organized under the law of this state may specify the law of
5 another jurisdiction as the law governing the matters specified in
6 subsection (a)(2) through (a)(5).

7 (e) The following rules determine a "securities intermediary's
8 jurisdiction" for purposes of this section:

9 (1) If an agreement between the securities intermediary and its
10 entitlement holder governing the securities account expressly
11 provides that a particular jurisdiction is the securities
12 intermediary's jurisdiction for purposes of IC 26-1-8.1-101
13 through IC 26-1-8.1-116, that jurisdiction is the securities
14 intermediary's jurisdiction.

15 (2) If subdivision (1) does not apply, and an agreement between
16 the securities intermediary and its entitlement holder expressly
17 provides that the agreement is governed by the law of a particular
18 jurisdiction, that jurisdiction is the securities intermediary's
19 jurisdiction.

20 (3) If neither subdivision (1) nor subdivision (2) applies, and an
21 agreement between the securities intermediary and its entitlement
22 holder governing the securities account expressly provides that
23 the securities account is maintained at an office in a particular
24 jurisdiction, that jurisdiction is the securities intermediary's
25 jurisdiction.

26 (4) If none of the preceding subdivisions apply, the securities
27 intermediary's jurisdiction is the jurisdiction in which the office
28 identified in an account statement as the office serving the
29 entitlement holder's account is located.

30 (5) If none of the preceding subdivisions apply, the securities
31 intermediary's jurisdiction is the jurisdiction in which the chief
32 executive office of the securities intermediary is located.

33 (f) A securities intermediary's jurisdiction is not determined by the
34 physical location of certificates representing financial assets, or by the
35 jurisdiction in which is organized the issuer of the financial asset with
36 respect to which an entitlement holder has a security entitlement, or by
37 the location of facilities for data processing or other record keeping
38 concerning the account.

39 **(g) The local law of the issuer's jurisdiction or the securities**
40 **intermediary's jurisdiction governs a matter or transaction**
41 **specified in subsection (a) or (b) even if the matter or transaction**
42 **does not bear any relation to the jurisdiction.**



1 SECTION 39. IC 26-1-8.1-303 IS AMENDED TO READ AS
 2 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 303. (a) "Protected
 3 purchaser" means a purchaser of a certificated or uncertificated
 4 security, or of an interest therein, who:

- 5 (1) gives value;
 6 (2) does not have notice of any adverse claim to the security; and
 7 (3) obtains control of the certificated or uncertificated security.

8 (b) ~~In addition to acquiring the rights of a purchaser,~~ A protected
 9 purchaser also acquires its interest in the security free of any adverse
 10 claim.

11 SECTION 40. IC 26-1-9.1-102, AS AMENDED BY P.L.110-2022,
 12 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2023]: Sec. 102. (a) In IC 26-1-9.1:

14 (1) "Accession" means goods that are physically united with other
 15 goods in such a manner that the identity of the original goods is
 16 not lost.

17 (2) "Account", except as used in "account for", "**account**
 18 **statement**", "**account to**", "**commodity account**" in subdivision
 19 **(14)**, "**customer's account**", "**deposit account**" in subdivision
 20 **(29)**, "**on account of**", and "**statement of account**", means a
 21 right to payment of a monetary obligation, whether or not earned
 22 by performance:

23 (A) for property that has been or is to be sold, leased, licensed,
 24 assigned, or otherwise disposed of;

25 (B) for services rendered or to be rendered;

26 (C) for a policy of insurance issued or to be issued;

27 (D) for a secondary obligation incurred or to be incurred;

28 (E) for energy provided or to be provided;

29 (F) for the use or hire of a vessel under a charter or other
 30 contract;

31 (G) arising out of the use of a credit or charge card or
 32 information contained on or for use with the card; or

33 (H) as winnings in a lottery or other game of chance operated
 34 or sponsored by a state other than Indiana, a governmental unit
 35 of a state, or a person licensed or authorized to operate the
 36 game by a state or governmental unit of a state.

37 The term does not include a right to a payment of a prize awarded
 38 by the state lottery commission in the Indiana state lottery
 39 established under IC 4-30. The term includes controllable
 40 accounts and health-care-insurance receivables. The term does
 41 not include (i) ~~rights to payment evidenced by chattel paper, or an~~
 42 ~~instrument~~, (ii) commercial tort claims, (iii) deposit accounts, (iv)



- 1 investment property, (v) letter-of-credit rights or letters of credit,
 2 ~~or~~ (vi) rights to payment for money or funds advanced or sold,
 3 other than rights arising out of the use of a credit or charge card
 4 or information contained on or for use with the card, **or (vii)**
 5 **rights to payment evidenced by an instrument.**
 6 (3) "Account debtor" means a person obligated on an account,
 7 chattel paper, or general intangible. The term does not include
 8 persons obligated to pay a negotiable instrument, even if the
 9 **negotiable** instrument ~~constitutes part of evidences~~ chattel paper.
 10 (4) "Accounting", except as used in "accounting for", means a
 11 record:
 12 (A) **authenticated signed** by a secured party;
 13 (B) indicating the aggregate unpaid secured obligations as of
 14 a date not more than thirty-five (35) days earlier or thirty-five
 15 (35) days later than the date of the record; and
 16 (C) identifying the components of the obligations in
 17 reasonable detail.
 18 (5) "Agricultural lien" means an interest, other than a security
 19 interest, in farm products:
 20 (A) that secures payment or performance of an obligation for:
 21 (i) goods or services furnished in connection with a debtor's
 22 farming operation; or
 23 (ii) rent on real property leased by a debtor in connection
 24 with the debtor's farming operation;
 25 (B) that is created by statute in favor of a person that:
 26 (i) in the ordinary course of its business furnished goods or
 27 services to a debtor in connection with the debtor's farming
 28 operation; or
 29 (ii) leased real property to a debtor in connection with the
 30 debtor's farming operation; and
 31 (C) whose effectiveness does not depend on the person's
 32 possession of the personal property.
 33 (6) "As-extracted collateral" means:
 34 (A) oil, gas, or other minerals that are subject to a security
 35 interest that:
 36 (i) is created by a debtor having an interest in the minerals
 37 before extraction; and
 38 (ii) attaches to the minerals as extracted; or
 39 (B) accounts arising out of the sale at the wellhead or
 40 minehead of oil, gas, or other minerals in which the debtor had
 41 an interest before extraction.
 42 (7) **"Authenticate" means: The following terms have the**



1 following meanings:

2 (A) ~~to sign;~~ or "Assignee", except as used in "assignee for
3 benefit of creditors", means a person (i) in whose favor a
4 security interest that secures an obligation is created or
5 provided for under a security agreement, whether or not
6 the obligation is outstanding or (ii) to which an account,
7 chattel paper, payment intangible, or promissory note has
8 been sold. The term includes a person to which a security
9 interest has been transferred by a secured party.

10 (B) with present intent to adopt or accept a record; to attach to
11 or logically associate with the record an electronic sound;
12 symbol; or process. "Assignor" means a person that (i)
13 under a security agreement creates or provides for a
14 security interest that secures an obligation or (ii) sells an
15 account, chattel paper, payment intangible, or promissory
16 note. The term includes a secured party that has
17 transferred a security interest to another person.

18 (8) "Bank" means an organization that is engaged in the business
19 of banking. The term includes savings banks, savings and loan
20 associations, credit unions, and trust companies.

21 (9) "Cash proceeds" means proceeds that are money, checks,
22 deposit accounts, or the like.

23 (10) "Certificate of title" means a certificate of title with respect
24 to which a statute provides for the security interest in question to
25 be indicated on the certificate as a condition or result of the
26 security interest's obtaining priority over the rights of a lien
27 creditor with respect to the collateral. The term includes another
28 record maintained as an alternative to a certificate of title by the
29 governmental unit that issues certificates of title if a statute
30 permits the security interest in question to be indicated on the
31 record as a condition or result of the security interest's obtaining
32 priority over the rights of a lien creditor with respect to the
33 collateral.

34 (11) "Chattel paper" means: a record or records that evidence both
35 a monetary obligation and a security interest in specific goods; a
36 security interest in specific goods and software used in the goods;
37 a security interest in specific goods and license of software used
38 in the goods; a lease of specific goods; or a lease of specific goods
39 and license of software used in the goods. In this subdivision;
40 "monetary obligation" means a monetary obligation secured by
41 the goods or owed under a lease of the goods and includes a
42 monetary obligation with respect to software used in the goods.



1 The term "chattel paper" does not include: (i) charters or other
 2 contracts involving the use or hire of a vessel; or (ii) records that
 3 evidence a right to payment arising out of the use of a credit or
 4 charge card or information contained on or for use with the card.
 5 If a transaction is evidenced by records that include an instrument
 6 or series of instruments, the group of records taken together
 7 constitutes chattel paper:

8 (A) a right to payment of a monetary obligation secured by
 9 specific goods, if the right to payment and security interest
 10 are evidenced by a record; or

11 (B) a right to payment of a monetary obligation owed by a
 12 lessee under a lease agreement with respect to specific
 13 goods and a monetary obligation owed by the lessee in
 14 connection with the transaction giving rise to the lease if:

15 (i) the right to payment and lease agreement are
 16 evidenced by a record; and

17 (ii) the predominant purpose of the transaction giving
 18 rise to the lease was to give the lessee the right to
 19 possession and use of the goods.

20 The term does not include a right to payment arising out of a
 21 charter or other contract involving the use or hire of a vessel,
 22 or a right to payment arising out of the use of a credit or
 23 charge card or information contained on or for use with the
 24 card.

25 (12) "Collateral" means the property subject to a security interest
 26 or agricultural lien. The term includes:

27 (A) proceeds to which a security interest attaches;

28 (B) accounts, chattel paper, payment intangibles, and
 29 promissory notes that have been sold; and

30 (C) goods that are the subject of a consignment.

31 (13) "Commercial tort claim" means a claim arising in tort with
 32 respect to which:

33 (A) the claimant is an organization; or

34 (B) the claimant is an individual and the claim:

35 (i) arose in the course of the claimant's business or
 36 profession; and

37 (ii) does not include damages arising out of personal injury
 38 to or the death of an individual.

39 (14) "Commodity account" means an account maintained by a
 40 commodity intermediary in which a commodity contract is carried
 41 for a commodity customer.

42 (15) "Commodity contract" means a commodity futures contract,



- 1 an option on a commodity futures contract, a commodity option,
 2 or another contract if the contract or option is:
- 3 (A) traded on or subject to the rules of a board of trade that has
 4 been designated as a contract market for such a contract
 5 pursuant to federal commodities laws; or
 6 (B) traded on a foreign commodity board of trade, exchange,
 7 or market, and is carried on the books of a commodity
 8 intermediary for a commodity customer.
- 9 (16) "Commodity customer" means a person for which a
 10 commodity intermediary carries a commodity contract on its
 11 books.
- 12 (17) "Commodity intermediary" means a person that:
- 13 (A) is registered as a futures commission merchant under
 14 federal commodities law; or
 15 (B) in the ordinary course of its business provides clearance or
 16 settlement services for a board of trade that has been
 17 designated as a contract market pursuant to federal
 18 commodities law.
- 19 (18) "Communicate" means:
- 20 (A) to send a written or other tangible record;
 21 (B) to transmit a record by any means agreed upon by the
 22 persons sending and receiving the record; or
 23 (C) in the case of transmission of a record to or by a filing
 24 office, to transmit a record by any means prescribed by
 25 filing-office rule.
- 26 (19) "Consignee" means a merchant to which goods are delivered
 27 in a consignment.
- 28 (20) "Consignment" means a transaction, regardless of its form,
 29 in which a person delivers goods to a merchant for the purpose of
 30 sale and:
- 31 (A) the merchant:
- 32 (i) deals in goods of that kind under a name other than the
 33 name of the person making delivery;
 34 (ii) is not an auctioneer; and
 35 (iii) is not generally known by its creditors to be
 36 substantially engaged in selling the goods of others;
- 37 (B) with respect to each delivery, the aggregate value of the
 38 goods is one thousand dollars (\$1,000) or more at the time of
 39 delivery;
- 40 (C) the goods are not consumer goods immediately before
 41 delivery; and
 42 (D) the transaction does not create a security interest that



- 1 secures an obligation.
- 2 (21) "Consignor" means a person that delivers goods to a
- 3 consignee in a consignment.
- 4 (22) "Consumer debtor" means a debtor in a consumer
- 5 transaction.
- 6 (23) "Consumer goods" means goods that are used or bought for
- 7 use primarily for personal, family, or household purposes.
- 8 (24) "Consumer-goods transaction" means a consumer transaction
- 9 in which:
- 10 (A) an individual incurs an obligation primarily for personal,
- 11 family, or household purposes; and
- 12 (B) a security interest in consumer goods secures the
- 13 obligation.
- 14 (25) "Consumer obligor" means an obligor who is an individual
- 15 and who incurred the obligation as part of a transaction entered
- 16 into primarily for personal, family, or household purposes.
- 17 (26) "Consumer transaction" means a transaction in which (i) an
- 18 individual incurs an obligation primarily for personal, family, or
- 19 household purposes, (ii) a security interest secures the obligation,
- 20 and (iii) the collateral is held or acquired primarily for personal,
- 21 family, or household purposes. The term includes
- 22 consumer-goods transactions.
- 23 **(27) The following terms have the following meanings:**
- 24 (A) "Continuation statement" means an amendment of a
- 25 financing statement that:
- 26 ~~(A)~~ **(i)** identifies, by its file number, the initial financing
- 27 statement to which it relates; and
- 28 ~~(B)~~ **(ii)** indicates that it is a continuation statement for, or
- 29 that it is filed to continue the effectiveness of, the identified
- 30 financing statement.
- 31 **(B) "Controllable account" means an account evidenced by**
- 32 **a controllable electronic record that provides that the**
- 33 **account debtor undertakes to pay the person that has**
- 34 **control under IC 26-1-12-105 of the controllable electronic**
- 35 **record.**
- 36 **(C) "Controllable payment intangible" means a payment**
- 37 **intangible evidenced by a controllable electronic record**
- 38 **that provides that the account debtor undertakes to pay**
- 39 **the person that has control under IC 26-1-12-105 of the**
- 40 **controllable electronic record.**
- 41 (28) "Debtor" means:
- 42 (A) a person having an interest, other than a security interest



- 1 or other lien, in the collateral, whether or not the person is an
2 obligor;
3 (B) a seller of accounts, chattel paper, payment intangibles, or
4 promissory notes; or
5 (C) a consignee.
- 6 (29) "Deposit account" means a demand, time, savings, passbook,
7 or similar account maintained with a bank. The term does not
8 include investment property or accounts evidenced by an
9 instrument.
- 10 (30) "Document" means a document of title or a receipt of the
11 type described in IC 26-1-7-201(b).
- 12 (31) "~~Electronic chattel paper~~ **money**" means ~~chattel paper~~
13 ~~evidenced by a record or records consisting of information stored~~
14 ~~in an electronic medium.~~ **money in an electronic form.**
- 15 (32) "Encumbrance" means a right, other than an ownership
16 interest, in real property. The term includes mortgages and other
17 liens on real property.
- 18 (33) "Equipment" means goods other than inventory, farm
19 products, or consumer goods.
- 20 (34) "Farm products" means goods, other than standing timber,
21 with respect to which the debtor is engaged in a farming operation
22 and which are:
- 23 (A) crops grown, growing, or to be grown, including:
24 (i) crops produced on trees, vines, and bushes; and
25 (ii) aquatic goods produced in aquacultural operations;
26 (B) livestock, born or unborn, including aquatic goods
27 produced in aquacultural operations;
28 (C) supplies used or produced in a farming operation; or
29 (D) products of crops or livestock in their unmanufactured
30 states.
- 31 (35) "Farming operation" means raising, cultivating, propagating,
32 fattening, grazing, or any other farming, livestock, or aquacultural
33 operation.
- 34 (36) "File number" means the number assigned to an initial
35 financing statement pursuant to IC 26-1-9.1-519(a).
- 36 (37) "Filing office" means an office designated in IC 26-1-9.1-501
37 as the place to file a financing statement.
- 38 (38) "Filing-office rule" means a rule adopted pursuant to
39 IC 26-1-9.1-526.
- 40 (39) "Financing statement" means a record or records composed
41 of an initial financing statement and any filed record relating to
42 the initial financing statement.



- 1 (40) "Fixture filing" means the filing of a financing statement
 2 covering goods that are or are to become fixtures and satisfying
 3 IC 26-1-9.1-502(a) and IC 26-1-9.1-502(b). The term includes the
 4 filing of a financing statement covering goods of a transmitting
 5 utility which are or are to become fixtures.
- 6 (41) "Fixtures" means goods that have become so related to
 7 particular real property that an interest in them arises under real
 8 property law.
- 9 (42) "General intangible" means any personal property, including
 10 things in action, other than accounts, chattel paper, commercial
 11 tort claims, deposit accounts, documents, goods, instruments,
 12 investment property, letter-of-credit rights, letters of credit,
 13 money, and oil, gas, or other minerals before extraction. The term
 14 includes **controllable electronic records**, payment intangibles,
 15 and software.
- 16 (43) "Good faith" means honesty in fact and the observance of
 17 reasonable commercial standards of fair dealing.
- 18 (44) "Goods" means all things that are movable when a security
 19 interest attaches. The term includes (i) fixtures, (ii) standing
 20 timber that is to be cut and removed under a conveyance or
 21 contract for sale, (iii) the unborn young of animals, (iv) crops
 22 grown, growing, or to be grown, even if the crops are produced on
 23 trees, vines, or bushes, and (v) manufactured homes. The term
 24 also includes a computer program embedded in goods and any
 25 supporting information provided in connection with a transaction
 26 relating to the program if (i) the program is associated with the
 27 goods in such a manner that it customarily is considered part of
 28 the goods, or (ii) by becoming the owner of the goods, a person
 29 acquires a right to use the program in connection with the goods.
 30 The term does not include a computer program embedded in
 31 goods that consist solely of the medium in which the program is
 32 embedded. The term also does not include accounts, chattel
 33 paper, commercial tort claims, deposit accounts, documents,
 34 general intangibles, instruments, investment property,
 35 letter-of-credit rights, letters of credit, money, or oil, gas, or other
 36 minerals before extraction.
- 37 (45) "Governmental unit" means a subdivision, agency,
 38 department, county, parish, municipality, or other unit of the
 39 government of the United States, a state, or a foreign country. The
 40 term includes an organization having a separate corporate
 41 existence if the organization is eligible to issue debt on which
 42 interest is exempt from income taxation under the laws of the



- 1 United States.
- 2 (46) "Health-care-insurance receivable" means an interest in or
3 claim under a policy of insurance that is a right to payment of a
4 monetary obligation for health-care goods or services provided.
- 5 (47) "Instrument" means a negotiable instrument or any other
6 writing that evidences a right to the payment of a monetary
7 obligation, is not itself a security agreement or lease, and is of a
8 type that in the ordinary course of business is transferred by
9 delivery with any necessary endorsement or assignment. The term
10 does not include (i) investment property, (ii) letters of credit, **or**
11 (iii) writings that evidence a right to payment arising out of the
12 use of a credit or charge card or information contained on or for
13 use with the card, **or writings that evidence chattel paper.**
- 14 (48) "Inventory" means goods, other than farm products, that:
15 (A) are leased by a person as lessor;
16 (B) are held by a person for sale or lease or to be furnished
17 under a contract of service;
18 (C) are furnished by a person under a contract of service; or
19 (D) consist of raw materials, work in process, or materials
20 used or consumed in a business.
- 21 (49) "Investment property" means a security, whether certificated
22 or uncertificated, security entitlement, securities account,
23 commodity contract, or commodity account.
- 24 (50) "Jurisdiction of organization", with respect to a registered
25 organization, means the jurisdiction under whose law the
26 organization is formed or organized.
- 27 (51) "Letter-of-credit right" means a right to payment or
28 performance under a letter of credit, whether or not the
29 beneficiary has demanded or is at the time entitled to demand
30 payment or performance. The term does not include the right of
31 a beneficiary to demand payment or performance under a letter of
32 credit.
- 33 (52) "Lien creditor" means:
34 (A) a creditor that has acquired a lien on the property involved
35 by attachment, levy, or the like;
36 (B) an assignee for benefit of creditors from the time of
37 assignment;
38 (C) a trustee in bankruptcy from the date of the filing of the
39 petition; or
40 (D) a receiver in equity from the time of appointment.
- 41 (53) "Manufactured home" means a structure, transportable in one
42 (1) or more sections, which, in the traveling mode, is eight (8)



1 body feet or more in width or forty (40) body feet or more in
 2 length, or, when erected on site, is three hundred twenty (320) or
 3 more square feet, and which is built on a permanent chassis and
 4 designed to be used as a dwelling with or without a permanent
 5 foundation when connected to the required utilities, and includes
 6 the plumbing, heating, air conditioning, and electrical systems
 7 contained therein. The term includes any structure that meets all
 8 of the requirements of this subdivision except the size
 9 requirements, and with respect to which the manufacturer
 10 voluntarily files a certification required by the United States
 11 Secretary of Housing and Urban Development and complies with
 12 the standards established under Title 42 of the United States
 13 Code.

14 **(54) The following terms have the following meanings:**

15 **(A) "Manufactured-home transaction"** means a secured
 16 transaction:

17 ~~(A)~~ **(i)** that creates a purchase-money security interest in a
 18 manufactured home, other than a manufactured home held
 19 as inventory; or

20 ~~(B)~~ **(ii)** in which a manufactured home, other than a
 21 manufactured home held as inventory, is the primary
 22 collateral.

23 **(B) "Money" has the meaning set forth in**
 24 **IC 26-1-1-201(b)(24), but does not include (i) a deposit**
 25 **account or (ii) money in an electronic form that cannot be**
 26 **subjected to control under IC 26-1-9.1-105(a).**

27 **(55) "Mortgage"** means a consensual interest in real property,
 28 including fixtures, that secures payment or performance of an
 29 obligation.

30 **(56) "New debtor"** means a person that becomes bound as debtor
 31 under IC 26-1-9.1-203(d) by a security agreement previously
 32 entered into by another person.

33 **(57) "New value"** means (i) money, (ii) money's worth in
 34 property, services, or new credit, or (iii) release by a transferee of
 35 an interest in property previously transferred to the transferee.
 36 The term does not include an obligation substituted for another
 37 obligation.

38 **(58) "Noncash proceeds"** means proceeds other than cash
 39 proceeds.

40 **(59) "Obligor"** means a person that, with respect to an obligation
 41 secured by a security interest in or an agricultural lien on the
 42 collateral, (i) owes payment or other performance of the



- 1 obligation, (ii) has provided property other than the collateral to
 2 secure payment or other performance of the obligation, or (iii) is
 3 otherwise accountable in whole or in part for payment or other
 4 performance of the obligation. The term does not include issuers
 5 or nominated persons under a letter of credit.
- 6 (60) "Original debtor", except as used in IC 26-1-9.1-310(c),
 7 means a person that, as debtor, entered into a security agreement
 8 to which a new debtor has become bound under
 9 IC 26-1-9.1-203(d).
- 10 (61) "Payment intangible" means a general intangible under
 11 which the account debtor's principal obligation is a monetary
 12 obligation. The term includes a controllable payment intangible.
- 13 (62) "Person related to", with respect to an individual, means:
 14 (A) the spouse of the individual;
 15 (B) a brother, brother-in-law, sister, or sister-in-law of the
 16 individual;
 17 (C) an ancestor or lineal descendant of the individual or the
 18 individual's spouse; or
 19 (D) any other relative, by blood or marriage, of the individual
 20 or the individual's spouse who shares the same home with the
 21 individual.
- 22 (63) "Person related to", with respect to an organization, means:
 23 (A) a person directly or indirectly controlling, controlled by,
 24 or under common control with the organization;
 25 (B) an officer or director of, or a person performing similar
 26 functions with respect to, the organization;
 27 (C) an officer or director of, or a person performing similar
 28 functions with respect to, a person described in clause (A);
 29 (D) the spouse of an individual described in clause (A), (B), or
 30 (C); or
 31 (E) an individual who is related by blood or marriage to an
 32 individual described in clause (A), (B), (C), or (D) and shares
 33 the same home with the individual.
- 34 (64) "Proceeds", except as used in IC 26-1-9.1-609(b), means the
 35 following property:
 36 (A) Whatever is acquired upon the sale, lease, license,
 37 exchange, or other disposition of collateral.
 38 (B) Whatever is collected on, or distributed on account of,
 39 collateral.
 40 (C) Rights arising out of collateral.
 41 (D) To the extent of the value of collateral, claims arising out
 42 of the loss, nonconformity, or interference with the use of,



- 1 defects or infringement of rights in, or damage to, the
 2 collateral.
- 3 (E) To the extent of the value of collateral and to the extent
 4 payable to the debtor or the secured party, insurance payable
 5 by reason of the loss or nonconformity of, defects or
 6 infringement of rights in, or damage to, the collateral.
- 7 (65) "Promissory note" means an instrument that evidences a
 8 promise to pay a monetary obligation, does not evidence an order
 9 to pay, and does not contain an acknowledgment by a bank that
 10 the bank has received for deposit a sum of money or funds.
- 11 (66) "Proposal" means a record ~~authenticated~~ **signed** by a secured
 12 party that includes the terms on which the secured party is willing
 13 to accept collateral in full or partial satisfaction of the obligation
 14 it secures pursuant to IC 26-1-9.1-620, IC 26-1-9.1-621, and
 15 IC 26-1-9.1-622.
- 16 (67) "Public-finance transaction" means a secured transaction in
 17 connection with which:
- 18 (A) debt securities are issued;
- 19 (B) all or a portion of the securities issued have an initial
 20 stated maturity of at least twenty (20) years; and
- 21 (C) the debtor, obligor, secured party, account debtor, or other
 22 person obligated on collateral, assignor or assignee of a
 23 secured obligation, or assignor or assignee of a security
 24 interest is a state or a governmental unit of a state.
- 25 (68) "Public organic record" means a record that is available to
 26 the public for inspection and is:
- 27 (A) a record consisting of the record initially filed with or
 28 issued by a state or the United States to form or organize an
 29 organization and any record filed with or issued by the state or
 30 the United States which amends or restates the initial record;
- 31 (B) an organic record of a business trust consisting of the
 32 record initially filed with a state and any record filed with the
 33 state which amends or restates the initial record, if a statute of
 34 the state governing business trusts requires that the record be
 35 filed with the state; or
- 36 (C) a record consisting of legislation enacted by the legislature
 37 of a state or the Congress of the United States which forms or
 38 organizes an organization, any record amending the
 39 legislation, and any record filed with or issued by the state or
 40 the United States which amends or restates the name of the
 41 organization.
- 42 (69) "Pursuant to commitment", with respect to an advance made



1 or other value given by a secured party, means pursuant to the
 2 secured party's obligation, whether or not a subsequent event of
 3 default or other event not within the secured party's control has
 4 relieved or may relieve the secured party from its obligation.

5 (70) "Record", except as used in "for record", "of record", "record
 6 or legal title", and "record owner", means information that is
 7 inscribed on a tangible medium or that is stored in an electronic
 8 or other medium and is retrievable in perceivable form.

9 (71) "Registered organization" means an organization formed or
 10 organized solely under the law of a single state or the United
 11 States by the filing of a public organic record with, the issuance
 12 of a public organic record by, or the enactment of legislation by
 13 the state or the United States. The term includes a business trust
 14 that is formed or organized under the law of a single state if a
 15 statute of the state governing business trusts requires that the
 16 business trust's organic record be filed with the state.

17 (72) "Secondary obligor" means an obligor to the extent that:

18 (A) the obligor's obligation is secondary; or

19 (B) the obligor has a right of recourse with respect to an
 20 obligation secured by collateral against the debtor, another
 21 obligor, or property of either.

22 (73) "Secured party" means:

23 (A) a person in whose favor a security interest is created or
 24 provided for under a security agreement, whether or not any
 25 obligation to be secured is outstanding;

26 (B) a person that holds an agricultural lien;

27 (C) a consignor;

28 (D) a person to which accounts, chattel paper, payment
 29 intangibles, or promissory notes have been sold;

30 (E) a trustee, indenture trustee, agent, collateral agent, or other
 31 representative in whose favor a security interest or agricultural
 32 lien is created or provided for; or

33 (F) a person that holds a security interest arising under
 34 IC 26-1-2-401, IC 26-1-2-505, IC 26-1-2-711(3),
 35 IC 26-1-2.1-508(5), IC 26-1-4-210, or IC 26-1-5.1-118.

36 (74) "Security agreement" means an agreement that creates or
 37 provides for a security interest.

38 (75) "Send", in connection with a record or notification, means:

39 (A) to deposit in the mail, deliver for transmission, or transmit
 40 by any other usual means of communication, with postage or
 41 cost of transmission provided for, addressed to any address
 42 reasonable under the circumstances; or



- 1 (B) to cause the record or notification to be received within the
2 time that it would have been received if properly sent under
3 clause (A). **[Reserved.]**
- 4 (76) "Software" means a computer program and any supporting
5 information provided in connection with a transaction relating to
6 the program. The term does not include a computer program that
7 is included in the definition of goods.
- 8 (77) "State" means a state of the United States, the District of
9 Columbia, Puerto Rico, the United States Virgin Islands, or any
10 territory or insular possession subject to the jurisdiction of the
11 United States.
- 12 (78) "Supporting obligation" means a letter-of-credit right or
13 secondary obligation that supports the payment or performance of
14 an account, chattel paper, a document, a general intangible, an
15 instrument, or investment property.
- 16 (79) "~~Tangible chattel paper~~ **money**" means ~~chattel paper~~
17 ~~evidenced by a record or records consisting of information that is~~
18 ~~inscribed on money in a tangible medium.~~ **form.**
- 19 (80) "Termination statement" means an amendment of a financing
20 statement that:
- 21 (A) identifies, by its file number, the initial financing
22 statement to which it relates; and
- 23 (B) indicates either that it is a termination statement or that the
24 identified financing statement is no longer effective.
- 25 (81) "Transmitting utility" means a person primarily engaged in
26 the business of:
- 27 (A) operating a railroad, subway, street railway, or trolley bus;
28 (B) transmitting communications electrically,
29 electromagnetically, or by light;
30 (C) transmitting goods by pipeline or sewer; or
31 (D) transmitting or producing and transmitting electricity,
32 steam, gas, or water.
- 33 (b) "Control" as provided in IC 26-1-7-106 and the following
34 definitions outside IC 26-1-9.1 apply to IC 26-1-9.1:
- 35 "Applicant" IC 26-1-5.1-102.
36 "Beneficiary" IC 26-1-5.1-102.
37 "Broker" IC 26-1-8.1-102.
38 "Certificated security" IC 26-1-8.1-102.
39 "Check" IC 26-1-3.1-104.
40 "Clearing corporation" IC 26-1-8.1-102.
41 "Contract for sale" IC 26-1-2-106.
42 "~~Controllable account~~" IC 26-1-11-103.



- 1 "Controllable electronic record" ~~IC 26-1-11-104~~. **IC 26-1-12-102.**
 2 ~~"Controllable payment intangible" IC 26-1-11-105.~~
 3 "Customer" IC 26-1-4-104.
 4 "Entitlement holder" IC 26-1-8.1-102.
 5 "Financial asset" IC 26-1-8.1-102.
 6 "Holder in due course" IC 26-1-3.1-302.
 7 "Issuer" (with respect to a letter of credit or letter-of-credit right)
 8 IC 26-1-5.1-102.
 9 "Issuer" (with respect to a security) IC 26-1-8.1-201.
 10 "Issuer" (with respect to documents of title) IC 26-1-7-102.
 11 "Lease" IC 26-1-2.1-103.
 12 "Lease agreement" IC 26-1-2.1-103.
 13 "Lease contract" IC 26-1-2.1-103.
 14 "Leasehold interest" IC 26-1-2.1-103.
 15 "Lessee" IC 26-1-2.1-103.
 16 "Lessee in ordinary course of business" IC 26-1-2.1-103.
 17 "Lessor" IC 26-1-2.1-103.
 18 "Lessor's residual interest" IC 26-1-2.1-103.
 19 "Letter of credit" IC 26-1-5.1-102.
 20 "Merchant" IC 26-1-2-104.
 21 "Negotiable instrument" IC 26-1-3.1-104.
 22 "Nominated person" IC 26-1-5.1-102.
 23 "Note" IC 26-1-3.1-104.
 24 "Proceeds of a letter of credit" IC 26-1-5.1-114.
 25 **"Protected purchaser" IC 26-1-8.1-303.**
 26 "Prove" IC 26-1-3.1-103.
 27 "Qualifying purchaser" ~~IC 26-1-11-106~~. **IC 26-1-12-102.**
 28 "Sale" IC 26-1-2-106.
 29 "Securities account" IC 26-1-8.1-501.
 30 "Securities intermediary" IC 26-1-8.1-102.
 31 "Security" IC 26-1-8.1-102.
 32 "Security certificate" IC 26-1-8.1-102.
 33 "Security entitlement" IC 26-1-8.1-102.
 34 "Uncertificated security" IC 26-1-8.1-102.
 35 (c) IC 26-1-1 contains general definitions and principles of
 36 construction and interpretation applicable throughout IC 26-1-9.1.
 37 SECTION 41. IC 26-1-9.1-104 IS AMENDED TO READ AS
 38 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 104. (a) A secured
 39 party has control of a deposit account if:
 40 (1) the secured party is the bank with which the deposit account
 41 is maintained;
 42 (2) the debtor, secured party, and bank have agreed in an



1 ~~authenticated a signed~~ record that the bank will comply with
 2 instructions originated by the secured party directing disposition
 3 of the funds in the account without further consent by the debtor;

4 ~~or~~

5 (3) the secured party becomes the bank's customer with respect to
 6 the deposit account; ~~or~~

7 **(4) another person, other than the debtor:**

8 **(A) has control of the deposit account and acknowledges**
 9 **that it has control on behalf of the secured party; or**

10 **(B) obtains control of the deposit account after having**
 11 **acknowledged that it will obtain control of the deposit**
 12 **account on behalf of the secured party.**

13 (b) A secured party that has satisfied subsection (a) has control,
 14 even if the debtor retains the right to direct the disposition of funds
 15 from the deposit account.

16 SECTION 42. IC 26-1-9.1-105, AS AMENDED BY P.L.54-2011,
 17 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 18 JULY 1, 2023]: Sec. 105. (a) A ~~secured party purchaser~~ has control of
 19 **an authoritative electronic copy of a record evidencing** chattel paper
 20 if a system employed for evidencing the ~~transfer assignment~~ of
 21 interests in the chattel paper reliably establishes the ~~secured party~~
 22 **purchaser** as the person to which the ~~chattel paper authoritative~~
 23 **electronic copy** was assigned.

24 (b) A system satisfies subsection (a) if the record or records
 25 ~~comprising evidencing~~ the chattel paper are created, stored, and
 26 assigned in ~~such~~ a manner that:

27 (1) a single authoritative copy of the record or records exists
 28 which is unique, identifiable and, except as otherwise provided in
 29 subdivisions (4), (5), and (6), unalterable;

30 (2) the authoritative copy identifies the ~~secured party purchaser~~
 31 as the assignee of the record or records;

32 (3) the authoritative copy is communicated to and maintained by
 33 the ~~secured party purchaser~~ or its designated custodian;

34 (4) copies or amendments that add or change an identified
 35 assignee of the authoritative copy can be made only with the
 36 consent of the ~~secured party; purchaser;~~

37 (5) each copy of the authoritative copy and any copy of a copy is
 38 readily identifiable as a copy that is not the authoritative copy;
 39 and

40 (6) any amendment of the authoritative copy is readily identifiable
 41 as authorized or unauthorized.

42 **(c) A system satisfies subsection (a), and a purchaser has control**



1 of an authoritative electronic copy of a record evidencing chattel
 2 paper, if the electronic copy, a record attached to or logically
 3 associated with the electronic copy, or a system in which the
 4 electronic copy is recorded:

5 (1) enables the purchaser readily to identify each electronic
 6 copy as either an authoritative copy or a nonauthoritative
 7 copy;

8 (2) enables the purchaser readily to identify itself in any way,
 9 including by name, identifying number, cryptographic key,
 10 office, or account number, as the assignee of the authoritative
 11 electronic copy; and

12 (3) gives the purchaser exclusive power, subject to subsection
 13 (d), to:

14 (A) prevent others from adding or changing an identified
 15 assignee of the authoritative electronic copy; and

16 (B) transfer control of the authoritative electronic copy.

17 (d) Subject to subsection (e), a power is exclusive under
 18 subsection (c)(3)(A) and (c)(3)(B) even if:

19 (1) the authoritative electronic copy, a record attached to or
 20 logically associated with the authoritative electronic copy, or
 21 a system in which the authoritative electronic copy is
 22 recorded limits the use of the authoritative electronic copy or
 23 has a protocol programmed to cause a change, including a
 24 transfer or loss of control; or

25 (2) the power is shared with another person.

26 (e) A power of a purchaser is not shared with another person
 27 under subsection (d)(2), and the purchaser's power is not exclusive
 28 if:

29 (1) the purchaser can exercise the power only if the power
 30 also is exercised by the other person; and

31 (2) the other person:

32 (A) can exercise the power without exercise of the power
 33 by the purchaser; or

34 (B) is the transferor to the purchaser of an interest in the
 35 chattel paper.

36 (f) If a purchaser has the powers specified in subsection
 37 (c)(3)(A) and (c)(3)(B), the powers are presumed to be exclusive.

38 (g) A purchaser has control of an authoritative electronic copy
 39 of a record evidencing chattel paper if another person, other than
 40 the transferor to the purchaser of an interest in the chattel paper:

41 (1) has control of the authoritative electronic copy and
 42 acknowledges that it has control on behalf of the purchaser;



1 or

2 (2) obtains control of the authoritative electronic copy after
3 having acknowledged that it will obtain control of the
4 authoritative electronic copy on behalf of the purchaser.

5 SECTION 43. IC 26-1-9.1-105.1 IS ADDED TO THE INDIANA
6 CODE AS A NEW SECTION TO READ AS FOLLOWS
7 [EFFECTIVE JULY 1, 2023]: Sec. 105.1. (a) A person has control of
8 electronic money if:

9 (1) the electronic money, a record attached to or logically
10 associated with the electronic money, or a system in which the
11 electronic money is recorded gives the person:

12 (A) power to avail itself of substantially all the benefit from
13 the electronic money; and

14 (B) exclusive power, subject to subsection (b), to:

15 (i) prevent others from availing themselves of
16 substantially all the benefit from the electronic money;
17 and

18 (ii) transfer control of the electronic money to another
19 person or cause another person to obtain control of other
20 electronic money as a result of the transfer of the
21 electronic money; and

22 (2) the electronic money, a record attached to or logically
23 associated with the electronic money, or a system in which the
24 electronic money is recorded enables the person readily to
25 identify itself in any way, including by name, identifying
26 number, cryptographic key, office, or account number, as
27 having powers specified in subdivision (1).

28 (b) Subject to subsection (c), a power is exclusive under
29 subsection (a)(1)(B)(i) and (a)(1)(B)(ii) even if:

30 (1) the electronic money, a record attached to or logically
31 associated with the electronic money, or a system in which the
32 electronic money is recorded limits the use of the electronic
33 money or has a protocol programmed to cause a change,
34 including a transfer or loss of control; or

35 (2) the power is shared with another person.

36 (c) A power of person is not shared with another person under
37 subsection (b)(2) and the person's power is not exclusive if:

38 (1) the person can exercise the power only if the power also is
39 exercised by the other person; and

40 (2) the other person:

41 (A) can exercise the power without exercise of the power
42 by the person; or



1 **(B) is the transferor to the person of an interest in the**
 2 **electronic money.**

3 **(d) If a person has the powers specified in subsection (a)(1)(B)(i)**
 4 **and (a)(1)(B)(ii), the powers are presumed to be exclusive.**

5 **(e) A person has control of electronic money if another person,**
 6 **other than the transferor to the person of an interest in the**
 7 **electronic money:**

8 **(1) has control of the electronic money and acknowledges that**
 9 **it has control on behalf of the person; or**

10 **(2) obtains control of the electronic money after having**
 11 **acknowledged that it will obtain control of the electronic**
 12 **money on behalf of the person.**

13 SECTION 44. IC 26-1-9.1-107.1, AS ADDED BY P.L.110-2022,
 14 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2023]: Sec. 107.1. (a) A secured party has control of a
 16 controllable electronic record as provided for in ~~IC 26-1-11-108.~~
 17 **IC 26-1-12-105.**

18 (b) A secured party has control of a controllable account or
 19 controllable payment intangible if the secured party has control of the
 20 controllable electronic record that evidences the controllable account
 21 or controllable payment intangible.

22 SECTION 45. IC 26-1-9.1-107.2 IS ADDED TO THE INDIANA
 23 CODE AS A NEW SECTION TO READ AS FOLLOWS
 24 [EFFECTIVE JULY 1, 2023]: **Sec. 107.2. (a) A person that has**
 25 **control under section 104, 105, or 105.1 of this chapter is not**
 26 **required to acknowledge that is has control on behalf of another**
 27 **person.**

28 **(b) If a person acknowledges that it has or will obtain control on**
 29 **behalf of another person, unless the person otherwise agrees or law**
 30 **other than this chapter otherwise provides, the person does not owe**
 31 **any duty to any other person and is not required to confirm the**
 32 **acknowledgment to any other person.**

33 SECTION 46. IC 26-1-9.1-203, AS AMENDED BY P.L.143-2007,
 34 SECTION 66, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 35 JULY 1, 2023]: Sec. 203. (a) A security interest attaches to collateral
 36 when it becomes enforceable against the debtor with respect to the
 37 collateral, unless an agreement expressly postpones the time of
 38 attachment.

39 (b) Except as otherwise provided in subsections (c) through (i), a
 40 security interest is enforceable against the debtor and third parties with
 41 respect to the collateral only if:

42 (1) value has been given;



- 1 (2) the debtor has rights in the collateral or the power to transfer
 2 rights in the collateral to a secured party; and
 3 (3) one (1) of the following conditions is met:
 4 (A) The debtor has ~~authenticated~~ **signed** a security agreement
 5 that provides a description of the collateral and, if the security
 6 interest covers timber to be cut, a description of the land
 7 concerned.
 8 (B) The collateral is not a certificated security and is in the
 9 possession of the secured party under IC 26-1-9.1-313
 10 pursuant to the debtor's security agreement.
 11 (C) The collateral is a certificated security in registered form
 12 and the security certificate has been delivered to the secured
 13 party under IC 26-1-8.1-301 pursuant to the debtor's security
 14 agreement.
 15 (D) The collateral is **controllable accounts, controllable**
 16 **electronic records, controllable payment intangibles,**
 17 deposit accounts, electronic ~~chattel paper~~, **documents,**
 18 investment property, **or** letter-of-credit rights, ~~or electronic~~
 19 ~~documents~~; and the secured party has control under
 20 IC 26-1-7-106, IC 26-1-9.1-104, IC 26-1-9.1-105,
 21 IC 26-1-9.1-106, ~~or~~ IC 26-1-9.1-107, **or IC 26-1-9.1-107.1**
 22 pursuant to the debtor's security agreement.
 23 **(E) The collateral is chattel paper and the secured party**
 24 **has possession and control under IC 26-1-9.1-314.1**
 25 **pursuant to the debtor's security agreement.**
 26 (c) Subsection (b) is subject to IC 26-1-4-210 on the security
 27 interest of a collecting bank, IC 26-1-5.1-118 on the security interest of
 28 a letter-of-credit issuer or nominated person, IC 26-1-9.1-110 on a
 29 security interest arising under IC 26-1-2 or IC 26-1-2.1, and
 30 IC 26-1-9.1-206 on security interests in investment property.
 31 (d) A person becomes bound as debtor by a security agreement
 32 entered into by another person if, by operation of law other than
 33 IC 26-1-9.1 or by contract:
 34 (1) the security agreement becomes effective to create a security
 35 interest in the person's property; or
 36 (2) the person becomes generally obligated for the obligations of
 37 the other person, including the obligation secured under the
 38 security agreement, and acquires or succeeds to all or
 39 substantially all of the assets of the other person.
 40 (e) If a new debtor becomes bound as debtor by a security
 41 agreement entered into by another person:
 42 (1) the agreement satisfies subsection (b)(3) with respect to



1 existing or after-acquired property of the new debtor to the extent
2 the property is described in the agreement; and

3 (2) another agreement is not necessary to make a security interest
4 in the property enforceable.

5 (f) The attachment of a security interest in collateral gives the
6 secured party the rights to proceeds provided by ~~IC 26-1-9-315~~
7 **IC 26-1-9.1-315** and is also attachment of a security interest in a
8 supporting obligation for the collateral.

9 (g) The attachment of a security interest in a right to payment or
10 performance secured by a security interest or other lien on personal or
11 real property is also attachment of a security interest in the security
12 interest, mortgage, or other lien.

13 (h) The attachment of a security interest in a securities account is
14 also attachment of a security interest in the security entitlements
15 carried in the securities account.

16 (i) The attachment of a security interest in a commodity account is
17 also attachment of a security interest in the commodity contracts
18 carried in the commodity account.

19 SECTION 47. IC 26-1-9.1-204 IS AMENDED TO READ AS
20 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 204. (a) Except as
21 otherwise provided in subsection (b), a security agreement may create
22 or provide for a security interest in after-acquired collateral.

23 (b) **Subject to subsection (d)**, a security interest does not attach
24 under a term constituting an after-acquired property clause to:

- 25 (1) consumer goods, other than an accession when given as
26 additional security, unless the debtor acquires rights in them
27 within ten (10) days after the secured party gives value; or
28 (2) a commercial tort claim.

29 (c) A security agreement may provide that collateral secures, or that
30 accounts, chattel paper, payment intangibles, or promissory notes are
31 sold in connection with, future advances or other value, whether or not
32 the advances or value are given pursuant to commitment.

33 (d) **Subsection (b) does not prevent a security interest from**
34 **attaching:**

- 35 (1) **to consumer goods as proceeds under section 315(a) of this**
36 **chapter or commingled goods under section 336(c) of this**
37 **chapter; or**
38 (2) **to a commercial tort claim as proceeds under section**
39 **315(a) of this chapter; or**
40 (3) **under an after-acquired property clause to property that**
41 **is proceeds of consumer goods or a commercial tort claim.**

42 SECTION 48. IC 26-1-9.1-207, AS AMENDED BY P.L.143-2007,



1 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2023]: Sec. 207. (a) Except as otherwise provided in
3 subsection (d), a secured party shall use reasonable care in the custody
4 and preservation of collateral in the secured party's possession. In the
5 case of chattel paper or an instrument, reasonable care includes taking
6 necessary steps to preserve rights against prior parties unless otherwise
7 agreed.

8 (b) Except as otherwise provided in subsection (d), if a secured
9 party has possession of collateral:

10 (1) reasonable expenses, including the cost of insurance and
11 payment of taxes or other charges, incurred in the custody,
12 preservation, use, or operation of the collateral are chargeable to
13 the debtor and are secured by the collateral;

14 (2) the risk of accidental loss or damage is on the debtor to the
15 extent of a deficiency in any effective insurance coverage;

16 (3) the secured party shall keep the collateral identifiable, but
17 fungible collateral may be commingled; and

18 (4) the secured party may use or operate the collateral:

19 (A) for the purpose of preserving the collateral or its value;

20 (B) as permitted by an order of a court having competent
21 jurisdiction; or

22 (C) except in the case of consumer goods, in the manner and
23 to the extent agreed by the debtor.

24 (c) Except as otherwise provided in subsection (d), a secured party
25 having possession of collateral or control of collateral under
26 IC 26-1-7-106, IC 26-1-9.1-104, IC 26-1-9.1-105, **IC 26-1-9.1-105.1,**
27 **IC 26-1-9.1-106, or IC 26-1-9.1-107, or IC 26-1-9.1-107.1:**

28 (1) may hold as additional security any proceeds, except money
29 or funds, received from the collateral;

30 (2) shall apply money or funds received from the collateral to
31 reduce the secured obligation, unless remitted to the debtor; and

32 (3) may create a security interest in the collateral.

33 (d) If the secured party is a buyer of accounts, chattel paper,
34 payment intangibles, or promissory notes or a consignor:

35 (1) subsection (a) does not apply unless the secured party is
36 entitled under an agreement:

37 (A) to charge back uncollected collateral; or

38 (B) otherwise to full or limited recourse against the debtor or
39 a secondary obligor based on the nonpayment or other default
40 of an account debtor or other obligor on the collateral; and

41 (2) subsections (b) and (c) do not apply.

42 SECTION 49. IC 26-1-9.1-208, AS AMENDED BY P.L.143-2007,



1 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2023]: Sec. 208. (a) This section applies to cases in which
3 there is no outstanding secured obligation, and the secured party is not
4 committed to make advances, incur obligations, or otherwise give
5 value.

6 (b) Within ten (10) days after receiving **an authenticated a signed**
7 demand by the debtor:

8 (1) a secured party having control of a deposit account under
9 IC 26-1-9.1-104(a)(2) shall send to the bank with which the
10 deposit account is maintained **an authenticated statement a signed**
11 **record** that releases the bank from any further obligation to
12 comply with instructions originated by the secured party;

13 (2) a secured party having control of a deposit account under
14 IC 26-1-9.1-104(a)(3) shall:

15 (A) pay the debtor the balance on deposit in the deposit
16 account; or

17 (B) transfer the balance on deposit into a deposit account in
18 the debtor's name;

19 (3) a secured party, other than a buyer, having control **under**
20 **section 105 of this chapter** of **an authoritative electronic copy**
21 **of a record evidencing** chattel paper **under IC 26-1-9.1-105** shall
22 **transfer control of the electronic copy to the debtor or a**
23 **person designated by the debtor;**

24 (A) communicate the authoritative copy of the electronic
25 chattel paper to the debtor or its designated custodian;

26 (B) if the debtor designates a custodian that is the designated
27 custodian with which the authoritative copy of the electronic
28 chattel paper is maintained for the secured party; communicate
29 to the custodian an authenticated record releasing the
30 designated custodian from any further obligation to comply
31 with instructions originated by the secured party and
32 instructing the custodian to comply with instructions
33 originated by the debtor; and

34 (C) take appropriate action to enable the debtor or its
35 designated custodian to make copies of or revisions to the
36 authoritative copy that add or change an identified assignee of
37 the authoritative copy without the consent of the secured party;

38 (4) a secured party having control of investment property under
39 IC 26-1-8.1-106(d)(2) or IC 26-1-9.1-106(b) shall send to the
40 securities intermediary or commodity intermediary with which the
41 security entitlement or commodity contract is maintained **an**
42 **authenticated a signed** record that releases the securities



1 intermediary or commodity intermediary from any further
 2 obligation to comply with entitlement orders or directions
 3 originated by the secured party;

4 (5) a secured party having control of a letter-of-credit right under
 5 IC 26-1-9.1-107 shall send to each person having an unfulfilled
 6 obligation to pay or deliver proceeds of the letter of credit to the
 7 secured party ~~an authenticated~~ **a signed** release from any further
 8 obligation to pay or deliver proceeds of the letter of credit to the
 9 secured party; ~~and~~

10 (6) a secured party having control **under IC 26-2-7-106** of an
 11 **authoritative electronic copy of an** electronic document of title
 12 shall **transfer control of the electronic copy to the debtor or a**
 13 **person designated by the debtor;**

14 (A) give control of the electronic document to the debtor or its
 15 designated custodian;

16 (B) if the debtor designates a custodian that is the designated
 17 custodian with which the authoritative copy of the electronic
 18 document is maintained for the secured party, communicate to
 19 the custodian an authenticated record releasing the designated
 20 custodian from any further obligation to comply with
 21 instructions originated by the secured party and instructing the
 22 custodian to comply with instructions originated by the debtor;
 23 and

24 (C) take appropriate action to enable the debtor or its
 25 designated custodian to make copies of or revisions to the
 26 authoritative copy that add or change an identified assignee of
 27 the authoritative copy without the consent of the secured party.

28 (7) a secured party having control under section 105.1 of this
 29 chapter of electronic money shall transfer control of the
 30 electronic copy to the debtor or a person designated by the
 31 debtor; and

32 (8) a secured party having control under IC 26-1-12-105 of a
 33 controllable electronic record, other than a buyer of a
 34 controllable account or controllable payment intangible
 35 evidenced by the controllable electronic record, shall transfer
 36 control of the electronic copy to the debtor or a person
 37 designated by the debtor.

38 SECTION 50. IC 26-1-9.1-209 IS AMENDED TO READ AS
 39 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 209. (a) Except as
 40 otherwise provided in subsection (c), this section applies if:

- 41 (1) there is no outstanding secured obligation; and
 42 (2) the secured party is not committed to make advances, incur



1 obligations, or otherwise give value.

2 (b) Within ten (10) days after receiving ~~an authenticated a signed~~
3 demand by the debtor, a secured party shall send to an account debtor
4 that has received notification **under IC 26-1-9.1-406(a) or**
5 **IC 26-1-12-106(b)** of an assignment to the secured party as assignee
6 ~~under IC 26-1-9.1-406(a) an authenticated a signed~~ record that releases
7 the account debtor from any further obligation to the secured party.

8 (c) This section does not apply to an assignment constituting the
9 sale of an account, chattel paper, or payment intangible.

10 SECTION 51. IC 26-1-9.1-210 IS AMENDED TO READ AS
11 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 210. (a) In this section
12 the following definitions apply:

13 (1) "Request" means a record of a type described in subdivision
14 (2), (3), or (4).

15 (2) "Request for an accounting" means a record ~~authenticated~~
16 **signed** by a debtor requesting that the recipient provide an
17 accounting of the unpaid obligations secured by collateral and
18 reasonably identifying the transaction or relationship that is the
19 subject of the request.

20 (3) "Request regarding a list of collateral" means a record
21 ~~authenticated signed~~ by a debtor requesting that the recipient
22 approve or correct a list of what the debtor believes to be the
23 collateral securing an obligation and reasonably identifying the
24 transaction or relationship that is the subject of the request.

25 (4) "Request regarding a statement of account" means a record
26 ~~authenticated signed~~ by a debtor requesting that the recipient
27 approve or correct a statement indicating what the debtor believes
28 to be the aggregate amount of unpaid obligations secured by
29 collateral as of a specified date and reasonably identifying the
30 transaction or relationship that is the subject of the request.

31 (b) Subject to subsections (c), (d), (e), and (f), a secured party, other
32 than a buyer of accounts, chattel paper, payment intangibles, or
33 promissory notes or a consignor, shall comply with a request within
34 fourteen (14) days after receipt:

35 (1) in the case of a request for an accounting, by ~~authenticating~~
36 **signing** and sending to the debtor an accounting; and

37 (2) in the case of a request regarding a list of collateral or a
38 request regarding a statement of account, by ~~authenticating~~
39 **signing** and sending to the debtor an approval or correction.

40 (c) A secured party that claims a security interest in all of a
41 particular type of collateral owned by the debtor may comply with a
42 request regarding a list of collateral by sending to the debtor ~~an~~



1 ~~authenticated a signed~~ record, including a statement to that effect
2 within fourteen (14) days after receipt.

3 (d) A person that receives a request regarding a list of collateral,
4 claims no interest in the collateral when it receives the request, and
5 claimed an interest in the collateral at an earlier time shall comply with
6 the request within fourteen (14) days after receipt by sending to the
7 debtor ~~an authenticated a signed~~ record:

8 (1) disclaiming any interest in the collateral; and

9 (2) if known to the recipient, providing the name and mailing
10 address of any assignee of or successor to the recipient's interest
11 in the collateral.

12 (e) A person that receives a request for an accounting or a request
13 regarding a statement of account, claims no interest in the obligations
14 when the person receives the request, and claimed an interest in the
15 obligations at an earlier time shall comply with the request within
16 fourteen (14) days after receipt by sending to the debtor ~~an~~
17 ~~authenticated a signed~~ record:

18 (1) disclaiming any interest in the obligations; and

19 (2) if known to the recipient, providing the name and mailing
20 address of any assignee of or successor to the recipient's interest
21 in the obligations.

22 (f) A debtor is entitled without charge to one (1) response to a
23 request under this section during any six (6) month period. The secured
24 party may require payment of a charge not exceeding twenty-five
25 dollars (\$25) for each additional response.

26 SECTION 52. IC 26-1-9.1-301, AS AMENDED BY P.L.143-2007,
27 SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
28 JULY 1, 2023]: Sec. 301. Except as otherwise provided in
29 IC 26-1-9.1-303 through ~~IC 26-1-9.1-306~~, **IC 26-1-9.1-306.1**, the
30 following rules determine the law governing perfection, the effect of
31 perfection or nonperfection, and the priority of a security interest in
32 collateral:

33 (1) Except as otherwise provided in this section, while a debtor is
34 located in a jurisdiction, the local law of that jurisdiction governs
35 perfection, the effect of perfection or nonperfection, and the
36 priority of a security interest in collateral.

37 (2) While collateral is located in a jurisdiction, the local law of
38 that jurisdiction governs perfection, the effect of perfection or
39 nonperfection, and the priority of a possessory security interest in
40 that collateral.

41 (3) Except as otherwise provided in subdivision (4), while
42 ~~tangible~~ negotiable **tangible** documents, goods, instruments, or



1 **tangible** money, ~~or tangible chattel paper~~ is located in a
2 jurisdiction, the local law of that jurisdiction governs:

3 (A) perfection of a security interest in the goods by filing a
4 fixture filing;

5 (B) perfection of a security interest in timber to be cut; and

6 (C) the effect of perfection or nonperfection and the priority of
7 a nonpossessory security interest in the collateral.

8 (4) The local law of the jurisdiction in which the wellhead or
9 minehead is located governs perfection, the effect of perfection or
10 nonperfection, and the priority of a security interest in
11 as-extracted collateral.

12 SECTION 53. IC 26-1-9.1-304 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 304. (a) The local law
14 of a bank's jurisdiction governs perfection, the effect of perfection or
15 nonperfection, and the priority of a security interest in a deposit
16 account maintained with that bank **even if the transaction does not**
17 **bear any relation to the bank's jurisdiction.**

18 (b) The following rules determine a bank's jurisdiction for purposes
19 of IC 26-1-9.1-301 through IC 26-1-9.1-342:

20 (1) If an agreement between the bank and the debtor governing
21 the deposit account expressly provides that a particular
22 jurisdiction is the bank's jurisdiction for purposes of IC 26-1, that
23 jurisdiction is the bank's jurisdiction.

24 (2) If subdivision (1) does not apply and an agreement between
25 the bank and its customer governing the deposit account expressly
26 provides that the agreement is governed by the law of a particular
27 jurisdiction, that jurisdiction is the bank's jurisdiction.

28 (3) If neither subdivision (1) nor subdivision (2) applies, and an
29 agreement between the bank and its customer governing the
30 deposit account expressly provides that the deposit account is
31 maintained at an office in a particular jurisdiction, that
32 jurisdiction is the bank's jurisdiction.

33 (4) If none of the preceding subdivisions apply, the bank's
34 jurisdiction is the jurisdiction in which the office identified in an
35 account statement as the office serving the customer's account is
36 located.

37 (5) If none of the preceding subdivisions apply, the bank's
38 jurisdiction is the jurisdiction in which the chief executive office
39 of the bank is located.

40 SECTION 54. IC 26-1-9.1-305 IS AMENDED TO READ AS
41 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 305. (a) Except as
42 otherwise provided in subsection (c), the following rules apply:



- 1 (1) While a security certificate is located in a jurisdiction, the
 2 local law of that jurisdiction governs perfection, the effect of
 3 perfection or nonperfection, and the priority of a security interest
 4 in the certificated security represented thereby.
- 5 (2) The local law of the issuer's jurisdiction as specified in
 6 IC 26-1-8.1-110(d) governs perfection, the effect of perfection or
 7 nonperfection, and the priority of a security interest in an
 8 uncertificated security.
- 9 (3) The local law of the securities intermediary's jurisdiction as
 10 specified in IC 26-1-8.1-110(e) governs perfection, the effect of
 11 perfection or nonperfection, and the priority of a security interest
 12 in a security entitlement or securities account.
- 13 (4) The local law of the commodity intermediary's jurisdiction
 14 governs perfection, the effect of perfection or nonperfection, and
 15 the priority of a security interest in a commodity contract or
 16 commodity account.
- 17 **(5) Subdivisions (2) through (4) apply even if the transaction**
 18 **does not bear any relation to the jurisdiction.**
- 19 (b) The following rules determine a commodity intermediary's
 20 jurisdiction for purposes of IC 26-1-9.1-301 through IC 26-1-9.1-342:
- 21 (1) If an agreement between the commodity intermediary and
 22 commodity customer governing the commodity account expressly
 23 provides that a particular jurisdiction is the commodity
 24 intermediary's jurisdiction for purposes of IC 26-1, that
 25 jurisdiction is the commodity intermediary's jurisdiction.
- 26 (2) If subdivision (1) does not apply, and an agreement between
 27 the commodity intermediary and commodity customer governing
 28 the commodity account expressly provides that the agreement is
 29 governed by the law of a particular jurisdiction, that jurisdiction
 30 is the commodity intermediary's jurisdiction.
- 31 (3) If neither subdivision (1) nor subdivision (2) applies, and an
 32 agreement between the commodity intermediary and commodity
 33 customer governing the commodity account expressly provides
 34 that the commodity account is maintained at an office in a
 35 particular jurisdiction, that jurisdiction is the commodity
 36 intermediary's jurisdiction.
- 37 (4) If none of the preceding subdivisions apply, the commodity
 38 intermediary's jurisdiction is the jurisdiction in which the office
 39 identified in an account statement as the office serving the
 40 commodity customer's account is located.
- 41 (5) If none of the preceding subdivisions apply, the commodity
 42 intermediary's jurisdiction is the jurisdiction in which the chief



1 executive office of the commodity intermediary is located.

2 (c) The local law of the jurisdiction in which the debtor is located
3 governs:

4 (1) perfection of a security interest in investment property by
5 filing;

6 (2) automatic perfection of a security interest in investment
7 property created by a broker or securities intermediary; and

8 (3) automatic perfection of a security interest in a commodity
9 contract or commodity account created by a commodity
10 intermediary.

11 SECTION 55. IC 26-1-9.1-306.1 IS ADDED TO THE INDIANA
12 CODE AS A NEW SECTION TO READ AS FOLLOWS
13 [EFFECTIVE JULY 1, 2023]: **Sec. 306.1. (a) Except as provided in**
14 **subsection (d), if chattel paper is evidenced only by an**
15 **authoritative electronic copy of the chattel paper or is evidenced by**
16 **an authoritative electronic copy and an authoritative tangible copy,**
17 **the local law of the chattel paper's jurisdiction governs perfection,**
18 **the effect of perfection or nonperfection, and the priority of a**
19 **security interest in the chattel paper, even if the transaction does**
20 **not bear any relation to the chattel paper's jurisdiction.**

21 (b) The following rules govern the chattel paper's jurisdiction
22 under this section:

23 (1) If the authoritative electronic copy of the record
24 evidencing chattel paper, or a record that is attached to or
25 logically associated with the electronic copy and that is readily
26 available for review, expressly provides that a particular
27 jurisdiction is the chattel paper's jurisdiction for purposes of
28 this section, this chapter, or IC 26-1, that jurisdiction is the
29 chattel paper's jurisdiction.

30 (2) If subdivision (1) does not apply, and the rules of the
31 system in which the authoritative electronic copy is recorded
32 are readily available for review and expressly provide that a
33 particular jurisdiction is the chattel paper's jurisdiction for
34 purposes of this section, this chapter, or IC 26-1, that
35 jurisdiction is the chattel paper's jurisdiction.

36 (3) If subdivisions (1) and (2) do not apply, and the
37 authoritative electronic copy, or a record that is attached to
38 or logically associated with the electronic copy and that is
39 readily available for review, expressly provides that the
40 chattel paper is governed by the law of a particular
41 jurisdiction, that jurisdiction is the chattel paper's
42 jurisdiction.



1 (4) If subdivisions (1) through (3) do not apply, and the rules
 2 of the system in which the authoritative electronic copy is
 3 recorded are readily available for review and expressly
 4 provide that the chattel paper or the system is governed by
 5 the law of a particular jurisdiction, that jurisdiction is the
 6 chattel paper's jurisdiction.

7 (5) If subdivisions (1) through (4) do not apply, the chattel
 8 paper's jurisdiction is the jurisdiction in which the debtor is
 9 located.

10 (c) If an authoritative tangible copy of a record evidences
 11 chattel paper and the chattel paper is not evidenced by an
 12 authoritative electronic copy, while the authoritative tangible copy
 13 of the record evidencing the chattel paper is located in a
 14 jurisdiction, the local law of that jurisdiction governs:

15 (1) perfection of a security interest in the chattel paper by
 16 possession under section 314.1; and

17 (2) the effect of perfection or nonperfection and the priority
 18 of a security interest in the chattel paper.

19 (d) The local law of the jurisdiction in which the debtor is
 20 located governs perfection of a security interest in chattel paper by
 21 filing.

22 SECTION 56. IC 26-1-9.1-306.2 IS ADDED TO THE INDIANA
 23 CODE AS A NEW SECTION TO READ AS FOLLOWS
 24 [EFFECTIVE JULY 1, 2023]: **Sec. 306.2. (a) Except as provided in**
 25 **subsection (b), the local law of the controllable electronic record's**
 26 **jurisdiction under IC 26-1-12-107(c) and IC 26-1-12-107(d)**
 27 **governs perfection, the effect of perfection or nonperfection, and**
 28 **the priority of a security interest in a controllable electronic record**
 29 **and a security interest in a controllable account or controllable**
 30 **payment intangible evidenced by the controllable electronic record.**

31 (b) The local law of the jurisdiction in which the debtor is
 32 located governs:

33 (1) perfection of a security interest in a controllable account,
 34 controllable electronic record, or controllable payment
 35 intangible by filing; and

36 (2) automatic perfection of a security interest in a controllable
 37 payment intangible created by a sale of the controllable
 38 payment intangible.

39 SECTION 57. IC 26-1-9.1-310, AS AMENDED BY P.L.110-2022,
 40 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2023]: **Sec. 310. (a) Except as otherwise provided in**
 42 **subsection (b) and IC 26-1-9.1-312(b), a financing statement must be**



1 filed to perfect all security interests and agricultural liens.

2 (b) The filing of a financing statement is not necessary to perfect a
3 security interest:

4 (1) that is perfected under IC 26-1-9.1-308(d),
5 IC 26-1-9.1-308(e), IC 26-1-9.1-308(f), or IC 26-1-9.1-308(g);

6 (2) that is perfected under IC 26-1-9.1-309 when it attaches;

7 (3) in property subject to a statute, regulation, or treaty described
8 in IC 26-1-9.1-311(a);

9 (4) in goods in possession of a bailee that are perfected under
10 IC 26-1-9.1-312(d)(1) or IC 26-1-9.1-312(d)(2);

11 (5) in certificated securities, documents, goods, or instruments
12 which is perfected without filing, control, or possession under
13 IC 26-1-9.1-312(e), IC 26-1-9.1-312(f), or IC 26-1-9.1-312(g);

14 (6) in collateral in the secured party's possession under
15 IC 26-1-9.1-313;

16 (7) in a certificated security which is perfected by delivery of the
17 security certificate to the secured party under IC 26-1-9.1-313;

18 (8) in:

19 (A) controllable accounts, controllable electronic records,
20 controllable payment intangibles, deposit accounts, ~~electronic~~
21 ~~chattel paper~~, electronic documents, investment property, or
22 letter-of-credit rights that are perfected by control under
23 IC 26-1-9.1-314; or

24 (B) **chattel paper which is perfected by possession under**
25 **section 314.1 of this chapter;**

26 (9) in proceeds which is perfected under IC 26-1-9.1-315; or

27 (10) that is perfected under IC 26-1-9.1-316.

28 (c) If a secured party assigns a perfected security interest or
29 agricultural lien, a filing under IC 26-1-9.1 is not required to continue
30 the perfected status of the security interest against creditors of and
31 transferees from the original debtor.

32 SECTION 58. IC 26-1-9.1-312, AS AMENDED BY P.L.110-2022,
33 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
34 JULY 1, 2023]: Sec. 312. (a) A security interest in chattel paper,
35 controllable accounts, controllable electronic records, controllable
36 payment intangibles, ~~negotiable documents~~, instruments, or investment
37 property, **or negotiable documents** may be perfected by filing.

38 (b) Except as otherwise provided in IC 26-1-9.1-315(c) and
39 IC 26-1-9.1-315(d), for proceeds:

40 (1) a security interest in a deposit account may be perfected only
41 by control under IC 26-1-9.1-314;

42 (2) and except as otherwise provided in IC 26-1-9.1-308(d), a



- 1 security interest in a letter-of-credit right may be perfected only
 2 by control under IC 26-1-9.1-314; ~~and~~
 3 (3) a security interest in money may be perfected only by the
 4 secured party's taking possession under IC 26-1-9.1-313; **and**
 5 **(4) a security interest in electronic money may be perfected**
 6 **only by control under section 314 of this chapter.**
- 7 (c) While goods are in the possession of a bailee that has issued a
 8 negotiable document covering the goods:
 9 (1) a security interest in the goods may be perfected by perfecting
 10 a security interest in the document; and
 11 (2) a security interest perfected in the document has priority over
 12 any security interest that becomes perfected in the goods by
 13 another method during that time.
- 14 (d) While goods are in the possession of a bailee that has issued a
 15 nonnegotiable document covering the goods, a security interest in the
 16 goods may be perfected by:
 17 (1) issuance of a document in the name of the secured party;
 18 (2) the bailee's receipt of notification of the secured party's
 19 interest; or
 20 (3) filing as to the goods.
- 21 (e) A security interest in certificated securities, negotiable
 22 documents, or instruments is perfected without filing or the taking of
 23 possession or control for a period of twenty (20) days from the time it
 24 attaches to the extent that it arises for new value given under ~~an~~
 25 **authenticated a signed** security agreement.
- 26 (f) A perfected security interest in a negotiable document or goods
 27 in possession of a bailee, other than one that has issued a negotiable
 28 document for the goods, remains perfected for twenty (20) days without
 29 filing if the secured party makes available to the debtor the goods or
 30 documents representing the goods for the purpose of:
 31 (1) ultimate sale or exchange; or
 32 (2) loading, unloading, storing, shipping, transshipping,
 33 manufacturing, processing, or otherwise dealing with them in a
 34 manner preliminary to their sale or exchange.
- 35 (g) A perfected security interest in a certificated security or
 36 instrument remains perfected for twenty (20) days without filing if the
 37 secured party delivers the security certificate or instrument to the
 38 debtor for the purpose of:
 39 (1) ultimate sale or exchange; or
 40 (2) presentation, collection, enforcement, renewal, or registration
 41 of transfer.
- 42 (h) After the twenty (20) day period specified in subsection (e), (f),



1 or (g) expires, perfection depends upon compliance with IC 26-1-9.1.

2 SECTION 59. IC 26-1-9.1-313, AS AMENDED BY P.L.143-2007,
3 SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2023]: Sec. 313. (a) Except as otherwise provided in
5 subsection (b), a secured party may perfect a security interest in
6 ~~tangible negotiable documents~~; goods, instruments, **negotiable**
7 **tangible documents, or tangible** money, ~~or tangible chattel paper~~ by
8 taking possession of the collateral. A secured party may perfect a
9 security interest in certificated securities by taking delivery of the
10 certificated securities under IC 26-1-8.1-301.

11 (b) With respect to goods covered by a certificate of title issued by
12 this state, a secured party may perfect a security interest in the goods
13 by taking possession of the goods only in the circumstances described
14 in IC 26-1-9.1-316(e).

15 (c) With respect to collateral other than certificated securities and
16 goods covered by a document, a secured party takes possession of
17 collateral in the possession of a person other than the debtor, the
18 secured party, or a lessee of the collateral from the debtor in the
19 ordinary course of the debtor's business, when:

20 (1) the person in possession ~~authenticates~~ **signs** a record
21 acknowledging that it holds possession of the collateral for the
22 secured party's benefit; or

23 (2) the person takes possession of the collateral after having
24 ~~authenticated~~ **signed** a record acknowledging that it will hold
25 possession of ~~the~~ collateral for the secured party's benefit.

26 (d) If perfection of a security interest depends upon possession of
27 the collateral by a secured party, perfection occurs not earlier than the
28 time the secured party takes possession and continues only while the
29 secured party retains possession.

30 (e) A security interest in a certificated security in registered form is
31 perfected by delivery when delivery of the certificated security occurs
32 under IC 26-1-8.1-301 and remains perfected by delivery until the
33 debtor obtains possession of the security certificate.

34 (f) A person in possession of collateral is not required to
35 acknowledge that it holds possession for a secured party's benefit.

36 (g) If a person acknowledges that it holds possession for the secured
37 party's benefit:

38 (1) the acknowledgment is effective under subsection (c) or
39 IC 26-1-8.1-301(a), even if the acknowledgment violates the
40 rights of a debtor; and

41 (2) unless the person otherwise agrees or a law other than
42 IC 26-1-9.1 otherwise provides, the person does not owe any duty



1 to the secured party and is not required to confirm the
2 acknowledgment to another person.

3 (h) A secured party having possession of collateral does not
4 relinquish possession by delivering the collateral to a person other than
5 the debtor or a lessee of the collateral from the debtor in the ordinary
6 course of the debtor's business if the person was instructed before the
7 delivery or is instructed contemporaneously with the delivery:

- 8 (1) to hold possession of the collateral for the secured party's
9 benefit; or
10 (2) to redeliver the collateral to the secured party.

11 (i) A secured party does not relinquish possession, even if a delivery
12 under subsection (h) violates the rights of a debtor. A person to which
13 collateral is delivered under subsection (h) does not owe any duty to
14 the secured party and is not required to confirm the delivery to another
15 person unless the person otherwise agrees or law other than IC 26-1-9.1
16 otherwise provides.

17 SECTION 60. IC 26-1-9.1-314, AS AMENDED BY P.L.110-2022,
18 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
19 JULY 1, 2023]: Sec. 314. (a) A security interest in controllable
20 accounts, controllable electronic records, controllable payment
21 intangibles, ~~investment property~~, deposit accounts, **electronic**
22 **documents, electronic money, investment property, or**
23 letter-of-credit rights ~~electronic chattel paper, or electronic documents~~
24 may be perfected by control of the collateral under IC 26-1-7-106,
25 IC 26-1-9.1-104, ~~IC 26-1-9.1-105~~, **IC 26-1-9.1-105.1**, IC 26-1-9.1-106,
26 IC 26-1-9.1-107, or IC 26-1-9.1-107.1, as applicable.

27 (b) A security interest in controllable accounts, controllable
28 electronic records, controllable payment intangibles, deposit accounts,
29 electronic ~~chattel paper~~, **documents, electronic money, or**
30 letter-of-credit rights ~~or electronic documents~~ is perfected by control
31 under IC 26-1-7-106, IC 26-1-9.1-104, ~~IC 26-1-9.1-105~~,
32 **IC 26-1-9.1-105.1**, IC 26-1-9.1-107, or IC 26-1-9.1-107.1, **as**
33 **applicable, when not earlier than the time** the secured party obtains
34 control and remains perfected by control only while the secured party
35 retains control.

36 (c) A security interest in investment property is perfected by control
37 under IC 26-1-9.1-106 ~~from not earlier than~~ **from not earlier than** the time the secured party
38 obtains control and remains perfected by control until:

- 39 (1) the secured party does not have control; and
40 (2) one of the following occurs:
41 (A) if the collateral is a certificated security, the debtor has or
42 acquires possession of the security certificate;



- 1 (B) if the collateral is an uncertificated security, the issuer has
 2 registered or registers the debtor as the registered owner; or
 3 (C) if the collateral is a security entitlement, the debtor is or
 4 becomes the entitlement holder.

5 SECTION 61. IC 26-1-9.1-314.1 IS ADDED TO THE INDIANA
 6 CODE AS A NEW SECTION TO READ AS FOLLOWS
 7 [EFFECTIVE JULY 1, 2023]: **Sec. 314.1. (a) A secured party may**
 8 **perfect a security interest in chattel paper by taking possession of**
 9 **each authoritative tangible copy of the record evidencing the**
 10 **chattel paper and obtaining control of each authoritative electronic**
 11 **copy of the electronic record evidencing the chattel paper.**

12 (b) A security interest is perfected under subsection (a) not
 13 earlier than the time the secured party takes possession and
 14 obtains control, and remains perfected under subsection (a) only
 15 while the secured party retains possession and control.

16 (c) Section 313(c) of this chapter and section 313(f) through
 17 313(i) of this chapter apply to perfection by possession by an
 18 authoritative tangible copy of a record evidencing chattel paper.

19 SECTION 62. IC 26-1-9.1-316, AS AMENDED BY P.L.54-2011,
 20 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 21 JULY 1, 2023]: Sec. 316. (a) A security interest perfected pursuant to
 22 the law of the jurisdiction designated in IC 26-1-9.1-301(1), or
 23 IC 26-1-9.1-305(c), **IC 26-1-9.1-306(a), or IC 26-1-9.1-306.1(b)**
 24 remains perfected until the earliest of:

- 25 (1) the time perfection would have ceased under the law of that
 26 jurisdiction;
 27 (2) the expiration of four (4) months after a change of the debtor's
 28 location to another jurisdiction; or
 29 (3) the expiration of one (1) year after a transfer of collateral to a
 30 person that thereby becomes a debtor and is located in another
 31 jurisdiction.

32 (b) If a security interest described in subsection (a) becomes
 33 perfected under the law of the other jurisdiction before the earliest time
 34 or event described in that subsection, it remains perfected thereafter.
 35 If the security interest does not become perfected under the law of the
 36 other jurisdiction before the earliest time or event, it becomes
 37 unperfected and is deemed never to have been perfected as against a
 38 purchaser of the collateral for value.

39 (c) A possessory security interest in collateral, other than goods
 40 covered by a certificate of title and as-extracted collateral consisting of
 41 goods, remains continuously perfected if:

- 42 (1) the collateral is located in one (1) jurisdiction and subject to



1 a security interest perfected under the law of that jurisdiction;
 2 (2) thereafter the collateral is brought into another jurisdiction;
 3 and
 4 (3) upon entry into the other jurisdiction, the security interest is
 5 perfected under the law of the other jurisdiction.

6 (d) Except as otherwise provided in subsection (e), a security
 7 interest in goods covered by a certificate of title which is perfected by
 8 any method under the law of another jurisdiction when the goods
 9 become covered by a certificate of title from this state remains
 10 perfected until the security interest would have become unperfected
 11 under the law of the other jurisdiction had the goods not become so
 12 covered.

13 (e) A security interest described in subsection (d) becomes
 14 unperfected as against a purchaser of the goods for value and is deemed
 15 never to have been perfected as against a purchaser of the goods for
 16 value if the applicable requirements for perfection under
 17 IC 26-1-9.1-311(b) or IC 26-1-9.1-313 are not satisfied before the
 18 earlier of:

19 (1) the time the security interest would have become unperfected
 20 under the law of the other jurisdiction had the goods not become
 21 covered by a certificate of title from this state; or
 22 (2) the expiration of four (4) months after the goods had become
 23 so covered.

24 (f) A security interest in **chattel paper, controllable accounts,**
 25 **controllable electronic records, controllable payment intangibles,**
 26 deposit accounts, letter-of-credit rights, or investment property which
 27 is perfected under the law of the **chattel paper's jurisdiction, the**
 28 **controllable electronic record's jurisdiction, the bank's jurisdiction,**
 29 the issuer's jurisdiction, a nominated person's jurisdiction, the securities
 30 intermediary's jurisdiction, or the commodity intermediary's
 31 jurisdiction, as applicable, remains perfected until the earlier of:

32 (1) the time the security interest would have become unperfected
 33 under the law of that jurisdiction; or
 34 (2) the expiration of four (4) months after a change of the
 35 applicable jurisdiction to another jurisdiction.

36 (g) If a security interest described in subsection (f) becomes
 37 perfected under the law of the other jurisdiction before the earlier of the
 38 time or the end of the period described in that subsection, it remains
 39 perfected thereafter. If the security interest does not become perfected
 40 under the law of the other jurisdiction before the earlier of that time or
 41 the end of that period, it becomes unperfected and is deemed never to
 42 have been perfected as against a purchaser of the collateral for value.



1 (h) The following rules apply to collateral to which a security
 2 interest attaches within four (4) months after the debtor changes its
 3 location to another jurisdiction:

4 (1) A financing statement filed before the change under the law
 5 of the jurisdiction designated in IC 26-1-9.1-301(1) or
 6 IC 26-1-9.1-305(c) is effective to perfect a security interest in the
 7 collateral if the financing statement would have been effective to
 8 perfect a security interest in the collateral had the debtor not
 9 changed its location.

10 (2) If a security interest perfected by a financing statement that is
 11 effective under subdivision (1) becomes perfected under the law
 12 of the other jurisdiction before the earlier of the time the
 13 financing statement would have become ineffective under the law
 14 of the jurisdiction designated in IC 26-1-9.1-301(1) or
 15 IC 26-1-9.1-305(c) or the expiration of the four (4) month period,
 16 it remains perfected thereafter. If the security interest does not
 17 become perfected under the law of the other jurisdiction before
 18 the earlier time or event, it becomes unperfected and is deemed
 19 never to have been perfected as against a purchaser of the
 20 collateral for value.

21 (i) If a financing statement naming an original debtor is filed under
 22 the law of the jurisdiction designated in IC 26-1-9.1-301(1) or
 23 IC 26-1-9.1-305(c) and the new debtor is located in another
 24 jurisdiction, the following rules apply:

25 (1) The financing statement is effective to perfect a security
 26 interest in collateral acquired by the new debtor before, and
 27 within four (4) months after, the new debtor becomes bound
 28 under IC 26-1-9.1-203(d), if the financing statement would have
 29 been effective to perfect a security interest in the collateral had
 30 the collateral been acquired by the original debtor.

31 (2) A security interest perfected by the financing statement and
 32 which becomes perfected under the law of the other jurisdiction
 33 before the earlier of the time the financing statement would have
 34 become ineffective under the law of the jurisdiction designated in
 35 IC 26-1-9.1-301(1) or IC 26-1-9.1-305(c) or the expiration of the
 36 four (4) month period remains perfected thereafter. A security
 37 interest that is perfected by the financing statement but which
 38 does not become perfected under the law of the other jurisdiction
 39 before the earlier time or event becomes unperfected and is
 40 deemed never to have been perfected as against a purchaser of the
 41 collateral for value.

42 SECTION 63. IC 26-1-9.1-317, AS AMENDED BY P.L.54-2011,



1 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2023]: Sec. 317. (a) A security interest or agricultural lien is
3 subordinate to the rights of:

4 (1) a person entitled to priority under IC 26-1-9.1-322; and

5 (2) except as provided in subsection (e), a person that becomes a
6 lien creditor before the earlier of the time:

7 (A) the security interest or agricultural lien is perfected; or

8 (B) one (1) of the conditions specified in
9 IC 26-1-9.1-203(b)(3) is met;

10 and a financing statement covering the collateral is filed.

11 (b) Except as otherwise provided in subsection (e), a buyer, other
12 than a secured party, of ~~tangible chattel paper, tangible documents,~~
13 goods, instruments, **tangible documents**, or a certificated security
14 takes free of a security interest or agricultural lien if the buyer gives
15 value and receives delivery of the collateral without knowledge of the
16 security interest or agricultural lien and before it is perfected.

17 (c) Except as otherwise provided in subsection (e), a lessee of goods
18 takes free of a security interest or agricultural lien if the lessee gives
19 value and receives delivery of the collateral without knowledge of the
20 security interest or agricultural lien and before it is perfected.

21 (d) **Subject to subsections (f) through (i)**, a licensee of a general
22 intangible or a buyer, other than a secured party, of collateral other than
23 ~~tangible chattel paper, tangible documents,~~ **electronic money**, goods,
24 instruments, **tangible documents**, or a certificated security takes free
25 of a security interest if the licensee or buyer gives value without
26 knowledge of the security interest and before it is perfected.

27 (e) Except as otherwise provided in IC 26-1-9.1-320 and
28 IC 26-1-9.1-321, if a person files a financing statement with respect to
29 a purchase-money security interest before or within twenty (20) days
30 after the debtor receives delivery of the collateral, the security interest
31 takes priority over the rights of a buyer, lessee, or lien creditor that
32 arise between the time the security interest attaches and the time of
33 filing.

34 **(f) A buyer, other than a secured party, of chattel paper takes**
35 **free of a security interest if, without knowledge of the security**
36 **interest and before it is perfected, the buyer gives value and:**

37 **(1) receives delivery of each authoritative tangible copy of the**
38 **record evidencing the chattel paper; and**

39 **(2) if each authoritative electronic copy of the record**
40 **evidencing the chattel paper can be subjected to control under**
41 **section 105 of this chapter, obtains control of each**
42 **authoritative electronic copy.**



1 **(g) A buyer of an electronic document takes free of a security**
 2 **interest if, without knowledge of the security interest and before it**
 3 **is perfected, the buyer gives value and, if each authoritative**
 4 **electronic copy of the document can be subjected to control under**
 5 **IC 26-1-7-106, obtains control of each authoritative electronic**
 6 **copy.**

7 **(h) A buyer of a controllable electronic record takes free of a**
 8 **security interest if, without knowledge of the security interest and**
 9 **before it is perfected, the buyer gives value and obtains control of**
 10 **the controllable electronic record.**

11 **(i) A buyer, other than a secured party, of a controllable**
 12 **account or a controllable payment intangible takes free of a**
 13 **security interest if, without knowledge of the security interest and**
 14 **before it is perfected, the buyer gives value and obtains control of**
 15 **the controllable account or controllable payment intangible.**

16 SECTION 64. IC 26-1-9.1-323 IS AMENDED TO READ AS
 17 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 323. (a) Except as
 18 otherwise provided in subsection (c), for purposes of determining the
 19 priority of a perfected security interest under IC 26-1-9.1-322(a)(1),
 20 perfection of the security interest dates from the time an advance is
 21 made to the extent that the security interest secures an advance that:

22 (1) is made while the security interest is perfected only:

23 (A) under IC 26-1-9.1-309 when it attaches; or

24 (B) temporarily under IC 26-1-9.1-312(e), IC 26-1-9.1-312(f),
 25 or IC 26-1-9.1-312(g); and

26 (2) is not made pursuant to a commitment entered into before or
 27 while the security interest is perfected by a method other than
 28 under IC 26-1-9.1-309, IC 26-1-9.1-312(e), IC 26-1-9.1-312(f), or
 29 IC 26-1-9.1-312(g).

30 (b) Except as otherwise provided in subsection (c), a security
 31 interest is subordinate to the rights of a person that becomes a lien
 32 creditor to the extent that the security interest secures an advance made
 33 more than forty-five (45) days after the person becomes a lien creditor
 34 unless the advance is made:

35 (1) without knowledge of the lien; or

36 (2) pursuant to a commitment entered into without knowledge of
 37 the lien.

38 (c) Subsections (a) and (b) do not apply to a security interest held by
 39 a secured party that is a buyer of accounts, chattel paper, payment
 40 intangibles, or promissory notes or a consignor.

41 (d) Except as otherwise provided in subsection (e), a buyer of goods
 42 **other than a buyer in ordinary course of business** takes free of a security



1 interest to the extent that it secures advances made after the earlier of:

2 (1) the time the secured party acquires knowledge of the buyer's
3 purchase; or

4 (2) forty-five (45) days after the purchase.

5 (e) Subsection (d) does not apply if the advance is made pursuant to
6 a commitment entered into without knowledge of the buyer's purchase
7 and before the expiration of the forty-five (45) day period.

8 (f) Except as otherwise provided in subsection (g), a lessee of goods,
9 ~~other than a lessee in ordinary course of business~~, takes the leasehold
10 interest free of a security interest to the extent that it secures advances
11 made after the earlier of:

12 (1) the time the secured party acquires knowledge of the lease; or

13 (2) forty-five (45) days after the lease contract becomes
14 enforceable.

15 (g) Subsection (f) does not apply if the advance is made pursuant to
16 a commitment entered into without knowledge of the lease and before
17 the expiration of the forty-five (45) day period.

18 SECTION 65. IC 26-1-9.1-324 IS AMENDED TO READ AS
19 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 324. (a) Except as
20 otherwise provided in subsection (g), a perfected purchase-money
21 security interest in goods other than inventory or livestock has priority
22 over a conflicting security interest in the same goods, and, except as
23 otherwise provided in IC 26-1-9.1-327, a perfected security interest in
24 its identifiable proceeds also has priority, if the purchase-money
25 security interest is perfected when the debtor receives possession of the
26 collateral or within twenty (20) days thereafter.

27 (b) Subject to subsection (c) and except as otherwise provided in
28 subsection (g), a perfected purchase-money security interest in
29 inventory has priority over a conflicting security interest in the same
30 inventory, has priority over a conflicting security interest in chattel
31 paper or an instrument constituting proceeds of the inventory and in
32 proceeds of the chattel paper, if so provided in IC 26-1-9.1-330, and,
33 except as otherwise provided in IC 26-1-9.1-327, also has priority in
34 identifiable cash proceeds of the inventory to the extent the identifiable
35 cash proceeds are received on or before the delivery of the inventory to
36 a buyer, if:

37 (1) the purchase-money security interest is perfected when the
38 debtor receives possession of the inventory;

39 (2) the purchase-money secured party sends ~~an authenticated a~~
40 **signed** notification to the holder of the conflicting security
41 interest;

42 (3) the holder of the conflicting security interest receives the



- 1 notification within five (5) years before the debtor receives
 2 possession of the inventory; and
 3 (4) the notification states that the person sending the notification
 4 has or expects to acquire a purchase-money security interest in
 5 inventory of the debtor and describes the inventory.
- 6 (c) Subsection (b)(2) through (b)(4) apply only if the holder of the
 7 conflicting security interest had filed a financing statement covering
 8 the same types of inventory:
 9 (1) if the purchase-money security interest is perfected by filing,
 10 before the date of the filing; or
 11 (2) if the purchase-money security interest is temporarily
 12 perfected without filing or possession under IC 26-1-9.1-312(f),
 13 before the beginning of the twenty (20) day period thereunder.
- 14 (d) Subject to subsection (e) and except as otherwise provided in
 15 subsection (g), a perfected purchase-money security interest in
 16 livestock that are farm products has priority over a conflicting security
 17 interest in the same livestock, and, except as otherwise provided in
 18 IC 26-1-9.1-327, a perfected security interest in their identifiable
 19 proceeds and identifiable products in their unmanufactured states also
 20 has priority, if:
 21 (1) the purchase-money security interest is perfected when the
 22 debtor receives possession of the livestock;
 23 (2) the purchase-money secured party sends ~~an authenticated a~~
 24 **signed** notification to the holder of the conflicting security
 25 interest;
 26 (3) the holder of the conflicting security interest receives the
 27 notification within six (6) months before the debtor receives
 28 possession of the livestock; and
 29 (4) the notification states that the person sending the notification
 30 has or expects to acquire a purchase-money security interest in
 31 livestock of the debtor and describes the livestock.
- 32 (e) Subsection (d)(2) through (d)(4) apply only if the holder of the
 33 conflicting security interest had filed a financing statement covering
 34 the same types of livestock:
 35 (1) if the purchase-money security interest is perfected by filing,
 36 before the date of the filing; or
 37 (2) if the purchase-money security interest is temporarily
 38 perfected without filing or possession under IC 26-1-9.1-312(f),
 39 before the beginning of the twenty (20) day period thereunder.
- 40 (f) Except as otherwise provided in subsection (g), a perfected
 41 purchase-money security interest in software has priority over a
 42 conflicting security interest in the same collateral, and, except as



1 otherwise provided in IC 26-1-9.1-327, a perfected security interest in
 2 its identifiable proceeds also has priority, to the extent that the
 3 purchase-money security interest in the goods in which the software
 4 was acquired for use has priority in the goods and proceeds of the
 5 goods under this section.

6 (g) If more than one (1) security interest qualifies for priority in the
 7 same collateral under subsection (a), (b), (d), or (f):

8 (1) a security interest securing an obligation incurred as all or part
 9 of the price of the collateral has priority over a security interest
 10 securing an obligation incurred for value given to enable the
 11 debtor to acquire rights in or the use of collateral; and

12 (2) in all other cases, IC 26-1-9.1-322(a) applies to the qualifying
 13 security interests.

14 SECTION 66. IC 26-1-9.1-326.1 IS ADDED TO THE INDIANA
 15 CODE AS A NEW SECTION TO READ AS FOLLOWS
 16 [EFFECTIVE JULY 1, 2023]: **Sec. 326.1. A security interest in a
 17 controllable account, a controllable electronic record, or a
 18 controllable payment intangible held by a secured party having
 19 control of the account, electronic record, or payment intangible has
 20 priority over a conflicting security interest held by a secured party
 21 that does not have control.**

22 SECTION 67. IC 26-1-9.1-330 IS AMENDED TO READ AS
 23 FOLLOWS [EFFECTIVE JULY 1, 2023]: **Sec. 330. (a) A purchaser of
 24 chattel paper has priority over a security interest in the chattel paper
 25 which is claimed merely as proceeds of inventory subject to a security
 26 interest if:**

27 (1) in good faith and in the ordinary course of the purchaser's
 28 business, the purchaser gives new value, ~~and~~ takes possession of
 29 **each authoritative tangible copy of the record evidencing** the
 30 chattel paper, ~~or and~~ obtains control **under section 105 of this**
 31 **chapter of each authoritative electronic copy of the record**
 32 **evidencing** the chattel paper; ~~under IC 26-1-9.1-105;~~ and

33 (2) ~~the chattel paper does~~ **authoritative copies of the record**
 34 **evidencing the chattel paper do** not indicate that ~~it the chattel~~
 35 **paper** has been assigned to an identified assignee other than the
 36 purchaser.

37 (b) A purchaser of chattel paper has priority over a security interest
 38 in the chattel paper which is claimed other than merely as proceeds of
 39 inventory subject to a security interest if the purchaser gives new value,
 40 ~~and~~ takes possession of **each authoritative tangible copy of the**
 41 **record evidencing** the chattel paper, ~~or and~~ obtains control **under**
 42 **section 105 of this chapter of each authoritative electronic copy of**



1 **the record evidencing** the chattel paper ~~under IC 26-1-9.1-105~~ in good
 2 faith, in the ordinary course of the purchaser's business, and without
 3 knowledge that the purchase violates the rights of the secured party.

4 (c) Except as otherwise provided in IC 26-1-9.1-327, a purchaser
 5 having priority in chattel paper under subsection (a) or (b) also has
 6 priority in proceeds of the chattel paper to the extent that:

7 (1) IC 26-1-9.1-322 provides for priority in the proceeds; or

8 (2) the proceeds consist of the specific goods covered by the
 9 chattel paper or cash proceeds of the specific goods, even if the
 10 purchaser's security interest in the proceeds is unperfected.

11 (d) Except as otherwise provided in IC 26-1-9.1-331(a), a purchaser
 12 of an instrument has priority over a security interest in the instrument
 13 perfected by a method other than possession if the purchaser gives
 14 value and takes possession of the instrument in good faith and without
 15 knowledge that the purchase violates the rights of the secured party.

16 (e) For purposes of subsections (a) and (b), the holder of a
 17 purchase-money security interest in inventory gives new value for
 18 chattel paper constituting proceeds of the inventory.

19 (f) For purposes of subsections (b) and (d), if **the authoritative**
 20 **copies of the record evidencing** chattel paper or an instrument
 21 indicates that ~~it the chattel paper or instrument~~ has been assigned to
 22 an identified secured party other than the purchaser, a purchaser of the
 23 chattel paper or instrument has knowledge that the purchase violates
 24 the rights of the secured party.

25 SECTION 68. IC 26-1-9.1-331, AS AMENDED BY P.L.110-2022,
 26 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 27 JULY 1, 2023]: Sec. 331. (a) This article does not limit the rights of a
 28 holder in due course of a negotiable instrument, a holder to which a
 29 negotiable document of title has been duly negotiated, a protected
 30 purchaser of a security, or a qualifying purchaser ~~(as defined in~~
 31 ~~IC 26-1-11-106)~~ of a controllable account, controllable electronic
 32 record, or controllable payment intangible. These holders or purchasers
 33 take priority over an earlier security interest, even if perfected, to the
 34 extent provided in IC 26-1-3.1, IC 26-1-7, IC 26-1-8.1, and ~~IC 26-1-11-~~
 35 **IC 26-1-12.**

36 (b) This article does not limit the rights of or impose liability on a
 37 person to the extent that the person is protected against the assertion of
 38 an adverse claim under IC 26-1-8.1 or ~~IC 26-1-11-~~ **IC 26-1-12.**

39 (c) Filing under IC 26-1-9.1 does not constitute notice of a claim or
 40 defense to the holders, purchasers, or persons described in subsections
 41 (a) and (b).

42 SECTION 69. IC 26-1-9.1-332 IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 332. (a) A transferee
 2 of **tangible** money takes the money free of a security interest ~~unless if~~
 3 the transferee **acts receives possession of the money without acting**
 4 in collusion with the debtor in violating the rights of the secured party.

5 (b) A transferee of funds from a deposit account takes the funds free
 6 of a security interest in the deposit account ~~unless if~~ the transferee ~~acts~~
 7 **receives the funds without acting** in collusion with the debtor in
 8 violating the rights of the secured party.

9 (c) **A transferee of electronic money takes the money free of a**
 10 **security interest if the transferee obtains control of the money**
 11 **without acting in collusion with the debtor in violating the rights**
 12 **of the secured party.**

13 SECTION 70. IC 26-1-9.1-334 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 334. (a) A security
 15 interest under IC 26-1-9.1 may be created in goods that are fixtures or
 16 may continue in goods that become fixtures. A security interest does
 17 not exist under IC 26-1-9.1 in ordinary building materials incorporated
 18 into an improvement on land.

19 (b) IC 26-1-9.1 does not prevent creation of an encumbrance upon
 20 fixtures under real property law.

21 (c) In cases not governed by subsections (d) through (h), a security
 22 interest in fixtures is subordinate to a conflicting interest of an
 23 encumbrancer or owner of the related real property other than the
 24 debtor.

25 (d) Except as otherwise provided in subsection (h), a perfected
 26 security interest in fixtures has priority over a conflicting interest of an
 27 encumbrancer or owner of the real property if the debtor has an interest
 28 of record in or is in possession of the real property and:

- 29 (1) the security interest is a purchase-money security interest;
 30 (2) the interest of the encumbrancer or owner arises before the
 31 goods become fixtures; and
 32 (3) the security interest is perfected by a fixture filing before the
 33 goods become fixtures or within twenty (20) days thereafter.

34 (e) A perfected security interest in fixtures has priority over a
 35 conflicting interest of an encumbrancer or owner of the real property
 36 if:

- 37 (1) the debtor has an interest of record in the real property or is in
 38 possession of the real property and the security interest:
 39 (A) is perfected by a fixture filing before the interest of the
 40 encumbrancer or owner is of record; and
 41 (B) has priority over any conflicting interest of a predecessor
 42 in title of the encumbrancer or owner;



1 (2) before the goods become fixtures, the security interest is
 2 perfected by any method permitted by IC 26-1-9.1 and the fixtures
 3 are readily removable:

4 (A) factory or office machines;

5 (B) equipment that is not primarily used or leased for use in
 6 the operation of the real property; or

7 (C) replacements of domestic appliances that are consumer
 8 goods;

9 (3) the conflicting interest is a lien on the real property obtained
 10 by legal or equitable proceedings after the security interest was
 11 perfected by any method permitted by IC 26-1-9.1; or

12 (4) the security interest is:

13 (A) created in a manufactured home in a manufactured-home
 14 transaction; and

15 (B) perfected pursuant to a statute described in
 16 IC 26-1-9.1-311(a)(2).

17 (f) A security interest in fixtures, whether or not perfected, has
 18 priority over a conflicting interest of an encumbrancer or owner of the
 19 real property if:

20 (1) the encumbrancer or owner has, in **an authenticated a signed**
 21 record, consented to the security interest or disclaimed an interest
 22 in the goods as fixtures; or

23 (2) the debtor has a right to remove the goods against the
 24 encumbrancer or owner.

25 (g) The priority of the security interest under subsection (f)
 26 continues for a reasonable time if the debtor's right to remove the goods
 27 as against the encumbrancer or owner terminates.

28 (h) A mortgage is a construction mortgage to the extent that it
 29 secures an obligation incurred for the construction of an improvement
 30 on land, including the acquisition cost of the land, if a recorded record
 31 of the mortgage so indicates. Except as otherwise provided in
 32 subsections (e) and (f), a security interest in fixtures is subordinate to
 33 a construction mortgage if a record of the mortgage is recorded before
 34 the goods become fixtures and the goods become fixtures before the
 35 completion of the construction. A mortgage has this priority to the
 36 same extent as a construction mortgage to the extent that it is given to
 37 refinance a construction mortgage.

38 (i) A perfected security interest in crops growing on real property
 39 has priority over a conflicting interest of an encumbrancer or owner of
 40 the real property if the debtor has an interest of record in or is in
 41 possession of the real property.

42 SECTION 71. IC 26-1-9.1-341 IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 341. Except as
 2 otherwise provided in IC 26-1-9.1-340(c), and unless the bank
 3 otherwise agrees in ~~an authenticated~~ **a signed** record, a bank's rights
 4 and duties with respect to a deposit account maintained with the bank
 5 are not terminated, suspended, or modified by:

- 6 (1) the creation, attachment, or perfection of a security interest in
 7 the deposit account;
 8 (2) the bank's knowledge of the security interest; or
 9 (3) the bank's receipt of instructions from the secured party.

10 SECTION 72. IC 26-1-9.1-404 IS AMENDED TO READ AS
 11 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 404. (a) Unless an
 12 account debtor has made an enforceable agreement not to assert
 13 defenses or claims, and subject to subsections (b) through (e), the rights
 14 of an assignee are subject to:

- 15 (1) all terms of the agreement between the account debtor and
 16 assignor and any defense or claim in recoupment arising from the
 17 transaction that gave rise to the contract; and
 18 (2) any other defense or claim of the account debtor against the
 19 assignor which accrues before the account debtor receives a
 20 notification of the assignment ~~authenticated~~ **signed** by the
 21 assignor or the assignee.

22 (b) Subject to subsection (c) and except as otherwise provided in
 23 subsection (d), the claim of an account debtor against an assignor may
 24 be asserted against an assignee under subsection (a) only to reduce the
 25 amount the account debtor owes.

26 (c) This section is subject to law other than IC 26-1-9.1 that
 27 establishes a different rule for an account debtor who is an individual
 28 and who incurred the obligation primarily for personal, family, or
 29 household purposes.

30 (d) In a consumer transaction, if a record evidences the account
 31 debtor's obligation, law other than IC 26-1-9.1 requires that the record
 32 include a statement to the effect that the account debtor's recovery
 33 against an assignee with respect to claims and defenses against the
 34 assignor may not exceed amounts paid by the account debtor under the
 35 record, and the record does not include such a statement, the extent to
 36 which a claim of an account debtor against the assignor may be
 37 asserted against an assignee is determined as if the record included
 38 such a statement.

39 (e) This section does not apply to an assignment of a
 40 health-care-insurance receivable.

41 SECTION 73. IC 26-1-9.1-406, AS AMENDED BY P.L.54-2011,
 42 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2023]: Sec. 406. (a) Subject to subsections (b) through ~~(i)~~ **(j)**,
 2 an account debtor on an account, chattel paper, or a payment intangible
 3 may discharge its obligation by paying the assignor until, but not after,
 4 the account debtor receives a notification, ~~authenticated~~ **signed** by the
 5 assignor or the assignee, that the amount due or to become due has
 6 been assigned and that payment is to be made to the assignee. After
 7 receipt of the notification, the account debtor may discharge its
 8 obligation by paying the assignee and may not discharge the obligation
 9 by paying the assignor.

10 (b) Subject to ~~subsection (h)~~; **subsections (h) and (j)**, notification
 11 is ineffective under subsection (a):

- 12 (1) if it does not reasonably identify the rights assigned;
 13 (2) to the extent that an agreement between an account debtor and
 14 a seller of a payment intangible limits the account debtor's duty to
 15 pay a person other than the seller and the limitation is effective
 16 under law other than IC 26-1-9.1; or
 17 (3) at the option of an account debtor, if the notification notifies
 18 the account debtor to make less than the full amount of any
 19 installment or other periodic payment to the assignee, even if:
 20 (A) only a portion of the account, chattel paper, or payment
 21 intangible has been assigned to that assignee;
 22 (B) a portion has been assigned to another assignee; or
 23 (C) the account debtor knows that the assignment to that
 24 assignee is limited.

25 (c) Subject to ~~subsection (h)~~; **subsections (h) and (j)**, if requested
 26 by the account debtor, an assignee shall seasonably furnish reasonable
 27 proof that the assignment has been made. Unless the assignee
 28 complies, the account debtor may discharge its obligation by paying the
 29 assignor, even if the account debtor has received a notification under
 30 subsection (a).

31 (d) **As used in this subsection, "promissory note" includes a**
 32 **negotiable instrument that evidences chattel paper.** Except as
 33 otherwise provided in subsection (e) and IC 26-1-2.1-303 and
 34 IC 26-1-9.1-407, and subject to subsection (h), a term in an agreement
 35 between an account debtor and an assignor or in a promissory note is
 36 ineffective to the extent that it:

- 37 (1) prohibits, restricts, or requires the consent of the account
 38 debtor or person obligated on the promissory note to the
 39 assignment or transfer of, or the creation, attachment, perfection,
 40 or enforcement of a security interest in, the account, chattel paper,
 41 payment intangible, or promissory note; or
 42 (2) provides that the assignment or transfer or the creation,



1 attachment, perfection, or enforcement of the security interest
 2 may give rise to a default, breach, right of recoupment, claim,
 3 defense, termination, right of termination, or remedy under the
 4 account, chattel paper, payment intangible, or promissory note.

5 (e) Subsection (d) does not apply to the sale of a payment intangible
 6 or promissory note other than a sale pursuant to a disposition under
 7 IC 26-1-9.1-610 or an acceptance of collateral under IC 26-1-9.1-620.

8 (f) Except as provided in IC 26-1-2.1-303 and IC 26-1-9.1-407, and
 9 subject to subsections (h) and (i), a rule of law, statute, or regulation
 10 that prohibits, restricts, or requires the consent of a government,
 11 governmental body or official, or account debtor to the assignment or
 12 transfer of, or creation of a security interest in, an account or chattel
 13 paper is ineffective to the extent that the rule of law, statute, or
 14 regulation:

15 (1) prohibits, restricts, or requires the consent of the government,
 16 governmental body or official, or account debtor to the
 17 assignment or transfer of, or the creation, attachment, perfection,
 18 or enforcement of a security interest in the account or chattel
 19 paper; or

20 (2) provides that the assignment or transfer or the creation,
 21 attachment, perfection, or enforcement of the security interest
 22 may give rise to a default, right of recoupment, claim, defense,
 23 termination, right of termination, or remedy under the account or
 24 chattel paper.

25 (g) Subject to ~~subsection (h)~~, **subsections (h) and (j)**, an account
 26 debtor may not waive or vary its option under subsection (b)(3).

27 (h) This section is subject to law other than IC 26-1-9.1 which
 28 establishes a different rule for an account debtor who is an individual
 29 and who incurred the obligation primarily for personal, family, or
 30 household purposes.

31 (i) This section does not apply to an assignment of a
 32 health-care-insurance receivable.

33 **(j) Subsections (a), (b), (c), and (g) do not apply to a controllable**
 34 **account or a controllable payment intangible.**

35 SECTION 74. IC 26-1-9.1-408, AS AMENDED BY P.L.54-2011,
 36 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2023]: Sec. 408. (a) Except as otherwise provided in
 38 subsection (b), a term in a promissory note or in an agreement between
 39 an account debtor and a debtor that relates to a health-care-insurance
 40 receivable or a general intangible, including a contract, permit, license,
 41 or franchise, and which term prohibits, restricts, or requires the consent
 42 of the person obligated on the promissory note or the account debtor to,



1 the assignment or transfer of, or creation, attachment, or perfection of
2 a security interest in, the promissory note, health-care-insurance
3 receivable, or general intangible, is ineffective to the extent that the
4 term:

5 (1) would impair the creation, attachment, or perfection of a
6 security interest; or

7 (2) provides that the assignment, transfer, creation, attachment, or
8 perfection of the security interest may give rise to a default,
9 breach, right of recoupment, claim, defense, termination, right of
10 termination, or remedy under the promissory note,
11 health-care-insurance receivable, or general intangible.

12 (b) Subsection (a) applies to a security interest in a payment
13 intangible or promissory note only if the security interest arises out of
14 a sale of the payment intangible or promissory note other than a sale
15 under a disposition under IC 26-1-9.1-610 or an acceptance of
16 collateral under IC 26-1-9.1-620.

17 (c) A rule of law, statute, or regulation, which prohibits, restricts, or
18 requires the consent of a government, governmental body or official,
19 person obligated on a promissory note, or account debtor to the
20 assignment or transfer of, or creation of a security interest in, a
21 promissory note, health-care-insurance receivable, or general
22 intangible, including a contract, permit, license, or franchise between
23 an account debtor and a debtor, is ineffective to the extent that the rule
24 of law, statute, or regulation:

25 (1) would impair the creation, attachment, or perfection of a
26 security interest; or

27 (2) provides that the assignment, transfer, creation, attachment, or
28 perfection of the security interest may give rise to a default,
29 breach, right of recoupment, claim, defense, termination, right of
30 termination, or remedy under the promissory note,
31 health-care-insurance receivable, or general intangible.

32 (d) To the extent that a term in a promissory note or in an agreement
33 between an account debtor and a debtor which relates to a
34 health-care-insurance receivable or general intangible or a rule of law,
35 statute, or regulation described in subsection (c) would be effective
36 under law other than IC 26-1-9.1 but is ineffective under subsection (a)
37 or (c), the creation, attachment, or perfection of a security interest in
38 the promissory note, health-care-insurance receivable, or general
39 intangible:

40 (1) is not enforceable against the person obligated on the
41 promissory note or the account debtor;

42 (2) does not impose a duty or obligation on the person obligated



1 on the promissory note or the account debtor;

2 (3) does not require the person obligated on the promissory note
3 or the account debtor to recognize the security interest, pay or
4 render performance to the secured party, or accept payment or
5 performance from the secured party;

6 (4) does not entitle the secured party to use or assign the debtor's
7 rights under the promissory note, health-care-insurance
8 receivable, or general intangible, including any related
9 information or materials furnished to the debtor in the transaction
10 giving rise to the promissory note, health-care-insurance
11 receivable, or general intangible;

12 (5) does not entitle the secured party to use, assign, possess, or
13 have access to any trade secrets or confidential information of the
14 person obligated on the promissory note or the account debtor;
15 and

16 (6) does not entitle the secured party to enforce the security
17 interest in the promissory note, health-care-insurance receivable,
18 or general intangible.

19 (e) This section prevails over any inconsistent provision in statute,
20 administrative rule, or regulation.

21 **(g) As used in this section, "promissory note" includes a**
22 **negotiable instrument that evidences chattel paper.**

23 SECTION 75. IC 26-1-9.1-509, AS AMENDED BY P.L.1-2010,
24 SECTION 108, IS AMENDED TO READ AS FOLLOWS
25 [EFFECTIVE JULY 1, 2023]: Sec. 509. (a) A person may file an initial
26 financing statement, amendment that adds collateral covered by a
27 financing statement, or amendment that adds a debtor to a financing
28 statement only if:

29 (1) the debtor authorizes the filing in ~~an authenticated~~ **a signed**
30 record or under subsection (b) or (c); or

31 (2) the person holds an agricultural lien that has become effective
32 at the time of filing and the financing statement covers only
33 collateral in which the person holds an agricultural lien.

34 (b) By ~~authenticating signing~~ or becoming bound as debtor by a
35 security agreement, a debtor or new debtor authorizes the filing of an
36 initial financing statement, and an amendment, covering:

37 (1) the collateral described in the security agreement; and

38 (2) property that becomes collateral under IC 26-1-9.1-315(a)(2),
39 whether or not the security agreement expressly covers proceeds.

40 (c) By acquiring collateral in which a security interest or agricultural
41 lien continues under IC 26-1-9.1-315(a)(1), a debtor authorizes the
42 filing of an initial financing statement, and an amendment, covering the



1 collateral and property that becomes collateral under
2 IC 26-1-9.1-315(a)(2).

3 (d) A person may file an amendment other than an amendment that
4 adds collateral covered by a financing statement or an amendment that
5 adds a debtor to a financing statement only if:

- 6 (1) the secured party of record authorizes the filing; or
7 (2) the amendment is a termination statement for a financing
8 statement as to which the secured party of record has failed to file
9 or send a termination statement as required by IC 26-1-9.1-513(a)
10 or IC 26-1-9.1-513(c), the debtor authorizes the filing, and the
11 termination statement indicates that the debtor authorized it to be
12 filed.

13 (e) If there is more than one (1) secured party of record for a
14 financing statement, each secured party of record may authorize the
15 filing of an amendment under subsection (d).

16 SECTION 76. IC 26-1-9.1-513 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 513. (a) A secured
18 party shall cause the secured party of record for a financing statement
19 to file a termination statement for the financing statement if the
20 financing statement covers consumer goods and:

- 21 (1) there is no obligation secured by the collateral covered by the
22 financing statement and no commitment to make an advance,
23 incur an obligation, or otherwise give value; or
24 (2) the debtor did not authorize the filing of the initial financing
25 statement.

26 (b) To comply with subsection (a), a secured party shall cause the
27 secured party of record to file the termination statement:

- 28 (1) within one (1) month after there is no obligation secured by
29 the collateral covered by the financing statement and no
30 commitment to make an advance, incur an obligation, or
31 otherwise give value; or
32 (2) if earlier, within twenty (20) days after the secured party
33 receives ~~an authenticated~~ **a signed** demand from a debtor.

34 (c) In cases not governed by subsection (a), within twenty (20) days
35 after a secured party receives ~~an authenticated~~ **a signed** demand from
36 a debtor, the secured party shall cause the secured party of record for
37 a financing statement to send to the debtor a termination statement for
38 the financing statement or file the termination statement in the filing
39 office if:

- 40 (1) except in the case of a financing statement covering accounts
41 or chattel paper that has been sold or goods that are the subject of
42 a consignment, there is no obligation secured by the collateral



1 covered by the financing statement and no commitment to make
2 an advance, incur an obligation, or otherwise give value;

3 (2) the financing statement covers accounts or chattel paper that
4 has been sold but as to which the account debtor or other person
5 obligated has discharged its obligation;

6 (3) the financing statement covers goods that were the subject of
7 a consignment to the debtor but are not in the debtor's possession;
8 or

9 (4) the debtor did not authorize the filing of the initial financing
10 statement.

11 (d) Except as otherwise provided in IC 26-1-9.1-510, upon the filing
12 of a termination statement with the filing office, the financing
13 statement to which the termination statement relates ceases to be
14 effective. Except as otherwise provided in IC 26-1-9.1-510, for
15 purposes of IC 26-1-9.1-519(g), IC 26-1-9.1-522(a), and
16 IC 26-1-9.1-523(c), the filing with the filing office of a termination
17 statement relating to a financing statement that indicates that the debtor
18 is a transmitting utility also causes the effectiveness of the financing
19 statement to lapse.

20 SECTION 77. IC 26-1-9.1-601, AS AMENDED BY P.L.143-2007,
21 SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
22 JULY 1, 2023]: Sec. 601. (a) After default, a secured party has the
23 rights provided in this section through IC 26-1-9.1-628 and, except as
24 otherwise provided in IC 26-1-9.1-602, those provided by agreement
25 of the parties. A secured party:

26 (1) may reduce a claim to judgment, foreclose, or otherwise
27 enforce the claim, security interest, or agricultural lien by any
28 available judicial procedure; and

29 (2) if the collateral is documents, may proceed either as to the
30 documents or as to the goods they cover.

31 (b) A secured party in possession of collateral or control of
32 collateral under IC 26-1-7-106, IC 26-1-9.1-104, IC 26-1-9.1-105,
33 **IC 26-1-9.1-105.1**, IC 26-1-9.1-106, ~~or~~ IC 26-1-9.1-107, ~~or~~
34 **IC 26-1-9.1-107.1** has the rights and duties provided in
35 IC 26-1-9.1-207.

36 (c) The rights under subsections (a) and (b) are cumulative and may
37 be exercised simultaneously.

38 (d) Except as otherwise provided in subsection (g) and
39 IC 26-1-9.1-605, after default, a debtor and an obligor have the rights
40 provided in IC 26-1-9.1-601 through IC 26-1-9.1-628 and by agreement
41 of the parties.

42 (e) If a secured party has reduced its claim to judgment, the lien of



1 any levy that may be made upon the collateral by virtue of an execution
2 based upon the judgment relates back to the earliest of:

- 3 (1) the date of perfection of the security interest or agricultural
4 lien in the collateral;
5 (2) the date of filing a financing statement covering the collateral;
6 or
7 (3) any date specified in a statute under which the agricultural lien
8 was created.

9 (f) A sale pursuant to an execution is a foreclosure of the security
10 interest or agricultural lien by judicial procedure within the meaning of
11 this section. A secured party may purchase at the sale and thereafter
12 hold the collateral free of any other requirements of IC 26-1-9.1.

13 (g) Except as otherwise provided in IC 26-1-9.1-607(c),
14 IC 26-1-9.1-601 through IC 26-1-9.1-628 impose no duties upon a
15 secured party that is a consignor or is a buyer of accounts, chattel
16 paper, payment intangibles, or promissory notes.

17 SECTION 78. IC 26-1-9.1-605 IS AMENDED TO READ AS
18 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 605. **(a) Except as**
19 **provided in subsection (b),** a secured party does not owe a duty based
20 on its status as secured party:

21 (1) to a person that is a debtor or obligor, unless the secured party
22 knows:

- 23 (A) that the person is a debtor or obligor;
24 (B) the identity of the person; and
25 (C) how to communicate with the person; or

26 (2) to a secured party or lienholder that has filed a financing
27 statement against a person, unless the secured party knows:

- 28 (A) that the person is a debtor; and
29 (B) the identity of the person.

30 **(b) A secured party owes a duty based on its status as secured**
31 **party to a person if, at the time the secured party obtains control**
32 **of collateral that is a controllable account, a controllable electronic**
33 **record, or a controllable payment intangible or at the time the**
34 **security interest attaches to the collateral, whichever is later:**

- 35 **(1) the person is a debtor or obligor; and**
36 **(2) the secured party knows that the information in subsection**
37 **(a)(1)(A), (a)(1)(B), or (a)(1)(C) relating to the person is not**
38 **provided by the collateral, a record attached to or logically**
39 **associated with the collateral, or the system in which the**
40 **collateral is recorded.**

41 SECTION 79. IC 26-1-9.1-608 IS AMENDED TO READ AS
42 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 608. (a) If a security



1 interest or agricultural lien secures payment or performance of an
2 obligation, the following rules apply:

3 (1) A secured party shall apply or pay over for application the
4 cash proceeds of collection or enforcement under IC 26-1-9.1-607
5 in the following order to:

6 (A) the reasonable expenses of collection and enforcement
7 and, to the extent provided for by agreement and not
8 prohibited by law, reasonable attorney's fees and legal
9 expenses incurred by the secured party;

10 (B) the satisfaction of obligations secured by the security
11 interest or agricultural lien under which the collection or
12 enforcement is made; and

13 (C) the satisfaction of obligations secured by any subordinate
14 security interest in or other lien on the collateral subject to the
15 security interest or agricultural lien under which the collection
16 or enforcement is made if the secured party receives ~~an~~
17 **authenticated a signed** demand for proceeds before
18 distribution of the proceeds is completed.

19 (2) If requested by a secured party, a holder of a subordinate
20 security interest or other lien shall furnish reasonable proof of the
21 interest or lien within a reasonable time. Unless the holder
22 complies, the secured party need not comply with the holder's
23 demand under subdivision (1)(C).

24 (3) A secured party need not apply or pay over for application
25 noncash proceeds of collection and enforcement under
26 IC 26-1-9.1-607 unless the failure to do so would be
27 commercially unreasonable. A secured party that applies or pays
28 over for application noncash proceeds shall do so in a
29 commercially reasonable manner.

30 (4) A secured party shall account to and pay a debtor for any
31 surplus, and the obligor is liable for any deficiency.

32 (b) If the underlying transaction is a sale of accounts, chattel paper,
33 payment intangibles, or promissory notes, the debtor is not entitled to
34 any surplus, and the obligor is not liable for any deficiency.

35 SECTION 80. IC 26-1-9.1-611 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 611. (a) As used in this
37 section, "notification date" means the earlier of the date on which:

38 (1) a secured party sends to the debtor and any secondary obligor
39 ~~an authenticated a signed~~ notification of disposition; or

40 (2) the debtor and any secondary obligor waive the right to
41 notification.

42 (b) Except as otherwise provided in subsection (d), a secured party



1 that disposes of collateral under IC 26-1-9.1-610 shall send to the
 2 persons specified in subsection (c) a reasonable ~~authenticated~~ **signed**
 3 notification of disposition.

4 (c) To comply with subsection (b), the secured party shall send ~~an~~
 5 ~~authenticated~~ **a signed** notification of disposition to:

- 6 (1) the debtor;
 7 (2) any secondary obligor; and
 8 (3) if the collateral is other than consumer goods:
 9 (A) any other person from which the secured party has
 10 received, before the notification date, ~~an authenticated~~ **a**
 11 **signed** notification of a claim of an interest in the collateral;
 12 (B) any other secured party or lienholder that, ten (10) days
 13 before the notification date, held a security interest in or other
 14 lien on the collateral perfected by the filing of a financing
 15 statement that:
 16 (i) identified the collateral;
 17 (ii) was indexed under the debtor's name as of that date; and
 18 (iii) was filed in the office in which to file a financing
 19 statement against the debtor covering the collateral as of that
 20 date; and
 21 (C) any other secured party that, ten (10) days before the
 22 notification date, held a security interest in the collateral
 23 perfected by compliance with a statute, regulation, or treaty
 24 described in IC 26-1-9.1-311(a).

25 (d) Subsection (b) does not apply if the collateral is perishable or
 26 threatens to decline speedily in value or is of a type customarily sold on
 27 a recognized market.

28 (e) A secured party complies with the requirement for notification
 29 prescribed in subsection (c)(3)(B) if:

- 30 (1) not later than twenty (20) days or earlier than thirty (30) days
 31 before the notification date, the secured party requests, in a
 32 commercially reasonable manner, information concerning
 33 financing statements indexed under the debtor's name in the office
 34 indicated in subsection (c)(3)(B); and
 35 (2) before the notification date, the secured party:
 36 (A) did not receive a response to the request for information;
 37 or
 38 (B) received a response to the request for information and sent
 39 ~~an authenticated~~ **a signed** notification of disposition to each
 40 secured party or other lienholder named in that response
 41 whose financing statement covered the collateral.

42 SECTION 81. IC 26-1-9.1-613 IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 613. (a) Except in a
 2 consumer-goods transaction, the following rules apply:
 3 (1) The contents of a notification of disposition are sufficient if
 4 the notification:
 5 (A) describes the debtor and the secured party;
 6 (B) describes the collateral that is the subject of the intended
 7 disposition;
 8 (C) states the method of intended disposition;
 9 (D) states that the debtor is entitled to an accounting of the
 10 unpaid indebtedness and states the charge, if any, for an
 11 accounting; and
 12 (E) states the time and place of a public disposition or the time
 13 after which any other disposition is to be made.
 14 (2) Whether the contents of a notification that lacks any of the
 15 information specified in subdivision (1) are nevertheless
 16 sufficient is a question of fact.
 17 (3) The contents of a notification providing substantially the
 18 information specified in subdivision (1) are sufficient, even if the
 19 notification includes:
 20 (A) information not specified by that subdivision; or
 21 (B) minor errors that are not seriously misleading.
 22 (4) A particular phrasing of the notification is not required.
 23 (5) The following form of notification and the form appearing in
 24 ~~IC 26-1-9.1-614(3)~~; **IC 26-1-9.1-614(a)(3)**, when completed in
 25 **accordance with subsection (b) and IC 26-1-9.1-614(b)**, each
 26 provides sufficient information:
 27 NOTIFICATION OF DISPOSITION OF COLLATERAL
 28 To: Name of debtor, obligor, or other person to which the
 29 notification is sent (Name of debtor, obligor, or other
 30 **person to which the notification is sent**)
 31 From: Name, address, and telephone number of secured
 32 party (Name, address, and telephone number of secured party)
 33 {1} Name of Debtor(s): Include only if debtor(s) are not an
 34 addressee any debtor that is not an addressee: (Name of each
 35 **debtor**)
 36 (For a public disposition:)
 37 {2} We will sell (or lease or license, as applicable) the describe
 38 collateral to (describe collateral) (to the highest qualified bidder in
 39 **bidder) at public sale. A sale could include a lease or license. The**
 40 **sale will be held** as follows:
 41 Day and Date: _____ (Date)
 42 Time: _____ (Time)



1 Place: _____ (Place)
 2 (For a private disposition:)
 3 {3} We will sell (or lease or license, as applicable) the describe
 4 collateral privately (describe collateral) at private sale sometime
 5 after day and date: (date). A sale could include a lease or license.
 6 {4} You are entitled to an accounting of the unpaid indebtedness
 7 secured by the property that we intend to sell (or lease or license, as
 8 applicable) (for a charge of \$_____): or, as applicable, lease or license.
 9 {5} If you request an accounting, you must pay a charge of \$
 10 (amount). {6} You may request an accounting by calling us at
 11 telephone number: (telephone number).

12 (End of Form)

13 (b) The following instructions apply to the form of notification
 14 in subsection (a)(5):

15 (1) The instructions in this subsection refer to the numbers in
 16 braces before items in the form of notification in subsection
 17 (a)(5). The numbers in braces:

18 (A) are used only for the purpose of the instructions under
 19 this subsection; and

20 (B) must not be included in the notification.

21 (2) Include and complete item {1} only if there is a debtor that
 22 is not an addressee of the notification. List the name of each
 23 of those debtors.

24 (3) Include and complete either item {2}, if the notification
 25 relates to a public disposition of the collateral, or item {3}, if
 26 the notification relates to a private disposition of the
 27 collateral. If item {2} is included, include the words "to the
 28 highest bidder" only if applicable.

29 (4) Include and complete items {4} and {6}.

30 (5) Include and complete item {5} only if the sender will
 31 charge the recipient for an accounting.

32 SECTION 82. IC 26-1-9.1-614 IS AMENDED TO READ AS
 33 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 614. (a) In a
 34 consumer-goods transaction, the following rules apply:

35 (1) A notification of disposition must provide the following
 36 information:

37 (A) The information specified in ~~IC 26-1-9.1-613(1)~~.
 38 **IC 26-1-9.1-613(a)(1)**.

39 (B) A description of any liability for a deficiency of the person
 40 to which the notification is sent.

41 (C) A telephone number from which the amount that must be
 42 paid to the secured party to redeem the collateral under



- 1 IC 26-1-9.1-623 is available.
- 2 (D) A telephone number or mailing address from which
- 3 additional information concerning the disposition and the
- 4 obligation secured is available.
- 5 (2) A particular phrasing of the notification is not required.
- 6 (3) The following form of notification, when completed **in**
- 7 **accordance with the instructions set forth in subsection (b),**
- 8 provides sufficient information:

9 Name and address of secured party (**Name and address of secured**
 10 **party**)

11 Date (**Date**)

12 NOTICE OF OUR PLAN TO SELL PROPERTY
 13 Name and address of any obligor who is also a debtor (**Name and**
 14 **address of any obligor who is also a debtor**)

15 Subject: Identification of Transaction (**Identify transaction**)

16 We have your describe collateral, (**describe collateral**), because you
 17 broke promises in our agreement.

18 (~~For a public disposition:~~)

19 {1} We will sell describe collateral (**describe collateral**) at public
 20 sale. A sale could include a lease or license. The sale will be held as
 21 follows:

22 Date: _____ (**Date**)

23 Time: _____ (**Time**)

24 Place: _____ (**Place**)

25 You may attend the sale and bring bidders if you want.

26 (~~For a private disposition:~~)

27 {2} We will sell describe collateral (**describe collateral**) at private
 28 sale sometime after date. (**date**). A sale could include a lease or license.

29 {3} The money that we get from the sale, (~~after after~~ **after** paying our
 30 ~~costs~~ **costs**), will reduce the amount you owe. If we get less money than
 31 you owe, you will or will not, as applicable (**will or will not, as**
 32 **applicable**) still owe us the difference. If we get more money than you
 33 owe, you will get the extra money, unless we must pay it to someone
 34 else.

35 {4} You can get the property back at any time before we sell it by
 36 paying us the full amount you owe, (~~not not~~ **not** just the past due
 37 ~~payments~~ **payments**), including our expenses. To learn the exact
 38 amount you must pay, call us at telephone number. (**telephone**
 39 **number**).

40 {5} If you want us to explain to you in writing (**writing**) (**writing or**
 41 **in (description of electronic record)**) (**description of electronic**
 42 **record**) how we have figured the amount that you owe us, ~~you may~~ {6}



1 call us at ~~telephone number~~ (telephone number) or write (or) (write
 2 us at ~~secured party's address~~ (secured party's address)) (or
 3 (description of electronic communication method)) and {7} request
 4 a (a written explanation: explanation) (a written explanation or an
 5 explanation in (description of electronic record)) (an explanation
 6 in (description of electronic record)). {8} We will charge you \$
 7 (amount) for the explanation if we sent you another written
 8 explanation of the amount you owe us within the last six (6) months.
 9 {9} If you need more information about the sale call (call us at
 10 ~~telephone number~~ (telephone number)) or write (or) (write us at
 11 ~~secured party's address~~: (secured party's address) (or contact us by
 12 (description of electronic communication method)).

13 {10} We are sending this notice to the following other people who
 14 have an interest in ~~describe collateral~~ (describe collateral) or who owe
 15 money under your agreement:

16 ~~Names of all other debtors and obligors, if any:~~ (Names of all other
 17 debtors and obligors, if any)

18 (End of Form)

19 (4) A notification in the form of subdivision (3) is sufficient, even
 20 if additional information appears at the end of the form.

21 (5) A notification in the form of subdivision (3) is sufficient, even
 22 if it includes errors in information not required by subdivision (1),
 23 unless the error is misleading with respect to rights arising under
 24 IC 26-1-9.1.

25 (6) If a notification under this section is not in the form of
 26 subdivision (3), law other than IC 26-1-9.1 determines the effect
 27 of including information not required by subdivision (1).

28 (b) The following instructions apply to the form of notification
 29 in subsection (a)(3):

30 (1) The instructions in this subsection refer to the numbers in
 31 braces before items in the form of notification in subsection
 32 (a)(3). The numbers in braces:

33 (A) are used only for the purpose of the instructions under
 34 this subsection; and

35 (B) must not be included in the notification.

36 (2) Include and complete either item {1}, if the notification
 37 relates to a public disposition of the collateral, or item {2}, if
 38 the notification relates to a private disposition of the
 39 collateral.

40 (3) Include and complete items {3}, {4}, {5}, {6}, and {7}.

41 (4) In item {5}, include and complete any one (1) of the three
 42 (3) alternative methods for the explanation:



- 1 (A) writing;
- 2 (B) writing or electronic record; or
- 3 (C) electronic record.
- 4 **(5) In item {6}, include the telephone number. In addition, the**
- 5 **sender may include and complete either or both of the two (2)**
- 6 **additional alternative methods of communication, which are:**
- 7 (A) writing; and
- 8 (B) electronic communication;
- 9 **by which the recipient of the notification may communicate**
- 10 **with the sender. Neither of the two (2) additional methods of**
- 11 **communication is required to be included.**
- 12 **(6) In item {7}, include and complete each method included in**
- 13 **item {5} (writing, writing or electronic record, or electronic**
- 14 **record) for the explanation.**
- 15 **(7) Include and complete item {8} only if:**
- 16 (A) a written explanation is included in item {5} as a
- 17 method for communicating the explanation; and
- 18 (B) the sender will charge the recipient for another written
- 19 explanation.
- 20 **(8) In item {9}, include either the telephone number or the**
- 21 **address or both the telephone number and the address. In**
- 22 **addition, the sender may include and complete the additional**
- 23 **method of communication (electronic communication) for the**
- 24 **recipient of the notification to communicate with the sender.**
- 25 **The additional method of electronic communication is not**
- 26 **required to be included.**
- 27 **(9) If item {10} does not apply, insert "None" after**
- 28 **"agreement:".**
- 29 SECTION 83. IC 26-1-9.1-615 IS AMENDED TO READ AS
- 30 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 615. (a) A secured
- 31 party shall apply or pay over for application the cash proceeds of
- 32 disposition under IC 26-1-9.1-610 in the following order to:
- 33 (1) the reasonable expenses of retaking, holding, preparing for
- 34 disposition, processing, and disposing, and, to the extent provided
- 35 for by agreement and not prohibited by law, reasonable attorney's
- 36 fees and legal expenses incurred by the secured party;
- 37 (2) the satisfaction of obligations secured by the security interest
- 38 or agricultural lien under which the disposition is made;
- 39 (3) the satisfaction of obligations secured by any subordinate
- 40 security interest in or other subordinate lien on the collateral if:
- 41 (A) the secured party receives from the holder of the
- 42 subordinate security interest or other lien ~~an authenticated a~~



1 **signed** demand for proceeds before distribution of the
 2 proceeds is completed; and
 3 (B) in a case in which a consignor has an interest in the
 4 collateral, the subordinate security interest or other lien is
 5 senior to the interest of the consignor; and
 6 (4) a secured party that is a consignor of the collateral if the
 7 secured party receives from the consignor ~~an authenticated a~~
 8 **signed** demand for proceeds before distribution of the proceeds
 9 is completed.

10 (b) If requested by a secured party, a holder of a subordinate
 11 security interest or other lien shall furnish reasonable proof of the
 12 interest or lien within a reasonable time. Unless the holder does so, the
 13 secured party need not comply with the holder's demand under
 14 subsection (a)(3).

15 (c) A secured party need not apply or pay over for application
 16 noncash proceeds of disposition under IC 26-1-9.1-610 unless the
 17 failure to do so would be commercially unreasonable. A secured party
 18 that applies or pays over for application noncash proceeds shall do so
 19 in a commercially reasonable manner.

20 (d) If the security interest under which a disposition is made secures
 21 payment or performance of an obligation, after making the payments
 22 and applications required by subsection (a) and permitted by subsection
 23 (c):

24 (1) unless subsection (a)(4) requires the secured party to apply or
 25 pay over cash proceeds to a consignor, the secured party shall
 26 account to and pay a debtor for any surplus; and
 27 (2) the obligor is liable for any deficiency.

28 (e) If the underlying transaction is a sale of accounts, chattel paper,
 29 payment intangibles, or promissory notes:

30 (1) the debtor is not entitled to any surplus; and
 31 (2) the obligor is not liable for any deficiency.

32 (f) The surplus or deficiency following a disposition is calculated
 33 based on the amount of proceeds that would have been realized in a
 34 disposition complying with IC 26-1-9.1-601 through IC 26-1-9.1-628
 35 to a transferee other than the secured party, a person related to the
 36 secured party, or a secondary obligor if:

37 (1) the transferee in the disposition is the secured party, a person
 38 related to the secured party, or a secondary obligor; and
 39 (2) the amount of proceeds of the disposition is significantly
 40 below the range of proceeds that a complying disposition to a
 41 person other than the secured party, a person related to the
 42 secured party, or a secondary obligor would have brought.



1 (g) A secured party that receives cash proceeds of a disposition in
 2 good faith and without knowledge that the receipt violates the rights of
 3 the holder of a security interest or other lien that is not subordinate to
 4 the security interest or agricultural lien under which the disposition is
 5 made:

6 (1) takes the cash proceeds free of the security interest or other
 7 lien;

8 (2) is not obligated to apply the proceeds of the disposition to the
 9 satisfaction of obligations secured by the security interest or other
 10 lien; and

11 (3) is not obligated to account to or pay the holder of the security
 12 interest or other lien for any surplus.

13 SECTION 84. IC 26-1-9.1-616 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 616. (a) As used in this
 15 section:

16 (1) "Explanation" means a ~~writing~~ **record** that:

17 (A) states the amount of the surplus or deficiency;

18 (B) provides an explanation in accordance with subsection (c)
 19 of how the secured party calculated the surplus or deficiency;

20 (C) states, if applicable, that future debits, credits, charges,
 21 including additional credit service charges or interest, rebates,
 22 and expenses may affect the amount of the surplus or
 23 deficiency; and

24 (D) provides a telephone number or mailing address from
 25 which additional information concerning the transaction is
 26 available.

27 (2) "Request" means a record:

28 (A) ~~authenticated~~ **signed** by a debtor or consumer obligor;

29 (B) requesting that the recipient provide an explanation; and

30 (C) sent after disposition of the collateral under
 31 IC 26-1-9.1-610.

32 (b) In a consumer-goods transaction in which the debtor is entitled
 33 to a surplus or a consumer obligor is liable for a deficiency under
 34 IC 26-1-9.1-615, the secured party shall:

35 (1) send an explanation to the debtor or consumer obligor, as
 36 applicable, after the disposition and:

37 (A) before or when the secured party accounts to the debtor
 38 and pays any surplus or first makes ~~written~~ **demand in a**
 39 **record** on the consumer obligor after the disposition for
 40 payment of the deficiency; and

41 (B) within fourteen (14) days after receipt of a request; or

42 (2) in the case of a consumer obligor who is liable for a



1 deficiency, within fourteen (14) days after receipt of a request,
 2 send to the consumer obligor a record waiving the secured party's
 3 right to a deficiency.

4 (c) To comply with subsection (a)(1)(B), a **writing an explanation**
 5 must provide the following information in the following order:

6 (1) the aggregate amount of obligations secured by the security
 7 interest under which the disposition was made, and, if the amount
 8 reflects a rebate of unearned interest or credit service charge, an
 9 indication of that fact, calculated as of a specified date:

10 (A) if the secured party takes or receives possession of the
 11 collateral after default, not more than thirty-five (35) days
 12 before the secured party takes or receives possession; or

13 (B) if the secured party takes or receives possession of the
 14 collateral before default or does not take possession of the
 15 collateral, not more than thirty-five (35) days before the
 16 disposition;

17 (2) the amount of proceeds of the disposition;

18 (3) the aggregate amount of the obligations after deducting the
 19 amount of proceeds;

20 (4) the amount, in the aggregate or by type, and types of expenses,
 21 including expenses of retaking, holding, preparing for disposition,
 22 processing, and disposing of the collateral, and attorney's fees
 23 secured by the collateral that are known to the secured party and
 24 relate to the current disposition;

25 (5) the amount, in the aggregate or by type, and types of credits,
 26 including rebates of interest or credit service charges, to which
 27 the obligor is known to be entitled and that are not reflected in the
 28 amount in paragraph (1); and

29 (6) the amount of the surplus or deficiency.

30 (d) A particular phrasing of the explanation is not required. An
 31 explanation complying substantially with the requirements of
 32 subsection (a) is sufficient, even if it includes minor errors that are not
 33 seriously misleading.

34 (e) A debtor or consumer obligor is entitled without charge to one
 35 (1) response to a request under this section during any six (6) month
 36 period in which the secured party did not send to the debtor or
 37 consumer obligor an explanation pursuant to subsection (b)(1). The
 38 secured party may require payment of a charge not exceeding
 39 twenty-five dollars (\$25) for each additional response.

40 SECTION 85. IC 26-1-9.1-619 IS AMENDED TO READ AS
 41 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 619. (a) In this section,
 42 "transfer statement" means a record ~~authenticated~~ **signed** by a secured



- 1 party stating:
- 2 (1) that the debtor has defaulted in connection with an obligation
- 3 secured by specified collateral;
- 4 (2) that the secured party has exercised its post-default remedies
- 5 with respect to the collateral;
- 6 (3) that, by reason of the exercise, a transferee has acquired the
- 7 rights of the debtor in the collateral; and
- 8 (4) the name and mailing address of the secured party, debtor, and
- 9 transferee.
- 10 (b) A transfer statement entitles the transferee to the transfer of
- 11 record of all rights of the debtor in the collateral specified in the
- 12 statement in any official filing, recording, registration, or
- 13 certificate-of-title system covering the collateral. If a transfer statement
- 14 is presented with the applicable fee and request form to the official or
- 15 office responsible for maintaining the system, the official or office
- 16 shall:
- 17 (1) accept the transfer statement;
- 18 (2) promptly amend its records to reflect the transfer; and
- 19 (3) if applicable, issue a new appropriate certificate of title in the
- 20 name of transferee.
- 21 (c) A transfer of the record or legal title to collateral to a secured
- 22 party under subsection (b) or otherwise is not of itself a disposition of
- 23 collateral under IC 26-1-9.1 and does not of itself relieve the secured
- 24 party of its duties under IC 26-1-9.1.
- 25 SECTION 86. IC 26-1-9.1-620 IS AMENDED TO READ AS
- 26 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 620. (a) Except as
- 27 otherwise provided in subsection (g), a secured party may accept
- 28 collateral in full or partial satisfaction of the obligation it secures only
- 29 if:
- 30 (1) the debtor consents to the acceptance under subsection (c);
- 31 (2) the secured party does not receive, within the time set forth in
- 32 subsection (d), a notification of objection to the proposal
- 33 **authenticated signed** by:
- 34 (A) a person to which the secured party was required to send
- 35 a proposal under IC 26-1-9.1-621; or
- 36 (B) any other person, other than the debtor, holding an interest
- 37 in the collateral subordinate to the security interest that is the
- 38 subject of the proposal;
- 39 (3) if the collateral is consumer goods, the collateral is not in the
- 40 possession of the debtor when the debtor consents to the
- 41 acceptance; and
- 42 (4) subsection (e) does not require the secured party to dispose of



- 1 the collateral or the debtor waives the requirement pursuant to
 2 IC 26-1-9.1-624.
- 3 (b) A purported or apparent acceptance of collateral under this
 4 section is ineffective unless:
- 5 (1) the secured party consents to the acceptance in an
 6 ~~authenticated~~ **a signed** record or sends a proposal to the debtor;
 7 and
- 8 (2) the conditions of subsection (a) are met.
- 9 (c) For purposes of this section:
- 10 (1) a debtor consents to an acceptance of collateral in partial
 11 satisfaction of the obligation it secures only if the debtor agrees
 12 to the terms of the acceptance in a record ~~authenticated~~ **signed**
 13 after default; and
- 14 (2) a debtor consents to an acceptance of collateral in full
 15 satisfaction of the obligation it secures only if the debtor agrees
 16 to the terms of the acceptance in a record ~~authenticated~~ **signed**
 17 after default or the secured party:
- 18 (A) sends to the debtor after default a proposal that is
 19 unconditional or subject only to a condition that collateral not
 20 in the possession of the secured party be preserved or
 21 maintained;
- 22 (B) in the proposal, proposes to accept collateral in full
 23 satisfaction of the obligation it secures; and
- 24 (C) does not receive a notification of objection ~~authenticated~~
 25 **signed** by the debtor within twenty (20) days after the proposal
 26 is sent.
- 27 (d) To be effective under subsection (a)(2), a notification of
 28 objection must be received by the secured party:
- 29 (1) in the case of a person to which the proposal was sent
 30 pursuant to IC 26-1-9.1-621, within twenty (20) days after
 31 notification was sent to that person; and
- 32 (2) in other cases:
- 33 (A) within twenty (20) days after the last notification was sent
 34 pursuant to IC 26-1-9.1-621; or
- 35 (B) if a notification was not sent, before the debtor consents to
 36 the acceptance under subsection (c).
- 37 (e) A secured party that has taken possession of collateral shall
 38 dispose of the collateral pursuant to IC 26-1-9.1-610 within the time
 39 specified in subsection (f) if:
- 40 (1) sixty percent (60%) of the cash price has been paid in the case
 41 of a purchase-money security interest in consumer goods; or
- 42 (2) sixty percent (60%) of the principal amount of the obligation



1 secured has been paid in the case of a non-purchase-money
2 security interest in consumer goods.

3 (f) To comply with subsection (e), the secured party shall dispose of
4 the collateral:

- 5 (1) within ninety (90) days after taking possession; or
6 (2) within any longer period to which the debtor and all secondary
7 obligors have agreed in an agreement to that effect entered into
8 and ~~authenticated~~ **signed** after default.

9 (g) In a consumer transaction, a secured party may not accept
10 collateral in partial satisfaction of the obligation it secures.

11 SECTION 87. IC 26-1-9.1-621 IS AMENDED TO READ AS
12 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 621. (a) A secured
13 party that desires to accept collateral in full or partial satisfaction of the
14 obligation it secures shall send its proposal to:

- 15 (1) any person from which the secured party has received, before
16 the debtor consented to the acceptance, ~~an authenticated~~ **a signed**
17 notification of a claim of an interest in the collateral;
18 (2) any other secured party or lienholder that, ten (10) days before
19 the debtor consented to the acceptance, held a security interest in
20 or other lien on the collateral perfected by the filing of a financing
21 statement that:

- 22 (A) identified the collateral;
23 (B) was indexed under the debtor's name as of that date; and
24 (C) was filed in the office or offices in which to file a
25 financing statement against the debtor covering the collateral
26 as of that date; and
27 (3) any other secured party that, ten (10) days before the debtor
28 consented to the acceptance, held a security interest in the
29 collateral perfected by compliance with a statute, regulation, or
30 treaty described in IC 26-1-9.1-311(a).

31 (b) A secured party that desires to accept collateral in partial
32 satisfaction of the obligation it secures shall send its proposal to any
33 secondary obligor in addition to the persons described in subsection
34 (a).

35 SECTION 88. IC 26-1-9.1-624 IS AMENDED TO READ AS
36 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 624. (a) A debtor or
37 secondary obligor may waive the right to notification of disposition of
38 collateral under IC 26-1-9.1-611 only by an agreement to that effect
39 entered into and ~~authenticated~~ **signed** after default.

40 (b) A debtor may waive the right to require disposition of collateral
41 under IC 26-1-9.1-620(e) only by an agreement to that effect entered
42 into and ~~authenticated~~ **signed** after default.



1 (c) Except in a consumer-goods transaction, a debtor or secondary
 2 obligor may waive the right to redeem collateral under IC 26-1-9.1-623
 3 only by an agreement to that effect entered into and **authenticated**
 4 **signed** after default.

5 SECTION 89. IC 26-1-9.1-628 IS AMENDED TO READ AS
 6 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 628. (a) **Subject to**
 7 **subsection (f)**, unless a secured party knows that a person is a debtor
 8 or obligor, knows the identity of the person, and knows how to
 9 communicate with the person:

10 (1) the secured party is not liable to the person, or to a secured
 11 party or lienholder that has filed a financing statement against the
 12 person, for failure to comply with IC 26-1-9.1; and

13 (2) the secured party's failure to comply with IC 26-1-9.1 does not
 14 affect the liability of the person for a deficiency.

15 (b) **Subject to subsection (f)**, a secured party is not liable because
 16 of its status as secured party:

17 (1) to a person that is a debtor or obligor, unless the secured party
 18 knows:

19 (A) that the person is a debtor or obligor;

20 (B) the identity of the person; and

21 (C) how to communicate with the person; or

22 (2) to a secured party or lienholder that has filed a financing
 23 statement against a person, unless the secured party knows:

24 (A) that the person is a debtor; and

25 (B) the identity of the person.

26 (c) A secured party is not liable to any person, and a person's
 27 liability for a deficiency is not affected, because of any act or omission
 28 arising out of the secured party's reasonable belief that a transaction is
 29 not a consumer-goods transaction or a consumer transaction or that
 30 goods are not consumer goods, if the secured party's belief is based on
 31 its reasonable reliance on:

32 (1) a debtor's representation concerning the purpose for which
 33 collateral was to be used, acquired, or held; or

34 (2) an obligor's representation concerning the purpose for which
 35 a secured obligation was incurred.

36 (d) A secured party is not liable to any person under
 37 IC 26-1-9.1-625(c)(2) for its failure to comply with IC 26-1-9.1-616.

38 (e) A secured party is not liable under IC 26-1-9.1-625(c)(2) more
 39 than once with respect to any one secured obligation.

40 (f) **Subsections (a) and (b) do not apply to limit the liability of a**
 41 **secured party to a person if, at the time the secured party obtains**
 42 **control of collateral that is a controllable account, controllable**



1 electronic record, or controllable payment intangible or at the time
 2 the security interest attaches to the collateral, whichever is later:

- 3 (1) the person is a debtor or obligor; and
 4 (2) the secured party knows that the information in subsection
 5 (b)(1)(A), (b)(1)(B), or (b)(1)(C) relating to the person is not
 6 provided by the collateral, a record attached to or logically
 7 associated with the collateral, or the system in which the
 8 collateral is recorded.

9 SECTION 90. IC 26-1-11 IS REPEALED [EFFECTIVE JULY 1,
 10 2023]. (Controllable Electronic Records).

11 SECTION 91. IC 26-1-12 IS ADDED TO THE INDIANA CODE
 12 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2023]:

14 **Chapter 12. Controllable Electronic Records**

15 **Sec. 101.** This chapter shall be known and may be cited as
 16 **Uniform Commercial Code - Controllable Electronic Records.**

17 **Sec. 102. (a)** In this chapter the following definitions apply:

18 (1) "Controllable electronic record" means a record stored in
 19 an electronic medium that can be subjected to control under
 20 section 105 of this chapter. The term does not include a
 21 controllable account, a controllable payment intangible, a
 22 deposit account, an electronic copy of a record evidencing
 23 chattel paper, an electronic document of title, electronic
 24 money, investment property, or a transferrable record.

25 (2) "Qualifying purchaser" means a purchaser:

26 (A) of a controllable electronic record; or

27 (B) of an interest in a controllable electronic record;
 28 that obtains control of the controllable electronic record for
 29 value, in good faith, and without notice of a claim of a
 30 property right in the controllable electronic record.

31 (3) "Transferrable record" has the meaning set forth in:

32 (A) Section 201(a)(1) of the Electronic Signatures in Global
 33 and National Commerce Act (15 U.S.C. 7021(a)(1)); or

34 (B) IC 26-2-8-115(a).

35 (4) "Value" has the meaning set forth in IC 26-1-3.1-303(a),
 36 as if references in IC 26-1-3.1-303(a) to an "instrument" were
 37 references to a controllable account, a controllable electronic
 38 record, or a controllable payment intangible.

39 (b) The definitions in IC 26-1-9.1 of "account debtor",
 40 "controllable account", "controllable payment intangible",
 41 "chattel paper", "deposit account", "electronic money", and
 42 "investment property" apply throughout this chapter.



1 (c) The general definitions and principles of construction and
2 interpretation set forth in IC 26-1-1 apply throughout this chapter.

3 Sec. 103. (a) If there is a conflict between this chapter and
4 IC 26-1-9.1, IC 26-1-9.1 governs.

5 (b) A transaction subject to this chapter is subject to:

6 (1) any applicable rule of law that establishes a different rule
7 for consumers; and

8 (2) any:

9 (A) other statute or regulation that regulates the rates,
10 charges, agreements, and practices for loans, credit sales,
11 or other extensions of credit, including IC 24-4.5; and

12 (B) consumer protection statute or regulation.

13 Sec. 104. (a) This section applies to the acquisition and purchase
14 rights in a controllable account or a controllable payment
15 intangible, including the rights and benefits under subsections (c),
16 (d), (e), (g), and (h) of a purchaser and a qualifying purchaser, in
17 the same manner that this section applies with respect to a
18 controllable electronic record.

19 (b) For purposes of determining whether a purchaser of a
20 controllable account or a controllable payment intangible is a
21 qualifying purchaser, the purchaser obtains control of the account
22 or the payment intangible if the purchaser obtains control of the
23 controllable electronic record that evidences the account or the
24 payment intangible.

25 (c) Except as provided in this section, law other than this
26 chapter determines:

27 (1) whether a person acquires a right in a controllable
28 electronic record; and

29 (2) the right the person acquires.

30 (d) A purchaser of a controllable electronic record acquires all
31 rights in the controllable electronic record that the transferor had
32 or had the power to transfer. However, a purchaser of a limited
33 interest in a controllable electronic record acquires rights only to
34 the extent of the interest purchased.

35 (e) A qualifying purchaser acquires the qualifying purchaser's
36 rights in a controllable electronic record free of a claim of a
37 property right in the controllable electronic record.

38 (f) Except as provided in subsections (a) and (e) with respect to
39 a controllable account or a controllable payment intangible, or in
40 law other than this chapter, a qualifying purchaser takes:

41 (1) a right to payment;

42 (2) a right to performance; or



1 **(3) another interest in property;**
 2 **that is evidenced by a controllable electronic record subject to a**
 3 **claim of a property right in the right to payment, right to**
 4 **performance, or other interest in property.**

5 **(g) An action may not be asserted against a qualifying purchaser**
 6 **based on both:**

7 **(1) a purchase by the qualifying purchaser of a controllable**
 8 **electronic record; and**

9 **(2) a claim of a property right in another controllable**
 10 **electronic record;**

11 **regardless of whether the action is framed in conversion, replevin,**
 12 **constructive trust, equitable lien, or another theory.**

13 **(h) The filing of a financing statement under IC 26-1-9.1 is not**
 14 **notice of a claim of property right in a controllable electronic**
 15 **record.**

16 **Sec. 105. (a) A person has control of a controllable electronic**
 17 **record if the electronic record, a record attached to or logically**
 18 **associated with the electronic record, or a system in which the**
 19 **electronic record is recorded:**

20 **(1) gives the person:**

21 **(A) power to avail itself of substantially all the benefit from**
 22 **the electronic record; and**

23 **(B) exclusive power, subject to subsection (b), to:**

24 **(i) prevent others from availing themselves of**
 25 **substantially all the benefit from the electronic record;**
 26 **and**

27 **(ii) transfer control of the electronic record to another**
 28 **person or cause another person to obtain control of**
 29 **another controllable electronic record as a result of the**
 30 **transfer of the electronic record; and**

31 **(2) enables the person readily to identify itself in any way,**
 32 **including by name, identifying number, cryptographic key,**
 33 **office, or account number, as having powers specified in**
 34 **subdivision (1).**

35 **(b) Subject to subsection (c), a power is exclusive under**
 36 **subsection (a)(1)(B)(i) and (a)(1)(B)(ii) even if:**

37 **(1) the controllable electronic record, a record attached to or**
 38 **logically associated with the electronic record, or a system in**
 39 **which the electronic record is recorded limits the use of the**
 40 **electronic record or has a protocol programmed to cause a**
 41 **change, including a transfer or loss of control or a**
 42 **modification of benefits afforded by the electronic record; or**



- 1 (2) the power is shared with another person.
- 2 (c) A power of person is not shared with another person under
- 3 subsection (b)(2) and the person's power is not exclusive if:
- 4 (1) the person can exercise the power only if the power also is
- 5 exercised by the other person; and
- 6 (2) the other person:
- 7 (A) can exercise the power without exercise of the power
- 8 by the person; or
- 9 (B) is the transferor to the person of an interest in the
- 10 controllable electronic record or in a controllable account
- 11 or controllable payment instrument evidenced by the
- 12 controllable electronic record.
- 13 (d) If a person has the powers specified in subsection (a)(1)(B)(i)
- 14 and (a)(1)(B)(ii), the powers are presumed to be exclusive.
- 15 (e) A person has control of a controllable electronic record if
- 16 another person, other than the transferor to the person of an
- 17 interest in the controllable electronic record, or in a controllable
- 18 account or controllable payment intangible evidenced by the
- 19 controllable electronic record:
- 20 (1) has control of the electronic record and acknowledges that
- 21 it has control on behalf of the person; or
- 22 (2) obtains control of the electronic record after having
- 23 acknowledged that it will obtain control of the electronic
- 24 record on behalf of the person.
- 25 (f) A person that has control under this section is not required
- 26 to acknowledge that is has control on behalf of another person.
- 27 (g) If a person acknowledges that it has or will obtain control on
- 28 behalf of another person, unless the person otherwise agrees or law
- 29 other than this chapter or IC 26-1-9.1 otherwise provides, the
- 30 person does not owe any duty to any other person and is not
- 31 required to confirm the acknowledgment to any other person.
- 32 Sec. 106. (a) An account debtor on a controllable account or a
- 33 controllable payment intangible may discharge its obligation by
- 34 paying:
- 35 (1) the person having control of the controllable electronic
- 36 record that evidences the controllable account or the
- 37 controllable payment intangible; or
- 38 (2) except as provided in subsection (b), a person that
- 39 formerly had control of the controllable electronic record.
- 40 (b) Subject to subsection (d), the account debtor may not
- 41 discharge its obligation by paying a person that formerly had
- 42 control of the controllable electronic record if the account debtor



- 1 receives a notification that:
- 2 (1) is signed by a person that formerly had control or by the
- 3 person to which control was transferred;
- 4 (2) reasonably identifies the controllable account or
- 5 controllable payment intangible;
- 6 (3) notifies the account debtor that control of the controllable
- 7 electronic record that evidences the controllable account or
- 8 controllable payment intangible was transferred;
- 9 (4) identifies the transferee, in any reasonable way, including
- 10 by name, identifying number, cryptographic key, office, or
- 11 account number; and
- 12 (5) provides a commercially reasonable method by which the
- 13 account debtor is to pay the transferee.
- 14 (c) After receipt of a notification that complies with subsection
- 15 (b), the account debtor may discharge its obligation by paying in
- 16 accordance with the notification and may not discharge the
- 17 obligation by paying a person that formerly had control.
- 18 (d) Subject to subsection (h), notification is ineffective under
- 19 subsection (b):
- 20 (1) unless, before the notification is sent, the account debtor
- 21 and the person that, at that time, had control of the
- 22 controllable electronic record that evidences the controllable
- 23 account or the controllable payment intangible agree in a
- 24 signed record to a commercially reasonable method by which
- 25 a person may furnish reasonable proof that control has been
- 26 transferred;
- 27 (2) to the extent an agreement between the account debtor and
- 28 seller of a payment intangible limits the account debtor's duty
- 29 to pay a person other than the seller and the limitation is
- 30 effective under law other than this chapter; or
- 31 (3) at the option of the account debtor, if the notification
- 32 notifies the account debtor to:
- 33 (A) divide a payment;
- 34 (B) make less than the full amount of an installment or
- 35 other periodic payment; or
- 36 (C) pay any part of a payment by more than one (1)
- 37 method or to more than one (1) person.
- 38 (e) Subject to subsection (h), if requested by the account debtor,
- 39 the person giving notification under subsection (b) seasonably shall
- 40 furnish reasonable proof, using the method in the agreement
- 41 described in subsection (d)(1), that control of the controllable
- 42 electronic record has been transferred. Unless the person complies



1 with the request, the account debtor may discharge its obligation
2 by paying a person that formerly had control, even if the account
3 debtor has received a notification under subsection (b).

4 (f) A person furnishes reasonable proof under subsection (e)
5 that control has been transferred if the person demonstrates, using
6 the method in the agreement described in subsection (d)(1), that
7 the transferee has the power to:

8 (1) avail itself of substantially all the benefit from the
9 controllable electronic record;

10 (2) prevent others from availing themselves of substantially
11 all the benefit from the controllable electronic record; and

12 (3) transfer the powers specified in subdivisions (1) and (2) to
13 another person.

14 (g) Subject to subsection (h), an account debtor may not waive
15 or vary its rights under subsections (d)(1) and (e) or its option
16 under subsection (d)(3).

17 (h) This section is subject to law other than this chapter that
18 establishes a different rule for an account debtor who is an
19 individual and who incurred the obligation primarily for personal,
20 family, or household purposes.

21 Sec. 107. (a) Except as provided in subsection (b), the local law
22 of an electronic record's jurisdiction governs a matter covered by
23 this chapter.

24 (b) For a controllable electronic record that evidences a
25 controllable account or a controllable payment intangible, the local
26 law of the controllable electronic record's jurisdiction governs a
27 matter covered by section 106 of this chapter unless an effective
28 agreement determines that the local law of another jurisdiction
29 governs.

30 (c) The following rules determine a controllable electronic
31 record's jurisdiction under this section:

32 (1) If the controllable electronic record, or a record that is
33 attached to or logically associated with the controllable
34 electronic record and that is readily available for review,
35 expressly provides that a particular jurisdiction is the
36 controllable electronic record's jurisdiction for purposes of
37 this chapter or IC 26-1, that jurisdiction is the controllable
38 electronic record's jurisdiction.

39 (2) If subdivision (1) does not apply, and the rules of the
40 system in which the controllable electronic record is recorded
41 are readily available for review and expressly provide that a
42 particular jurisdiction is the controllable electronic record's



1 jurisdiction for purposes of this chapter or IC 26-1, that
2 jurisdiction is the controllable electronic record's jurisdiction.

3 (3) If subdivisions (1) and (2) do not apply, and the
4 controllable electronic record, or a record that is attached to
5 or logically associated with the controllable electronic record
6 and that is readily available for review, expressly provides
7 that the controllable electronic record is governed by the law
8 of a particular jurisdiction, that jurisdiction is the
9 controllable electronic record's jurisdiction.

10 (4) If subdivisions (1) through (3) do not apply, and the rules
11 of the system in which the controllable electronic record is
12 recorded are readily available for review and expressly
13 provide that a particular jurisdiction is the controllable
14 electronic record's jurisdiction, that jurisdiction is the
15 controllable electronic record's jurisdiction.

16 (5) If subdivisions (1) through (4) do not apply, the
17 controllable electronic record's jurisdiction is the District of
18 Columbia.

19 (d) If subsection (c)(5) applies and this chapter is not in effect in
20 the District of Columbia without material modification, the
21 governing law for a matter covered by this chapter is the law of the
22 District of Columbia as though this chapter were in effect in the
23 District of Columbia without material modification.

24 (e) To the extent that subsections (a) and (b) provide that the
25 local law of the controllable electronic record's jurisdiction
26 governs a matter covered by this chapter, that law governs even if
27 the matter or a transaction to which the matter relates does not
28 bear any relation to the controllable record's jurisdiction.

29 (f) The rights acquired under section 104 of this chapter by a
30 purchaser or a qualifying purchaser are governed by the law
31 applicable under this section at the time of purchase.

32 SECTION 92. IC 26-1-12.5 IS ADDED TO THE INDIANA CODE
33 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
34 JULY 1, 2023]:

35 **Chapter 12.5. Transitional Provisions For Uniform Commercial**
36 **Code Amendments (2022)**

37 **Sec. 101.** This chapter may be cited as **Transitional Provisions**
38 **for Uniform Commercial Code Amendments (2022).**

39 **Sec. 102. (a)** In this chapter, the following terms have the
40 following meanings:

41 (1) The following terms have the following meanings:

42 (A) "Act" refers to the amendments to IC 26-1 that:



1 (i) were made during the 2023 regular session of the
2 general assembly; and

3 (ii) took effect July 1, 2023.

4 (B) "Adjustment date" means July 1, 2025.

5 (2) "Chapter 12" refers to IC 26-1-12.

6 (3) "Chapter 12 property" means a controllable account, a
7 controllable electronic record, or a controllable payment
8 intangible.

9 (b) The following definitions in other chapters of IC 26-1 apply
10 to this chapter:

11 "Controllable account". IC 26-1-9.1-102.

12 "Controllable electronic record". IC 26-1-12-102.

13 "Controllable payment intangible". IC 26-1-9.1-102.

14 "Electronic money". IC 26-1-9.1-102.

15 "Financing statement". IC 26-1-9.1-102.

16 (c) IC 26-1-1 contains general definitions and principles of
17 construction and interpretation that apply throughout this chapter.

18 Sec. 201. Except as provided in sections 301 through 306 of this
19 chapter, a transaction validly entered into before July 1, 2023, and
20 the rights, duties, and interests flowing from the transaction
21 remain valid after June 30, 2023, and may be terminated,
22 completed, consummated, or enforced as required or permitted by
23 law other than IC 26-1 or, if applicable, by IC 26-1 as though the
24 act had not taken effect.

25 Sec. 301. (a) Except as otherwise provided in this section or in
26 sections 302 through 306 of this chapter:

27 (1) IC 26-1-9.1, as amended by the act; and

28 (2) IC 26-1-12;

29 apply to a transaction, lien, or interest in property, even if the
30 transaction, lien, or interest was entered into, created, or acquired
31 before July 1, 2023.

32 (b) Except as provided in subsection (c) and in sections 302
33 through 306 of this chapter:

34 (1) a transaction, lien, or interest in property that was validly
35 entered into, created, or transferred before July 1, 2023, and
36 was not governed by IC 26-1, but would be subject to:

37 (A) IC 26-1-9.1, as amended by the act; or

38 (B) IC 26-1-12;

39 if it had been entered into, created, or transferred on or after
40 July 1, 2023, including the rights, duties, and interests flowing
41 from the transaction, lien, or interest, remain valid on and
42 after July 1, 2023; and



- 1 (2) the transaction, lien, or interest may be terminated,
- 2 completed, consummated, and enforced as required or
- 3 permitted by:
- 4 (A) the act; or
- 5 (B) the law that would apply if the act had not taken effect.
- 6 (c) The act does not affect an action, case, or proceeding
- 7 commenced before July 1, 2023.
- 8 **Sec. 302. (a) A security interest that is enforceable and perfected**
- 9 **on June 30, 2022, is a perfected security interest under the act if, on**
- 10 **July 1, 2023, the requirements for enforceability and perfection**
- 11 **under the act are satisfied without further action.**
- 12 (b) If a security interest is enforceable and effective on June 30,
- 13 2022, but the requirements for enforceability and perfection under
- 14 the act are not satisfied on July 1, 2023, the security interest:
- 15 (1) is a perfected security interest until the earlier of:
- 16 (A) the time perfection would have ceased under IC 26-1 as
- 17 in effect on June 30, 2023; or
- 18 (B) the adjustment date;
- 19 (2) remains enforceable on or after the time specified in
- 20 subdivision (1) only if the security interest satisfies the
- 21 requirements for enforceability under IC 26-1-9.1-203, as
- 22 amended by the act, before the adjustment date; and
- 23 (3) remains perfected on or after the time specified in
- 24 subdivision (1) only if the requirements for perfection under
- 25 the act are satisfied before the time specified in subdivision
- 26 (1).
- 27 **Sec. 303. A security interest that is enforceable on June 30, 2023,**
- 28 **but is unperfected on June 30, 2023:**
- 29 (1) remains an enforceable security interest until the
- 30 adjustment date;
- 31 (2) remains enforceable on or after the adjustment date if the
- 32 security interest becomes enforceable under IC 26-1-9.1-203,
- 33 as amended by the act, on July 1, 2023, or before the
- 34 adjustment date; and
- 35 (3) becomes perfected;
- 36 (A) without further action on July 1, 2023, if the
- 37 requirements for perfection under the act are satisfied
- 38 before or on July 1, 2023; or
- 39 (B) when the requirements for perfection under the act are
- 40 satisfied if the requirements are satisfied after July 1, 2023.
- 41 **Sec. 304. (a) If action, other than the filing of a financing**
- 42 **statement, is taken before July 1, 2023, and the action would have**



1 resulted in perfection of a security interest had the security interest
 2 become enforceable before July 1, 2023, the action is effective to
 3 perfect a security interest that attaches under the act before the
 4 adjustment date. An attached security interest becomes
 5 unperfected on the adjustment date unless the security interest
 6 becomes a perfected security interest under the act before the
 7 adjustment date.

8 (b) The filing of a financing statement before July 1, 2023, is
 9 effective to perfect a security interest on July 1, 2023, to the extent
 10 the filing would satisfy the requirements for perfection under the
 11 act.

12 (c) The taking of an action before July 1, 2023, is sufficient for
 13 the enforceability of a security interest on July 1, 2023, if the action
 14 would satisfy the requirements for enforceability under the act.

15 Sec. 305. (a) Subject to subsections (b) and (c), the act
 16 determines the priority of conflicting claims to collateral.

17 (b) Subject to subsection (c), if the priorities of claims to
 18 collateral were established before July 1, 2023, IC 26-1-9.1 as in
 19 effect before July 1, 2023, determines priority.

20 (c) On the adjustment date, to the extent the priorities
 21 determined by IC 26-1-9.1, as amended by the act, modify the
 22 priorities established before July 1, 2023, the priorities of claims to
 23 chapter 12 property and electronic money established before July
 24 1, 2023, cease to apply.

25 Sec. 306. (a) Subject to subsections (b) and (c), chapter 12
 26 determines the priority of conflicting claims to chapter 12 property
 27 when the priority rules of IC 26-1-9.1, as amended by the act, do
 28 not apply.

29 (b) Subject to subsection (c), when the priority rules of
 30 IC 26-1-9.1, as amended by the act, do not apply and the priorities
 31 of claims to chapter 12 property were established before July 1,
 32 2023, law other than chapter 12 determines priority.

33 (c) When the priority rules of IC 26-1-9.1, as amended by the
 34 act, do not apply, to the extent the priorities determined by the act
 35 modify the priorities established before July 1, 2023, the priorities
 36 of claims to chapter 12 property established before July 1, 2023,
 37 cease to apply on the adjustment date.

38 SECTION 93. IC 32-34-1.5-3, AS AMENDED BY P.L.110-2022,
 39 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 40 JULY 1, 2023]: Sec. 3. The following definitions apply throughout this
 41 chapter:

42 (1) "Apparent owner" means a person whose name appears on the



- 1 records of a holder as the owner of property held, issued, or owing
 2 by the holder.
- 3 (2) "Attorney general's agent" means a person with which the
 4 attorney general contracts to conduct an examination under
 5 section 53 of this chapter on behalf of the attorney general.
- 6 (3) "Business association" means a corporation, joint stock
 7 company, investment company other than an investment company
 8 registered under the Investment Company Act of 1940 (15 U.S.C.
 9 80a-1 et seq.), partnership, unincorporated association, joint
 10 venture, limited liability company, business trust, trust company,
 11 land bank, safe deposit company, safekeeping depository,
 12 financial organization, insurance company, federally chartered
 13 entity, utility, sole proprietorship, or other business entity,
 14 whether or not for profit.
- 15 (4) "Confidential information" means records, reports, and
 16 information that are considered confidential under section 78 of
 17 this chapter.
- 18 (5) "Controllable electronic record" has the meaning set forth in
 19 ~~IC 26-1-11-104~~. **IC 26-1-12-102.**
- 20 (6) "Domicile" means the following:
 21 (A) For a corporation, the state of its incorporation.
 22 (B) For a business association other than a corporation whose
 23 formation requires a filing with a state, the state of its filing.
 24 (C) For a federally chartered entity or an investment company
 25 registered under the Investment Company Act of 1940, as
 26 amended (15 U.S.C. 80a-1 et seq.), the state of its home office.
 27 (D) For any other holder, the state of its principal place of
 28 business.
- 29 (7) "Electronic" means relating to technology having electrical,
 30 digital, magnetic, wireless, optical, electromagnetic, or similar
 31 capabilities.
- 32 (8) "Electronic mail" means a communication by electronic means
 33 which is automatically retained and stored and may be readily
 34 accessed or retrieved.
- 35 (9) "Financial organization" means a savings and loan association,
 36 building and loan association, savings bank, industrial bank, bank,
 37 banking organization, or credit union.
- 38 (10) "Financial organization loyalty program" means a record
 39 given without direct monetary consideration, excluding an annual
 40 or periodic fee, under an award, reward, benefit, loyalty,
 41 incentive, rebate, or other promotional program established by a
 42 financial organization for the purpose of rewarding a relationship



- 1 with the sponsoring financial organization. The term includes:
 2 (A) both a physical card and an electronic record; and
 3 (B) a program offering a record that is redeemable for money
 4 or cash or is otherwise monetized by the financial
 5 organization.
- 6 (11) "Game related digital content" means digital content that
 7 exists only in an electronic game or electronic-game platform.
 8 The term includes game-play currency such as a virtual wallet,
 9 even if denominated in United States currency and, if for use or
 10 redemption only within the game or platform or another electronic
 11 game or electronic-game platform, points sometimes referred to
 12 as gems, tokens, gold, and similar names and digital codes. The
 13 term does not include an item that the issuer:
 14 (A) permits to be redeemed for use outside a game or platform
 15 for money or goods or services that have more than minimal
 16 value; or
 17 (B) otherwise monetizes for use outside a game or platform.
- 18 (12) "Holder" means a person obligated to hold for the account of,
 19 or to deliver or pay to, the owner property subject to this chapter.
- 20 (13) "Insurance company" means an association, corporation, or
 21 fraternal or mutual benefit organization, whether or not for profit,
 22 engaged in the business of providing life endowments, annuities,
 23 or insurance, including accident, burial, casualty, credit life,
 24 contract performance, dental, disability, fidelity, fire, health,
 25 hospitalization, illness, life, malpractice, marine, mortgage,
 26 surety, wage protection, and worker's compensation insurance.
- 27 (14) "Loyalty card" means a record given without direct monetary
 28 consideration under an award, reward, benefit, loyalty, incentive,
 29 rebate, or promotional program which may be used or redeemed
 30 only to obtain goods or services or a discount on goods or
 31 services. The term does not include a record that may be
 32 redeemed for money or otherwise monetized by the issuer.
- 33 (15) "Mineral" means gas, oil, coal, oil shale, other gaseous liquid
 34 or solid hydrocarbon, cement material, sand and gravel, road
 35 material, building stone, chemical raw material, gemstone,
 36 fissionable and nonfissionable ores, colloidal and other clay,
 37 steam and other geothermal resources, and any other substance
 38 defined as a mineral by a law of this state other than this chapter.
- 39 (16) "Mineral proceeds" means an amount payable for the
 40 extraction, production, or sale of minerals, or, on the
 41 abandonment of the amount, an amount that becomes payable
 42 after abandonment. The term includes an amount payable:



- 1 (A) for the acquisition and retention of a mineral lease,
 2 including a bonus, royalty, compensatory royalty, shut-in
 3 royalty, minimum royalty, and delay rental;
 4 (B) for the extraction, production, or sale of minerals,
 5 including a net revenue interest, royalty, overriding royalty,
 6 extraction payment, and production payment; and
 7 (C) under an agreement or option, including a joint-operation
 8 agreement, unit agreement, pooling agreement, and farm out
 9 agreement.
- 10 (17) "Money order" means a payment order for a specified
 11 amount of money. The term includes an express money order and
 12 a personal money order on which the remitter is the purchaser.
- 13 (18) "Municipal bond" means a bond or evidence of indebtedness
 14 issued by a municipality or other political subdivision of a state.
- 15 (19) "Non-freely transferable security" means a security that
 16 cannot be delivered to the attorney general by the Depository
 17 Trust & Clearing Corporation or similar custodian of securities
 18 providing post-trade clearing and settlement services to financial
 19 markets or cannot be delivered because there is no agent to effect
 20 transfer. The term includes a worthless security.
- 21 (20) "Owner" means a person that has a legal, beneficial, or
 22 equitable interest in property subject to this chapter or the
 23 person's legal representative when acting on behalf of the owner.
 24 The term includes:
- 25 (A) for a deposit, a depositor;
 26 (B) for a trust other than a deposit in trust, a beneficiary;
 27 (C) for other property, a creditor, claimant, or payee; and
 28 (D) the lawful bearer of a record that may be used to obtain
 29 money, a reward, or a thing of value.
- 30 (21) "Payroll card" means a record that evidences a payroll card
 31 account as defined in Regulation E (12 CFR Part 1005).
- 32 (22) "Person" means an individual, estate, business association,
 33 public corporation, government or governmental subdivision,
 34 agency, or instrumentality, or other legal entity.
- 35 (23) "Property" means tangible property described in section 8 of
 36 this chapter or a fixed and certain interest in intangible property
 37 held, issued, or owed in the course of a holder's business or by a
 38 government or governmental subdivision, agency, or
 39 instrumentality. The term includes:
- 40 (A) all income from or increments to the property; and
 41 (B) property referred to as or evidenced by:
 42 (i) money, virtual currency, interest, or a dividend, check,



- 1 draft, deposit, or payroll card;
- 2 (ii) a credit balance, customer's overpayment, security
- 3 deposit, refund, credit memorandum, unpaid wage, unused
- 4 ticket for which the issuer has an obligation to provide a
- 5 refund, mineral proceeds, or unidentified remittance;
- 6 (iii) a security, except for a worthless security or a security
- 7 that is subject to a lien, legal hold, or restriction evidenced
- 8 on the records of the holder or imposed by operation of law,
- 9 if the lien, legal hold, or restriction restricts the holder's or
- 10 owner's ability to receive, transfer, sell, or otherwise
- 11 negotiate the security;
- 12 (iv) a bond, debenture, note, or other evidence of
- 13 indebtedness;
- 14 (v) money deposited to redeem a security, make a
- 15 distribution, or pay a dividend;
- 16 (vi) an amount due and payable under an annuity contract or
- 17 insurance policy; and
- 18 (vii) an amount distributable from a trust or custodial fund
- 19 established under a plan to provide health, welfare, pension,
- 20 vacation, severance, retirement, death, stock purchase, profit
- 21 sharing, employee savings, supplemental unemployment
- 22 insurance, or a similar benefit.
- 23 The term does not include property held in a plan described in
- 24 Section 529A of the Internal Revenue Code, game related digital
- 25 content, a financial organization loyalty program, a loyalty card,
- 26 or an in-store credit for returned merchandise.
- 27 (24) "Putative holder" means a person believed by the attorney
- 28 general to be a holder, until the person pays or delivers to the
- 29 attorney general property subject to this chapter or the attorney
- 30 general or court makes a final determination that the person is or
- 31 is not a holder.
- 32 (25) "Record" means information that is inscribed on a tangible
- 33 medium or that is stored in an electronic or other medium and is
- 34 retrievable in perceivable form.
- 35 (26) "Security" means:
- 36 (A) a security (as defined in IC 26-1-8.1-102);
- 37 (B) a security entitlement (as defined in IC 26-1-8.1-102),
- 38 including a customer security account held by a registered
- 39 broker-dealer, to the extent the financial assets held in the
- 40 security account are not:
- 41 (i) registered on the books of the issuer in the name of the
- 42 person for which the broker-dealer holds the assets;



- 1 (ii) payable to the order of the person; or
- 2 (iii) specifically indorsed to the person; or
- 3 (C) an equity interest in a business association not included in
- 4 clause (A) or (B).
- 5 (27) "Sign" means, with present intent to authenticate or adopt a
- 6 record:
- 7 (A) to execute or adopt a tangible symbol; or
- 8 (B) to attach to or logically associate with the record an
- 9 electronic symbol, sound, or process.
- 10 (28) "State" means a state of the United States, the District of
- 11 Columbia, the Commonwealth of Puerto Rico, the United States
- 12 Virgin Islands, or any territory or insular possession subject to the
- 13 jurisdiction of the United States.
- 14 (29) "Utility" means a person that owns or operates for public use
- 15 a plant, equipment, real property, franchise, or license for the
- 16 following public services:
- 17 (A) Transmission of communications or information.
- 18 (B) Production, storage, transmission, sale, delivery, or
- 19 furnishing of electricity, water, steam, or gas.
- 20 (C) Provision of sewage or septic services, or trash, garbage,
- 21 or recycling disposal.
- 22 (30) "Virtual currency" means a digital representation of value
- 23 used as a medium of exchange, unit of account, or store of value,
- 24 which does not have legal tender status recognized by the United
- 25 States. The term does not include:
- 26 (A) the software or protocols governing the transfer of the
- 27 digital representation of value;
- 28 (B) game related digital content;
- 29 (C) a financial organization loyalty program; or
- 30 (D) a loyalty card.
- 31 (31) "Worthless security" means a security whose cost of
- 32 liquidation and delivery to the attorney general would exceed the
- 33 value of the security on the date a report is due under this chapter.
- 34 SECTION 94. IC 32-34-1.5-87, AS AMENDED BY P.L.110-2022,
- 35 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 36 JULY 1, 2023]: Sec. 87. (a) The attorney general may adopt rules under
- 37 IC 4-22-2 to carry out the purposes of this chapter.
- 38 (b) The attorney general may adopt rules under IC 4-22-2 regarding
- 39 virtual currency, controllable electronic records, and digital assets, to
- 40 the extent such rules are consistent with, and not otherwise covered by,
- 41 the following:
- 42 (1) IC 26-1-9.1.



- 1 (2) ~~IC 26-1-11~~. **IC 26-1-12.**
- 2 (3) Any other Indiana law concerning virtual currency,
- 3 controllable electronic records, or digital assets.

