



February 3, 2023

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## SENATE BILL No. 468

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DIGEST OF SB 468 (Updated February 1, 2023 3:32 pm - DI 101)

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

**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  
(Continued next page)

**Effective:** July 1, 2023.

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**Garten, Koch, Taylor G,  
Charbonneau, Brown L, Pol Jr.,  
Freeman, Glick, Randolph Lonnie M**

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January 19, 2023, read first time and referred to Committee on Judiciary.  
February 2, 2023, amended, reported favorably — Do Pass.

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SB 468—LS 7443/DI 101



Digest Continued

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. Adds language to incorporate into Indiana's UCC the Amendments to Uniform Commercial Code Article 9 (2018), as approved by the American Law Institute and the National Conference of Commissioners of Uniform State Laws. Provides, through the incorporation of these amendments, that the provisions in the UCC providing that restrictions on the transfer of property pledged as collateral are ineffective do not apply in the case of a security interest in an ownership interest in a general partnership, limited partnership, or limited liability company.

**SB 468—LS 7443/DI 101**



February 3, 2023

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

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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  
16 (IC 26-1-1-103). (Compare "Contract".)  
17 (4) "Bank" means a person engaged in the business of banking

SB 468—LS 7443/DI 101



- 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  
3 (IC 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  
 11 (IC 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  
 27 (IC 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

**SB 468—LS 7443/DI 101**



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 ~~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 26-1-9.1-102.**  
 37 **"Controllable electronic record". IC 26-1-12-102.**  
 38 **"Controllable payment intangible". IC 26-1-9.1-102.**  
 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 **electronic money,** investment property, **or** letter-of-credit  
 19 rights, ~~or electronic documents~~; and the secured party has  
 20 control under IC 26-1-7-106, IC 26-1-9.1-104,  
 21 ~~IC 26-1-9.1-105~~, **IC 26-1-9.1-105.1**, IC 26-1-9.1-106, ~~or~~  
 22 IC 26-1-9.1-107, **or IC 26-1-9.1-107.1** pursuant to the debtor's  
 23 security agreement.  
 24 **(E) The collateral is chattel paper and the secured party**  
 25 **has possession and control under IC 26-1-9.1-314.1**  
 26 **pursuant to the debtor's security agreement.**  
 27 (c) Subsection (b) is subject to IC 26-1-4-210 on the security  
 28 interest of a collecting bank, IC 26-1-5.1-118 on the security interest of  
 29 a letter-of-credit issuer or nominated person, IC 26-1-9.1-110 on a  
 30 security interest arising under IC 26-1-2 or IC 26-1-2.1, and  
 31 IC 26-1-9.1-206 on security interests in investment property.  
 32 (d) A person becomes bound as debtor by a security agreement  
 33 entered into by another person if, by operation of law other than  
 34 IC 26-1-9.1 or by contract:  
 35 (1) the security agreement becomes effective to create a security  
 36 interest in the person's property; or  
 37 (2) the person becomes generally obligated for the obligations of  
 38 the other person, including the obligation secured under the  
 39 security agreement, and acquires or succeeds to all or  
 40 substantially all of the assets of the other person.  
 41 (e) If a new debtor becomes bound as debtor by a security  
 42 agreement entered into by another person:



1 (1) the agreement satisfies subsection (b)(3) with respect to  
 2 existing or after-acquired property of the new debtor to the extent  
 3 the property is described in the agreement; and

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

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

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

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

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

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

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

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

29 (2) a commercial tort claim.

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

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

36 (1) **to consumer goods as proceeds under section 315(a) of this  
 37 chapter or commingled goods under section 336(c) of this  
 38 chapter; or**

39 (2) **to a commercial tort claim as proceeds under section  
 40 315(a) of this chapter; or**

41 (3) **under an after-acquired property clause to property that  
 42 is proceeds of consumer goods or a commercial tort claim.**





1 SECTION 48. IC 26-1-9.1-207, AS AMENDED BY P.L.143-2007,  
 2 SECTION 67, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2023]: Sec. 207. (a) Except as otherwise provided in  
 4 subsection (d), a secured party shall use reasonable care in the custody  
 5 and preservation of collateral in the secured party's possession. In the  
 6 case of chattel paper or an instrument, reasonable care includes taking  
 7 necessary steps to preserve rights against prior parties unless otherwise  
 8 agreed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

38 (A) to charge back uncollected collateral; or

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

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



1 SECTION 49. IC 26-1-9.1-208, AS AMENDED BY P.L.143-2007,  
 2 SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2023]: Sec. 208. (a) This section applies to cases in which  
 4 there is no outstanding secured obligation, and the secured party is not  
 5 committed to make advances, incur obligations, or otherwise give  
 6 value.

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

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

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

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

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

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

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

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

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

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



1 ~~authenticated a signed~~ record that releases the securities  
 2 intermediary or commodity intermediary from any further  
 3 obligation to comply with entitlement orders or directions  
 4 originated by the secured party;

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

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

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

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

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

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

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

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

42 (1) there is no outstanding secured obligation; and



- 1 (2) the secured party is not committed to make advances, incur  
2 obligations, or otherwise give value.
- 3 (b) Within ten (10) days after receiving ~~an authenticated a signed~~  
4 demand by the debtor, a secured party shall send to an account debtor  
5 that has received notification **under IC 26-1-9.1-406(a) or**  
6 **IC 26-1-12-106(b)** of an assignment to the secured party as assignee  
7 ~~under IC 26-1-9.1-406(a) an authenticated a signed~~ record that releases  
8 the account debtor from any further obligation to the secured party.
- 9 (c) This section does not apply to an assignment constituting the  
10 sale of an account, chattel paper, or payment intangible.
- 11 SECTION 51. IC 26-1-9.1-210 IS AMENDED TO READ AS  
12 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 210. (a) In this section  
13 the following definitions apply:
- 14 (1) "Request" means a record of a type described in subdivision  
15 (2), (3), or (4).
- 16 (2) "Request for an accounting" means a record ~~authenticated~~  
17 **signed** by a debtor requesting that the recipient provide an  
18 accounting of the unpaid obligations secured by collateral and  
19 reasonably identifying the transaction or relationship that is the  
20 subject of the request.
- 21 (3) "Request regarding a list of collateral" means a record  
22 ~~authenticated signed~~ by a debtor requesting that the recipient  
23 approve or correct a list of what the debtor believes to be the  
24 collateral securing an obligation and reasonably identifying the  
25 transaction or relationship that is the subject of the request.
- 26 (4) "Request regarding a statement of account" means a record  
27 ~~authenticated signed~~ by a debtor requesting that the recipient  
28 approve or correct a statement indicating what the debtor believes  
29 to be the aggregate amount of unpaid obligations secured by  
30 collateral as of a specified date and reasonably identifying the  
31 transaction or relationship that is the subject of the request.
- 32 (b) Subject to subsections (c), (d), (e), and (f), a secured party, other  
33 than a buyer of accounts, chattel paper, payment intangibles, or  
34 promissory notes or a consignor, shall comply with a request within  
35 fourteen (14) days after receipt:
- 36 (1) in the case of a request for an accounting, by ~~authenticating~~  
37 **signing** and sending to the debtor an accounting; and  
38 (2) in the case of a request regarding a list of collateral or a  
39 request regarding a statement of account, by ~~authenticating~~  
40 **signing** and sending to the debtor an approval or correction.
- 41 (c) A secured party that claims a security interest in all of a  
42 particular type of collateral owned by the debtor may comply with a



1 request regarding a list of collateral by sending to the debtor ~~an~~  
 2 ~~authenticated a signed~~ record, including a statement to that effect  
 3 within fourteen (14) days after receipt.

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

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

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

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

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

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

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

27 SECTION 52. IC 26-1-9.1-301, AS AMENDED BY P.L.143-2007,  
 28 SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 29 JULY 1, 2023]: Sec. 301. Except as otherwise provided in  
 30 IC 26-1-9.1-303 through ~~IC 26-1-9.1-306~~, **IC 26-1-9.1-306.2**, the  
 31 following rules determine the law governing perfection, the effect of  
 32 perfection or nonperfection, and the priority of a security interest in  
 33 collateral:

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

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

42 (3) Except as otherwise provided in subdivision (4), while



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

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

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

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

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

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

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

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

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

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

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

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

41 SECTION 54. IC 26-1-9.1-305 IS AMENDED TO READ AS  
 42 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 305. (a) Except as



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



- 1 intermediary's jurisdiction is the jurisdiction in which the chief  
 2 executive office of the commodity intermediary is located.
- 3 (c) The local law of the jurisdiction in which the debtor is located  
 4 governs:
- 5 (1) perfection of a security interest in investment property by  
 6 filing;
- 7 (2) automatic perfection of a security interest in investment  
 8 property created by a broker or securities intermediary; and
- 9 (3) automatic perfection of a security interest in a commodity  
 10 contract or commodity account created by a commodity  
 11 intermediary.
- 12 SECTION 55. IC 26-1-9.1-306.1 IS ADDED TO THE INDIANA  
 13 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 14 [EFFECTIVE JULY 1, 2023]: **Sec. 306.1. (a) Except as provided in**  
 15 **subsection (d), if chattel paper is evidenced only by an**  
 16 **authoritative electronic copy of the chattel paper or is evidenced by**  
 17 **an authoritative electronic copy and an authoritative tangible copy,**  
 18 **the local law of the chattel paper's jurisdiction governs perfection,**  
 19 **the effect of perfection or nonperfection, and the priority of a**  
 20 **security interest in the chattel paper, even if the transaction does**  
 21 **not bear any relation to the chattel paper's jurisdiction.**
- 22 (b) The following rules govern the chattel paper's jurisdiction  
 23 under this section:
- 24 (1) If the authoritative electronic copy of the record  
 25 evidencing chattel paper, or a record that is attached to or  
 26 logically associated with the electronic copy and that is readily  
 27 available for review, expressly provides that a particular  
 28 jurisdiction is the chattel paper's jurisdiction for purposes of  
 29 this section, this chapter, or IC 26-1, that jurisdiction is the  
 30 chattel paper's jurisdiction.
- 31 (2) If subdivision (1) does not apply, and the rules of the  
 32 system in which the authoritative electronic copy is recorded  
 33 are readily available for review and expressly provide that a  
 34 particular jurisdiction is the chattel paper's jurisdiction for  
 35 purposes of this section, this chapter, or IC 26-1, that  
 36 jurisdiction is the chattel paper's jurisdiction.
- 37 (3) If subdivisions (1) and (2) do not apply, and the  
 38 authoritative electronic copy, or a record that is attached to  
 39 or logically associated with the electronic copy and that is  
 40 readily available for review, expressly provides that the  
 41 chattel paper is governed by the law of a particular  
 42 jurisdiction, that jurisdiction is the chattel paper's





1 jurisdiction.

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

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

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

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

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

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

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

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

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

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

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



1 subsection (b) and IC 26-1-9.1-312(b), a financing statement must be  
2 filed to perfect all security interests and agricultural liens.

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

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

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

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

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

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

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

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

19 (8) in:

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

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

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

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

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

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

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

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



- 1 (2) and except as otherwise provided in IC 26-1-9.1-308(d), a  
 2 security interest in a letter-of-credit right may be perfected only  
 3 by control under IC 26-1-9.1-314; ~~and~~  
 4 (3) a security interest in **tangible** money may be perfected only by  
 5 the secured party's taking possession under IC 26-1-9.1-313; **and**  
 6 **(4) a security interest in electronic money may be perfected**  
 7 **only by control under section 314 of this chapter.**
- 8 (c) While goods are in the possession of a bailee that has issued a  
 9 negotiable document covering the goods:  
 10 (1) a security interest in the goods may be perfected by perfecting  
 11 a security interest in the document; and  
 12 (2) a security interest perfected in the document has priority over  
 13 any security interest that becomes perfected in the goods by  
 14 another method during that time.
- 15 (d) While goods are in the possession of a bailee that has issued a  
 16 nonnegotiable document covering the goods, a security interest in the  
 17 goods may be perfected by:  
 18 (1) issuance of a document in the name of the secured party;  
 19 (2) the bailee's receipt of notification of the secured party's  
 20 interest; or  
 21 (3) filing as to the goods.
- 22 (e) A security interest in certificated securities, negotiable  
 23 documents, or instruments is perfected without filing or the taking of  
 24 possession or control for a period of twenty (20) days from the time it  
 25 attaches to the extent that it arises for new value given under ~~an~~  
 26 **authenticated a signed** security agreement.
- 27 (f) A perfected security interest in a negotiable document or goods  
 28 in possession of a bailee, other than one that has issued a negotiable  
 29 document for the goods, remains perfected for twenty (20) days without  
 30 filing if the secured party makes available to the debtor the goods or  
 31 documents representing the goods for the purpose of:  
 32 (1) ultimate sale or exchange; or  
 33 (2) loading, unloading, storing, shipping, transshipping,  
 34 manufacturing, processing, or otherwise dealing with them in a  
 35 manner preliminary to their sale or exchange.
- 36 (g) A perfected security interest in a certificated security or  
 37 instrument remains perfected for twenty (20) days without filing if the  
 38 secured party delivers the security certificate or instrument to the  
 39 debtor for the purpose of:  
 40 (1) ultimate sale or exchange; or  
 41 (2) presentation, collection, enforcement, renewal, or registration  
 42 of transfer.



1 (h) After the twenty (20) day period specified in subsection (e), (f),  
 2 or (g) expires, perfection depends upon compliance with IC 26-1-9.1.

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

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

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

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

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

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

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

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

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

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

42 (2) unless the person otherwise agrees or a law other than



- 1           IC 26-1-9.1 otherwise provides, the person does not owe any duty  
2           to the secured party and is not required to confirm the  
3           acknowledgment to another person.
- 4           (h) A secured party having possession of collateral does not  
5           relinquish possession by delivering the collateral to a person other than  
6           the debtor or a lessee of the collateral from the debtor in the ordinary  
7           course of the debtor's business if the person was instructed before the  
8           delivery or is instructed contemporaneously with the delivery:
- 9           (1) to hold possession of the collateral for the secured party's  
10          benefit; or
- 11          (2) to redeliver the collateral to the secured party.
- 12          (i) A secured party does not relinquish possession, even if a delivery  
13          under subsection (h) violates the rights of a debtor. A person to which  
14          collateral is delivered under subsection (h) does not owe any duty to  
15          the secured party and is not required to confirm the delivery to another  
16          person unless the person otherwise agrees or law other than IC 26-1-9.1  
17          otherwise provides.
- 18          SECTION 60. IC 26-1-9.1-314, AS AMENDED BY P.L.110-2022,  
19          SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
20          JULY 1, 2023]: Sec. 314. (a) A security interest in controllable  
21          accounts, controllable electronic records, controllable payment  
22          intangibles, ~~investment property~~, deposit accounts, **electronic**  
23          **documents, electronic money, investment property, or**  
24          letter-of-credit rights ~~electronic chattel paper, or electronic documents~~  
25          may be perfected by control of the collateral under IC 26-1-7-106,  
26          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,  
27          IC 26-1-9.1-107, or IC 26-1-9.1-107.1, as applicable.
- 28          (b) A security interest in controllable accounts, controllable  
29          electronic records, controllable payment intangibles, deposit accounts,  
30          electronic ~~chattel paper~~, **documents, electronic money, or**  
31          letter-of-credit rights ~~or electronic documents~~ is perfected by control  
32          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 26-1-9.1-107, or IC 26-1-9.1-107.1, **as**  
34          **applicable, when not earlier than the time** the secured party obtains  
35          control and remains perfected by control only while the secured party  
36          retains control.
- 37          (c) A security interest in investment property is perfected by control  
38          under IC 26-1-9.1-106 ~~from not earlier than~~ **from not earlier than** the time the secured party  
39          obtains control and remains perfected by control until:
- 40          (1) the secured party does not have control; and
- 41          (2) one of the following occurs:
- 42                (A) if the collateral is a certificated security, the debtor has or



1 acquires possession of the security certificate;

2 (B) if the collateral is an uncertificated security, the issuer has  
3 registered or registers the debtor as the registered owner; or

4 (C) if the collateral is a security entitlement, the debtor is or  
5 becomes the entitlement holder.

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

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

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

20 SECTION 62. IC 26-1-9.1-316, AS AMENDED BY P.L.54-2011,  
21 SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
22 JULY 1, 2023]: Sec. 316. (a) A security interest perfected pursuant to  
23 the law of the jurisdiction designated in IC 26-1-9.1-301(1), ~~or~~  
24 IC 26-1-9.1-305(c), **IC 26-1-9.1-306.1(d), or IC 26-1-9.1-306.2(b)**  
25 remains perfected until the earliest of:

26 (1) the time perfection would have ceased under the law of that  
27 jurisdiction;

28 (2) the expiration of four (4) months after a change of the debtor's  
29 location to another jurisdiction; or

30 (3) the expiration of one (1) year after a transfer of collateral to a  
31 person that thereby becomes a debtor and is located in another  
32 jurisdiction.

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

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



- 1 (1) the collateral is located in one (1) jurisdiction and subject to  
 2 a security interest perfected under the law of that jurisdiction;  
 3 (2) thereafter the collateral is brought into another jurisdiction;  
 4 and  
 5 (3) upon entry into the other jurisdiction, the security interest is  
 6 perfected under the law of the other jurisdiction.
- 7 (d) Except as otherwise provided in subsection (e), a security  
 8 interest in goods covered by a certificate of title which is perfected by  
 9 any method under the law of another jurisdiction when the goods  
 10 become covered by a certificate of title from this state remains  
 11 perfected until the security interest would have become unperfected  
 12 under the law of the other jurisdiction had the goods not become so  
 13 covered.
- 14 (e) A security interest described in subsection (d) becomes  
 15 unperfected as against a purchaser of the goods for value and is deemed  
 16 never to have been perfected as against a purchaser of the goods for  
 17 value if the applicable requirements for perfection under  
 18 IC 26-1-9.1-311(b) or IC 26-1-9.1-313 are not satisfied before the  
 19 earlier of:  
 20 (1) the time the security interest would have become unperfected  
 21 under the law of the other jurisdiction had the goods not become  
 22 covered by a certificate of title from this state; or  
 23 (2) the expiration of four (4) months after the goods had become  
 24 so covered.
- 25 (f) A security interest in **chattel paper, controllable accounts,**  
 26 **controllable electronic records, controllable payment intangibles,**  
 27 deposit accounts, letter-of-credit rights, or investment property which  
 28 is perfected under the law of the **chattel paper's jurisdiction, the**  
 29 **controllable electronic record's jurisdiction, the bank's jurisdiction,**  
 30 the issuer's jurisdiction, a nominated person's jurisdiction, the securities  
 31 intermediary's jurisdiction, or the commodity intermediary's  
 32 jurisdiction, as applicable, remains perfected until the earlier of:  
 33 (1) the time the security interest would have become unperfected  
 34 under the law of that jurisdiction; or  
 35 (2) the expiration of four (4) months after a change of the  
 36 applicable jurisdiction to another jurisdiction.
- 37 (g) If a security interest described in subsection (f) becomes  
 38 perfected under the law of the other jurisdiction before the earlier of the  
 39 time or the end of the period described in that subsection, it remains  
 40 perfected thereafter. If the security interest does not become perfected  
 41 under the law of the other jurisdiction before the earlier of that time or  
 42 the end of that period, it becomes unperfected and is deemed never to



1 have been perfected as against a purchaser of the collateral for value.

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

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

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

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

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

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





1 SECTION 63. IC 26-1-9.1-317, AS AMENDED BY P.L.54-2011,  
 2 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2023]: Sec. 317. (a) A security interest or agricultural lien is  
 4 subordinate to the rights of:

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

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

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

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

11 and a financing statement covering the collateral is filed.

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

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

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

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

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

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

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



- 1           **authoritative electronic copy.**
- 2           **(g) A buyer of an electronic document takes free of a security**  
3 **interest if, without knowledge of the security interest and before it**  
4 **is perfected, the buyer gives value and, if each authoritative**  
5 **electronic copy of the document can be subjected to control under**  
6 **IC 26-1-7-106, obtains control of each authoritative electronic**  
7 **copy.**
- 8           **(h) A buyer of a controllable electronic record takes free of a**  
9 **security interest if, without knowledge of the security interest and**  
10 **before it is perfected, the buyer gives value and obtains control of**  
11 **the controllable electronic record.**
- 12           **(i) A buyer, other than a secured party, of a controllable**  
13 **account or a controllable payment intangible takes free of a**  
14 **security interest if, without knowledge of the security interest and**  
15 **before it is perfected, the buyer gives value and obtains control of**  
16 **the controllable account or controllable payment intangible.**
- 17           SECTION 64. IC 26-1-9.1-323 IS AMENDED TO READ AS  
18 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 323. (a) Except as  
19 otherwise provided in subsection (c), for purposes of determining the  
20 priority of a perfected security interest under IC 26-1-9.1-322(a)(1),  
21 perfection of the security interest dates from the time an advance is  
22 made to the extent that the security interest secures an advance that:
- 23           (1) is made while the security interest is perfected only:  
24           (A) under IC 26-1-9.1-309 when it attaches; or  
25           (B) temporarily under IC 26-1-9.1-312(e), IC 26-1-9.1-312(f),  
26           or IC 26-1-9.1-312(g); and
- 27           (2) is not made pursuant to a commitment entered into before or  
28           while the security interest is perfected by a method other than  
29           under IC 26-1-9.1-309, IC 26-1-9.1-312(e), IC 26-1-9.1-312(f), or  
30           IC 26-1-9.1-312(g).
- 31           (b) Except as otherwise provided in subsection (c), a security  
32           interest is subordinate to the rights of a person that becomes a lien  
33           creditor to the extent that the security interest secures an advance made  
34           more than forty-five (45) days after the person becomes a lien creditor  
35           unless the advance is made:
- 36           (1) without knowledge of the lien; or  
37           (2) pursuant to a commitment entered into without knowledge of  
38           the lien.
- 39           (c) Subsections (a) and (b) do not apply to a security interest held by  
40           a secured party that is a buyer of accounts, chattel paper, payment  
41           intangibles, or promissory notes or a consignor.
- 42           (d) Except as otherwise provided in subsection (e), a buyer of goods



1 ~~other than a buyer in ordinary course of business~~ takes free of a security  
2 interest to the extent that it secures advances made after the earlier of:

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

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

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

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

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

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

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

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

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

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

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



1 (3) the holder of the conflicting security interest receives the  
 2 notification within five (5) years before the debtor receives  
 3 possession of the inventory; and

4 (4) the notification states that the person sending the notification  
 5 has or expects to acquire a purchase-money security interest in  
 6 inventory of the debtor and describes the inventory.

7 (c) Subsection (b)(2) through (b)(4) apply only if the holder of the  
 8 conflicting security interest had filed a financing statement covering  
 9 the same types of inventory:

10 (1) if the purchase-money security interest is perfected by filing,  
 11 before the date of the filing; or

12 (2) if the purchase-money security interest is temporarily  
 13 perfected without filing or possession under IC 26-1-9.1-312(f),  
 14 before the beginning of the twenty (20) day period thereunder.

15 (d) Subject to subsection (e) and except as otherwise provided in  
 16 subsection (g), a perfected purchase-money security interest in  
 17 livestock that are farm products has priority over a conflicting security  
 18 interest in the same livestock, and, except as otherwise provided in  
 19 IC 26-1-9.1-327, a perfected security interest in their identifiable  
 20 proceeds and identifiable products in their unmanufactured states also  
 21 has priority, if:

22 (1) the purchase-money security interest is perfected when the  
 23 debtor receives possession of the livestock;

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

27 (3) the holder of the conflicting security interest receives the  
 28 notification within six (6) months before the debtor receives  
 29 possession of the livestock; and

30 (4) the notification states that the person sending the notification  
 31 has or expects to acquire a purchase-money security interest in  
 32 livestock of the debtor and describes the livestock.

33 (e) Subsection (d)(2) through (d)(4) apply only if the holder of the  
 34 conflicting security interest had filed a financing statement covering  
 35 the same types of livestock:

36 (1) if the purchase-money security interest is perfected by filing,  
 37 before the date of the filing; or

38 (2) if the purchase-money security interest is temporarily  
 39 perfected without filing or possession under IC 26-1-9.1-312(f),  
 40 before the beginning of the twenty (20) day period thereunder.

41 (f) Except as otherwise provided in subsection (g), a perfected  
 42 purchase-money security interest in software has priority over a



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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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



1 SECTION 69. IC 26-1-9.1-332 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 332. (a) A transferee  
 3 of **tangible** money takes the money free of a security interest ~~unless if~~  
 4 the transferee ~~acts~~ **receives possession of the money without acting**  
 5 in collusion with the debtor in violating the rights of the secured party.

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

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

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

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

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

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

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

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

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



- 1 in title of the encumbrancer or owner;
- 2 (2) before the goods become fixtures, the security interest is
- 3 perfected by any method permitted by IC 26-1-9.1 and the fixtures
- 4 are readily removable:
- 5 (A) factory or office machines;
- 6 (B) equipment that is not primarily used or leased for use in
- 7 the operation of the real property; or
- 8 (C) replacements of domestic appliances that are consumer
- 9 goods;
- 10 (3) the conflicting interest is a lien on the real property obtained
- 11 by legal or equitable proceedings after the security interest was
- 12 perfected by any method permitted by IC 26-1-9.1; or
- 13 (4) the security interest is:
- 14 (A) created in a manufactured home in a manufactured-home
- 15 transaction; and
- 16 (B) perfected pursuant to a statute described in
- 17 IC 26-1-9.1-311(a)(2).
- 18 (f) A security interest in fixtures, whether or not perfected, has
- 19 priority over a conflicting interest of an encumbrancer or owner of the
- 20 real property if:
- 21 (1) the encumbrancer or owner has, in ~~an~~ **authenticated a signed**
- 22 **record**, consented to the security interest or disclaimed an interest
- 23 in the goods as fixtures; or
- 24 (2) the debtor has a right to remove the goods against the
- 25 encumbrancer or owner.
- 26 (g) The priority of the security interest under subsection (f)
- 27 continues for a reasonable time if the debtor's right to remove the goods
- 28 as against the encumbrancer or owner terminates.
- 29 (h) A mortgage is a construction mortgage to the extent that it
- 30 secures an obligation incurred for the construction of an improvement
- 31 on land, including the acquisition cost of the land, if a recorded record
- 32 of the mortgage so indicates. Except as otherwise provided in
- 33 subsections (e) and (f), a security interest in fixtures is subordinate to
- 34 a construction mortgage if a record of the mortgage is recorded before
- 35 the goods become fixtures and the goods become fixtures before the
- 36 completion of the construction. A mortgage has this priority to the
- 37 same extent as a construction mortgage to the extent that it is given to
- 38 refinance a construction mortgage.
- 39 (i) A perfected security interest in crops growing on real property
- 40 has priority over a conflicting interest of an encumbrancer or owner of
- 41 the real property if the debtor has an interest of record in or is in
- 42 possession of the real property.





1 SECTION 71. IC 26-1-9.1-341 IS AMENDED TO READ AS  
 2 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 341. Except as  
 3 otherwise provided in IC 26-1-9.1-340(c), and unless the bank  
 4 otherwise agrees in **an authenticated a signed** record, a bank's rights  
 5 and duties with respect to a deposit account maintained with the bank  
 6 are not terminated, suspended, or modified by:

7 (1) the creation, attachment, or perfection of a security interest in  
 8 the deposit account;

9 (2) the bank's knowledge of the security interest; or

10 (3) the bank's receipt of instructions from the secured party.

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

16 (1) all terms of the agreement between the account debtor and  
 17 assignor and any defense or claim in recoupment arising from the  
 18 transaction that gave rise to the contract; and

19 (2) any other defense or claim of the account debtor against the  
 20 assignor which accrues before the account debtor receives a  
 21 notification of the assignment **authenticated signed** by the  
 22 assignor or the assignee.

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

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

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

42 SECTION 73. IC 26-1-9.1-406, AS AMENDED BY P.L.54-2011,



1 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 2 JULY 1, 2023]: Sec. 406. (a) Subject to subsections (b) through (i) **and**  
 3 **(l)**, an account debtor on an account, chattel paper, or a payment  
 4 intangible may discharge its obligation by paying the assignor until, but  
 5 not after, the account debtor receives a notification, ~~authenticated~~  
 6 **signed** by the assignor or the assignee, that the amount due or to  
 7 become due has been assigned and that payment is to be made to the  
 8 assignee. After receipt of the notification, the account debtor may  
 9 discharge its obligation by paying the assignee and may not discharge  
 10 the obligation by paying the assignor.

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

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

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

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

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



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

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

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

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

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

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

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

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

34 **(j) This section prevails over any inconsistent provision in**  
 35 **statute, administrative rule, or regulation.**

36 **(k) Subsections (d), (f), and (j) do not apply to a security interest**  
 37 **in an ownership interest in a general partnership, limited**  
 38 **partnership, or limited liability company.**

39 **(l) Subsections (a), (b), (c), and (g) do not apply to a controllable**  
 40 **account or a controllable payment intangible.**

41 SECTION 74. IC 26-1-9.1-408, AS AMENDED BY P.L.54-2011,  
 42 SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



1 JULY 1, 2023]: Sec. 408. (a) Except as otherwise provided in  
 2 ~~subsection (b)~~, **subsections (b) and (f)**, a term in a promissory note or  
 3 in an agreement between an account debtor and a debtor that relates to  
 4 a health-care-insurance receivable or a general intangible, including a  
 5 contract, permit, license, or franchise, and which term prohibits,  
 6 restricts, or requires the consent of the person obligated on the  
 7 promissory note or the account debtor to, the assignment or transfer of,  
 8 or creation, attachment, or perfection of a security interest in, the  
 9 promissory note, health-care-insurance receivable, or general  
 10 intangible, is ineffective to the extent that the term:

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

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

18 (b) Subsection (a) applies to a security interest in a payment  
 19 intangible or promissory note only if the security interest arises out of  
 20 a sale of the payment intangible or promissory note other than a sale  
 21 under a disposition under IC 26-1-9.1-610 or an acceptance of  
 22 collateral under IC 26-1-9.1-620.

23 (c) **Except as provided in subsection (f)**, a rule of law, statute, or  
 24 regulation, which prohibits, restricts, or requires the consent of a  
 25 government, governmental body or official, person obligated on a  
 26 promissory note, or account debtor to the assignment or transfer of, or  
 27 creation of a security interest in, a promissory note,  
 28 health-care-insurance receivable, or general intangible, including a  
 29 contract, permit, license, or franchise between an account debtor and  
 30 a debtor, is ineffective to the extent that the rule of law, statute, or  
 31 regulation:

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

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

39 (d) To the extent that a term in a promissory note or in an agreement  
 40 between an account debtor and a debtor which relates to a  
 41 health-care-insurance receivable or general intangible or a rule of law,  
 42 statute, or regulation described in subsection (c) would be effective



1 under law other than IC 26-1-9.1 but is ineffective under subsection (a)  
 2 or (c), the creation, attachment, or perfection of a security interest in  
 3 the promissory note, health-care-insurance receivable, or general  
 4 intangible:

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

7 (2) does not impose a duty or obligation on the person obligated  
 8 on the promissory note or the account debtor;

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

13 (4) does not entitle the secured party to use or assign the debtor's  
 14 rights under the promissory note, health-care-insurance  
 15 receivable, or general intangible, including any related  
 16 information or materials furnished to the debtor in the transaction  
 17 giving rise to the promissory note, health-care-insurance  
 18 receivable, or general intangible;

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

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

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

28 **(f) This section does not apply to a security interest in an**  
 29 **ownership interest in a general partnership, limited partnership,**  
 30 **or limited liability company.**

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

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

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

41 (2) the person holds an agricultural lien that has become effective  
 42 at the time of filing and the financing statement covers only



1 collateral in which the person holds an agricultural lien.

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

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

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

8 (c) By acquiring collateral in which a security interest or agricultural  
9 lien continues under IC 26-1-9.1-315(a)(1), a debtor authorizes the  
10 filing of an initial financing statement, and an amendment, covering the  
11 collateral and property that becomes collateral under  
12 IC 26-1-9.1-315(a)(2).

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

16 (1) the secured party of record authorizes the filing; or

17 (2) the amendment is a termination statement for a financing  
18 statement as to which the secured party of record has failed to file  
19 or send a termination statement as required by IC 26-1-9.1-513(a)  
20 or IC 26-1-9.1-513(c), the debtor authorizes the filing, and the  
21 termination statement indicates that the debtor authorized it to be  
22 filed.

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

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

31 (1) there is no obligation secured by the collateral covered by the  
32 financing statement and no commitment to make an advance,  
33 incur an obligation, or otherwise give value; or

34 (2) the debtor did not authorize the filing of the initial financing  
35 statement.

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

38 (1) within one (1) month after there is no obligation secured by  
39 the collateral covered by the financing statement and no  
40 commitment to make an advance, incur an obligation, or  
41 otherwise give value; or

42 (2) if earlier, within twenty (20) days after the secured party



- 1 receives ~~an authenticated~~ **a signed** demand from a debtor.
- 2 (c) In cases not governed by subsection (a), within twenty (20) days  
3 after a secured party receives ~~an authenticated~~ **a signed** demand from  
4 a debtor, the secured party shall cause the secured party of record for  
5 a financing statement to send to the debtor a termination statement for  
6 the financing statement or file the termination statement in the filing  
7 office if:
- 8 (1) except in the case of a financing statement covering accounts  
9 or chattel paper that has been sold or goods that are the subject of  
10 a consignment, there is no obligation secured by the collateral  
11 covered by the financing statement and no commitment to make  
12 an advance, incur an obligation, or otherwise give value;
- 13 (2) the financing statement covers accounts or chattel paper that  
14 has been sold but as to which the account debtor or other person  
15 obligated has discharged its obligation;
- 16 (3) the financing statement covers goods that were the subject of  
17 a consignment to the debtor but are not in the debtor's possession;  
18 or
- 19 (4) the debtor did not authorize the filing of the initial financing  
20 statement.
- 21 (d) Except as otherwise provided in IC 26-1-9.1-510, upon the filing  
22 of a termination statement with the filing office, the financing  
23 statement to which the termination statement relates ceases to be  
24 effective. Except as otherwise provided in IC 26-1-9.1-510, for  
25 purposes of IC 26-1-9.1-519(g), IC 26-1-9.1-522(a), and  
26 IC 26-1-9.1-523(c), the filing with the filing office of a termination  
27 statement relating to a financing statement that indicates that the debtor  
28 is a transmitting utility also causes the effectiveness of the financing  
29 statement to lapse.
- 30 SECTION 77. IC 26-1-9.1-601, AS AMENDED BY P.L.143-2007,  
31 SECTION 76, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
32 JULY 1, 2023]: Sec. 601. (a) After default, a secured party has the  
33 rights provided in this section through IC 26-1-9.1-628 and, except as  
34 otherwise provided in IC 26-1-9.1-602, those provided by agreement  
35 of the parties. A secured party:
- 36 (1) may reduce a claim to judgment, foreclose, or otherwise  
37 enforce the claim, security interest, or agricultural lien by any  
38 available judicial procedure; and
- 39 (2) if the collateral is documents, may proceed either as to the  
40 documents or as to the goods they cover.
- 41 (b) A secured party in possession of collateral or control of  
42 collateral under IC 26-1-7-106, IC 26-1-9.1-104, IC 26-1-9.1-105,



1 **IC 26-1-9.1-105.1**, IC 26-1-9.1-106, ~~or~~ IC 26-1-9.1-107, **or**  
 2 **IC 26-1-9.1-107.1** has the rights and duties provided in  
 3 IC 26-1-9.1-207.

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

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

10 (e) If a secured party has reduced its claim to judgment, the lien of  
 11 any levy that may be made upon the collateral by virtue of an execution  
 12 based upon the judgment relates back to the earliest of:

- 13 (1) the date of perfection of the security interest or agricultural  
 14 lien in the collateral;  
 15 (2) the date of filing a financing statement covering the collateral;  
 16 or  
 17 (3) any date specified in a statute under which the agricultural lien  
 18 was created.

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

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

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

- 31 (1) to a person that is a debtor or obligor, unless the secured party  
 32 knows:  
 33 (A) that the person is a debtor or obligor;  
 34 (B) the identity of the person; and  
 35 (C) how to communicate with the person; or  
 36 (2) to a secured party or lienholder that has filed a financing  
 37 statement against a person, unless the secured party knows:  
 38 (A) that the person is a debtor; and  
 39 (B) the identity of the person.

40 **(b) A secured party owes a duty based on its status as secured**  
 41 **party to a person if, at the time the secured party obtains control**  
 42 **of collateral that is a controllable account, a controllable electronic**





1 **record, or a controllable payment intangible or at the time the**  
 2 **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 **(a)(1)(A), (a)(1)(B), or (a)(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 79. IC 26-1-9.1-608 IS AMENDED TO READ AS  
 10 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 608. (a) If a security  
 11 interest or agricultural lien secures payment or performance of an  
 12 obligation, the following rules apply:

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

16 (A) the reasonable expenses of collection and enforcement  
 17 and, to the extent provided for by agreement and not  
 18 prohibited by law, reasonable attorney's fees and legal  
 19 expenses incurred by the secured party;

20 (B) the satisfaction of obligations secured by the security  
 21 interest or agricultural lien under which the collection or  
 22 enforcement is made; and

23 (C) the satisfaction of obligations secured by any subordinate  
 24 security interest in or other lien on the collateral subject to the  
 25 security interest or agricultural lien under which the collection  
 26 or enforcement is made if the secured party receives ~~an~~  
 27 **authenticated a signed** demand for proceeds before  
 28 distribution of the proceeds is completed.

29 (2) If requested by a secured party, a holder of a subordinate  
 30 security interest or other lien shall furnish reasonable proof of the  
 31 interest or lien within a reasonable time. Unless the holder  
 32 complies, the secured party need not comply with the holder's  
 33 demand under subdivision (1)(C).

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

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

42 (b) If the underlying transaction is a sale of accounts, chattel paper,



1 payment intangibles, or promissory notes, the debtor is not entitled to  
2 any surplus, and the obligor is not liable for any deficiency.

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

- 6 (1) a secured party sends to the debtor and any secondary obligor  
7 ~~an authenticated a signed~~ notification of disposition; or  
8 (2) the debtor and any secondary obligor waive the right to  
9 notification.

10 (b) Except as otherwise provided in subsection (d), a secured party  
11 that disposes of collateral under IC 26-1-9.1-610 shall send to the  
12 persons specified in subsection (c) a reasonable ~~authenticated signed~~  
13 notification of disposition.

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

- 16 (1) the debtor;  
17 (2) any secondary obligor; and  
18 (3) if the collateral is other than consumer goods:

19 (A) any other person from which the secured party has  
20 received, before the notification date, ~~an authenticated a~~  
21 ~~signed~~ notification of a claim of an interest in the collateral;  
22 (B) any other secured party or lienholder that, ten (10) days  
23 before the notification date, held a security interest in or other  
24 lien on the collateral perfected by the filing of a financing  
25 statement that:

- 26 (i) identified the collateral;  
27 (ii) was indexed under the debtor's name as of that date; and  
28 (iii) was filed in the office in which to file a financing  
29 statement against the debtor covering the collateral as of that  
30 date; and

31 (C) any other secured party that, ten (10) days before the  
32 notification date, held a security interest in the collateral  
33 perfected by compliance with a statute, regulation, or treaty  
34 described in IC 26-1-9.1-311(a).

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

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

- 40 (1) not later than twenty (20) days or earlier than thirty (30) days  
41 before the notification date, the secured party requests, in a  
42 commercially reasonable manner, information concerning



1 financing statements indexed under the debtor's name in the office  
 2 indicated in subsection (c)(3)(B); and  
 3 (2) before the notification date, the secured party:  
 4 (A) did not receive a response to the request for information;  
 5 or  
 6 (B) received a response to the request for information and sent  
 7 **an authenticated a signed** notification of disposition to each  
 8 secured party or other lienholder named in that response  
 9 whose financing statement covered the collateral.  
 10 SECTION 81. IC 26-1-9.1-613 IS AMENDED TO READ AS  
 11 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 613. (a) Except in a  
 12 consumer-goods transaction, the following rules apply:  
 13 (1) The contents of a notification of disposition are sufficient if  
 14 the notification:  
 15 (A) describes the debtor and the secured party;  
 16 (B) describes the collateral that is the subject of the intended  
 17 disposition;  
 18 (C) states the method of intended disposition;  
 19 (D) states that the debtor is entitled to an accounting of the  
 20 unpaid indebtedness and states the charge, if any, for an  
 21 accounting; and  
 22 (E) states the time and place of a public disposition or the time  
 23 after which any other disposition is to be made.  
 24 (2) Whether the contents of a notification that lacks any of the  
 25 information specified in subdivision (1) are nevertheless  
 26 sufficient is a question of fact.  
 27 (3) The contents of a notification providing substantially the  
 28 information specified in subdivision (1) are sufficient, even if the  
 29 notification includes:  
 30 (A) information not specified by that subdivision; or  
 31 (B) minor errors that are not seriously misleading.  
 32 (4) A particular phrasing of the notification is not required.  
 33 (5) The following form of notification and the form appearing in  
 34 ~~IC 26-1-9.1-614(3)~~; **IC 26-1-9.1-614(a)(3)**, when completed in  
 35 **accordance with subsection (b) and IC 26-1-9.1-614(b)**, each  
 36 provides sufficient information:  
 37 NOTIFICATION OF DISPOSITION OF COLLATERAL  
 38 To: Name of debtor, obligor, or other person to which the  
 39 notification is sent (Name of debtor, obligor, or other  
 40 person to which the notification is sent)  
 41 From: Name, address, and telephone number of secured  
 42 party (Name, address, and telephone number of secured party)



1           {1} Name of Debtor(s): Include only if debtor(s) are not an  
 2 addressee any debtor that is not an addressee: (Name of each  
 3 debtor)  
 4           (For a public disposition:)  
 5           {2} We will sell (or lease or license, as applicable) the describe  
 6 collateral to (describe collateral) (to the highest qualified bidder in  
 7 bidder) at public sale. A sale could include a lease or license. The  
 8 sale will be held as follows:  
 9 Day and Date: \_\_\_\_\_ (Date)  
 10 Time: \_\_\_\_\_ (Time)  
 11 Place: \_\_\_\_\_ (Place)  
 12 (For a private disposition:)  
 13           {3} We will sell (or lease or license, as applicable) the describe  
 14 collateral privately (describe collateral) at private sale sometime  
 15 after day and date: (date). A sale could include a lease or license.  
 16           {4} You are entitled to an accounting of the unpaid indebtedness  
 17 secured by the property that we intend to sell (or lease or license, as  
 18 applicable) (for a charge of \$ \_\_\_\_\_): or, as applicable, lease or license.  
 19 {5} If you request an accounting, you must pay a charge of \$  
 20 (amount). {6} You may request an accounting by calling us at  
 21 telephone number: (telephone number).

22 (End of Form)

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

- 25 (1) The instructions in this subsection refer to the numbers in
- 26 braces before items in the form of notification in subsection
- 27 (a)(5). The numbers in braces:
- 28 (A) are used only for the purpose of the instructions under
- 29 this subsection; and
- 30 (B) must not be included in the notification.
- 31 (2) Include and complete item {1} only if there is a debtor that
- 32 is not an addressee of the notification. List the name of each
- 33 of those debtors.
- 34 (3) Include and complete either item {2}, if the notification
- 35 relates to a public disposition of the collateral, or item {3}, if
- 36 the notification relates to a private disposition of the
- 37 collateral. If item {2} is included, include the words "to the
- 38 highest bidder" only if applicable.
- 39 (4) Include and complete items {4} and {6}.
- 40 (5) Include and complete item {5} only if the sender will
- 41 charge the recipient for an accounting.

42 SECTION 82. IC 26-1-9.1-614 IS AMENDED TO READ AS



1 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 614. (a) In a  
2 consumer-goods transaction, the following rules apply:

3 (1) A notification of disposition must provide the following  
4 information:

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

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

9 (C) A telephone number from which the amount that must be  
10 paid to the secured party to redeem the collateral under  
11 IC 26-1-9.1-623 is available.

12 (D) A telephone number or mailing address from which  
13 additional information concerning the disposition and the  
14 obligation secured is available.

15 (2) A particular phrasing of the notification is not required.

16 (3) The following form of notification, when completed **in**  
17 **accordance with the instructions set forth in subsection (b)**,  
18 provides sufficient information:

19 Name and address of secured party (Name and address of secured  
20 party)

21 Date (Date)

22 NOTICE OF OUR PLAN TO SELL PROPERTY

23 Name and address of any obligor who is also a debtor (Name and  
24 address of any obligor who is also a debtor)

25 Subject: Identification of Transaction (Identify transaction)

26 We have your describe collateral, (describe collateral), because you  
27 broke promises in our agreement.

28 (For a public disposition:)

29 {1} We will sell describe collateral (describe collateral) at public  
30 sale. A sale could include a lease or license. The sale will be held as  
31 follows:

32 Date: \_\_\_\_\_ (Date)

33 Time: \_\_\_\_\_ (Time)

34 Place: \_\_\_\_\_ (Place)

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

36 (For a private disposition:)

37 {2} We will sell describe collateral (describe collateral) at private  
38 sale sometime after date. (date). A sale could include a lease or license.

39 {3} The money that we get from the sale, (after after paying our  
40 costs) costs, will reduce the amount you owe. If we get less money than  
41 you owe, you will or will not, as applicable (will or will not, as  
42 applicable) still owe us the difference. If we get more money than you



1 owe, you will get the extra money, unless we must pay it to someone  
2 else.

3 {4} You can get the property back at any time before we sell it by  
4 paying us the full amount you owe, (~~not not~~ just the past due  
5 payments); **payments**, including our expenses. To learn the exact  
6 amount you must pay, call us at telephone number.**(telephone**  
7 **number)**.

8 {5} If you want us to explain to you in ~~writing~~ **(writing)** **(writing or**  
9 **in (description of electronic record))** **(description of electronic**  
10 **record)** how we have figured the amount that you owe us, you may {6}  
11 call us at telephone number **(telephone number)** or write **(or)** **(write**  
12 us at secured party's address **(secured party's address))** **(or**  
13 **(description of electronic communication method))** and {7} request  
14 a ~~(a written explanation: explanation)~~ **(a written explanation or an**  
15 **explanation in (description of electronic record))** **(an explanation**  
16 **in (description of electronic record))**. {8} We will charge you \$

17 **(amount)** for the explanation if we sent you another written  
18 explanation of the amount you owe us within the last six (6) months.  
19 {9} If you need more information about the sale ~~call~~ **(call us at**  
20 telephone number **(telephone number))** or write **(or)** **(write us at**  
21 secured party's address: **(secured party's address)** **(or contact us by**  
22 **(description of electronic communication method))**.

23 {10} We are sending this notice to the following other people who  
24 have an interest in describe collateral **(describe collateral)** or who owe  
25 money under your agreement:

26 Names of all other debtors and obligors, if any: **(Names of all other**  
27 **debtors and obligors, if any)**

28 (End of Form)

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

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

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

38 **(b) The following instructions apply to the form of notification**  
39 **in subsection (a)(3):**

40 **(1) The instructions in this subsection refer to the numbers in**  
41 **braces before items in the form of notification in subsection**  
42 **(a)(3). The numbers in braces:**



- 1           (A) are used only for the purpose of the instructions under
- 2           this subsection; and
- 3           (B) must not be included in the notification.
- 4           (2) Include and complete either item {1}, if the notification
- 5           relates to a public disposition of the collateral, or item {2}, if
- 6           the notification relates to a private disposition of the
- 7           collateral.
- 8           (3) Include and complete items {3}, {4}, {5}, {6}, and {7}.
- 9           (4) In item {5}, include and complete any one (1) of the three
- 10          (3) alternative methods for the explanation:
- 11           (A) writing;
- 12           (B) writing or electronic record; or
- 13           (C) electronic record.
- 14          (5) In item {6}, include the telephone number. In addition, the
- 15          sender may include and complete either or both of the two (2)
- 16          additional alternative methods of communication, which are:
- 17           (A) writing; and
- 18           (B) electronic communication;
- 19          by which the recipient of the notification may communicate
- 20          with the sender. Neither of the two (2) additional methods of
- 21          communication is required to be included.
- 22          (6) In item {7}, include and complete each method included in
- 23          item {5} (writing, writing or electronic record, or electronic
- 24          record) for the explanation.
- 25          (7) Include and complete item {8} only if:
- 26           (A) a written explanation is included in item {5} as a
- 27           method for communicating the explanation; and
- 28           (B) the sender will charge the recipient for another written
- 29           explanation.
- 30          (8) In item {9}, include either the telephone number or the
- 31          address or both the telephone number and the address. In
- 32          addition, the sender may include and complete the additional
- 33          method of communication (electronic communication) for the
- 34          recipient of the notification to communicate with the sender.
- 35          The additional method of electronic communication is not
- 36          required to be included.
- 37          (9) If item {10} does not apply, insert "None" after
- 38          "agreement:".

39           SECTION 83. IC 26-1-9.1-615 IS AMENDED TO READ AS  
 40           FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 615. (a) A secured  
 41           party shall apply or pay over for application the cash proceeds of  
 42           disposition under IC 26-1-9.1-610 in the following order to:



- 1 (1) the reasonable expenses of retaking, holding, preparing for
- 2 disposition, processing, and disposing, and, to the extent provided
- 3 for by agreement and not prohibited by law, reasonable attorney's
- 4 fees and legal expenses incurred by the secured party;
- 5 (2) the satisfaction of obligations secured by the security interest
- 6 or agricultural lien under which the disposition is made;
- 7 (3) the satisfaction of obligations secured by any subordinate
- 8 security interest in or other subordinate lien on the collateral if:
- 9 (A) the secured party receives from the holder of the
- 10 subordinate security interest or other lien ~~an authenticated a~~
- 11 **signed** demand for proceeds before distribution of the
- 12 proceeds is completed; and
- 13 (B) in a case in which a consignor has an interest in the
- 14 collateral, the subordinate security interest or other lien is
- 15 senior to the interest of the consignor; and
- 16 (4) a secured party that is a consignor of the collateral if the
- 17 secured party receives from the consignor ~~an authenticated a~~
- 18 **signed** demand for proceeds before distribution of the proceeds
- 19 is completed.
- 20 (b) If requested by a secured party, a holder of a subordinate
- 21 security interest or other lien shall furnish reasonable proof of the
- 22 interest or lien within a reasonable time. Unless the holder does so, the
- 23 secured party need not comply with the holder's demand under
- 24 subsection (a)(3).
- 25 (c) A secured party need not apply or pay over for application
- 26 noncash proceeds of disposition under IC 26-1-9.1-610 unless the
- 27 failure to do so would be commercially unreasonable. A secured party
- 28 that applies or pays over for application noncash proceeds shall do so
- 29 in a commercially reasonable manner.
- 30 (d) If the security interest under which a disposition is made secures
- 31 payment or performance of an obligation, after making the payments
- 32 and applications required by subsection (a) and permitted by subsection
- 33 (c):
- 34 (1) unless subsection (a)(4) requires the secured party to apply or
- 35 pay over cash proceeds to a consignor, the secured party shall
- 36 account to and pay a debtor for any surplus; and
- 37 (2) the obligor is liable for any deficiency.
- 38 (e) If the underlying transaction is a sale of accounts, chattel paper,
- 39 payment intangibles, or promissory notes:
- 40 (1) the debtor is not entitled to any surplus; and
- 41 (2) the obligor is not liable for any deficiency.
- 42 (f) The surplus or deficiency following a disposition is calculated





1 based on the amount of proceeds that would have been realized in a  
 2 disposition complying with IC 26-1-9.1-601 through IC 26-1-9.1-628  
 3 to a transferee other than the secured party, a person related to the  
 4 secured party, or a secondary obligor if:

- 5 (1) the transferee in the disposition is the secured party, a person  
 6 related to the secured party, or a secondary obligor; and
- 7 (2) the amount of proceeds of the disposition is significantly  
 8 below the range of proceeds that a complying disposition to a  
 9 person other than the secured party, a person related to the  
 10 secured party, or a secondary obligor would have brought.

11 (g) A secured party that receives cash proceeds of a disposition in  
 12 good faith and without knowledge that the receipt violates the rights of  
 13 the holder of a security interest or other lien that is not subordinate to  
 14 the security interest or agricultural lien under which the disposition is  
 15 made:

- 16 (1) takes the cash proceeds free of the security interest or other  
 17 lien;
- 18 (2) is not obligated to apply the proceeds of the disposition to the  
 19 satisfaction of obligations secured by the security interest or other  
 20 lien; and
- 21 (3) is not obligated to account to or pay the holder of the security  
 22 interest or other lien for any surplus.

23 SECTION 84. IC 26-1-9.1-616 IS AMENDED TO READ AS  
 24 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 616. (a) As used in this  
 25 section:

- 26 (1) "Explanation" means a ~~writing~~ **record** that:
  - 27 (A) states the amount of the surplus or deficiency;
  - 28 (B) provides an explanation in accordance with subsection (c)
  - 29 of how the secured party calculated the surplus or deficiency;
  - 30 (C) states, if applicable, that future debits, credits, charges,
  - 31 including additional credit service charges or interest, rebates,
  - 32 and expenses may affect the amount of the surplus or
  - 33 deficiency; and
  - 34 (D) provides a telephone number or mailing address from
  - 35 which additional information concerning the transaction is
  - 36 available.
- 37 (2) "Request" means a record:
  - 38 (A) ~~authenticated~~ **signed** by a debtor or consumer obligor;
  - 39 (B) requesting that the recipient provide an explanation; and
  - 40 (C) sent after disposition of the collateral under
  - 41 IC 26-1-9.1-610.

42 (b) In a consumer-goods transaction in which the debtor is entitled



1 to a surplus or a consumer obligor is liable for a deficiency under  
2 IC 26-1-9.1-615, the secured party shall:

3 (1) send an explanation to the debtor or consumer obligor, as  
4 applicable, after the disposition and:

5 (A) before or when the secured party accounts to the debtor  
6 and pays any surplus or first makes ~~written~~ demand **in a**  
7 **record** on the consumer obligor after the disposition for  
8 payment of the deficiency; and

9 (B) within fourteen (14) days after receipt of a request; or

10 (2) in the case of a consumer obligor who is liable for a  
11 deficiency, within fourteen (14) days after receipt of a request,  
12 send to the consumer obligor a record waiving the secured party's  
13 right to a deficiency.

14 (c) To comply with subsection (a)(1)(B), ~~a writing~~ **an explanation**  
15 must provide the following information in the following order:

16 (1) the aggregate amount of obligations secured by the security  
17 interest under which the disposition was made, and, if the amount  
18 reflects a rebate of unearned interest or credit service charge, an  
19 indication of that fact, calculated as of a specified date:

20 (A) if the secured party takes or receives possession of the  
21 collateral after default, not more than thirty-five (35) days  
22 before the secured party takes or receives possession; or

23 (B) if the secured party takes or receives possession of the  
24 collateral before default or does not take possession of the  
25 collateral, not more than thirty-five (35) days before the  
26 disposition;

27 (2) the amount of proceeds of the disposition;

28 (3) the aggregate amount of the obligations after deducting the  
29 amount of proceeds;

30 (4) the amount, in the aggregate or by type, and types of expenses,  
31 including expenses of retaking, holding, preparing for disposition,  
32 processing, and disposing of the collateral, and attorney's fees  
33 secured by the collateral that are known to the secured party and  
34 relate to the current disposition;

35 (5) the amount, in the aggregate or by type, and types of credits,  
36 including rebates of interest or credit service charges, to which  
37 the obligor is known to be entitled and that are not reflected in the  
38 amount in paragraph (1); and

39 (6) the amount of the surplus or deficiency.

40 (d) A particular phrasing of the explanation is not required. An  
41 explanation complying substantially with the requirements of  
42 subsection (a) is sufficient, even if it includes minor errors that are not



1 seriously misleading.

2 (e) A debtor or consumer obligor is entitled without charge to one  
3 (1) response to a request under this section during any six (6) month  
4 period in which the secured party did not send to the debtor or  
5 consumer obligor an explanation pursuant to subsection (b)(1). The  
6 secured party may require payment of a charge not exceeding  
7 twenty-five dollars (\$25) for each additional response.

8 SECTION 85. IC 26-1-9.1-619 IS AMENDED TO READ AS  
9 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 619. (a) In this section,  
10 "transfer statement" means a record ~~authenticated~~ **signed** by a secured  
11 party stating:

- 12 (1) that the debtor has defaulted in connection with an obligation  
13 secured by specified collateral;  
14 (2) that the secured party has exercised its post-default remedies  
15 with respect to the collateral;  
16 (3) that, by reason of the exercise, a transferee has acquired the  
17 rights of the debtor in the collateral; and  
18 (4) the name and mailing address of the secured party, debtor, and  
19 transferee.

20 (b) A transfer statement entitles the transferee to the transfer of  
21 record of all rights of the debtor in the collateral specified in the  
22 statement in any official filing, recording, registration, or  
23 certificate-of-title system covering the collateral. If a transfer statement  
24 is presented with the applicable fee and request form to the official or  
25 office responsible for maintaining the system, the official or office  
26 shall:

- 27 (1) accept the transfer statement;  
28 (2) promptly amend its records to reflect the transfer; and  
29 (3) if applicable, issue a new appropriate certificate of title in the  
30 name of transferee.

31 (c) A transfer of the record or legal title to collateral to a secured  
32 party under subsection (b) or otherwise is not of itself a disposition of  
33 collateral under IC 26-1-9.1 and does not of itself relieve the secured  
34 party of its duties under IC 26-1-9.1.

35 SECTION 86. IC 26-1-9.1-620 IS AMENDED TO READ AS  
36 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 620. (a) Except as  
37 otherwise provided in subsection (g), a secured party may accept  
38 collateral in full or partial satisfaction of the obligation it secures only  
39 if:

- 40 (1) the debtor consents to the acceptance under subsection (c);  
41 (2) the secured party does not receive, within the time set forth in  
42 subsection (d), a notification of objection to the proposal



- 1           ~~authenticated~~ **signed** by:
- 2           (A) a person to which the secured party was required to send
- 3           a proposal under IC 26-1-9.1-621; or
- 4           (B) any other person, other than the debtor, holding an interest
- 5           in the collateral subordinate to the security interest that is the
- 6           subject of the proposal;
- 7           (3) if the collateral is consumer goods, the collateral is not in the
- 8           possession of the debtor when the debtor consents to the
- 9           acceptance; and
- 10          (4) subsection (e) does not require the secured party to dispose of
- 11          the collateral or the debtor waives the requirement pursuant to
- 12          IC 26-1-9.1-624.
- 13          (b) A purported or apparent acceptance of collateral under this
- 14          section is ineffective unless:
- 15           (1) the secured party consents to the acceptance in ~~an~~
- 16           ~~authenticated~~ **a signed** record or sends a proposal to the debtor;
- 17           and
- 18           (2) the conditions of subsection (a) are met.
- 19          (c) For purposes of this section:
- 20           (1) a debtor consents to an acceptance of collateral in partial
- 21           satisfaction of the obligation it secures only if the debtor agrees
- 22           to the terms of the acceptance in a record ~~authenticated~~ **signed**
- 23           after default; and
- 24           (2) a debtor consents to an acceptance of collateral in full
- 25           satisfaction of the obligation it secures only if the debtor agrees
- 26           to the terms of the acceptance in a record ~~authenticated~~ **signed**
- 27           after default or the secured party:
- 28           (A) sends to the debtor after default a proposal that is
- 29           unconditional or subject only to a condition that collateral not
- 30           in the possession of the secured party be preserved or
- 31           maintained;
- 32           (B) in the proposal, proposes to accept collateral in full
- 33           satisfaction of the obligation it secures; and
- 34           (C) does not receive a notification of objection ~~authenticated~~
- 35           **signed** by the debtor within twenty (20) days after the proposal
- 36           is sent.
- 37          (d) To be effective under subsection (a)(2), a notification of
- 38          objection must be received by the secured party:
- 39           (1) in the case of a person to which the proposal was sent
- 40           pursuant to IC 26-1-9.1-621, within twenty (20) days after
- 41           notification was sent to that person; and
- 42           (2) in other cases:



- 1 (A) within twenty (20) days after the last notification was sent
- 2 pursuant to IC 26-1-9.1-621; or
- 3 (B) if a notification was not sent, before the debtor consents to
- 4 the acceptance under subsection (c).
- 5 (e) A secured party that has taken possession of collateral shall
- 6 dispose of the collateral pursuant to IC 26-1-9.1-610 within the time
- 7 specified in subsection (f) if:
- 8 (1) sixty percent (60%) of the cash price has been paid in the case
- 9 of a purchase-money security interest in consumer goods; or
- 10 (2) sixty percent (60%) of the principal amount of the obligation
- 11 secured has been paid in the case of a non-purchase-money
- 12 security interest in consumer goods.
- 13 (f) To comply with subsection (e), the secured party shall dispose of
- 14 the collateral:
- 15 (1) within ninety (90) days after taking possession; or
- 16 (2) within any longer period to which the debtor and all secondary
- 17 obligors have agreed in an agreement to that effect entered into
- 18 and ~~authenticated~~ **signed** after default.
- 19 (g) In a consumer transaction, a secured party may not accept
- 20 collateral in partial satisfaction of the obligation it secures.
- 21 SECTION 87. IC 26-1-9.1-621 IS AMENDED TO READ AS
- 22 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 621. (a) A secured
- 23 party that desires to accept collateral in full or partial satisfaction of the
- 24 obligation it secures shall send its proposal to:
- 25 (1) any person from which the secured party has received, before
- 26 the debtor consented to the acceptance, ~~an authenticated~~ **a signed**
- 27 notification of a claim of an interest in the collateral;
- 28 (2) any other secured party or lienholder that, ten (10) days before
- 29 the debtor consented to the acceptance, held a security interest in
- 30 or other lien on the collateral perfected by the filing of a financing
- 31 statement that:
- 32 (A) identified the collateral;
- 33 (B) was indexed under the debtor's name as of that date; and
- 34 (C) was filed in the office or offices in which to file a
- 35 financing statement against the debtor covering the collateral
- 36 as of that date; and
- 37 (3) any other secured party that, ten (10) days before the debtor
- 38 consented to the acceptance, held a security interest in the
- 39 collateral perfected by compliance with a statute, regulation, or
- 40 treaty described in IC 26-1-9.1-311(a).
- 41 (b) A secured party that desires to accept collateral in partial
- 42 satisfaction of the obligation it secures shall send its proposal to any



1 secondary obligor in addition to the persons described in subsection  
2 (a).

3 SECTION 88. IC 26-1-9.1-624 IS AMENDED TO READ AS  
4 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 624. (a) A debtor or  
5 secondary obligor may waive the right to notification of disposition of  
6 collateral under IC 26-1-9.1-611 only by an agreement to that effect  
7 entered into and ~~authenticated~~ **signed** after default.

8 (b) A debtor may waive the right to require disposition of collateral  
9 under IC 26-1-9.1-620(e) only by an agreement to that effect entered  
10 into and ~~authenticated~~ **signed** after default.

11 (c) Except in a consumer-goods transaction, a debtor or secondary  
12 obligor may waive the right to redeem collateral under IC 26-1-9.1-623  
13 only by an agreement to that effect entered into and ~~authenticated~~  
14 **signed** after default.

15 SECTION 89. IC 26-1-9.1-628 IS AMENDED TO READ AS  
16 FOLLOWS [EFFECTIVE JULY 1, 2023]: Sec. 628. (a) **Subject to**  
17 **subsection (f)**, unless a secured party knows that a person is a debtor  
18 or obligor, knows the identity of the person, and knows how to  
19 communicate with the person:

20 (1) the secured party is not liable to the person, or to a secured  
21 party or lienholder that has filed a financing statement against the  
22 person, for failure to comply with IC 26-1-9.1; and

23 (2) the secured party's failure to comply with IC 26-1-9.1 does not  
24 affect the liability of the person for a deficiency.

25 (b) **Subject to subsection (f)**, a secured party is not liable because  
26 of its status as secured party:

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

29 (A) that the person is a debtor or obligor;

30 (B) the identity of the person; and

31 (C) how to communicate with the person; or

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

34 (A) that the person is a debtor; and

35 (B) the identity of the person.

36 (c) A secured party is not liable to any person, and a person's  
37 liability for a deficiency is not affected, because of any act or omission  
38 arising out of the secured party's reasonable belief that a transaction is  
39 not a consumer-goods transaction or a consumer transaction or that  
40 goods are not consumer goods, if the secured party's belief is based on  
41 its reasonable reliance on:

42 (1) a debtor's representation concerning the purpose for which



1 collateral was to be used, acquired, or held; or  
 2 (2) an obligor's representation concerning the purpose for which  
 3 a secured obligation was incurred.  
 4 (d) A secured party is not liable to any person under  
 5 IC 26-1-9.1-625(c)(2) for its failure to comply with IC 26-1-9.1-616.  
 6 (e) A secured party is not liable under IC 26-1-9.1-625(c)(2) more  
 7 than once with respect to any one secured obligation.  
 8 **(f) Subsections (a) and (b) do not apply to limit the liability of a**  
 9 **secured party to a person if, at the time the secured party obtains**  
 10 **control of collateral that is a controllable account, controllable**  
 11 **electronic record, or controllable payment intangible or at the time**  
 12 **the security interest attaches to the collateral, whichever is later:**  
 13 **(1) the person is a debtor or obligor; and**  
 14 **(2) the secured party knows that the information in subsection**  
 15 **(b)(1)(A), (b)(1)(B), or (b)(1)(C) relating to the person is not**  
 16 **provided by the collateral, a record attached to or logically**  
 17 **associated with the collateral, or the system in which the**  
 18 **collateral is recorded.**  
 19 SECTION 90. IC 26-1-11 IS REPEALED [EFFECTIVE JULY 1,  
 20 2023]. (Controllable Electronic Records).  
 21 SECTION 91. IC 26-1-12 IS ADDED TO THE INDIANA CODE  
 22 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
 23 JULY 1, 2023]:  
 24 **Chapter 12. Controllable Electronic Records**  
 25 **Sec. 101. This chapter shall be known and may be cited as**  
 26 **Uniform Commercial Code - Controllable Electronic Records.**  
 27 **Sec. 102. (a) In this chapter the following definitions apply:**  
 28 **(1) "Controllable electronic record" means a record stored in**  
 29 **an electronic medium that can be subjected to control under**  
 30 **section 105 of this chapter. The term does not include a**  
 31 **controllable account, a controllable payment intangible, a**  
 32 **deposit account, an electronic copy of a record evidencing**  
 33 **chattel paper, an electronic document of title, electronic**  
 34 **money, investment property, or a transferrable record.**  
 35 **(2) "Qualifying purchaser" means a purchaser:**  
 36 **(A) of a controllable electronic record; or**  
 37 **(B) of an interest in a controllable electronic record;**  
 38 **that obtains control of the controllable electronic record for**  
 39 **value, in good faith, and without notice of a claim of a**  
 40 **property right in the controllable electronic record.**  
 41 **(3) "Transferrable record" has the meaning set forth in:**  
 42 **(A) Section 201(a)(1) of the Electronic Signatures in Global**



- 1                   and National Commerce Act (15 U.S.C. 7021(a)(1)); or  
2                   **(B) IC 26-2-8-115(a).**
- 3                   **(4) "Value" has the meaning set forth in IC 26-1-3.1-303(a),**  
4                   **as if references in IC 26-1-3.1-303(a) to an "instrument" were**  
5                   **references to a controllable account, a controllable electronic**  
6                   **record, or a controllable payment intangible.**
- 7                   **(b) The definitions in IC 26-1-9.1 of "account debtor",**  
8                   **"controllable account", "controllable payment intangible",**  
9                   **"chattel paper", "deposit account", "electronic money", and**  
10                   **"investment property" apply throughout this chapter.**
- 11                   **(c) The general definitions and principles of construction and**  
12                   **interpretation set forth in IC 26-1-1 apply throughout this chapter.**
- 13                   **Sec. 103. (a) If there is a conflict between this chapter and**  
14                   **IC 26-1-9.1, IC 26-1-9.1 governs.**
- 15                   **(b) A transaction subject to this chapter is subject to:**
- 16                   **(1) any applicable rule of law that establishes a different rule**  
17                   **for consumers; and**
- 18                   **(2) any:**
- 19                   **(A) other statute or regulation that regulates the rates,**  
20                   **charges, agreements, and practices for loans, credit sales,**  
21                   **or other extensions of credit, including IC 24-4.5; and**
- 22                   **(B) consumer protection statute or regulation.**
- 23                   **Sec. 104. (a) This section applies to the acquisition and purchase**  
24                   **rights in a controllable account or a controllable payment**  
25                   **intangible, including the rights and benefits under subsections (c),**  
26                   **(d), (e), (g), and (h) of a purchaser and a qualifying purchaser, in**  
27                   **the same manner that this section applies with respect to a**  
28                   **controllable electronic record.**
- 29                   **(b) For purposes of determining whether a purchaser of a**  
30                   **controllable account or a controllable payment intangible is a**  
31                   **qualifying purchaser, the purchaser obtains control of the account**  
32                   **or the payment intangible if the purchaser obtains control of the**  
33                   **controllable electronic record that evidences the account or the**  
34                   **payment intangible.**
- 35                   **(c) Except as provided in this section, law other than this**  
36                   **chapter determines:**
- 37                   **(1) whether a person acquires a right in a controllable**  
38                   **electronic record; and**
- 39                   **(2) the right the person acquires.**
- 40                   **(d) A purchaser of a controllable electronic record acquires all**  
41                   **rights in the controllable electronic record that the transferor had**  
42                   **or had the power to transfer. However, a purchaser of a limited**





1 interest in a controllable electronic record acquires rights only to  
2 the extent of the interest purchased.

3 (e) A qualifying purchaser acquires the qualifying purchaser's  
4 rights in a controllable electronic record free of a claim of a  
5 property right in the controllable electronic record.

6 (f) Except as provided in subsections (a) and (e) with respect to  
7 a controllable account or a controllable payment intangible, or in  
8 law other than this chapter, a qualifying purchaser takes:

- 9 (1) a right to payment;  
10 (2) a right to performance; or  
11 (3) another interest in property;

12 that is evidenced by a controllable electronic record subject to a  
13 claim of a property right in the right to payment, right to  
14 performance, or other interest in property.

15 (g) An action may not be asserted against a qualifying purchaser  
16 based on both:

- 17 (1) a purchase by the qualifying purchaser of a controllable  
18 electronic record; and  
19 (2) a claim of a property right in another controllable  
20 electronic record;

21 regardless of whether the action is framed in conversion, replevin,  
22 constructive trust, equitable lien, or another theory.

23 (h) The filing of a financing statement under IC 26-1-9.1 is not  
24 notice of a claim of property right in a controllable electronic  
25 record.

26 **Sec. 105. (a)** A person has control of a controllable electronic  
27 record if the electronic record, a record attached to or logically  
28 associated with the electronic record, or a system in which the  
29 electronic record is recorded:

- 30 (1) gives the person:  
31 (A) power to avail itself of substantially all the benefit from  
32 the electronic record; and  
33 (B) exclusive power, subject to subsection (b), to:  
34 (i) prevent others from availing themselves of  
35 substantially all the benefit from the electronic record;  
36 and  
37 (ii) transfer control of the electronic record to another  
38 person or cause another person to obtain control of  
39 another controllable electronic record as a result of the  
40 transfer of the electronic record; and  
41 (2) enables the person readily to identify itself in any way,  
42 including by name, identifying number, cryptographic key,



- 1 office, or account number, as having powers specified in  
 2 subdivision (1).
- 3 (b) Subject to subsection (c), a power is exclusive under  
 4 subsection (a)(1)(B)(i) and (a)(1)(B)(ii) even if:
- 5 (1) the controllable electronic record, a record attached to or  
 6 logically associated with the electronic record, or a system in  
 7 which the electronic record is recorded limits the use of the  
 8 electronic record or has a protocol programmed to cause a  
 9 change, including a transfer or loss of control or a  
 10 modification of benefits afforded by the electronic record; or  
 11 (2) the power is shared with another person.
- 12 (c) A power of person is not shared with another person under  
 13 subsection (b)(2) and the person's power is not exclusive if:
- 14 (1) the person can exercise the power only if the power also is  
 15 exercised by the other person; and  
 16 (2) the other person:
- 17 (A) can exercise the power without exercise of the power  
 18 by the person; or  
 19 (B) is the transferor to the person of an interest in the  
 20 controllable electronic record or in a controllable account  
 21 or controllable payment intangible evidenced by the  
 22 controllable electronic record.
- 23 (d) If a person has the powers specified in subsection (a)(1)(B)(i)  
 24 and (a)(1)(B)(ii), the powers are presumed to be exclusive.
- 25 (e) A person has control of a controllable electronic record if  
 26 another person, other than the transferor to the person of an  
 27 interest in the controllable electronic record, or in a controllable  
 28 account or controllable payment intangible evidenced by the  
 29 controllable electronic record:
- 30 (1) has control of the electronic record and acknowledges that  
 31 it has control on behalf of the person; or  
 32 (2) obtains control of the electronic record after having  
 33 acknowledged that it will obtain control of the electronic  
 34 record on behalf of the person.
- 35 (f) A person that has control under this section is not required  
 36 to acknowledge that is has control on behalf of another person.
- 37 (g) If a person acknowledges that it has or will obtain control on  
 38 behalf of another person, unless the person otherwise agrees or law  
 39 other than this chapter or IC 26-1-9.1 otherwise provides, the  
 40 person does not owe any duty to any other person and is not  
 41 required to confirm the acknowledgment to any other person.
- 42 Sec. 106. (a) An account debtor on a controllable account or a



1        **controllable payment intangible may discharge its obligation by**  
2        **paying:**  
3            **(1) the person having control of the controllable electronic**  
4            **record that evidences the controllable account or the**  
5            **controllable payment intangible; or**  
6            **(2) except as provided in subsection (b), a person that**  
7            **formerly had control of the controllable electronic record.**  
8        **(b) Subject to subsection (d), the account debtor may not**  
9        **discharge its obligation by paying a person that formerly had**  
10       **control of the controllable electronic record if the account debtor**  
11       **receives a notification that:**  
12            **(1) is signed by a person that formerly had control or by the**  
13            **person to which control was transferred;**  
14            **(2) reasonably identifies the controllable account or**  
15            **controllable payment intangible;**  
16            **(3) notifies the account debtor that control of the controllable**  
17            **electronic record that evidences the controllable account or**  
18            **controllable payment intangible was transferred;**  
19            **(4) identifies the transferee, in any reasonable way, including**  
20            **by name, identifying number, cryptographic key, office, or**  
21            **account number; and**  
22            **(5) provides a commercially reasonable method by which the**  
23            **account debtor is to pay the transferee.**  
24        **(c) After receipt of a notification that complies with subsection**  
25        **(b), the account debtor may discharge its obligation by paying in**  
26        **accordance with the notification and may not discharge the**  
27        **obligation by paying a person that formerly had control.**  
28        **(d) Subject to subsection (h), notification is ineffective under**  
29        **subsection (b):**  
30            **(1) unless, before the notification is sent, the account debtor**  
31            **and the person that, at that time, had control of the**  
32            **controllable electronic record that evidences the controllable**  
33            **account or the controllable payment intangible agree in a**  
34            **signed record to a commercially reasonable method by which**  
35            **a person may furnish reasonable proof that control has been**  
36            **transferred;**  
37            **(2) to the extent an agreement between the account debtor and**  
38            **seller of a payment intangible limits the account debtor's duty**  
39            **to pay a person other than the seller and the limitation is**  
40            **effective under law other than this chapter; or**  
41            **(3) at the option of the account debtor, if the notification**  
42            **notifies the account debtor to:**



1 (A) divide a payment;

2 (B) make less than the full amount of an installment or  
3 other periodic payment; or

4 (C) pay any part of a payment by more than one (1)  
5 method or to more than one (1) person.

6 (e) Subject to subsection (h), if requested by the account debtor,  
7 the person giving notification under subsection (b) seasonably shall  
8 furnish reasonable proof, using the method in the agreement  
9 described in subsection (d)(1), that control of the controllable  
10 electronic record has been transferred. Unless the person complies  
11 with the request, the account debtor may discharge its obligation  
12 by paying a person that formerly had control, even if the account  
13 debtor has received a notification under subsection (b).

14 (f) A person furnishes reasonable proof under subsection (e)  
15 that control has been transferred if the person demonstrates, using  
16 the method in the agreement described in subsection (d)(1), that  
17 the transferee has the power to:

18 (1) avail itself of substantially all the benefit from the  
19 controllable electronic record;

20 (2) prevent others from availing themselves of substantially  
21 all the benefit from the controllable electronic record; and

22 (3) transfer the powers specified in subdivisions (1) and (2) to  
23 another person.

24 (g) Subject to subsection (h), an account debtor may not waive  
25 or vary its rights under subsections (d)(1) and (e) or its option  
26 under subsection (d)(3).

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

31 Sec. 107. (a) Except as provided in subsection (b), the local law  
32 of an electronic record's jurisdiction governs a matter covered by  
33 this chapter.

34 (b) For a controllable electronic record that evidences a  
35 controllable account or a controllable payment intangible, the local  
36 law of the controllable electronic record's jurisdiction governs a  
37 matter covered by section 106 of this chapter unless an effective  
38 agreement determines that the local law of another jurisdiction  
39 governs.

40 (c) The following rules determine a controllable electronic  
41 record's jurisdiction under this section:

42 (1) If the controllable electronic record, or a record that is



1 attached to or logically associated with the controllable  
 2 electronic record and that is readily available for review,  
 3 expressly provides that a particular jurisdiction is the  
 4 controllable electronic record's jurisdiction for purposes of  
 5 this chapter or IC 26-1, that jurisdiction is the controllable  
 6 electronic record's jurisdiction.

7 (2) If subdivision (1) does not apply, and the rules of the  
 8 system in which the controllable electronic record is recorded  
 9 are readily available for review and expressly provide that a  
 10 particular jurisdiction is the controllable electronic record's  
 11 jurisdiction for purposes of this chapter or IC 26-1, that  
 12 jurisdiction is the controllable electronic record's jurisdiction.

13 (3) If subdivisions (1) and (2) do not apply, and the  
 14 controllable electronic record, or a record that is attached to  
 15 or logically associated with the controllable electronic record  
 16 and that is readily available for review, expressly provides  
 17 that the controllable electronic record is governed by the law  
 18 of a particular jurisdiction, that jurisdiction is the  
 19 controllable electronic record's jurisdiction.

20 (4) If subdivisions (1) through (3) do not apply, and the rules  
 21 of the system in which the controllable electronic record is  
 22 recorded are readily available for review and expressly  
 23 provide that the controllable electronic record or the system  
 24 is governed by the law of a particular jurisdiction, that  
 25 jurisdiction is the controllable electronic record's jurisdiction.

26 (5) If subdivisions (1) through (4) do not apply, the  
 27 controllable electronic record's jurisdiction is the District of  
 28 Columbia.

29 (d) If subsection (c)(5) applies and this chapter is not in effect in  
 30 the District of Columbia without material modification, the  
 31 governing law for a matter covered by this chapter is the law of the  
 32 District of Columbia as though this chapter were in effect in the  
 33 District of Columbia without material modification.

34 (e) To the extent that subsections (a) and (b) provide that the  
 35 local law of the controllable electronic record's jurisdiction  
 36 governs a matter covered by this chapter, that law governs even if  
 37 the matter or a transaction to which the matter relates does not  
 38 bear any relation to the controllable record's jurisdiction.

39 (f) The rights acquired under section 104 of this chapter by a  
 40 purchaser or a qualifying purchaser are governed by the law  
 41 applicable under this section at the time of purchase.

42 SECTION 92. IC 26-1-12.5 IS ADDED TO THE INDIANA CODE



1 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
2 JULY 1, 2023]:

3 **Chapter 12.5. Transitional Provisions For Uniform Commercial  
4 Code Amendments (2022)**

5 **Sec. 101. This chapter may be cited as Transitional Provisions  
6 for Uniform Commercial Code Amendments (2022).**

7 **Sec. 102. (a) In this chapter, the following terms have the  
8 following meanings:**

9 (1) **The following terms have the following meanings:**

10 (A) **"Act" refers to the amendments to IC 26-1 that:**

11 (i) **were made during the 2023 regular session of the  
12 general assembly; and**

13 (ii) **took effect July 1, 2023.**

14 (B) **"Adjustment date" means July 1, 2025.**

15 (2) **"Chapter 12" refers to IC 26-1-12.**

16 (3) **"Chapter 12 property" means a controllable account, a  
17 controllable electronic record, or a controllable payment  
18 intangible.**

19 (b) **The following definitions in other chapters of IC 26-1 apply  
20 to this chapter:**

21 **"Controllable account". IC 26-1-9.1-102.**

22 **"Controllable electronic record". IC 26-1-12-102.**

23 **"Controllable payment intangible". IC 26-1-9.1-102.**

24 **"Electronic money". IC 26-1-9.1-102.**

25 **"Financing statement". IC 26-1-9.1-102.**

26 (c) **IC 26-1-1 contains general definitions and principles of  
27 construction and interpretation that apply throughout this chapter.**

28 **Sec. 201. Except as provided in sections 301 through 306 of this  
29 chapter, a transaction validly entered into before July 1, 2023, and  
30 the rights, duties, and interests flowing from the transaction  
31 remain valid after June 30, 2023, and may be terminated,  
32 completed, consummated, or enforced as required or permitted by  
33 law other than IC 26-1 or, if applicable, by IC 26-1 as though the  
34 act had not taken effect.**

35 **Sec. 301. (a) Except as otherwise provided in this section or in  
36 sections 302 through 306 of this chapter:**

37 (1) **IC 26-1-9.1, as amended by the act; and**

38 (2) **IC 26-1-12;**

39 **apply to a transaction, lien, or interest in property, even if the  
40 transaction, lien, or interest was entered into, created, or acquired  
41 before July 1, 2023.**

42 (b) **Except as provided in subsection (c) and in sections 302**



1 through 306 of this chapter:

2 (1) a transaction, lien, or interest in property that was validly  
3 entered into, created, or transferred before July 1, 2023, and  
4 was not governed by IC 26-1, but would be subject to:

5 (A) IC 26-1-9.1, as amended by the act; or

6 (B) IC 26-1-12;

7 if it had been entered into, created, or transferred on or after  
8 July 1, 2023, including the rights, duties, and interests flowing  
9 from the transaction, lien, or interest, remain valid on and  
10 after July 1, 2023; and

11 (2) the transaction, lien, or interest may be terminated,  
12 completed, consummated, and enforced as required or  
13 permitted by:

14 (A) the act; or

15 (B) the law that would apply if the act had not taken effect.

16 (c) The act does not affect an action, case, or proceeding  
17 commenced before July 1, 2023.

18 Sec. 302. (a) A security interest that is enforceable and perfected  
19 on June 30, 2023, is a perfected security interest under the act if, on  
20 July 1, 2023, the requirements for enforceability and perfection  
21 under the act are satisfied without further action.

22 (b) If a security interest is enforceable and effective on June 30,  
23 2023, but the requirements for enforceability and perfection under  
24 the act are not satisfied on July 1, 2023, the security interest:

25 (1) is a perfected security interest until the earlier of:

26 (A) the time perfection would have ceased under IC 26-1 as  
27 in effect on June 30, 2023; or

28 (B) the adjustment date;

29 (2) remains enforceable on or after the time specified in  
30 subdivision (1) only if the security interest satisfies the  
31 requirements for enforceability under IC 26-1-9.1-203, as  
32 amended by the act, before the adjustment date; and

33 (3) remains perfected on or after the time specified in  
34 subdivision (1) only if the requirements for perfection under  
35 the act are satisfied before the time specified in subdivision

36 (1).

37 Sec. 303. A security interest that is enforceable on June 30, 2023,  
38 but is unperfected on June 30, 2023:

39 (1) remains an enforceable security interest until the  
40 adjustment date;

41 (2) remains enforceable on or after the adjustment date if the  
42 security interest becomes enforceable under IC 26-1-9.1-203,



1 as amended by the act, on July 1, 2023, or before the  
2 adjustment date; and

3 (3) becomes perfected;

4 (A) without further action on July 1, 2023, if the  
5 requirements for perfection under the act are satisfied  
6 before or on July 1, 2023; or

7 (B) when the requirements for perfection under the act are  
8 satisfied if the requirements are satisfied after July 1, 2023.

9 Sec. 304. (a) If action, other than the filing of a financing  
10 statement, is taken before July 1, 2023, and the action would have  
11 resulted in perfection of a security interest had the security interest  
12 become enforceable before July 1, 2023, the action is effective to  
13 perfect a security interest that attaches under the act before the  
14 adjustment date. An attached security interest becomes  
15 unperfected on the adjustment date unless the security interest  
16 becomes a perfected security interest under the act before the  
17 adjustment date.

18 (b) The filing of a financing statement before July 1, 2023, is  
19 effective to perfect a security interest on July 1, 2023, to the extent  
20 the filing would satisfy the requirements for perfection under the  
21 act.

22 (c) The taking of an action before July 1, 2023, is sufficient for  
23 the enforceability of a security interest on July 1, 2023, if the action  
24 would satisfy the requirements for enforceability under the act.

25 Sec. 305. (a) Subject to subsections (b) and (c), the act  
26 determines the priority of conflicting claims to collateral.

27 (b) Subject to subsection (c), if the priorities of claims to  
28 collateral were established before July 1, 2023, IC 26-1-9.1 as in  
29 effect before July 1, 2023, determines priority.

30 (c) On the adjustment date, to the extent the priorities  
31 determined by IC 26-1-9.1, as amended by the act, modify the  
32 priorities established before July 1, 2023, the priorities of claims to  
33 chapter 12 property and electronic money established before July  
34 1, 2023, cease to apply.

35 Sec. 306. (a) Subject to subsections (b) and (c), chapter 12  
36 determines the priority of conflicting claims to chapter 12 property  
37 when the priority rules of IC 26-1-9.1, as amended by the act, do  
38 not apply.

39 (b) Subject to subsection (c), when the priority rules of  
40 IC 26-1-9.1, as amended by the act, do not apply and the priorities  
41 of claims to chapter 12 property were established before July 1,  
42 2023, law other than chapter 12 determines priority.





1           (c) When the priority rules of IC 26-1-9.1, as amended by the  
 2 act, do not apply, to the extent the priorities determined by the act  
 3 modify the priorities established before July 1, 2023, the priorities  
 4 of claims to chapter 12 property established before July 1, 2023,  
 5 cease to apply on the adjustment date.

6           SECTION 93. IC 32-34-1.5-3, AS AMENDED BY P.L.110-2022,  
 7 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 8 JULY 1, 2023]: Sec. 3. The following definitions apply throughout this  
 9 chapter:

10           (1) "Apparent owner" means a person whose name appears on the  
 11 records of a holder as the owner of property held, issued, or owing  
 12 by the holder.

13           (2) "Attorney general's agent" means a person with which the  
 14 attorney general contracts to conduct an examination under  
 15 section 53 of this chapter on behalf of the attorney general.

16           (3) "Business association" means a corporation, joint stock  
 17 company, investment company other than an investment company  
 18 registered under the Investment Company Act of 1940 (15 U.S.C.  
 19 80a-1 et seq.), partnership, unincorporated association, joint  
 20 venture, limited liability company, business trust, trust company,  
 21 land bank, safe deposit company, safekeeping depository,  
 22 financial organization, insurance company, federally chartered  
 23 entity, utility, sole proprietorship, or other business entity,  
 24 whether or not for profit.

25           (4) "Confidential information" means records, reports, and  
 26 information that are considered confidential under section 78 of  
 27 this chapter.

28           (5) "Controllable electronic record" has the meaning set forth in  
 29 ~~IC 26-1-11-104~~. **IC 26-1-12-102.**

30           (6) "Domicile" means the following:

31               (A) For a corporation, the state of its incorporation.

32               (B) For a business association other than a corporation whose  
 33 formation requires a filing with a state, the state of its filing.

34               (C) For a federally chartered entity or an investment company  
 35 registered under the Investment Company Act of 1940, as  
 36 amended (15 U.S.C. 80a-1 et seq.), the state of its home office.

37               (D) For any other holder, the state of its principal place of  
 38 business.

39           (7) "Electronic" means relating to technology having electrical,  
 40 digital, magnetic, wireless, optical, electromagnetic, or similar  
 41 capabilities.

42           (8) "Electronic mail" means a communication by electronic means



- 1 which is automatically retained and stored and may be readily  
 2 accessed or retrieved.
- 3 (9) "Financial organization" means a savings and loan association,  
 4 building and loan association, savings bank, industrial bank, bank,  
 5 banking organization, or credit union.
- 6 (10) "Financial organization loyalty program" means a record  
 7 given without direct monetary consideration, excluding an annual  
 8 or periodic fee, under an award, reward, benefit, loyalty,  
 9 incentive, rebate, or other promotional program established by a  
 10 financial organization for the purpose of rewarding a relationship  
 11 with the sponsoring financial organization. The term includes:  
 12 (A) both a physical card and an electronic record; and  
 13 (B) a program offering a record that is redeemable for money  
 14 or cash or is otherwise monetized by the financial  
 15 organization.
- 16 (11) "Game related digital content" means digital content that  
 17 exists only in an electronic game or electronic-game platform.  
 18 The term includes game-play currency such as a virtual wallet,  
 19 even if denominated in United States currency and, if for use or  
 20 redemption only within the game or platform or another electronic  
 21 game or electronic-game platform, points sometimes referred to  
 22 as gems, tokens, gold, and similar names and digital codes. The  
 23 term does not include an item that the issuer:  
 24 (A) permits to be redeemed for use outside a game or platform  
 25 for money or goods or services that have more than minimal  
 26 value; or  
 27 (B) otherwise monetizes for use outside a game or platform.
- 28 (12) "Holder" means a person obligated to hold for the account of,  
 29 or to deliver or pay to, the owner property subject to this chapter.
- 30 (13) "Insurance company" means an association, corporation, or  
 31 fraternal or mutual benefit organization, whether or not for profit,  
 32 engaged in the business of providing life endowments, annuities,  
 33 or insurance, including accident, burial, casualty, credit life,  
 34 contract performance, dental, disability, fidelity, fire, health,  
 35 hospitalization, illness, life, malpractice, marine, mortgage,  
 36 surety, wage protection, and worker's compensation insurance.
- 37 (14) "Loyalty card" means a record given without direct monetary  
 38 consideration under an award, reward, benefit, loyalty, incentive,  
 39 rebate, or promotional program which may be used or redeemed  
 40 only to obtain goods or services or a discount on goods or  
 41 services. The term does not include a record that may be  
 42 redeemed for money or otherwise monetized by the issuer.



- 1 (15) "Mineral" means gas, oil, coal, oil shale, other gaseous liquid  
 2 or solid hydrocarbon, cement material, sand and gravel, road  
 3 material, building stone, chemical raw material, gemstone,  
 4 fissionable and nonfissionable ores, colloidal and other clay,  
 5 steam and other geothermal resources, and any other substance  
 6 defined as a mineral by a law of this state other than this chapter.  
 7 (16) "Mineral proceeds" means an amount payable for the  
 8 extraction, production, or sale of minerals, or, on the  
 9 abandonment of the amount, an amount that becomes payable  
 10 after abandonment. The term includes an amount payable:  
 11 (A) for the acquisition and retention of a mineral lease,  
 12 including a bonus, royalty, compensatory royalty, shut-in  
 13 royalty, minimum royalty, and delay rental;  
 14 (B) for the extraction, production, or sale of minerals,  
 15 including a net revenue interest, royalty, overriding royalty,  
 16 extraction payment, and production payment; and  
 17 (C) under an agreement or option, including a joint-operation  
 18 agreement, unit agreement, pooling agreement, and farm out  
 19 agreement.  
 20 (17) "Money order" means a payment order for a specified  
 21 amount of money. The term includes an express money order and  
 22 a personal money order on which the remitter is the purchaser.  
 23 (18) "Municipal bond" means a bond or evidence of indebtedness  
 24 issued by a municipality or other political subdivision of a state.  
 25 (19) "Non-freely transferable security" means a security that  
 26 cannot be delivered to the attorney general by the Depository  
 27 Trust & Clearing Corporation or similar custodian of securities  
 28 providing post-trade clearing and settlement services to financial  
 29 markets or cannot be delivered because there is no agent to effect  
 30 transfer. The term includes a worthless security.  
 31 (20) "Owner" means a person that has a legal, beneficial, or  
 32 equitable interest in property subject to this chapter or the  
 33 person's legal representative when acting on behalf of the owner.  
 34 The term includes:  
 35 (A) for a deposit, a depositor;  
 36 (B) for a trust other than a deposit in trust, a beneficiary;  
 37 (C) for other property, a creditor, claimant, or payee; and  
 38 (D) the lawful bearer of a record that may be used to obtain  
 39 money, a reward, or a thing of value.  
 40 (21) "Payroll card" means a record that evidences a payroll card  
 41 account as defined in Regulation E (12 CFR Part 1005).  
 42 (22) "Person" means an individual, estate, business association,



1 public corporation, government or governmental subdivision,  
2 agency, or instrumentality, or other legal entity.

3 (23) "Property" means tangible property described in section 8 of  
4 this chapter or a fixed and certain interest in intangible property  
5 held, issued, or owed in the course of a holder's business or by a  
6 government or governmental subdivision, agency, or  
7 instrumentality. The term includes:

8 (A) all income from or increments to the property; and

9 (B) property referred to as or evidenced by:

10 (i) money, virtual currency, interest, or a dividend, check,  
11 draft, deposit, or payroll card;

12 (ii) a credit balance, customer's overpayment, security  
13 deposit, refund, credit memorandum, unpaid wage, unused  
14 ticket for which the issuer has an obligation to provide a  
15 refund, mineral proceeds, or unidentified remittance;

16 (iii) a security, except for a worthless security or a security  
17 that is subject to a lien, legal hold, or restriction evidenced  
18 on the records of the holder or imposed by operation of law,  
19 if the lien, legal hold, or restriction restricts the holder's or  
20 owner's ability to receive, transfer, sell, or otherwise  
21 negotiate the security;

22 (iv) a bond, debenture, note, or other evidence of  
23 indebtedness;

24 (v) money deposited to redeem a security, make a  
25 distribution, or pay a dividend;

26 (vi) an amount due and payable under an annuity contract or  
27 insurance policy; and

28 (vii) an amount distributable from a trust or custodial fund  
29 established under a plan to provide health, welfare, pension,  
30 vacation, severance, retirement, death, stock purchase, profit  
31 sharing, employee savings, supplemental unemployment  
32 insurance, or a similar benefit.

33 The term does not include property held in a plan described in  
34 Section 529A of the Internal Revenue Code, game related digital  
35 content, a financial organization loyalty program, a loyalty card,  
36 or an in-store credit for returned merchandise.

37 (24) "Putative holder" means a person believed by the attorney  
38 general to be a holder, until the person pays or delivers to the  
39 attorney general property subject to this chapter or the attorney  
40 general or court makes a final determination that the person is or  
41 is not a holder.

42 (25) "Record" means information that is inscribed on a tangible



1 medium or that is stored in an electronic or other medium and is  
2 retrievable in perceivable form.

3 (26) "Security" means:

4 (A) a security (as defined in IC 26-1-8.1-102);

5 (B) a security entitlement (as defined in IC 26-1-8.1-102),  
6 including a customer security account held by a registered  
7 broker-dealer, to the extent the financial assets held in the  
8 security account are not:

9 (i) registered on the books of the issuer in the name of the  
10 person for which the broker-dealer holds the assets;

11 (ii) payable to the order of the person; or

12 (iii) specifically indorsed to the person; or

13 (C) an equity interest in a business association not included in  
14 clause (A) or (B).

15 (27) "Sign" means, with present intent to authenticate or adopt a  
16 record:

17 (A) to execute or adopt a tangible symbol; or

18 (B) to attach to or logically associate with the record an  
19 electronic symbol, sound, or process.

20 (28) "State" means a state of the United States, the District of  
21 Columbia, the Commonwealth of Puerto Rico, the United States  
22 Virgin Islands, or any territory or insular possession subject to the  
23 jurisdiction of the United States.

24 (29) "Utility" means a person that owns or operates for public use  
25 a plant, equipment, real property, franchise, or license for the  
26 following public services:

27 (A) Transmission of communications or information.

28 (B) Production, storage, transmission, sale, delivery, or  
29 furnishing of electricity, water, steam, or gas.

30 (C) Provision of sewage or septic services, or trash, garbage,  
31 or recycling disposal.

32 (30) "Virtual currency" means a digital representation of value  
33 used as a medium of exchange, unit of account, or store of value,  
34 which does not have legal tender status recognized by the United  
35 States. The term does not include:

36 (A) the software or protocols governing the transfer of the  
37 digital representation of value;

38 (B) game related digital content;

39 (C) a financial organization loyalty program; or

40 (D) a loyalty card.

41 (31) "Worthless security" means a security whose cost of  
42 liquidation and delivery to the attorney general would exceed the



1 value of the security on the date a report is due under this chapter.  
2 SECTION 94. IC 32-34-1.5-87, AS AMENDED BY P.L.110-2022,  
3 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4 JULY 1, 2023]: Sec. 87. (a) The attorney general may adopt rules under  
5 IC 4-22-2 to carry out the purposes of this chapter.  
6 (b) The attorney general may adopt rules under IC 4-22-2 regarding  
7 virtual currency, controllable electronic records, and digital assets, to  
8 the extent such rules are consistent with, and not otherwise covered by,  
9 the following:  
10 (1) IC 26-1-9.1.  
11 (2) ~~IC 26-1-11~~. **IC 26-1-12.**  
12 (3) Any other Indiana law concerning virtual currency,  
13 controllable electronic records, or digital assets.



## COMMITTEE REPORT

Madam President: The Senate Committee on Judiciary, to which was referred Senate Bill No. 468, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 37, line 36, delete "IC 26-1-12-102." and insert "**IC 26-1-9.1-102.**".

Page 37, line 38, delete "IC 26-1-12-102." and insert "**IC 26-1-9.1-102.**".

Page 61, line 17, after "documents," insert "**electronic money**".

Page 61, line 20, strike "IC 26-1-9.1-105," and insert "**IC 26-1-9.1-105.1**".

Page 67, line 29, delete "IC 26-1-9.1-306.1," and insert "**IC 26-1-9.1-306.2**".

Page 73, line 3, after "interest in" insert "**tangible**".

Page 76, line 23, delete "IC 26-1-9.1-306(a)," and insert "**IC 26-1-9.1-306.1(d)**".

Page 76, line 23, delete "IC 26-1-9.1-306.1(b)" and insert "**IC 26-1-9.1-306.2(b)**".

Page 88, line 1, reset in roman "(i)".

Page 88, line 1, delete "(j)," and insert "**and (l)**".

Page 88, line 10, delete "(j)," and insert "**(l)**".

Page 88, line 25, delete "(j)," and insert "**(l)**".

Page 88, line 33, strike "subsection" and insert "**subsections**".

Page 88, line 33, after "(e)" insert "**and (k)**".

Page 89, line 8, after "in" insert "**subsection (k) and**".

Page 89, line 25, delete "(j)," and insert "**(l)**".

Page 89, between lines 32 and 33, begin a new paragraph and insert:  
**"(j) This section prevails over any inconsistent provision in statute, administrative rule, or regulation.**

**(k) Subsections (d), (f), and (j) do not apply to a security interest in an ownership interest in a general partnership, limited partnership, or limited liability company."**

Page 89, line 33, delete "(j)" and insert "**(l)**".

Page 89, line 38, strike "subsection (b)," and insert "**subsections (b) and (f)**".

Page 90, line 17, delete "A" and insert "**Except as provided in subsection (f), a**".

Page 91, between lines 20 and 21, begin a new paragraph and insert:  
**"(f) This section does not apply to a security interest in an ownership interest in a general partnership, limited partnership,**



**or limited liability company."**

Page 112, line 11, delete "instrument" and insert "**intangible**".

Page 115, line 13, delete "a particular jurisdiction is the controllable" and insert "**the controllable electronic record or the system is governed by the law of a particular jurisdiction,**".

Page 115, line 14, delete "electronic record's jurisdiction,".

Page 117, line 9, delete "2022," and insert "**2023,**".

Page 117, line 13, delete "2022," and insert "**2023,**".

and when so amended that said bill do pass.

(Reference is to SB 468 as introduced.)

BROWN L, Chairperson

Committee Vote: Yeas 10, Nays 0.

