

HOUSE BILL No. 5762

May 15, 1990, Introduced by Rep. Bennett and referred to the Committee on Corporations and Finance.

A bill to amend section 9401 of Act No. 174 of the Public Acts of 1962, entitled as amended

"Uniform commercial code,"

as amended by Act No. 53 of the Public Acts of 1980, being section 440.9401 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 9401 of Act No. 174 of the Public Acts
2 of 1962, as amended by Act No. 53 of the Public Acts of 1980,
3 being section 440.9401 of the Michigan Compiled Laws, is amended
4 to read as follows:

5 Sec. 9401. (1) The proper place to file in order to per-
6 form a security interest is as follows:

7 (a) When the collateral is equipment used in farming
8 operations, or farm products, or accounts ~~—~~ or general
9 intangibles arising from or relating to the sale of farm products

1 by a farmer, or consumer goods, then in the office of the
2 register of deeds in the county of the debtor's residence, or if
3 the debtor is not a resident of this state, then in the office of
4 the register of deeds in the county where the goods are kept,
5 and, in addition, when the collateral is crops, growing or to be
6 grown, in the office of the register of deeds in the county where
7 the land is located, but shall not be recorded in the real estate
8 records of the county.

9 (b) When the collateral is timber to be cut or is minerals
10 or the like (including oil and gas), or accounts subject to sec-
11 tion 9103(5), or when the financing statement is filed as a fix-
12 ture filing under section 9313 and the collateral is goods which
13 are or are to become fixtures, then in the office where a mort-
14 gage on the real estate would be filed or recorded.

15 (c) In all other cases, in the office of the secretary of
16 state.

17 (2) A filing which is made in good faith in an improper
18 place or not in all of the places required by this section is
19 nevertheless effective with regard to any collateral as to which
20 the filing complied with the requirements of this article and is
21 also effective with regard to collateral covered by the financing
22 statement against any person who has knowledge of the contents of
23 such financing statement.

24 (3) A filing which is made in the proper place in this state
25 continues effective even though the debtor's residence or place
26 of business or the location of the collateral or its use,
27 whichever controlled the original filing, is thereafter changed.

1 (4) The rules stated in section 9103 determine whether
2 filing is necessary in this state.

3 (5) Notwithstanding the preceding subsections, and subject
4 to section 9302(3), the proper place to file in order to perfect
5 a security interest in collateral, including fixtures, of a
6 transmitting utility is the office of the secretary of state.
7 This filing constitutes a fixture filing (section 9313) as to the
8 collateral described therein which is or is to become fixtures.

9 (6) For the purposes of this section, the residence of an
10 organization is its place of business if it has one or its chief
11 executive office if it has more than 1 place of business.