

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 895

Session of
1977

INTRODUCED BY GIAMMARCO, GARZIA, ZELLER, CIANCIULLI, WIGGINS,
O'KEEFE, BORSKI, GRAY, STAPLETON AND SCANLON, APRIL 19, 1977

REFERRED TO COMMITTEE ON BUSINESS AND COMMERCE, APRIL 19, 1977

AN ACT

1 Amending the act of April 6, 1953 (P.L.3, No.1), entitled, as
2 amended "An act relating to certain commercial transactions
3 and contracts and other documents concerning them, including
4 sales, commercial paper, bank deposits and collections,
5 documentary letters of credit, bulk transfers, warehouse
6 receipts, bills of lading, other documents of title,
7 investment securities, and secured transactions, including
8 certain sales of accounts, chattel paper, and contract
9 rights; providing for public notice to third parties in
10 certain circumstances; regulating procedure, evidence and
11 damages in certain court actions involving such transactions,
12 contracts or documents, and to make uniform the law with
13 respect thereto," providing for additional notice to certain
14 creditors.

15 The General Assembly of the Commonwealth of Pennsylvania
16 hereby enacts as follows:

17 Section 1. Section 9--401, act of April 6, 1953 (P.L.3,
18 No.1), known as the "Uniform Commercial Code," reenacted and
19 amended October 2, 1959 (P.L.1023, No.426), clause (a) of
20 subsection (1) amended December 16, 1959 (P.L.1883, No.687) and
21 clause (c) of subsection (1) amended August 24, 1963 (P.L.1213,
22 No.510), is amended to read:

23 Section 9--401. Place of Filing; Erroneous Filing; Removal
24 of Collateral.--(1) The proper place to file in order to

1 perfect a security interest is as follows:

2 (a) when the collateral is equipment used in farming
3 operations, or farm products, or accounts, contract rights or
4 general intangibles arising from or relating to the sale of farm
5 products by a farmer, or consumer goods, then in the office of
6 the prothonotary in the county of the debtor's residence or if
7 the debtor is not a resident of this State then in the office of
8 the prothonotary in the county where the goods are kept, and in
9 addition when the collateral is crops in the office of the
10 prothonotary in the county where the land on which the crops are
11 growing or to be grown is located;

12 (b) when the collateral is goods which at the time the
13 security interest attaches are or are to become fixtures, then
14 in the office where a mortgage on the real estate concerned
15 would be filed or recorded;

16 (c) in all other cases, in the office of the Secretary of
17 the Commonwealth and in addition, if the debtor has a place of
18 business in only one county of this state, also in the office of
19 the prothonotary of such county, or, if the debtor has no place
20 of business in this state, but resides in the state, also in the
21 office of the prothonotary of the county in which he resides.

22 Furthermore, the debtor shall serve copies of the filing
23 document upon each of his creditors at the time the security
24 agreement was entered into. Such notice to creditors shall be
25 made by registered or certified mail within ten days of the
26 filing of such agreement with the Secretary of the Commonwealth
27 or the prothonotary, as the case may be.

28 (2) A filing which is made in good faith in an improper
29 place or not in all of the places required by this section is
30 nevertheless effective with regard to any collateral as to which

1 the filing complied with the requirements of this Article and is
2 also effective with regard to collateral covered by the
3 financing statement against any person who has knowledge of the
4 contents of such financing statement.

5 (3) A filing which is made in the proper county continues
6 effective for four months after a change to another county of
7 the debtor's residence or place of business or the location of
8 the collateral, whichever controlled the original filing. It
9 becomes ineffective thereafter unless a copy of the financing
10 statement signed by the secured party is filed in the new county
11 within said period. The security interest may also be perfected
12 in the new county after the expiration of the four-month period;
13 in such case perfection dates from the time of perfection in the
14 new county. A change in the use of the collateral does not
15 impair the effectiveness of the original filing.

16 (4) If collateral is brought into this state from another
17 jurisdiction, the rules stated in Section 9--103 determine
18 whether filing is necessary in this state.

19 Section 2. This act shall take effect immediately.