

### **355.9-102 Definitions and index of definitions.**

(1) In this article:

- (a) "Accession" means goods that are physically united with other goods in such a manner that the identity of the original goods is not lost;
- (b) 1. "Account," except as used in "account for," "account statement," "account to," "commodity account" in paragraph (p) of this subsection, "customer's account," "deposit account" in paragraph (ag) of this subsection, "on account of," and "statement of account," means a right to payment of a monetary obligation, whether or not earned by performance:
  - a. For property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of;
  - b. For services rendered or to be rendered;
  - c. For a policy of insurance issued or to be issued;
  - d. For a secondary obligation incurred or to be incurred;
  - e. For energy provided or to be provided;
  - f. For the use or hire of a vessel under a charter or other contract;
  - g. Arising out of the use of a credit or charge card or information contained on or for use with the card; or
  - h. As winnings in a lottery or other game of chance operated or sponsored by a state, governmental unit of a state, or person licensed or authorized to operate the game by a state or governmental unit of a state.
- 2. The term includes:
  - a. Controllable accounts; and
  - b. Health-care-insurance receivables.
- 3. The term does not include:
  - a. Chattel paper;
  - b. Commercial tort claims;
  - c. Deposit accounts;
  - d. Investment property;
  - e. Letter-of-credit rights or letters of credit;
  - f. Rights to payment for money or funds advanced or sold, other than rights arising out of the use of a credit or charge card or information contained on or for use with the card; or
  - g. Rights to payment evidenced by an instrument;
- (c) 1. "Account debtor" means a person obligated on an account, chattel paper, or general intangible.
- 2. The term does not include persons obligated to pay a negotiable instrument, even if the negotiable instrument evidences chattel paper;
- (d) "Accounting," except as used in "accounting for," means a record:

1. Signed by a secured party;
  2. Indicating the aggregate unpaid secured obligations as of a date not more than thirty-five (35) days earlier or thirty-five (35) days later than the date of the record; and
  3. Identifying the components of the obligations in reasonable detail;
- (e) "Agricultural lien" means an interest in farm products:
1. Which secures payment or performance of an obligation for:
    - a. Goods or services furnished in connection with a debtor's farming operation; or
    - b. Rent on real property leased by a debtor in connection with its farming operation;
  2. Which is created by statute in favor of a person that:
    - a. In the ordinary course of its business furnished goods or services to a debtor in connection with a debtor's farming operation; or
    - b. Leased real property to a debtor in connection with the debtor's farming operation; and
  3. Whose effectiveness does not depend on the person's possession of the personal property;
- (f) "As-extracted collateral" means:
1. Oil, gas, or other minerals that are subject to a security interest that:
    - a. Is created by a debtor having an interest in the minerals before extraction; and
    - b. Attaches to the minerals as extracted; or
  2. Accounts arising out of the sale at the wellhead or minehead of oil, gas, or other minerals in which the debtor had an interest before extraction;
- (g) Reserved;
- (h) 1. "Assignee," except as used in "assignee for benefit of creditors," means a person:
- a. In whose favor a security interest that secures an obligation is created or provided for under a security agreement, whether or not the obligation is outstanding; or
  - b. To which an account, chattel paper, payment intangible, or promissory note has been sold.
2. The term includes a person to which a security interest has been transferred by a security party;
- (i) 1. "Assignor" means a person that:
- a. Under a security agreement, creates or provides for a security interest that secures an obligation; or
  - b. Sells an account, chattel paper, payment intangible, or promissory note.
2. The term includes a security party that has transferred a security interest

to another person;

- (j) "Bank" means an organization that is engaged in the business of banking. The term includes savings banks, savings and loan associations, credit unions, and trust companies;
- (k) "Cash proceeds" means proceeds that are money, checks, deposit accounts, or the like;
- (l)
  - 1. "Certificate of title" means a certificate of title with respect to which a statute provides for the security interest in question to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral.
  - 2. The term includes another record maintained as an alternative to a certificate of title by the governmental unit that issues certificates of title if a statute permits the security interest in question to be indicated on the record as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the collateral;
- (m)
  - 1. "Chattel paper" means:
    - a. A right to payment of a monetary obligation secured by specific goods, if the right to payment and security agreement are evidenced by a record; or
    - b. A right to payment of a monetary obligation owed by a lessee under a lease agreement with respect to specific goods and a monetary obligation owed by the lessee in connection with the transaction giving rise to the lease, if:
      - i. The right to payment and lease agreement are evidenced by a record; and
      - ii. The predominant purpose of the transaction giving rise to the lease was to give the lessee the right to possession and use of the goods.
  - 2. The term does not include a right to payment arising out of a charter or other contract involving the use or hire of a vessel or a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card;
- (n)
  - 1. "Collateral" means the property subject to a security interest or agricultural lien.
  - 2. The term includes:
    - a. Proceeds to which a security interest attaches;
    - b. Accounts, chattel paper, payment intangibles, and promissory notes that have been sold; and
    - c. Goods that are the subject of a consignment;
- (o) "Commercial tort claim" means a claim arising in tort with respect to which:
  - 1. The claimant is an organization; or
  - 2. The claimant is an individual and the claim:

- a. Arose in the course of the claimant's business or profession; and
  - b. Does not include damages arising out of personal injury to or the death of an individual;
- (p) "Commodity account" means an account maintained by a commodity intermediary in which a commodity contract is carried for a commodity customer;
- (q) "Commodity contract" means a commodity futures contract, an option on a commodity futures contract, a commodity option, or another contract if the contract or option is:
  - 1. Traded on or subject to the rules of a board of trade that has been designated as a contract market for such a contract pursuant to federal commodities laws; or
  - 2. Traded on a foreign commodity board of trade, exchange, or market, and is carried on the books of a commodity intermediary for a commodity customer;
- (r) "Commodity customer" means a person for which a commodity intermediary carries a commodity contract on its books;
- (s) "Commodity intermediary" means a person that:
  - 1. Is registered as a futures commission merchant under federal commodities law; or
  - 2. In the ordinary course of its business provides clearance or settlement services for a board of trade that has been designated as a contract market pursuant to federal commodities law;
- (t) "Communicate" means:
  - 1. To send a written or other tangible record;
  - 2. To transmit a record by any means agreed upon by the persons sending and receiving the record; or
  - 3. In the case of transmission of a record to or by a filing office, to transmit a record by any means prescribed by filing-office rule;
- (u) "Consignee" means a merchant to which goods are delivered in a consignment;
- (v) "Consignment" means a transaction, regardless of its form, in which a person delivers goods to a merchant for the purpose of sale and:
  - 1. The merchant:
    - a. Deals in goods of that kind under a name other than the name of the person making delivery;
    - b. Is not an auctioneer; and
    - c. Is not generally known by its creditors to be substantially engaged in selling the goods of others;
  - 2. With respect to each delivery, the aggregate value of the goods is one thousand dollars (\$1,000) or more at the time of delivery;
  - 3. The goods are not consumer goods immediately before delivery; and

4. The transaction does not create a security interest that secures an obligation;
- (w) "Consignor" means a person that delivers goods to a consignee in a consignment;
- (x) "Consumer debtor" means a debtor in a consumer transaction;
- (y) "Consumer goods" means goods that are used or bought for use primarily for personal, family, or household purposes;
- (z) "Consumer-goods transaction" means a consumer transaction in which:
1. An individual incurs an obligation primarily for personal, family, or household purposes; and
  2. A security interest in consumer goods secures the obligation;
- (aa) "Consumer obligor" means an obligor who is an individual and who incurred the obligation as part of a transaction entered into primarily for personal, family, or household purposes;
- (ab) 1. "Consumer transaction" means a transaction in which:
- a. An individual incurs an obligation primarily for personal, family, or household purposes;
  - b. A security interest secures the obligation; and
  - c. The collateral is held or acquired primarily for personal, family, or household purposes.
2. The term includes consumer-goods transactions;
- (ac) "Continuation statement" means an amendment of a financing statement which:
1. Identifies, by its file number, the initial financing statement to which it relates; and
  2. Indicates that it is a continuation statement for, or that it is filed to continue the effectiveness of, the identified financing statement;
- (ad) "Controllable account" means an account evidenced by a controllable electronic record that provides that the account debtor undertakes to pay the person that has control under KRS 355.12-105 of the controllable electronic record;
- (ae) "Controllable payment intangible" means a payment intangible evidenced by a controllable electronic record that provides that the account debtor undertakes to pay the person that has control under KRS 355.12-105 of the controllable electronic record;
- (af) "Debtor" means:
1. A person having an interest, other than a security interest or other lien, in the collateral, whether or not the person is an obligor;
  2. A seller of accounts, chattel paper, payment intangibles, or promissory notes; or
  3. A consignee;
- (ag) 1. "Deposit account" means a demand, time, savings, passbook, or similar

account maintained with a bank.

2. The term does not include investment property or accounts evidenced by an instrument;
- (ah) "Document" means a document of title or a receipt of the type described in KRS 355.7-201(2);
- (ai) Reserved;
- (aj) "Electronic money" means money in an electronic form;
- (ak) 1. "Encumbrance" means a right, other than an ownership interest, in real property.
2. The term includes mortgages and other liens on real property;
- (al) "Equipment" means goods other than inventory, farm products, or consumer goods;
- (am) 1. "Farm products" means goods, other than standing timber, with respect to which the debtor is engaged in a farming operation and which are:
- a. Crops grown, growing, or to be grown, including:
    - i. Crops produced on trees, vines, and bushes; and
    - ii. Aquatic goods produced in aquacultural operations;
  - b. Livestock, born or unborn, including aquatic goods produced in aquacultural operations;
  - c. Supplies used or produced in a farming operation;
  - d. Products of crops or livestock in their unmanufactured states; or
  - e. Equine interests, including, but not limited to, interests in horses, mares, yearlings, foals, weanlings, stallions, syndicated stallions, and stallion shares (including seasons and other rights in connection therewith), whether or not the debtor is engaged in farming operations and without regard to the use thereof.
2. If goods are farm products, they are neither equipment nor inventory;
- (an) "Farming operation" means raising, cultivating, propagating, fattening, grazing, or any other farming, livestock, or aquacultural operation;
- (ao) "File number" means the number assigned to an initial financing statement pursuant to KRS 355.9-519(1);
- (ap) "Filing office" means an office designated in KRS 355.9-501 as the place to file a financing statement;
- (aq) "Filing-office rule" means a rule adopted pursuant to KRS 355.9-526;
- (ar) "Financing statement" means a record or records composed of an initial financing statement and any filed record relating to the initial financing statement;
- (as) 1. "Fixture filing" means the filing of a financing statement covering goods that are or are to become fixtures and satisfying KRS 355.9-502(1) and (2).
2. The term includes the filing of a financing statement covering goods of a

transmitting utility which are or are to become fixtures;

- (at) "Fixtures" means goods that have become so related to particular real property that an interest in them arises under real property law;
- (au) 1. "General intangible" means any personal property, including things in action, other than accounts, chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property, letter-of-credit rights, letters of credit, money, and oil, gas, or other minerals before extraction.
- 2. The term includes:
  - a. Controllable electronic records;
  - b. Payment intangibles; and
  - c. Software;
- (av) Reserved;
- (aw) 1. "Goods" means all things that are movable when a security interest attaches.
- 2. The term includes:
  - a. Fixtures;
  - b. Standing timber that is to be cut and removed under a conveyance or contract for sale;
  - c. The unborn young of animals;
  - d. Crops grown, growing, or to be grown, even if the crops are produced on trees, vines, or bushes; and
  - e. Manufactured homes.
- 3. The term also includes a computer program embedded in goods and any supporting information provided in connection with a transaction relating to the program if:
  - a. The program is associated with the goods in such a manner that it customarily is considered part of the goods; or
  - b. By becoming the owner of the goods, a person acquires a right to use the program in connection with the goods.
- 4. The term does not include a computer program embedded in goods that consist solely of the medium in which the program is embedded.
- 5. The term also does not include accounts, chattel paper, commercial tort claims, deposit accounts, documents, general intangibles, instruments, investment property, letter-of-credit rights, letters of credit, money, or oil, gas, or other minerals before extraction;
- (ax) 1. "Governmental unit" means a subdivision, agency, department, county, parish, municipality, or other unit of the government of the United States, a State, or a foreign country.
- 2. The term includes an organization having a separate corporate existence if the organization is eligible to issue debt on which interest is exempt from income taxation under the laws of the United States;

- (ay) "Health-care-insurance receivable" means an interest in or claim under a policy of insurance which is a right to payment of a monetary obligation for health-care goods or services provided or to be provided;
- (az) 1. "Instrument" means a negotiable instrument or any other writing that evidences a right to the payment of a monetary obligation, is not itself a security agreement or lease, and is of a type that in ordinary course of business is transferred by delivery with any necessary indorsement or assignment.
  - 2. The term does not include:
    - a. Investment property;
    - b. Letters of credit;
    - c. Writings that evidence a right to payment arising out of the use of a credit or charge card or information contained on or for use with the card; or
    - d. Writings that evidence chattel paper;
- (ba) "Inventory" means goods, other than farm products, which:
  - 1. Are leased by a person as lessor;
  - 2. Are held by a person for sale or lease or to be furnished under a contract of service;
  - 3. Are furnished by a person under a contract of service; or
  - 4. Consist of raw materials, work in process, or materials used or consumed in a business;
- (bb) "Investment property" means a security, whether certificated or uncertificated, security entitlement, securities account, commodity contract, or commodity account;
- (bc) "Jurisdiction of organization," with respect to a registered organization, means the jurisdiction under whose law the organization is organized;
- (bd) 1. "Letter-of-credit right" means a right to payment or performance under a letter of credit, whether or not the beneficiary has demanded or is at the time entitled to demand payment or performance.
  - 2. The term does not include the right of a beneficiary to demand payment or performance under a letter of credit;
- (be) "Lien creditor" means:
  - 1. A creditor that has acquired a lien on the property involved by attachment, levy, or the like;
  - 2. An assignee for benefit of creditors from the time of assignment;
  - 3. A trustee in bankruptcy from the date of the filing of the petition; or
  - 4. A receiver in equity from the time of appointment;
- (bf) 1. "Manufactured home" means a structure, transportable in one (1) or more sections, which, in the traveling mode, is eight (8) body feet or more in width or forty (40) body feet or more in length, or, when erected on site, is three hundred twenty (320) or more square feet, and which is

built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein.

2. The term includes any structure that meets all of the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification required by the United States Secretary of Housing and Urban Development and complies with the standards established under Title 42 of the United States Code;
- (bg) "Manufactured-home transaction" means a secured transaction:
1. That creates a purchase-money security interest in a manufactured home, other than a manufactured home held as inventory; or
  2. In which a manufactured home, other than a manufactured home held as inventory, is the primary collateral;
- (bh) "Money" has the meaning in KRS 355.1-201, but does not include:
1. A deposit account; or
  2. Money in an electronic form that cannot be subjected to control under KRS 355.9-1051;
- (bi) "Mortgage" means a consensual interest in real property, including fixtures, which secures payment or performance of an obligation;
- (bj) "New debtor" means a person that becomes bound as debtor under KRS 355.9-203(4) by a security agreement previously entered into by another person;
- (bk) 1. "New value" means:
- a. Money;
  - b. Money's worth in property, services, or new credit; or
  - c. Release by a transferee of an interest in property previously transferred to the transferee.
2. The term does not include an obligation substituted for another obligation;
- (bl) "Noncash proceeds" means proceeds other than cash proceeds;
- (bm) 1. "Obligor" means a person that, with respect to an obligation secured by a security interest in or an agricultural lien on the collateral:
- a. Owes payment or other performance of the obligation;
  - b. Has provided property other than the collateral to secure payment or other performance of the obligation; or
  - c. Is otherwise accountable in whole or in part for payment or other performance of the obligation.
2. The term does not include issuers or nominated persons under a letter of credit;
- (bn) "Original debtor," except as used in KRS 355.9-310(3), means a person that, as debtor, entered into a security agreement to which a new debtor has

become bound under KRS 355.9-203(4);

- (bo) 1. "Payment intangible" means a general intangible under which the account debtor's principal obligation is a monetary obligation.
- 2. The term includes a controllable payment intangible;
- (bp) "Person related to," with respect to an individual, means:
  - 1. The spouse of the individual;
  - 2. A brother, brother-in-law, sister, or sister-in-law of the individual;
  - 3. An ancestor or lineal descendant of the individual or the individual's spouse; or
  - 4. Any other relative, by blood or marriage, of the individual or the individual's spouse who shares the same home with the individual;
- (bq) "Person related to," with respect to an organization, means:
  - 1. A person directly or indirectly controlling, controlled by, or under common control with the organization;
  - 2. An officer or director of, or a person performing similar functions with respect to, the organization;
  - 3. An officer or director of, or a person performing similar functions with respect to, a person described in subparagraph 1. of this paragraph;
  - 4. The spouse of an individual described in subparagraph 1., 2., or 3. of this paragraph; or
  - 5. An individual who is related by blood or marriage to an individual described in subparagraph 1., 2., 3., or 4. of this paragraph and shares the same home with the individual;
- (br) "Proceeds," except as used in KRS 355.9-609(2), means the following property:
  - 1. Whatever is acquired upon the sale, lease, license, exchange, or other disposition of collateral;
  - 2. Whatever is collected on, or distributed on account of, collateral;
  - 3. Rights arising out of collateral;
  - 4. To the extent of the value of collateral, claims arising out of the loss, nonconformity, or interference with the use of, defects or infringement of rights in, or damage to, the collateral; or
  - 5. To the extent of the value of collateral and to the extent payable to the debtor or the secured party, insurance payable by reason of the loss or nonconformity of, defects or infringement of rights in, or damage to, the collateral;
- (bs) "Promissory note" means an instrument that evidences a promise to pay a monetary obligation, does not evidence an order to pay, and does not contain an acknowledgment by a bank that the bank has received for deposit a sum of money or funds;
- (bt) "Proposal" means a record signed by a secured party which includes the terms on which the secured party is willing to accept collateral in full or partial

satisfaction of the obligation it secures pursuant to KRS 355.9-620, 355.9-621, and 355.9-622;

- (bu) "Public-finance transaction" means a secured transaction in connection with which:
  - 1. Debt securities are issued;
  - 2. All or a portion of the securities issued have an initial stated maturity of at least twenty (20) years; and
  - 3. The debtor, obligor, secured party, account debtor or other person obligated on collateral, assignor or assignee of a secured obligation, or assignor or assignee of a security interest is a state or a governmental unit of a state;
- (bv) "Public organic record" means a record that is available to the public for inspection and that is:
  - 1. A record consisting of the record initially filed with or issued by a state or the United States to form or organize an organization and any record filed with or issued by the state or the United States which amends or restates the initial record;
  - 2. An organic record of a business trust consisting of the record initially filed with a state and any record filed with the state which amends or restates the initial record, if a statute of the state governing business trusts requires that the record be filed with the state; or
  - 3. A record consisting of legislation enacted by the legislature of a state or the Congress of the United States which forms or organizes an organization, any record amending the legislation, and any record filed with or issued by the state or United States which amends or restates the name of the organization;
- (bw) "Pursuant to commitment," with respect to an advance made or other value given by a secured party, means pursuant to the secured party's obligation, whether or not a subsequent event of default or other event not within the secured party's control has relieved or may relieve the secured party from its obligation;
- (bx) "Record," except as used in "for record," "of record," "record or legal title," and "record owner," means information that is inscribed on a tangible medium or which is stored in an electronic or other medium and is retrievable in perceivable form;
- (by) 1. "Registered organization" means an organization formed or organized solely under the law of a single state or the United States by the filing of a public organic record with, the issuance of a public organic record by, or the enactment of legislation by the state or the United States.
  - 2. The term includes a business trust that is formed or organized under the law of a single state if a statute of the state governing business trusts requires that the business trust's organic record be filed with the state;
- (bz) "Secondary obligor" means an obligor to the extent that:

1. The obligor's obligation is secondary; or
  2. The obligor has a right of recourse with respect to an obligation secured by collateral against the debtor, another obligor, or property of either;
- (ca) "Secured party" means:
1. A person in whose favor a security interest is created or provided for under a security agreement, whether or not any obligation to be secured is outstanding;
  2. A person that holds an agricultural lien;
  3. A consignor;
  4. A person to which accounts, chattel paper, payment intangibles, or promissory notes have been sold;
  5. A trustee, indenture trustee, agent, collateral agent, or other representative in whose favor a security interest or agricultural lien is created or provided for; or
  6. A person that holds a security interest arising under KRS 355.2-401, 355.2-505, 355.2-711(3), 355.2A-508(5), 355.4-210, or 355.5-118;
- (cb) "Security agreement" means an agreement that creates or provides for a security interest;
- (cc) Reserved;
- (cd) "Software" means a computer program and any supporting information provided in connection with a transaction relating to the program. The term does not include a computer program that is included in the definition of goods;
- (ce) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States;
- (cf) "Supporting obligation" means a letter-of-credit right or secondary obligation that supports the payment or performance of an account, chattel paper, a document, a general intangible, an instrument, or investment property;
- (cg) Reserved;
- (ch) "Tangible money" means money in a tangible form;
- (ci) "Termination statement" means an amendment of a financing statement which:
1. Identifies, by its file number, the initial financing statement to which it relates; and
  2. Indicates either that it is a termination statement or that the identified financing statement is no longer effective; and
- (cj) "Transmitting utility" means a person primarily engaged in the business of:
1. Operating a railroad, subway, street railway, or trolley bus;
  2. Transmitting communications electrically, electromagnetically, or by light;
  3. Transmitting goods by pipeline or sewer; or

4. Transmitting or producing and transmitting electricity, steam, gas, or water.
- (2) "Control" as provided in KRS 355.7-106 and the following definitions in other articles of this chapter apply to this article:
    - (a) "Applicant." KRS 355.5-102;
    - (b) "Beneficiary." KRS 355.5-102;
    - (c) "Broker." KRS 355.8-102;
    - (d) "Certificated security." KRS 355.8-102;
    - (e) "Check." KRS 355.3-104;
    - (f) "Clearing corporation." KRS 355.8-102;
    - (g) "Contract for sale." KRS 355.2-106;
    - (h) "Controllable electronic record." KRS 355.12-102;
    - (i) "Customer." KRS 355.4-104;
    - (j) "Entitlement holder." KRS 355.8-102;
    - (k) "Financial asset." KRS 355.8-102;
    - (l) "Holder in due course." KRS 355.3-302;
    - (m) "Issuer." (with respect to a letter of credit or letter-of-credit right) KRS 355.5-102;
    - (n) "Issuer." (with respect to a security) KRS 355.8-201;
    - (o) "Lease." KRS 355.2A-103;
    - (p) "Lease agreement." KRS 355.2A-103;
    - (q) "Lease contract." KRS 355.2A-103;
    - (r) "Leasehold interest." KRS 355.2A-103;
    - (s) "Lessee." KRS 355.2A-103;
    - (t) "Lessee in ordinary course of business." KRS 355.2A-103;
    - (u) "Lessor." KRS 355.2A-103;
    - (v) "Lessor's residual interest." KRS 355.2A-103;
    - (w) "Letter of credit." KRS 355.5-102;
    - (x) "Merchant." KRS 355.2-104;
    - (y) "Negotiable instrument." KRS 355.3-104;
    - (z) "Nominated person." KRS 355.5-102;
    - (aa) "Note." KRS 355.3-104;
    - (ab) "Proceeds of a letter of credit." KRS 355.5-114;
    - (ac) "Protected purchaser." KRS 355.8-303;
    - (ad) "Prove." KRS 355.3-103;
    - (ae) "Qualifying purchaser." KRS 355.12-102;
    - (af) "Sale." KRS 355.2-106;
    - (ag) "Securities account." KRS 355.8-501;
    - (ah) "Securities intermediary." KRS 355.8-102;

- (ai) "Security." KRS 355.8-102;
  - (aj) "Security certificate." KRS 355.8-102;
  - (ak) "Security entitlement." KRS 355.8-102; and
  - (al) "Uncertificated security." KRS 355.8-102.
- (3) Article 1 of this chapter contains general definitions and principles of construction and interpretation applicable throughout this article.

**Effective:** January 1, 2025

**History:** Amended 2024 Ky. Acts ch. 10, sec. 44, effective January 1, 2025. -- Amended 2012 Ky. Acts ch. 132, sec. 60, effective July 1, 2013. -- Amended 2006 Ky. Acts ch. 242, sec. 57, effective July 12, 2006. -- Repealed and reenacted 2000 Ky. Acts ch. 408, sec. 22, effective July 1, 2001. -- Amended 1986 Ky. Acts ch. 118, sec. 54, effective July 1, 1987. -- Created 1958 Ky. Acts ch. 77, sec. 9-102, effective July 1, 1960.

**Legislative Research Commission Note (3/14/2013).** 2013 Ky. Acts ch. 10, secs. 2 and 3 provide that the statutes in Article 9 of the Uniform Commercial Code that were amended or created in 2012 Ky. Acts ch. 132, secs. 60 to 99, are effective July 1, 2013. This statute was one of those sections. Since only the effective date of a prior Act was altered, and not the text of the affected statutes, reference to 2013 Ky. Acts ch. 10 does not appear in the history for this statute.

**Legislative Research Commission Note (7/12/2012).** In 2010, the National Conference of Commissioners on Uniform State Laws and the American Law Institute proposed a Uniform Act for adoption by the states that contained revisions to Article 9 of the Uniform Commercial Code. The effective date for all proposed Article 9 revisions was to be July 1, 2013. Those revisions were enacted in 2012 Ky. Acts Chapter 132, Sections 60 to 99. Sections 60 to 90 contained the substantive Article 9 revisions, and Sections 91 to 99 contained the transitional Article 9 revisions created to handle secured transactions made prior to July 1, 2013. Section 91 of that Act (codified as KRS 355.9-801) and Section 102 of that Act (a noncodified effective date provision) both stated, "Sections 91 to 99 of this Act take effect July 1, 2013." The normal effective date for legislation enacted at the 2012 Regular Session of the General Assembly is July 12, 2012. In Opinion of the Attorney General 12-010, issued July 3, 2012, Section 91 (codified as KRS 355.9-801) was determined to have contained a manifest clerical error, and should have instead read, "Sections 60 to 90 of this Act take effect July 1, 2013," thereby making the substantive Article 9 revisions effective on the same date as the transitional Article 9 provisions in conformity with the 2010 Uniform Act proposal and 2012 Ky. Acts Chapter 132, Section 102. This statute was one of the substantive provisions of Article 9 contained in 2012 Ky. Acts Chapter 132, Sections 60 to 90.