

355.9-105 Control of electronic chattel paper. (Effective until January 1, 2025)

- (1) A secured party has control of electronic chattel paper if a system employed for evidencing the transfer of interests in the chattel paper reliably establishes the secured party as the person to which the chattel paper was assigned.
- (2) A system satisfies subsection (1) of this section, and a secured party has control of electronic chattel paper, if the record or records comprising the chattel paper are created, stored, and assigned in such a manner that:
 - (a) A single authoritative copy of the record or records exists which is unique, identifiable and, except as otherwise provided in paragraphs (d), (e), and (f) of this subsection, unalterable;
 - (b) The authoritative copy identifies the secured party as the assignee of the record or records;
 - (c) The authoritative copy is communicated to and maintained by the secured party or its designated custodian;
 - (d) Copies or amendments that add or change an identified assignee of the authoritative copy can be made only with the consent of the secured party;
 - (e) Each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy; and
 - (f) Any amendment of the authoritative copy is readily identifiable as authorized or unauthorized.

Effective: July 1, 2013

History: Amended 2012 Ky. Acts ch. 132, sec. 61, effective July 1, 2013. -- Repealed and reenacted 2000 Ky. Acts ch. 408, sec. 25, effective July 1, 2001. -- Amended 1998 Ky. Acts ch. 542, sec. 3, effective July 15, 1998. -- Amended 1996 Ky. Acts ch. 130, sec. 166, effective January 1, 1997. -- Amended 1986 Ky. Acts ch. 118, sec. 57, effective July 1, 1987. -- Created 1958 Ky. Acts ch. 77, sec. 9-105, 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.