

355.9-304 Law governing perfection and priority of security interests in deposit accounts. (Effective January 1, 2025)

- (1) The local law of a bank's jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a deposit account maintained with that bank even if the transaction does not bear any relation to the bank's jurisdiction.
- (2) The following rules determine a bank's jurisdiction for purposes of this part of this article:
 - (a) If an agreement between the bank and its customer governing the deposit account expressly provides that a particular jurisdiction is the bank's jurisdiction for purposes of this part of this article, this article, or this chapter, that jurisdiction is the bank's jurisdiction;
 - (b) If paragraph (a) of this subsection does not apply and an agreement between the bank and its customer governing the deposit account expressly provides that the agreement is governed by the law of a particular jurisdiction, that jurisdiction is the bank's jurisdiction;
 - (c) If neither paragraph (a) nor (b) of this subsection applies and an agreement between the bank and its customer governing the deposit account expressly provides that the deposit account is maintained at an office in a particular jurisdiction, that jurisdiction is the bank's jurisdiction;
 - (d) If none of the preceding paragraphs applies, the bank's jurisdiction is the jurisdiction in which the office identified in an account statement as the office serving the customer's account is located; and
 - (e) If none of the preceding paragraphs applies, the bank's jurisdiction is the jurisdiction in which the chief executive office of the bank is located.

Effective: January 1, 2025

History: Amended 2024 Ky. Acts ch. 10, sec. 57, effective January 1, 2025. -- Amended 2006 Ky. Acts ch. 242, sec. 58, effective July 12, 2006. -- Repealed and reenacted 2000 Ky. Acts ch. 408, sec. 44, effective July 1, 2001. -- Amended 1996 Ky. Acts ch. 130, sec. 174, effective January 1, 1997. -- Amended 1986 Ky. Acts ch. 118, sec. 65, effective July 1, 1987. -- Created 1958 Ky. Acts ch. 77, sec. 9-304, effective July 1, 1960.