

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5148**

A bill to amend 1962 PA 174, entitled
"Uniform commercial code,"
by amending sections 9501 and 9525 (MCL 440.9501 and 440.9525),
section 9501 as amended and section 9525 as added by 2000 PA
348.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9501. (1) Except as otherwise provided in subsection
2 (2), the office in which to file a financing statement to perfect
3 the security interest or agricultural lien is 1 of the
4 following:

5 (a) The office designated for the filing or recording of a
6 record of a mortgage on the related real property, if the
7 collateral is as-extracted collateral or timber to be cut, or the
8 financing statement is filed as a fixture filing and the
9 collateral is goods that are or are to become fixtures.

1 (b) The office of secretary of state in all other cases,
2 including a case in which the collateral is goods that are or are
3 to become fixtures and the financing statement is not filed as a
4 fixture filing.

5 (2) The office in which to file a financing statement to
6 perfect a security interest in collateral, including fixtures, of
7 a transmitting utility is the office of the secretary of state.
8 The financing statement also constitutes a fixture filing as to
9 the collateral indicated in the financing statement which is or
10 is to become fixtures.

11 (3) Any financing statement filed under subsection (1)(a)
12 with a register of deeds and any continuation statement,
13 termination statement, amendment, or assignment relating to the
14 financing statement and meeting the formal requisites of this
15 part shall be recorded by the register of deeds, notwithstanding
16 the provisions for witnessing and acknowledging instruments to be
17 recorded in the real property records contained in section 47 of
18 1846 RS 65, MCL 565.47.

19 **(4) If the office of secretary of state receives a financing**
20 **statement under subsection (1)(b) or (2) for filing, and any**
21 **debtor identified on the financing statement is an individual,**
22 **the secretary of state shall provide written notice of the filing**
23 **of the financing statement to that debtor. The secretary of**
24 **state shall determine the form of the written notice and the**
25 **written notice shall contain at least all of the following**
26 **information:**

27 (a) The debtor's name and address as shown on the financing

1 statement.

2 (b) The secured party's name and address as shown on the
3 financing statement.

4 (c) The remedies available to the debtor under this act if he
5 or she believes that the financing statement is erroneously or
6 fraudulently filed.

7 (5) In addition to the written notice described in subsection
8 (4), the secretary of state shall provide at no charge to a
9 debtor described in that subsection a copy or image of the filed
10 financing statement and any attachments. If the debtor requests
11 additional copies or searches, the fees provided in section 9525
12 apply to that request.

13 (6) A person shall not knowingly or intentionally file a
14 false or fraudulent financing statement with the office of the
15 secretary of state under subsection (1)(b) or (2). In addition
16 to any other penalty provided by law, a violation of this
17 subsection is a felony punishable by imprisonment for not more
18 than 5 years or a fine of not more than \$2,500.00, or both. If
19 the person is convicted of the violation, the court may find that
20 the financing statement is ineffective and may order the office
21 of the secretary of state to terminate the financing statement
22 and may order restitution.

23 (7) If a person files a false or fraudulent financing
24 statement with the office of the secretary of state under
25 subsection (1)(b) or (2), a debtor named in that financing
26 statement may file an action against the person that filed the
27 financing statement seeking appropriate equitable relief or

1 damages, including, but not limited to, an order declaring the
2 financing statement ineffective and ordering the office of the
3 secretary of state to terminate the financing statement, and
4 reasonable attorney fees.

5 Sec. 9525. (1) Except as otherwise provided in subsection
6 (3) or (4), the fee for filing and indexing a record under this
7 part is \$15.00. ~~\$10.00, plus 1 or more of the following, if~~
8 ~~applicable:~~

9 ~~—— (a) If the record is a financing statement in a form other~~
10 ~~than the form contained in section 9521(1), or the record is a~~
11 ~~financing statement amendment in a form other than the form~~
12 ~~contained in section 9521(2), an additional fee of \$7.00.~~

13 ~~—— (b) If the record contains more than 100 pages, an additional~~
14 ~~fee of \$12.00.~~

15 ~~—— (c) If the filing office is required to index more than 2~~
16 ~~names, an additional fee of \$10.00 for each name more than 2 that~~
17 ~~the filing office is required to index.~~

18 (2) A filing office shall charge a person a fee for
19 responding to a request for a search of the records filed with a
20 filing office concerning a debtor, including issuance of a
21 certificate describing each presently effective record filed
22 concerning the debtor if requested. The fee is \$6.00, plus 1 or
23 more of the following, if applicable:

24 ~~(a) If the person requests a certificate and the search~~
25 ~~discloses more than 100 presently effective records filed~~
26 ~~concerning the debtor, an additional fee of \$6.00.~~

27 (a) ~~(b)~~ If the person requests expediting of the regular

1 search process, an additional fee of \$25.00.

2 **(b)** ~~—(e)—~~ If the person requests copies of the presently
3 effective records disclosed by the search, an additional fee of
4 \$2.00 per page.

5 **(c)** ~~—(d)—~~ If the filing office is the secretary of state and
6 the person requests that the secretary of state include an
7 impression of the official seal of the secretary of state on the
8 certificate, an additional fee of \$6.00.

9 (3) This section does not require a fee with respect to a
10 record of a mortgage that is effective as a financing statement
11 filed as a fixture filing or as a financing statement covering
12 as-extracted collateral or timber to be cut under section
13 9502(3). However, the recording and satisfaction fees that
14 otherwise would be applicable to the record of the mortgage
15 apply.

16 **(4) There is no fee for filing and indexing a correction**
17 **statement filed with the office of the secretary of state under**
18 **section 9518, filed by an individual named as a debtor on a**
19 **record indexed by the secretary of state.**

20 Enacting section 1. This amendatory act takes effect
21 January 1, 2005.

22 Enacting section 2. This amendatory act does not take
23 effect unless Senate Bill No. 1260 of the 92nd Legislature is
24 enacted into law.