

No. 2006-64

AN ACT

HB 2542

Amending Title 13 (Commercial Code) of the Pennsylvania Consolidated Statutes, further providing, in secured transactions, for effectiveness of actions prior to amendment and for continued effectiveness of financing statements.

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

Section 1. Sections 9705(b) and (d) and 9706(a) of Title 13 of the Pennsylvania Consolidated Statutes are amended to read:

§ 9705. Effectiveness of action taken before effective date.

* * *

(b) Pre-effective-date filing.—The filing of a financing statement before **[Revised Division 9 takes effect] July 1, 2001**, is effective to perfect a security interest to the extent the filing would satisfy the applicable requirements for perfection under Revised Division 9, **and the effectiveness of such a financing statement shall not be affected by subsection (c)**.

* * *

(d) Continuation statement.—**[The]**

(1) Except as set forth in paragraph (2), the filing of a continuation statement after Revised Division 9 takes effect does not continue the effectiveness of the financing statement filed before Revised Division 9 takes effect. **[However]**

(2) Notwithstanding paragraph (1), upon the timely filing of a continuation statement after Revised Division 9 takes effect and in accordance with the law of the jurisdiction governing perfection as provided in Chapter 93 of Revised Division 9 (relating to perfection and priority), the effectiveness of a financing statement filed in the same office in that jurisdiction before Revised Division 9 takes effect continues for the period provided by the law of that jurisdiction. **Filing of a continuation statement shall be timely under this paragraph if the filing occurs before the financing statement ceases to be effective but not before the earlier of:**

(i) December 30, 2005; or

(ii) six months before the financing statement ceases to be effective.

* * *

§ 9706. When initial financing statement suffices to continue effectiveness of financing statement.

(a) Initial financing statement in lieu of continuation statement.—The filing of an initial financing statement in the office specified in section 9501

of Revised Division 9 (relating to filing office) continues the effectiveness of a financing statement filed before Revised Division 9 takes effect if:

(1) the filing of an initial financing statement in that office would be effective to perfect a security interest under Revised Division 9;

(2) the pre-effective-date financing statement was filed in an office in another state or another office in this Commonwealth; **[and]**

(3) the initial financing statement satisfies subsection (c)[.]; **and**

(4) with respect to a pre-effective-date financing statement which, but for section 9705(c)(2) (relating to effectiveness of action taken before effective date), would cease to be effective after June 30, 2006, the initial financing statement is filed:

(i) after December 29, 2005; and

(ii) before July 1, 2006.

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Section 2. Nothing in the amendment of 13 Pa.C.S. § 9705(b) or (d) or 9706(a) shall render ineffective a continuation statement that was filed prior to the effective date of this section.

Section 3. This act shall take effect immediately.

APPROVED—The 30th day of June, A.D. 2006.

EDWARD G. RENDELL