

3
4 **SENATE BILL No. 445**

5
6 By Committee on Judiciary

7
8 1-25

9
10 AN ACT concerning civil procedure; relating to ~~judgment~~ liens; amend-
11 ing K.S.A. 2001 Supp. 60-2418[, **84-9-102 and 84-9-201**] and re-
12 pealing the existing ~~section~~ [sections].

13
14 *Be it enacted by the Legislature of the State of Kansas:*

15 Section 1. K.S.A. 2001 Supp. 60-2418 is hereby amended to read as
16 follows: 60-2418. (a) In all cases in which a judgment is rendered pursuant
17 to the code of civil procedure for limited actions, the party in whose favor
18 judgment is rendered may pay the fee prescribed by K.S.A. 28-170 and
19 amendments thereto. Upon payment of the fee, the clerk of the district
20 court in the county in which the judgment was rendered shall renumber
21 the case as a case filed under this chapter and enter payment of the fee
22 and the renumbering of the case on the appearance docket of the case.
23 *After such payment of the fee and renumbering of the case, such judgment*
24 *may be filed in any county in which real property of the judgment debtor*
25 *is located pursuant to K.S.A. 60-2202, and amendments thereto.* The judg-
26 ment shall become a lien on the real estate of the judgment debtor in the
27 county from the date of the entry. Execution to satisfy the judgment shall
28 proceed in the same manner as original judgments in the district court
29 pursuant to this chapter.

30 (b) If any judgment filed pursuant to this section becomes dormant,
31 it may be revived in the same manner as other judgments in the district
32 court.

33 **[New Sec. 2. (a) Grain contained in a public warehouse, in-**
34 **cluding grain owned by the public warehouseman, is subject to a**
35 **first priority lien in favor of outstanding receipt holders. The lien**
36 **created pursuant to this section shall be preferred to any lien or**
37 **security interest in favor of any creditor of the public warehouse-**
38 **man regardless of the time when the creditor's lien or security**
39 **interest attached to the grain. Notice of the lien created under this**
40 **section need not be filed in order to perfect the lien. The lien**
41 **created by this section is discharged as to grain sold by the public**
42 **warehouseman to a buyer in the ordinary course of business. Such**
43 **sale does not discharge the lien in favor of an individual receipt**

1 holder in the remaining grain in the public warehouse.

2 [(b) As used in this section:

3 [(1) “Person” means any individual, association, firm, partner-
4 ship, profit or nonprofit corporation, trust, organization or any
5 other business entity.

6 [(2) “Public warehouse” and “public warehouseman” shall
7 have the meanings ascribed thereto in K.S.A. 34-223, and amend-
8 ments thereto, and shall include state and federally licensed public
9 warehousemen.

10 [(3) “Receipt holder” means a person who:

11 [(A) Is storing or depositing grain in the public warehouse;

12 [(B) has sold grain to the public warehouseman and has not
13 received the check or the check has been received but returned
14 for insufficient funds.

15 [Sec. 3. K.S.A. 2001 Supp. 84-9-102 is hereby amended to read
16 as follows: 84-9-102.[(a)] Definitions. In this article:

17 [(1) “Accession” means goods that are physically united with
18 other goods in such a manner that the identity of the original goods
19 is not lost.

20 [(2) “Account,” except as used in “account for,” means a right
21 to payment of a monetary obligation, whether or not earned by
22 performance, (A) for property that has been or is to be sold, leased,
23 licensed, assigned, or otherwise disposed of, (B) for services ren-
24 dered or to be rendered, (C) for a policy of insurance issued or to
25 be issued, (D) for a secondary obligation incurred or to be in-
26 curred, (E) for energy provided or to be provided, (F) for the use
27 or hire of a vessel under a charter or other contract, (G) arising
28 out of the use of a credit or charge card or information contained
29 on or for use with the card, or (H) as winnings in a lottery or other
30 game of chance operated or sponsored by a state, governmental
31 unit of a state, or person licensed or authorized to operate the
32 game by a state or governmental unit of a state. The term includes
33 health-care-insurance receivables. The term does not include: (A)
34 rights to payment evidenced by chattel paper or an instrument,
35 (B) commercial tort claims, (C) deposit accounts, (D) investment
36 property, (E) letter-of-credit rights or letters of credit, or (F) rights
37 to payment for money or funds advanced or sold, other than rights
38 arising out of the use of a credit or charge card or information
39 contained on or for use with the card.

40 [(3) “Account debtor” means a person obligated on an account,
41 chattel paper, or general intangible. The term does not include
42 persons obligated to pay a negotiable instrument, even if the in-
43 strument constitutes part of chattel paper.

1 [(4) “Accounting,” except as used in “accounting for,” means a
2 record:

3 [(A) Authenticated by a secured party;

4 [(B) indicating the aggregate unpaid secured obligations as of
5 a date not more than 35 days earlier or 35 days later than the date
6 of the record; and

7 [(C) identifying the components of the obligations in reasona-
8 ble detail.

9 [(5) “Agricultural lien” means an interest, other than a security
10 interest, in farm products: (A) Which secures payment or perform-
11 ance of an obligation for:

12 [(i) Goods or services furnished in connection with a debtor’s
13 farming operation; or

14 [(ii) rent on real property leased by a debtor in connection with
15 its farming operation;

16 [(B) which is created by statute in favor of a person that:

17 [(i) In the ordinary course of its business furnished goods or
18 services to a debtor in connection with a debtor’s farming opera-
19 tion; or

20 [(ii) leased real property to a debtor in connection with the
21 debtor’s farming operation; and

22 [(C) whose effectiveness does not depend on the person’s pos-
23 session of the personal property. Agricultural lien shall not include
24 statutory liens.

25 [(6) “As-extracted collateral” means: (A) Oil, gas, or other min-
26 erals that are subject to a security interest that:

27 [(i) Is created by a debtor having an interest in the minerals
28 before extraction; and

29 [(ii) attaches to the minerals as extracted; or

30 [(B) accounts arising out of the sale at the wellhead or mine-
31 head of oil, gas, or other minerals in which the debtor had an
32 interest before extraction.

33 [(7) “Authenticate” means:

34 [(A) To sign; or

35 [(B) to execute or otherwise adopt a symbol, or encrypt or sim-
36 ilarly process a record in whole or in part, with the present intent
37 of the authenticating person to identify the person and adopt or
38 accept a record.

39 [(8) “Bank” means an organization that is engaged in the busi-
40 ness of banking. The term includes savings banks, savings and loan
41 associations, credit unions, and trust companies.

42 [(9) “Cash proceeds” means proceeds that are money, checks,
43 deposit accounts, or the like.

1 [(10) “Certificate of title” means a certificate of title with re-
2 spect to which a statute provides for the security interest in ques-
3 tion to be indicated on the certificate as a condition or result of
4 the security interest’s obtaining priority over the rights of a lien
5 creditor with respect to the collateral.

6 [(11) “Chattel paper” means a record or records that evidence
7 both a monetary obligation and a security interest in specific
8 goods, a security interest in specific goods and software used in
9 the goods, a security interest in specific goods and license of soft-
10 ware used in the goods, a lease of specific goods, or a lease of
11 specific goods and license of software used in the goods. In this
12 subsection, “monetary obligation” means a monetary obligation
13 secured by the goods or owed under a lease of the goods and in-
14 cludes a monetary obligation with respect to software used in the
15 goods. The term does not include charters or other contracts in-
16 volving the use or hire of a vessel. If a transaction is evidenced by
17 records that include an instrument or series of instruments, the
18 group of records taken together constitutes chattel paper.

19 [(12) “Collateral” means the property subject to a security in-
20 terest or agricultural lien. The term includes:

21 [(A) Proceeds to which a security interest attaches;

22 [(B) accounts, chattel paper, payment intangibles, and prom-
23 issory notes that have been sold; and

24 [(C) goods that are the subject of a consignment.

25 [(13) “Commercial tort claim” means a claim arising in tort
26 with respect to which:

27 [(A) The claimant is an organization; or

28 [(B) the claimant is an individual and the claim:

29 [(i) arose in the course of the claimant’s business or profession;
30 and

31 [(ii) does not include damages arising out of personal injury to
32 or the death of an individual.

33 [(14) “Commodity account” means an account maintained by
34 a commodity intermediary in which a commodity contract is car-
35 ried for a commodity customer.

36 [(15) “Commodity contract” means a commodity futures con-
37 tract, an option on a commodity futures contract, a commodity
38 option, or another contract if the contract or option is:

39 [(A) Traded on or subject to the rules of a board of trade that
40 has been designated as a contract market for such a contract pur-
41 suant to federal commodities laws; or

42 [(B) traded on a foreign commodity board of trade, exchange,
43 or market, and is carried on the books of a commodity interme-

1 diary for a commodity customer.

2 [(16) “Commodity customer” means a person for which a com-
3modity intermediary carries a commodity contract on its books.

4 [(17) “Commodity intermediary” means a person that:

5 [(A) Is registered as a futures commission merchant under fed-
6eral commodities law; or

7 [(B) in the ordinary course of its business provides clearance
8or settlement services for a board of trade that has been desig-
9nated as a contract market pursuant to federal commodities law.

10 [(18) “Communicate” means:

11 [(A) To send a written or other tangible record;

12 [(B) to transmit a record by any means agreed upon by the
13persons sending and receiving the record; or

14 [(C) in the case of transmission of a record to or by a filing
15office, to transmit a record by any means prescribed by filing-office
16rule.

17 [(19) “Consignee” means a merchant to which goods are deliv-
18ered in a consignment.

19 [(20) “Consignment” means a transaction, regardless of its
20form, in which a person delivers goods to a merchant for the pur-
21pose of sale and: (A) The merchant:

22 [(i) Deals in goods of that kind under a name other than the
23name of the person making delivery;

24 [(ii) is not an auctioneer; and

25 [(iii) is not generally known by its creditors to be substantially
26engaged in selling the goods of others;

27 [(B) with respect to each delivery, the aggregate value of the
28goods is \$1,000 or more at the time of delivery;

29 [(C) the goods are not consumer goods immediately before de-
30livery; and

31 [(D) the transaction does not create a security interest that se-
32cures an obligation.

33 [(21) “Consignor” means a person that delivers goods to a con-
34signee in a consignment.

35 [(22) “Consumer debtor” means a debtor in a consumer
36transaction.

37 [(23) “Consumer goods” means goods that are used or bought
38for use primarily for personal, family, or household purposes.

39 [(24) “Consumer-goods transaction” means a consumer trans-
40action in which:

41 [(A) An individual incurs an obligation primarily for personal,
42family, or household purposes; and

43 [(B) a security interest in consumer goods secures the

1 **obligation.**

2 [(25) “Consumer obligor” means an obligor who is an individ-
3 ual and who incurred the obligation as part of a transaction en-
4 tered into primarily for personal, family, or household purposes.

5 [(26) “Consumer transaction” means a transaction in which (i)
6 an individual incurs an obligation primarily for personal, family,
7 or household purposes, (ii) a security interest secures the obliga-
8 tion, and (iii) the collateral is held or acquired primarily for per-
9 sonal, family, or household purposes. The term includes consumer-
10 goods transactions.

11 [(27) “Continuation statement” means an amendment of a fi-
12 nancing statement which:

13 [(A) Identifies, by its file number, the initial financing state-
14 ment to which it relates; and

15 [(B) indicates that it is a continuation statement for, or that it
16 is filed to continue the effectiveness of, the identified financing
17 statement.

18 [(28) “Debtor” means:

19 [(A) A person having an interest, other than a security interest
20 or other lien, in the collateral, whether or not the person is an
21 obligor;

22 [(B) a seller of accounts, chattel paper, payment intangibles, or
23 promissory notes; or

24 [(C) a consignee.

25 [(29) “Deposit account” means a demand, time, savings, pass-
26 book, or similar account maintained with a bank. The term does
27 not include investment property or accounts evidenced by an
28 instrument.

29 [(30) “Document” means a document of title or a receipt of the
30 type described in section [84-7-201] (2).

31 [(31) “Electronic chattel paper” means chattel paper evi-
32 denced by a record or records consisting of information stored in
33 an electronic medium.

34 [(32) “Encumbrance” means a right, other than an ownership
35 interest, in real property. The term includes mortgages and other
36 liens on real property.

37 [(33) “Equipment” means goods other than inventory, farm
38 products, or consumer goods.

39 [(34) “Farm products” means goods, other than standing tim-
40 ber, with respect to which the debtor is engaged in a farming op-
41 eration and which are: (A) Crops grown, growing, or to be grown,
42 including:

43 [(i) Crops produced on trees, vines, and bushes; and

1 [(ii) aquatic goods produced in aquacultural operations;
2 [(B) livestock, born or unborn, including aquatic goods pro-
3 duced in aquacultural operations;
4 [(C) supplies used or produced in a farming operation; or
5 [(D) products of crops or livestock in their unmanufactured
6 states.

7 [(35) “Farming operation” means raising, cultivating, propa-
8 gating, fattening, grazing, or any other farming, livestock, or aqua-
9 cultural operation.

10 [(36) “File number” means the number assigned to an initial
11 financing statement pursuant to K.S.A. 2001 Supp. 84-9-519(a) and
12 amendments thereto.

13 [(37) “Filing office” means an office designated in K.S.A. 2001
14 Supp. 84-9-501 and amendments thereto as the place to file a fi-
15 nancing statement.

16 [(38) “Filing-office rule” means a rule adopted pursuant to
17 K.S.A. 2001 Supp. 84-9-526 and amendments thereto.

18 [(39) “Financing statement” means a record or records com-
19 posed of an initial financing statement and any filed record relat-
20 ing to the initial financing statement.

21 [(40) “Fixture filing” means the filing of a financing statement
22 covering goods that are or are to become fixtures and satisfying
23 K.S.A. 2001 Supp. 84-9-502(a) and (b) and amendments thereto.
24 The term includes the filing of a financing statement covering
25 goods of a transmitting utility which are or are to become fixtures.

26 [(41) “Fixtures” means goods that have become so related to
27 particular real property that an interest in them arises under real
28 property law.

29 [(42) “General intangible” means any personal property, in-
30 cluding things in action, other than accounts, chattel paper, com-
31 mercial tort claims, deposit accounts, documents, goods, instru-
32 ments, investment property, letter-of-credit rights, letters of
33 credit, money, and oil, gas, or other minerals before extraction.
34 The term includes payment intangibles and software.

35 [(43) “Good faith” means honesty in fact and the observance
36 of reasonable commercial standards of fair dealing.

37 [(44) “Goods” means all things that are movable when a secu-
38 rity interest attaches. The term includes (A) fixtures, (B) standing
39 timber that is to be cut and removed under a conveyance or con-
40 tract for sale, (C) the unborn young of animals, (D) crops grown,
41 growing, or to be grown, even if the crops are produced on trees,
42 vines, or bushes, and (E) manufactured homes. The term also in-
43 cludes a computer program embedded in goods and any support-

1 ing information provided in connection with a transaction relating
2 to the program if (A) the program is associated with the goods in
3 such a manner that it customarily is considered part of the goods,
4 or (B) by becoming the owner of the goods, a person acquires a
5 right to use the program in connection with the goods. The term
6 does not include a computer program embedded in goods that
7 consist solely of the medium in which the program is embedded.
8 The term also does not include accounts, chattel paper, commer-
9 cial tort claims, deposit accounts, documents, general intangibles,
10 instruments, investment property, letter-of-credit rights, letters of
11 credit, money, or oil, gas, or other minerals before extraction.

12 [(45) “Governmental unit” means a subdivision, agency, de-
13 partment, county, parish, municipality, or other unit of the gov-
14 ernment of the United States, a state, or a foreign country. The
15 term includes an organization having a separate corporate exist-
16 tence if the organization is eligible to issue debt on which interest
17 is exempt from income taxation under the laws of the United
18 States.

19 [(46) “Health-care-insurance receivable” means an interest in
20 or claim under a policy of insurance which is a right to payment
21 of a monetary obligation for health-care goods or services
22 provided.

23 [(47) “Instrument” means a negotiable instrument, a writing
24 that would otherwise qualify as a certificate of deposit (defined in
25 subsection (j) of K.S.A. 84-3-104, and amendments thereto) but for
26 the fact that the writing contains a limitation on transfer, or any
27 other writing that evidences a right to the payment of a monetary
28 obligation, is not itself a security agreement or lease, and is of a
29 type that in ordinary course of business is transferred by delivery
30 with any necessary indorsement or assignment. The term does not
31 include (i) investment property, (ii) letters of credit, or (iii) writings
32 that evidence a right to payment arising out of the use of a credit
33 or charge card or information contained on or for use with the
34 card.

35 [(48) “Inventory” means goods, other than farm products,
36 which:

37 [(A) Are leased by a person as lessor;

38 [(B) are held by a person for sale or lease or to be furnished
39 under a contract of service;

40 [(C) are furnished by a person under a contract of service; or

41 [(D) consist of raw materials, work in process, or materials
42 used or consumed in a business.

43 [(49) “Investment property” means a security, whether certif-

1 icated or uncertificated, security entitlement, securities account,
2 commodity contract, or commodity account.

3 [(50) “Jurisdiction of organization,” with respect to a regis-
4 tered organization, means the jurisdiction under whose law the
5 organization is organized.

6 [(51) “Letter-of-credit right” means a right to payment or per-
7 formance under a letter of credit, whether or not the beneficiary
8 has demanded or is at the time entitled to demand payment or
9 performance. The term does not include the right of a beneficiary
10 to demand payment or performance under a letter of credit.

11 [(52) “Lien creditor” means:

12 [(A) A creditor that has acquired a lien on the property in-
13 volved by attachment, levy, or the like;

14 [(B) an assignee for benefit of creditors from the time of
15 assignment;

16 [(C) a trustee in bankruptcy from the date of the filing of the
17 petition; or

18 [(D) a receiver in equity from the time of appointment.

19 [(53) “Manufactured home” means a structure, transportable
20 in one or more sections, which, in the traveling mode, is eight body
21 feet or more in width or 40 body feet or more in length, or, when
22 erected on site, is 320 or more square feet, and which is built on
23 a permanent chassis and designed to be used as a dwelling with or
24 without a permanent foundation when connected to the required
25 utilities, and includes the plumbing, heating, air conditioning, and
26 electrical systems contained therein. The term includes any struc-
27 ture that meets all of the requirements of this paragraph except
28 the size requirements and with respect to which the manufacturer
29 voluntarily files a certification required by the United States Sec-
30 retary of Housing and Urban Development and complies with the
31 standards established under Title 42 of the United States Code.

32 [(54) “Manufactured-home transaction” means a secured
33 transaction:

34 [(A) That creates a purchase-money security interest in a man-
35 ufactured home, other than a manufactured home held as inven-
36 tory; or

37 [(B) in which a manufactured home, other than a manufac-
38 tured home held as inventory, is the primary collateral.

39 [(55) “Mortgage” means a consensual interest in real property,
40 including fixtures, which secures payment or performance of an
41 obligation.

42 [(56) “New debtor” means a person that becomes bound as a
43 debtor under K.S.A. 2001 Supp. 84-9-203(d) and amendments

1 thereto by a security agreement previously entered into by an-
2 other person.

3 [(57) “New value” means (A) money, (B) money’s worth in
4 property, services, or new credit, or (C) release by a transferee of
5 an interest in property previously transferred to the transferee.
6 The term does not include an obligation substituted for another
7 obligation.

8 [(58) “Noncash proceeds” means proceeds other than cash
9 proceeds.

10 [(59) “Obligor” means a person that, with respect to an obli-
11 gation secured by a security interest in or an agricultural lien on
12 the collateral, (A) owes payment or other performance of the obli-
13 gation, (B) has provided property other than the collateral to se-
14 cure payment or other performance of the obligation, or (C) is
15 otherwise accountable in whole or in part for payment or other
16 performance of the obligation. The term does not include issuers
17 or nominated persons under a letter of credit.

18 [(60) “Original debtor” means a person that, as debtor, en-
19 tered into a security agreement to which a new debtor has become
20 bound under K.S.A. 2001 Supp. 84-9-203(d) and amendments
21 thereto.

22 [(61) “Payment intangible” means a general intangible under
23 which the account debtor’s principal obligation is a monetary
24 obligation.

25 [(62) “Person related to,” with respect to an individual, means:

26 [(A) The spouse of the individual;

27 [(B) a brother, brother-in-law, sister, or sister-in-law of the
28 individual;

29 [(C) an ancestor or lineal descendant of the individual or the
30 individual’s spouse; or

31 [(D) any other relative, by blood or marriage, of the individual
32 or the individual’s spouse who shares the same home with the
33 individual.

34 [(63) “Person related to,” with respect to an organization,
35 means:

36 [(A) A person directly or indirectly controlling, controlled by,
37 or under common control with the organization;

38 [(B) an officer or director of, or a person performing similar
39 functions with respect to, the organization;

40 [(C) an officer or director of, or a person performing similar
41 functions with respect to, a person described in subparagraph (A);

42 [(D) the spouse of an individual described in subparagraph (A),
43 (B), or (C); or

1 [(E) an individual who is related by blood or marriage to an
2 individual described in subparagraph (A), (B), (C), or (D) and
3 shares the same home with the individual.

4 [(64) “Proceeds” means the following property:

5 [(A) Whatever is acquired upon the sale, lease, license,
6 exchange, or other disposition of collateral;

7 [(B) whatever is collected on, or distributed on account of,
8 collateral;

9 [(C) rights arising out of collateral;

10 [(D) to the extent of the value of collateral, claims arising out
11 of the loss, nonconformity, or interference with the use of, defects
12 or infringement of rights in, or damage to, the collateral; or

13 [(E) to the extent of the value of collateral and to the extent
14 payable to the debtor or the secured party, insurance payable by
15 reason of the loss or nonconformity of, defects or infringement of
16 rights in, or damage to, the collateral.

17 [(65) “Promissory note” means an instrument that evidences a
18 promise to pay a monetary obligation, does not evidence an order
19 to pay, and does not contain an acknowledgment by a bank that
20 the bank has received for deposit a sum of money or funds.

21 [(66) “Proposal” means a record authenticated by a secured
22 party which includes the terms on which the secured party is will-
23 ing to accept collateral in full or partial satisfaction of the obliga-
24 tion it secures pursuant to K.S.A. 2001 Supp. 84-9-620, 84-9-621
25 and 84-9-622 and amendments thereto.

26 [(67) “Public-finance transaction” means a secured transaction
27 in connection with which:

28 [(A) Debt securities are issued;

29 [(B) all or a portion of the securities issued have an initial
30 stated maturity of at least 20 years; and

31 [(C) the debtor, obligor, secured party, account debtor or
32 other person obligated on collateral, assignor or assignee of a se-
33 cured obligation, or assignor or assignee of a security interest is a
34 state or a governmental unit of a state.

35 [(68) “Pursuant to commitment,” with respect to an advance
36 made or other value given by a secured party, means pursuant to
37 the secured party’s obligation, whether or not a subsequent event
38 of default or other event not within the secured party’s control has
39 relieved or may relieve the secured party from its obligation.

40 [(69) “Record,” except as used in “for record,” “of record,”
41 “record or legal title,” and “record owner,” means information
42 that is inscribed on a tangible medium or which is stored in an
43 electronic or other medium and is retrievable in perceivable form.

1 [(70) “Registered organization” means an organization organ-
2 ized solely under the law of a single state or the United States and
3 as to which the state or the United States must maintain a public
4 record showing the organization to have been organized.

5 [(71) “Secondary obligor” means an obligor to the extent that:

6 [(A) The obligor’s obligation is secondary; or

7 [(B) The obligor has a right of recourse with respect to an ob-
8 ligation secured by collateral against the debtor, another obligor,
9 or property of either.

10 [(72) “Secured party” means:

11 [(A) A person in whose favor a security interest is created or
12 provided for under a security agreement, whether or not any ob-
13 ligation to be secured is outstanding;

14 [(B) a person that holds an agricultural lien;

15 [(C) a consignor;

16 [(D) a person to which accounts, chattel paper, payment intan-
17 gibles, or promissory notes have been sold;

18 [(E) a trustee, indenture trustee, agent, collateral agent, or
19 other representative in whose favor a security interest or agricul-
20 tural lien is created or provided for; or

21 [(F) a person that holds a security interest arising under K.S.A.
22 84-2-401, 84-2-505, 84-2-711(3), 84-2a-508(5), 84-4-210 and 84-5-
23 118 and amendments thereto.

24 [(73) “Security agreement” means an agreement that creates
25 or provides for a security interest.

26 [(74) “Send,” in connection with a record or notification,
27 means:

28 [(A) To deposit in the mail, deliver for transmission, or transmit
29 by any other usual means of communication, with postage or cost
30 of transmission provided for, addressed to any address reasonable
31 under the circumstances; or

32 [(B) to cause the record or notification to be received within
33 the time that it would have been received if properly sent under
34 subparagraph (A).

35 [(75) “Software” means a computer program and any support-
36 ing information provided in connection with a transaction relating
37 to the program. The term does not include a computer program
38 that is included in the definition of goods.

39 [(76) “State” means a state of the United States, the District of
40 Columbia, Puerto Rico, the United States Virgin Islands, or any
41 territory or insular possession subject to the jurisdiction of the
42 United States.

43 [(77) “Statutory lien” means liens created by *section 2*, K.S.A.

1 2-1319, 2-2608, 2-3007, 34-239, 47-836, 58-201, 58-203, 58-204,
 2 58-207, 58-218, 58-220, 58-221, 58-241, 58-242, 58-2524, 58-2525,
 3 58-2526, 58-2527, 58-2528 and 84-7-209, and amendments
 4 thereto.

5 [(78) “Supporting obligation” means a letter-of-credit right or
 6 secondary obligation that supports the payment or performance
 7 of an account, chattel paper, a document, a general intangible, an
 8 instrument, or investment property.

9 [(79) “Tangible chattel paper” means chattel paper evidenced
 10 by a record or records consisting of information that is inscribed
 11 on a tangible medium.

12 [(80) “Termination statement” means an amendment of a fi-
 13 nancing statement which:

14 [(A) Identifies, by its file number, the initial financing state-
 15 ment to which it relates; and

16 [(B) indicates either that it is a termination statement or that
 17 the identified financing statement is no longer effective.

18 [(81) “Transmitting utility” means a person primarily engaged
 19 in the business of:

20 [(A) Operating a railroad, subway, street railway, or trolley bus;

21 [(B) transmitting communications electrically, electromagnet-
 22 ically, or by light;

23 [(C) transmitting goods by pipeline or sewer; or

24 [(D) transmitting or producing and transmitting electricity,
 25 steam, gas, or water.

26 [(b) Definitions in other articles. The following definitions in
 27 other articles apply to this article:

28 [“Applicant”	K.S.A. 84-5-102
29 [“Beneficiary”	K.S.A. 84-5-102
30 [“Broker”	K.S.A. 84-8-102
31 [“Certificated security”	K.S.A. 84-8-102
32 [“Check”	K.S.A. 84-3-104
33 [“Clearing corporation”	K.S.A. 84-8-102
34 [“Contract for sale”	K.S.A. 84-2-106
35 [“Customer”	K.S.A. 84-4-104
36 [“Entitlement holder”	K.S.A. 84-8-102
37 [“Financial asset”	K.S.A. 84-8-102
38 [“Holder in due course”	K.S.A. 84-3-302
39 [“Issuer” (with respect to a letter of 40 credit or letter-of-credit right)	K.S.A. 84-5-102
41 [“Issuer” (with respect to a security)	K.S.A. 84-8-102
42 [“Lease”	K.S.A. 84-2a-103
43 [“Lease agreement”	K.S.A. 84-2a-103

1	[“Lease contract”	K.S.A. 84-2a-103
2	[“Leasehold interest”	K.S.A. 84-2a-103
3	[“Lessee”	K.S.A. 84-2a-103
4	[“Lessee in ordinary course of business”	K.S.A. 84-2a-103
5	[“Lessor”	K.S.A. 84-2a-103
6	[“Lessor’s residual interest”	K.S.A. 84-2a-103
7	[“Letter of credit”	K.S.A. 84-5-102
8	[“Merchant”	K.S.A. 84-2-104
9	[“Negotiable instrument”	K.S.A. 84-3-104
10	[“Nominated person”	K.S.A. 84-5-102
11	[“Note”	K.S.A. 84-3-104
12	[“Proceeds of a letter of credit”	K.S.A. 84-5-114
13	[“Prove”	K.S.A. 84-3-103
14	[“Sale”	K.S.A. 84-2-106
15	[“Securities account”	K.S.A. 84-8-501
16	[“Securities intermediary”	K.S.A. 84-8-102
17	[“Security”	K.S.A. 84-8-102
18	[“Security certificate”	K.S.A. 84-8-102
19	[“Security entitlement”	K.S.A. 84-8-102
20	[“Uncertificated security”	K.S.A. 84-8-102

21 [(c) Article 1 definitions and principles. Article 1 contains gen-
 22 eral definitions and principles of construction and interpretation
 23 applicable throughout this article.

24 [Sec. 4. K.S.A. 2001 Supp. 84-9-201 is hereby amended to read
 25 as follows: 84-9-201. (a) General effectiveness. Except as otherwise
 26 provided in the uniform commercial code, a security agreement is
 27 effective according to its terms between the parties, against pur-
 28 chasers of the collateral, and against creditors.

29 [(b) Applicable consumer laws and other law. A transaction
 30 subject to this article is subject to any applicable rule of law which
 31 establishes a different rule for consumers, to any other statute or
 32 rule and regulation of this state that regulates the rates, charges,
 33 agreements, and practices for loans, credit sales, or other exten-
 34 sions of credit, and to any consumer protection statute or rule and
 35 regulation of this state and, including, but not limited to, *section 2*,
 36 K.S.A. 2-1319, 2-2608, 2-3007, 34-239, 47-836, 58-201, 58-203, 58-
 37 204, 58-207, 58-218, 58-220, 58-221, 58-241, 58-242, 58-2524, 58-
 38 2525, 58-2526, 58-2527, 58-2528 and 84-7-209.

39 [(c) Other applicable law controls. In case of conflict between
 40 this article and a rule of law, statute, or regulation described in
 41 subsection (b), the rule of law, statute, or regulation controls. Fail-
 42 ure to comply with a statute or regulation described in subsection
 43

1 **(b) has only the effect the statute or regulation specifies.**
2 **[(d) Further deference to other applicable law. This article**
3 **does not:**
4 **[(1) Validate any rate, charge, agreement, or practice that vi-**
5 **olates a rule of law, statute, or regulation described in subsection**
6 **(b); or**
7 **[(2) extend the application of the rule of law, statute, or regu-**
8 **lation to a transaction not otherwise subject to it.]**
9 **Sec. ~~5~~ [5.] K.S.A. 2001 Supp. 60-2418 ~~is~~ [84-9-102 and 84-9-201**
10 **are] hereby repealed.**
11 **Sec. ~~6~~ [6.] This act shall take effect and be in force from and after**
12 **its publication in the statute book.**

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