
ENGROSSED SENATE BILL 5163

State of Washington

55th Legislature

1997 Regular Session

By Senators Haugen and Schow

Read first time 01/17/97. Referred to Committee on Law & Justice.

1 AN ACT Relating to the expiration of filed financing statements;
2 and amending RCW 62A.9-403.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 62A.9-403 and 1987 c 189 s 2 are each amended to read
5 as follows:

6 (1) Presentation for filing of a financing statement and tender of
7 the filing fee or acceptance of the statement by the filing officer
8 constitutes filing under this Article.

9 (2) Except as provided in subsection (6) a filed financing
10 statement is effective for a period of five years from the date of
11 filing. The effectiveness of a filed financing statement lapses on the
12 expiration of the five year period unless a continuation statement is
13 filed prior to the lapse. Immediately following a date which is four
14 and one-half years after filing, the director of licensing must provide
15 notice of the five-year expiration period and the availability and
16 effect of using a continuation statement. Failure to provide this
17 notice does not give rise to a cause of action against the state or its
18 officers or employees. If a security interest perfected by filing
19 exists at the time insolvency proceedings are commenced by or against

1 the debtor, the security interest remains perfected until termination
2 of the insolvency proceedings and thereafter for a period of sixty days
3 or until expiration of the five year period, whichever occurs later.
4 Upon lapse the security interest becomes unperfected, unless it is
5 perfected without filing. If the security interest becomes unperfected
6 upon lapse, it is deemed to have been unperfected as against a person
7 who became a purchaser or lien creditor before lapse.

8 (3) A continuation statement may be filed by the secured party
9 within six months prior to the expiration of the five year period
10 specified in subsection (2). Any such continuation statement must be
11 signed by the secured party, identify the original statement by file
12 number and state that the original statement is still effective. A
13 continuation statement signed by a person other than the secured party
14 of record must be accompanied by a separate written statement of
15 assignment signed by the secured party of record and complying with
16 subsection (2) of RCW 62A.9-405, including payment of the required fee.
17 Upon timely filing of the continuation statement, the effectiveness of
18 the original statement is continued for five years after the last date
19 to which the filing was effective whereupon it lapses in the same
20 manner as provided in subsection (2) unless another continuation
21 statement is filed prior to such lapse. Succeeding continuation
22 statements may be filed in the same manner to continue the
23 effectiveness of the original statement. The filing officer may remove
24 the original of any statement from the files and destroy it at any time
25 if he has substituted a copy by microfilm or other photographic record.
26 The filing officer may destroy any original, microfilm, or photographic
27 record of any lapsed statement not earlier than one year after the
28 lapse. The filing officer shall so arrange matters by physical
29 annexation of financing statements to continuation statements or other
30 related filings, or by other means, that if he physically destroys the
31 original of the financing statements, a microfilm or other photographic
32 copy of those statements which have been continued by a continuation
33 statement or which are still effective under subsection (6) shall be
34 retained.

35 (4) Except as provided in subsection (7) a filing officer shall
36 mark each statement with a file number and with the date and hour of
37 filing and shall hold the statement or a microfilm or other
38 photographic copy thereof for public inspection. The original
39 statement may be destroyed at any time after a microfilm or other

1 photographic copy is made of the original statement. This microfilm or
2 other photographic copy shall thereafter be treated as if it were the
3 original filing for all purposes. In addition the filing officer shall
4 index the statements according to the name of the debtor and shall note
5 in the index the file number and the address of the debtor given in the
6 statement.

7 (5) The secured party may at his option show a trade name for any
8 person.

9 (6) If the debtor is a transmitting utility (subsection (5) of RCW
10 62A.9-401) and a filed financing statement so states, it is effective
11 until a termination statement is filed. A real estate mortgage which
12 is effective as a fixture filing under subsection (6) of RCW 62A.9-402
13 remains effective as a fixture filing until the mortgage is released or
14 satisfied of record or its effectiveness otherwise terminates as to the
15 real estate.

16 (7) When a financing statement covers timber to be cut or covers
17 minerals or the like (including oil and gas) or accounts subject to
18 subsection (5) of RCW 62A.9-103, or is filed as a fixture filing, it
19 shall be filed for record and the filing officer shall index it under
20 the names of the debtor and any owner of record shown on the financing
21 statement in the same fashion as if they were the mortgagors in a
22 mortgage of the real estate described, and, to the extent that the law
23 of this state provides for indexing of mortgages under the name of the
24 mortgagee, under the name of the secured party as if he were the
25 mortgagee thereunder, or where indexing is by description in the same
26 fashion as if the financing statement were a mortgage of the real
27 estate described.

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