

CERTIFICATION OF ENROLLMENT

**ENGROSSED SENATE BILL 5163**

55th Legislature  
1997 Regular Session

Passed by the Senate March 7, 1997  
YEAS 48 NAYS 0

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**President of the Senate**

Passed by the House April 8, 1997  
YEAS 95 NAYS 0

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**Speaker of the  
House of Representatives**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Mike O Connell, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SENATE BILL 5163** as passed by the Senate and the House of Representatives on the dates hereon set forth.

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**Secretary**

FILED

**Secretary of State  
State of Washington**

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**ENGROSSED SENATE BILL 5163**

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Passed Legislature - 1997 Regular Session

**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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