By the Committee on Judiciary; and Senator Rouson

590-02129-24 2024984c1

A bill to be entitled

An act relating to judgment liens; amending s. 55.202, F.S.; authorizing a judgment lien to be acquired on specified personal property and in all payment intangibles and accounts of a judgment debtor whose location is in this state; defining terms; providing that the filing of a noncompliant judgment lien certificate does not preclude the filing of a new certificate that complies with specified requirements; specifying the provisions that must be used to determine the priority of conflicting rights between a judgment lienholder and a secured party; amending s. 55.205, F.S.; specifying that the rights of certain judgment creditors to proceed against a judgment debtor's property are subject to certain provisions; providing that an account debtor may discharge certain obligations through a settlement agreement; amending s. 55.208, F.S.; prohibiting security interests and liens on payment intangibles or accounts and the proceeds thereof from taking priority over payment intangibles or accounts by a judgment lien certificate filed before a specified date; providing an effective date.

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Be It Enacted by the Legislature of the State of Florida:

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Section 1. Subsections (2) and (3) of section 55.202, Florida Statutes, are amended to read:

55.202 Judgments, orders, and decrees; lien on personal

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property.-

(2) A judgment lien may be acquired on a judgment debtor's interest in all personal property in this state subject to execution under s. 56.061 and in all, including payment intangibles and accounts of a judgment debtor whose location is in this state as established by s. 679.3071, as those terms are defined in s. 679.1021(1), and the proceeds thereof, but excluding fixtures, money, negotiable instruments, and mortgages. As used in this subsection, the terms "payment intangibles," "account," and "proceeds" have the same meaning as in s. 679.1021(1).

- (a) For payment intangibles and accounts and the proceeds thereof:
- 1. The rights of a judgment lienholder under this section are subject to the rights under chapter 679 of a secured party, as defined in s. 679.1021(1), who has a prior filed financing statement encumbering such payment intangibles or accounts and the proceeds thereof.
- 2. This section does not affect the obligation under s. 679.607(1) of an account debtor, as defined in s. 679.1021(1), except as the rights and obligations under this paragraph are otherwise adjudicated under applicable law in a legal proceeding to which the secured party and account debtor are joined as parties.
- (b) A judgment lien is acquired by filing a judgment lien certificate in accordance with s. 55.203 with the Department of State after the judgment has become final and if the time to move for rehearing has lapsed, no motion for rehearing is pending, and no stay of the judgment or its enforcement is then

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in effect. A court may authorize, for cause shown, the filing of a judgment lien certificate before a judgment has become final when the court has authorized the issuance of a writ of execution in the same matter. A judgment lien certificate not filed in compliance with this subsection is permanently void and of no effect but does not preclude the filing of a judgment lien certificate that is in compliance with this subsection.

- (c) For any lien, warrant, assessment, or judgment collected by the Department of Revenue, a judgment lien may be acquired by filing the judgment lien certificate information or warrant with the Department of State in accordance with subsection (5).
- (d) Except as provided in s. 55.208, the effective date of a judgment lien is the date, including the time of day, of filing. Although no lien attaches to property, and a creditor does not become a lien creditor as to liens under chapter 679, until the debtor acquires an interest in the property, priority among competing judgment liens is determined in order of filing date and time.
- (e) Except as provided in s. 55.204(3), a judgment creditor may file only one effective judgment lien certificate based upon a particular judgment.
- (3) Except as otherwise provided in s. 55.208, the priority of a judgment lien acquired in accordance with this section or s. 55.204(3) is established at the date and time the judgment lien certificate is filed. The priority of conflicting rights between a judgment lienholder under this section and a secured party as defined in s. 679.1021 must be determined as provided under chapter 679.

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Section 2. Subsection (1), paragraph (a) of subsection (5), and subsection (7) of section 55.205, Florida Statutes, are amended to read:

55.205 Effect of judgment lien.-

- (1) A judgment creditor who has not acquired a judgment lien as provided in s. 55.202 or whose lien has lapsed may nevertheless proceed against the judgment debtor's property through any appropriate judicial process, subject to the priority of conflicting rights under chapter 679 of a secured party as defined in s. 679.1021(1). Such judgment creditor proceeding by writ of execution acquires a lien as of the time of levy and only on the property levied upon.
- (5) (a) If the judgment debtor's personal property, to the extent not exempt from execution, includes a motor vehicle or a vessel for which a Florida certificate of title has been issued, a judgment lien acquired under this section on such property not yet noted on the certificate of title is valid and enforceable against the judgment debtor. However, enforceability under this chapter of such judgment lien against creditors or subsequent purchasers is determined as provided under s. 319.27(2), or s. 328.14, or chapter 679, as applicable.
- (7) Notwithstanding the attachment of a judgment lien acquired under s. 55.202 to payment intangibles or accounts and the proceeds thereof, the account debtor may, absent receipt of notice under s. 679.607(1)(a) from a secured party, discharge the account debtor's obligation to pay payment intangibles or accounts or the proceeds thereof by paying the judgment debtor until, but not after, the account debtor is served by process with a complaint or petition by the judgment creditor seeking

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judicial relief with respect to the payment intangibles or accounts. Thereafter, the account debtor may discharge the account debtor's obligation to pay payment intangibles or accounts or the proceeds thereof under this section only in accordance with a <u>settlement agreement</u>, final order, or judgment issued in such judicial process that complies with this section.

Section 3. Subsection (1) of section 55.208, Florida Statutes, is amended to read:

55.208 Effect of prior liens on payment intangibles and accounts; effect of filed judgment lien on writs of execution previously delivered to a sheriff.—

(1) A judgment lien under s. 55.202 existing before October 1, 2023, becomes enforceable and perfected as of October 1, 2023, as to payment intangibles and accounts and the proceeds thereof of a judgment debtor under s. 55.202(2). Any security interest or lien on payment intangibles or accounts and the proceeds thereof of a judgment debtor which is enforceable and perfected before October 1, 2023, continues to have the same rights and priority as existed before October 1, 2023, and may not take priority over be primed as to payment intangibles or accounts by a judgment lien certificate filed before October 1, 2023.

Section 4. This act shall take effect July 1, 2024.