

IACA Merit Award Application

Jurisdiction: UCC Amendments

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Description of the Innovation:

Since 2002, the Division of Corporations and Commercial Code within the Utah Department of Commerce has made it possible for individuals to file Uniform Commercial Code (UCC) statements, "In Lieu of" Statements, Continuations, and Terminations electronically through the UCC Filing System at <https://secure.utah.gov/ucc>.

Initially, only UCC 1 filings were made available online. However, soon after two simple UCC 3 filings were also placed online, which included UCC 3- Terminations and UCC 3- Continuations. More complex changes, such as adding a debtor or restating the collateral, could only be filed in Utah through a lengthy paper change process, which can often take days to be received, entered and made available online. This paper process cost the state time and valuable resources to provide the work needed to be put into completing a file change on paper.

In August of 2009, Utah launched a rich new set of features to the UCC filing application that allow users to complete all UCC 3 changes, more specifically modifying debtors, secured parties and collateral descriptions, online. These updates to the system completely eliminate the need for any paper filings, save the state of Utah time, money and valuable resources, and allow changes to be posted online almost immediately. With this service Due to a private/public partnership the state of Utah has with Utah Interactive, LLC, the project was fully developed and completed at no cost to the state. The private partner subsidized the entire cost of the project.

The functionality that was added to the UCC application includes the following actions that can now be taken:

- Debtor - add, edit, inactivate
- Secured Party - add, edit, inactivate, full assignment of collateral to one secured party, partial assignment of collateral to a secured party
- Collateral - Add, restate, delete, assign

Results of Implementation:

The updates and changes made to the UCC filings system have helped the application grow rapidly over the last seven months. During the first four months of this service, the number of online filings averaged 12% of the total filings completed via paper and online. In the four months following, the number of online filings more than doubled to 26% of the total number of filings. The total number of filings completed online for this new service is now up to 484 filings. These online filings took minutes to complete, were made available online immediately, and did not need to be processed by a single Utah state employee.

Benefits of the Project:

The total number of UCC filings completed online, which is now up to 484 filings, demonstrates some of the many benefits of this new online service. The updated application allows changes made electronically to be instantly accessible via the public online search. A user can file a UCC 3 amendment and within one minute, that search is visible to users anywhere in the world. This reduces the chance of a dispute and uncertainty over who has priority over a specific collateral that could arise when two parties file at the same time and mail in their UCC changes. The Fee for filing UCC statements and amendments online is the same if submitted in person or by mail, which makes the efficiency of electronic filing an attractive option for users who want to save time, energy and a tedious paper process.

The Utah Department of Commerce Executive Director Francine A. Giani stated the following in regards to the UCC filings system and services:

“Online filing is a goal for all Divisions within the Department of Commerce. [The Division of] Corporations is ahead of the curve. They recognize business needs and are transforming the way they meet those needs. The updates and changes made to the UCC filings system only further our goals to provide the most efficient ways to do business in Utah.”

Awards will be presented at the 2010 IACA Conference. Award recipients should be prepared to give a brief presentation about the development, implementation, and benefits of the innovation.