

BILL ANALYSIS

Senate Research Center
78R10394 RCJ-F

H.B. 3414
By: Marchant (Brimer)
Administration
5/9/2003
Engrossed

DIGEST AND PURPOSE

Currently, the secretary of state must accept filings relating to collateral security in commercial transactions in any format, although 95 percent of filers utilize the national standard form. H.B. 3414 mandates the approved form for filing financing statement records under the Uniform Commercial Code.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 9.516(b), Business & Commerce Code, to provide that filing does not occur with respect to a record that a filing office refuses to accept because the record is not on the national standard form or a form approved by the International Association of Commercial Administrators (IACA), adopted by the secretary of state.

SECTION 2. Amends Subchapter E, Chapter 9, Business & Commerce Code, by adding Section 9.5211, as follows:

Sec. 9.5211. UNIFORM FORM OF WRITTEN FINANCING STATEMENT AND AMENDMENT. (a) Prohibits a filing office that accepts written records from refusing to accept a written initial financing statement on an industry standard form, including a national standard form or a form approved by the International Association of Commercial Administrators IACA and adopted by rule by the secretary of state, except as provided by Section 9.516(b).

(b) Prohibits a filing office that accepts written records from refusing to accept a written record on an industry standard form, including a national standard form or a form approved by (IACA) and adopted by rule by the secretary of state, except as provided by Section 9.516(b).

SECTION 3. Repealer: Section 9.521, Business & Commerce Code (Uniform Form of Written Financing Statement and Amendment).

SECTION 4. Effective date: January 1, 2004.
Makes application of this Act prospective.