
Legislative Update

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UCC Article 9 Legislation



Oklahoma House Bill 1773

→ **Adopts Alternative A for § 9-503(a)(4)**

» Individual name source limited to driver's license.

→ **Forms:**

» Bill provides the text of form fields in § 9-521.

→ **Poison Pill:**

» Senate amendment that would have effectively ended Oklahoma's participation in the Uniform Law Commission was removed.

→ **Status:**

» Enacted June 4, 2015. Took effect on November 1, 2015.

New York Senate Bill 5502

→ Purpose of Legislation

- » Technical corrections to Article 9 due to issues with the 2010 Amendments bill enacted last year.

→ Effect:

- » Corrects terminology in § 9-516(b).
- » Deletes § 9-516(b)(5)(C) organization information requirement.
- » Adopts uniform changes to § 9-518 omitted from original bill (Information Statements).
- » Deleted non-uniform fraudulent filing provisions from § 9-518(d).
- » Creates a safe harbor for the national forms in § 9-521.

→ Status:

- » Passed Senate in June 2015, but failed to pass Assembly.
- » Returned to Senate on January 6, 2016.
- » Passed Senate on June 2, 2016 and was sent to the Assembly.

North Carolina House Bill 328

→ Purpose of Legislation

- » Create a restricted driver's license and restricted identification card as part of a bill to combat identity theft.

→ Effect:

- » Adds the restricted driver's license and restricted identification card to § 9-503(a)(4), creating a waterfall for Alternative A.

→ Status:

- » Failed to make it out of committee in 2015.
- » Carried over to 2016.
- » Failed to pass before legislature adjourned.

North Dakota House Bill 1330

→ Purpose of Legislation

- » Push back the deadline for Secretary of State to implement mandatory electronic filing of UCC and other liens.

→ Effect:

- » New deadline was August 1, 2016, unless the Secretary of State certified that the system was ready at an earlier time.

→ Status:

- » Enacted on March 16, 2015.
- » Took effect on March 1, 2016.

→ Result:

- » SSN/FEIN is again required for each debtor.
- » Electronic filing of UCC and other records is required by statute.

Oregon Senate Bill 462

→ Purpose of Legislation

- » Change requirements for sufficiency of an individual debtor name on a financing statement.

→ Effect:

- » Replaces current UCC § 9-503(a)(4) Alternative B with Alternative A.
- » Senate amendment added transition rules.

→ Status:

- » Enacted June 22, 2015.
- » Took effect on January 1, 2016.

Other Legislation



Georgia House Bill 912

→ Purpose of Legislation

- » Create a statewide tax lien execution registry.

→ Effect:

- » Requires the Department of Revenue to maintain a public record database of state tax lien executions.

→ Status:

- » Failed to pass before the legislature adjourned.

Kansas House Bill 2128

→ Purpose of Legislation

- » Would require that notices of state tax liens be filed electronically in the secretary of state's UCC records in compliance with Part 5 of Article 9.

→ Effect:

- » Provides easier searching for state tax liens.

→ Status:

- » Failed to pass out of committee by 2015 crossover deadline.
- » Carried over to 2016 but failed to pass before legislature adjourned.

Kentucky House Bill 297

→ Purpose of Legislation

- » Reorganize the Office of the Secretary of State.

→ Effect:

- » Divides the Secretary of State into three offices: the Office of Administration, the Office of Business, and the Office of Elections.
- » The Office of Business would be responsible for matters related to business entities, business records, UCC, notary appointments, trademarks and apostilles.

→ Status:

- » Failed to pass in 2016.

Kentucky House Bill 325

→ Purpose of Legislation

- » Establish the office of Regional Public Records and Licensing Administrator.

→ Effect:

- » Regional office would take over many duties formerly performed by county clerks, including filing office functions and issuance of marriage licenses.

→ Status:

- » Failed to pass in 2016.

Nebraska Legislative Bill 1035

→ Purpose of Legislation

- » Amend provisions related to the Food Security Act.

→ Effect:

- » Revises definition of “farm products” for purposes of the Food Security Act to include llamas.
- » Allows secretary of state to digitally publish master lists of Effective Financing Statements
- » Modifies master list publishing schedule.

→ Status:

- » Enacted March 9, 2016.
- » Takes effect on July 20, 2016.

Fraudulent UCC Filing

Idaho House Bill 491

→ Purpose of Legislation

- » Repeals and reenacts nonconsensual common-law lien statute.

→ Effect:

- » Prohibits the filing of a nonconsensual common-law lien.
- » Provides remedies for property owner.
- » Provides civil penalties for filers of nonconsensual common-law liens.
- » Immunizes filing office that accepts a nonconsensual common-law lien.

→ Status:

- » Enacted March 23, 2016.
- » Takes effect on May 25, 2016.

Missouri House Bill 1858

→ Purpose of Legislation

- » Prevent fraudulent filing of UCC records.

→ Effects:

- » Creates the crime of filing false documents, which would be a felony.
- » Enhances penalties for false documents filed against public officials and related persons.
- » Provides for judicial review.
- » Amends UCC § 9-516 to provide that the filing office may reject a record that is fraudulent, appears fraudulent or the record pertains to a matter outside the scope of Article 9.

→ Status:

- » Passed House but failed to pass the Senate before the legislature adjourned for 2016.

North Carolina Senate Bill 754

→ Purpose of Legislation

- » Enhance criminal penalties for fraudulently recording liens.

→ Effect:

- » Expands scope of felony for fraudulently recording liens from application to just public officials to all persons.
- » Adds a minimum fine of \$1000.00.

→ Status:

- » Pending in committee.

Washington Senate Bill 6491

→ Purpose of Legislation

- » Address fraudulent use of apostilles.

→ Effect:

- » Prohibits secretary of state from issuing an apostille or attesting to the authenticity of signatures on documents commonly used by Sovereign Citizens and similar ideologies.

→ Status:

- » Governor vetoed.
- » Legislature voted to override governor's veto and enacted the bill on March 29, 2016.
- » Takes effect on June 10, 2016.

Other States with Carryover Fraudulent Filing Legislation

- **Kansas**
- **New York**
- **Pennsylvania**

Thank you:

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