



Legislative Update: 2017

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Article 9 and Lien Legislation

Georgia House Bill 337

Provides for Filing Notices of State Tax Lien Executions

- **Creates a uniform state-wide filing system for notices of state tax lien executions.**

Directs GSCCCA to Revise Statewide System

- **GSCCCA must modify system to include notices of state tax lien executions.**

Status:

- **Enacted on May 9, 2017**
- **Takes effect January 1, 2018**

Idaho House Bill 203

Creates a Statewide Electronic filing System

- **Applies to all records filed with the secretary of state.**

Authorizes Collection of Personal Data

- **Secretary of State may collect certain user personal information.**
- **Used to establish, verify and validate users of new system.**

Status:

- **Enacted on March 24, 2017.**
- **Takes effect July 1, 2017.**

Illinois House Bill 2450 & Senate Bill 1280

Purpose of Legislation

- Enacts State Tax Lien Registration Act.

Effect:

- Creates state tax lien registry maintained by the Department of Revenue.
- A tax lien will be perfected by inclusion in the registry.

Status:

- Both bills are still pending in their respective chambers.

Iowa House Bill 142

Purpose of Legislation

- **Creates a central notification system for security interests in farm products under the federal Food Security Act.**

Effect:

- **Provides for the filing of Effective Financing Statement records (EFS) with the secretary of state.**
- **Requires the secretary of state to create the central notification system and obtain certification by the U.S. Department of Agriculture.**
- **Requires the secretary of state to compile a master list of EFS records and regularly distribute it to buyers of farm products.**

Status:

- **Left pending in House committee at adjournment.**



Nebraska L 142

Purpose of Legislation

- **Revises requirements for Effective Financing Statements under the Food Security Act.**

Effect:

- **Provides that a change to the secured party's name is not a material change that requires amendment of an EFS record.**

Status:

- **Enacted May 10, 2017**
- **Took effect immediately**

North Carolina House Bill 749

Purpose of Legislation

- **Creates a limited driver's license and limited identification card for illegal aliens.**

Effect:

- **Adds the limited driver's license and limited identification card to § 9-503(a)(4), creating a waterfall for sufficiency of individual debtor name.**

Status:

- **Introduced on April 13, 2017**
- **Remains pending in House Judiciary Committee.**

Tennessee House Bill 156, Senate Bill 171

Purpose of Legislation

- **Extends time period for perfection of a purchase-money security interest from an already non-uniform 30 days to 60 days.**

Effect:

- **Could make searches less reliable because security interests with springing priority could arise for 60 days after search.**
- **Similar to bills introduced in past sessions.**

Status:

- **Both bills failed to pass out of committee in 2017 but will carry over into the 2018 session.**

Texas House Bill 3969

Purpose of Legislation

- **Creates a central notification system for security interests in farm products under the federal Food Security Act.**

Effect:

- **Amended in committee to direct secretary of state to study the feasibility of implementing a central notification system.**

Status:

- **Passed House on May 6, 2017**
- **Pending in Senate Business and Commerce Committee as of May 18, 2017.**

Fraudulent UCC Filing



Arkansas Senate Bill 414

Purpose of Legislation

- Adds a section to Article 9 with some elements of the ULC “Hip-Pocket” amendments.
- Allows a filing office to file a termination statement if a person named as debtor files an affidavit.
- No exception for records filed by a trusted filer.

Effect:

- Requires filing office to send notice of termination to all secured parties.
- Provides for judicial review and reinstatement.

Status:

- Enacted. Takes effect on July 31, 2017.



Connecticut Senate Bill 931

Purpose of Legislation

- Prevent fraudulent filing of UCC records.

Effect:

- Makes the filing of a false record with intent to defraud, deceive, injure or harass another a felony.
- Amends the CT's version of UCC 5-518 to provide that a person named in a false record may petition the court to invalidate the record, when such record was falsely filed or amended.

Status:

- Died in committee on April 7, 2017.

Illinois House Bill 3150

Purpose of Legislation

- Address fraudulent filing at the county level.

Effect:

- Authorizes county recorders to adopt a review and referral process for potentially fraudulent documents.
- Provides list of factors the Recorder should consider as part of the review (mostly Sovereign Citizen and redemption characteristics).
- Recorder may refer the potentially fraudulent documents to an administrative law judge for review and to law enforcement.

Status:

- Passed House. Awaiting Third Reading in the Senate.

Iowa HSB 180

Purpose of Legislation

- Prevent fraudulent UCC filing and offer additional remedies.

Effect:

- Amends UCC § 9-516(b) to require the filing office to reject a UCC record if the debtor and secured party appear to be the same person, although the filing office may accept the record with reasonable proof that the parties are not the same.
- Makes it a crime to communicate a record to the filing office without authorization under UCC § 9-509 with the intent to harass or defraud the person identified as debtor.

Status:

- Pending in House Ways and Means Committee. Carryover to 2018

Kansas Senate Bill 10

Purpose of Legislation

- Prevent recidivist fraudulent filing.

Effect:

- Amends existing law that prohibits filing false liens against public officials.
- Provides that if a court rules that a claim should be set aside then its findings of fact and conclusions of law should prohibit the person from filing future liens without court permission.

Status:

- Passed Judiciary Committee on February 10, 2017.
- Withdrawn on March 6, 2017.

Missouri HB 303, HCB 1, SB 128, SB 332

Purpose of Legislation

- Prevent fraudulent UCC filing and offer additional remedies for victims.

Effect:

- Provides that filing or attempting to file a fraudulent UCC or other record is a felony.
- Includes expedited review for victims of fraudulently filed records.

Status:

- SB 128 delivered to governor on May 22, 2017.

New York

Multiple Similar Bills

- **AB 4498, SB 206, & SB 3707.**

Purpose of Legislation

- **Provide criminal penalties for filing false liens against public officials.**

Effect:

- **Makes filing a false lien against the real or personal property of a public official on account of performance of official duties a felony.**

Status:

- **All pending.**

Pennsylvania Senate Bill 349

Purpose of Legislation

- Related to fraudulent filing.

Effect:

- Makes it a crime to simulate legal process, including actions that affect title to real or personal property.
- Language is broad enough to encompass fraudulent UCC records and similar false liens.
- Makes it a crime to hinder public officials and to use unofficial license plates.

Status:

- Pending in Judiciary Committee.

Tennessee House Bill 535 & Senate Bill 726

Purpose of Legislation

- Related to fraudulent filing.

Effect:

- Permits a public official named as debtor in a financing statement to file a notarized affidavit that sets forth facts why the UCC record was filed without legal basis or cause.
- Provides for the secretary of state to remove the contested record from the UCC index after a period of time.
- Provides a method for the secured party to contest the affidavit through a hearing before an administrative law judge.

Status:

- The governor signed SB 726 on May 18, 2017.
- Takes effect October 1, 2017, rulemaking begins immediately.

New Hampshire HB 535

Content

- Finds that corporate state employees have, by their silence, failed to fully inform the sovereign people of this state that an automobile has been deemed by the courts administrating the UCC, as private property defined as ‘household goods’ not for commercial use or for profit or gain.
- Further finds that the courts have found the division of motor vehicles failure to fully inform the sovereigns as ‘deceptive in its officers’ and, as such, a fraud.”
- Requires that the DMV issue at no cost non-commercial driver’s licenses and ID cards that indicate they are UCC exempt.
- The DMV must also issue vehicle decals that indicate registration is not required under the UCC.

New Hampshire HB 618

Content

- Disband the bureau of certificate of title.
- Require the attorney general to “immediately investigate and determine who initiated the deception that has burdened the people with the excessive cost of their right to travel.
- Upon such determination the attorney general shall prosecute the culprits that have unlawfully trespassed upon the people's right to travel and committed the common law crime of unlawful conversion of people's private property.

Status:

- Both bills were nonstarters.

Q & A

Thank you:

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