



Legislative Update UCC, Lien & Similar Legislation

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Article 9 and Lien Legislation

Arizona House Bill 2240

Extends Duration of Judgment Liens

- Former law provided a judgment lien was effective for 5 years.
- New law provides judgments liens are effective for 10 years.

Impact

- Not much on filing offices.
- Searchers will have to go back a longer term.

Status:

- Introduced on January 11, 2018.
- Enacted on March 20, 2018.
- Takes effect 90 days after date legislature adjourns, roughly July 28, 2018.

Delaware Senate Bill 196

Amends Definition of “Registered Organization”

- Amended definition would clarify that the term includes a series of a registered organization if the series is an organization formed or organized under the law of a single State if the public organic record of the series must be filed with the State.

Impact

- Not much on filing offices.

Status:

- Introduced on May 3, 2018.
- Pending in Senate Banking, Business & Insurance Committee.

Georgia House Bill 661

Effect of Tax Lien Executions Indexed With GSCCCA

- Under prior law tax lien executions indexed with the GSCCCA attached to all the debtor's property wherever located within the state.
- New law provides that state tax lien executions attach to real property only in the county where the tax lien was filed.

Requires Releases to be Filed In Particular County

- Must be the county where the tax lien execution was filed.

Status:

- Introduced on January 8, 2018.
- Enacted on February 20, 2018.
- Took effect immediately.

Illinois Senate Bill 2958

Amends Statewide Tax Lien Registration Act.

- **Requires notices of state tax liens to specify the county or counties where real property subject to the lien is located.**
- **Scope of a notice of tax lien is limited to just the real property in the counties specified.**

Status:

- **Introduced on February 14, 2018.**
- **Passed Senate April 18, 2018.**
- **Pending in House.**

Illinois Senate Bill 3096

Create Statewide Registry for Unemployment Benefit Liens

- **Maintained by the Department of Revenue.**
- **Liens filed by Department of Employment Security against the real and personal property of the person or entity subject to the lien.**
- **Provides for enforcement in the same manner as a security interest under UCC Article 9.**

Status:

- **Introduced on February 15, 2018.**
- **Passed Senate April 25, 2018.**
- **Pending in House**

Indiana Senate Bill 384

Create an Agricultural Supply Lien

- **Creates a lien in favor of an agricultural supply dealer who provides an agricultural supply to a farmer.**
- **The lien must be perfected by filing a UCC financing statement in compliance with Article 9.**
- **Provides for enforcement in the same manner as a security interest under UCC Article 9.**

Status:

- **Introduced on January 8, 2018.**
- **Failed to pass before the legislature adjourned.**

South Dakota House Bill 1115

Modifies Agricultural Lien Provisions

- **Creates a lien in favor of anyone who provides crop seeds to be planted on the land of another.**
- **Requires filing of lien in real estate records.**
- **Also within the scope of Article 9.**

Status:

- **Enacted on February 22, 2018.**
- **Takes effect on July 1, 2018.**

Fraudulent UCC Filing

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:

- Enacted August 22, 2017.
- Took effect immediately.



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:

- Introduced on January 10, 2017.
- Passed Judiciary Committee on February 10, 2017.
- Resubmitted to Judiciary Committee on January 11, 2018.

Missouri House Bill 1769 / Senate Bill 750

Purpose of Legislation

- **Creates offense of filing false documents.**

Effect:

- **A person commits the offense if with the intent to defraud, deceive, harass, alarm, or negatively impact financially, causes to be filed or recorded, any false documents.**
- **Filing false documents will be a Class D Felony.**
- **Deletes existing non-uniform provisions in Missouri's version of UCC § 9-501.**

Status:

- **Introduced on January 3, 2018.**
- **HB 1769 Passed House on February 1, 2018.**
- **Currently working through Senate committees.**



South Dakota House Bill 1248

Purpose of Legislation

- Provides additional reasons for rejection in § 9-516(b).

Effect:

- Additional rejection reasons are those commonly associated with bogus filers.
- Some reasons give filing office authority to reject legitimate records.
- Secretary of state has no duty to inspect, evaluate or investigate a record submitted for filing.

Status:

- Enacted March 9, 2018.
- Takes effect on July 1, 2018.

Tennessee House Bill 1772 & Senate Bill 1971

Purpose of Legislation

- Related to fraudulent filing.

Effect:

- Provides a remedy for public officials subject to a lien, encumbrance, or any other document that clouds title to real property.
- Public official may contest the lien by filing an affidavit.
- Requires the filing office to provide notice to the filer and, if no response is received, remove the record from the index.
- Provides for judicial review if the filer objects.

Status:

- SB 1971 was enacted on May 1, 2018.
- Takes effect on July 1, 2018.



New Hampshire House Bill 1778

Purpose of Legislation

- **Codify certain Sovereign Citizen beliefs.**

Effect:

- **Require the department of motor vehicles to issue at no cost non-commercial driver's licenses and ID cards that include the statement "'RSA 382-A:9-109 Exempt.'**
- **Require the DMV to issue vehicle decals that indicate registration is UCC exempt.**

Status:

- **Introduced January 17, 2018**
- **Voted down in House on February 15, 2018.**
- **Still received 44 positive votes (out of 331 votes cast).**

Q&A

Thank you:

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