

By: Marchant

H.B. No. 3414

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the filing of a financing statement record under the  
3 Uniform Commercial Code.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 9.516, Business and Commerce Code, is  
6 amended to read as follows:

7 Section 9.516. What Constitutes Filing; Effectiveness of  
8 Filing (a) Except as otherwise provided in Subsection (b),  
9 communication of a record to a filing office and tender of the  
10 filing fee or acceptance of the record by the filing office  
11 constitutes filing.

12 (b) Filing does not occur with respect to a record that a  
13 filing office refuses to accept because:

14 (1) the record is not on the National Standard form or  
15 a form approved by the International Association of Commercial  
16 Administrators (IACA) and adopted by administrative rule by the  
17 secretary of state.

18 [~~1~~] (2) the record is not communicated by a method  
19 or medium of communication authorized by the filing office;

20 [~~2~~] (3) an amount equal to or greater than the  
21 applicable filing fee is not tendered;

22 [~~3~~] (4) the filing office is unable to index the  
23 record because:

24 (A) in the case of an initial financing

1 statement, the record does not provide a name for the debtor;

2 (B) in the case of an amendment or correction  
3 statement, the record:

4 (i) does not identify the initial financing  
5 statement as required by Section 9.512 or 9.518, as applicable; or

6 (ii) identifies an initial financing  
7 statement whose effectiveness has lapsed under Section 9.515;

8 (C) in the case of an initial financing statement  
9 that provides the name of a debtor identified as an individual or an  
10 amendment that provides a name of a debtor identified as an  
11 individual that was not previously provided in the financing  
12 statement to which the record relates, the record does not identify  
13 the debtor's last name; or

14 (D) in the case of a record filed or recorded in  
15 the filing office described in Section 9.501(a)(1), the record does  
16 not provide a sufficient description of the real property to which  
17 it relates;

18 [~~4~~] (5) in the case of an initial financing  
19 statement or an amendment that adds a secured party of record, the  
20 record does not provide a name and mailing address for the secured  
21 party of record;

22 [~~5~~] (6) in the case of an initial financing  
23 statement or an amendment that provides a name of a debtor that was  
24 not previously provided in the financing statement to which the  
25 amendment relates, the record does not:

26 (A) provide a mailing address for the debtor;

27 (B) indicate whether the debtor is an individual

1 or an organization; or

2 (C) if the financing statement indicates that the  
3 debtor is an organization, provide:

4 (i) a type of organization for the debtor;

5 (ii) a jurisdiction of organization for the  
6 debtor; or

7 (iii) an organizational identification  
8 number for the debtor or indicate that the debtor has none;

9 [~~(6)~~] (7) in the case of an assignment reflected in an  
10 initial financing statement under Section 9.514(a) or an amendment  
11 filed under Section 9.514(b), the record does not provide a name and  
12 mailing address for the assignee; or

13 [~~(7)~~] (8) in the case of a continuation statement, the  
14 record is not filed within the six-month period prescribed by  
15 Section 9.515(d).

16 (c) For purposes of Subsection (b):

17 (1) a record does not provide information if the  
18 filing office is unable to read or decipher the information; and

19 (2) a record that does not indicate that it is an  
20 amendment or identify an initial financing statement to which it  
21 relates, as required by Section 9.512, 9.514, or 9.518, is an  
22 initial financing statement.

23 (d) A record that is communicated to the filing office with  
24 tender of the filing fee, but that the filing office refuses to  
25 accept for a reason other than one set forth in Subsection (b), is  
26 effective as a filed record except as against a purchaser of the  
27 collateral that gives value in reasonable reliance upon the absence

1 of the record from the files.

2 SECTION 2. Amend Section 9.521, Business and Commerce Code,  
3 to read as follows:

4 Section 9.521. Uniform Form of Written Financing Statement  
5 and Amendment

6 (a) A filing office that accepts written records may not  
7 refuse to accept a written initial financing statement ~~in the~~  
8 ~~following form and format~~ on the National Standard form or a form  
9 approved by the International Association of Commercial  
10 Administrators (IACA) and adopted by administrative rule by the  
11 secretary of state, except for a reason set forth in Section  
12 9.516(b) [~~+~~].

13 [Delete graphics of forms]

14 (b) A filing office that accepts written records may not  
15 refuse to accept a written record [~~in the following form and format~~]  
16 on the National Standard Form or a form approved by the  
17 International Association of Commercial Administrators (IACA) and  
18 adopted by administrative rule by the secretary of state, except  
19 for a reason set forth in Section 9.516(b) [~~+~~].

20 [Delete graphics of forms]

21 SECTION 3. This Act takes effect January 1, 2004.