

## **BILL ANALYSIS**

H.B. 2271  
By: Bailey  
Business & Industry  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Chapter 9 of the Texas Business & Commerce Code which corresponds to Article 9 of the Uniform Commercial Code (UCC) governs secured transactions. The National Conference of Commissioners on Uniform State Laws promulgated Revised Article 9, enacted in Texas in 2000, with a uniform effective date of July 1, 2001. This bill enacts non-uniform changes for the purpose of clarifying various interpretative and other issues that have arisen in the five years since the effective date.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 2271 amends the Business & Commerce Code to modify the requirements for a financing statement that sufficiently provides the name of the debtor. The bill sets forth additional requirements for sufficiently providing the name of the debtor.

H.B. 2271 also amends the Business & Commerce Code to include the name of the debtor, in addition to the real property description in the case of a record filed or recorded in the filing office. The bill clarifies that any indexing failure (including failure to index information contained in a record) does not affect the effectiveness of the filed record. It amends the code to provide that any person named as a debtor or a secured party in that record may file a correction statement, and deletes language referring to the requirement that the correction statement be filed in the filing office and language referring to the requirement that the record be indexed in the filing office under the person's name. The bill provides that, for the specified class of filings (certain financing statements filed before July 1, 2001) the lapse date of the filing remains 5 years from the original filing lapse date, not June 30, 2006. The bill makes conforming and nonsubstantive changes.

### **EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.