

1-1 By: Fraser S.B. No. 1541
1-2 (In the Senate - Filed March 8, 2007; March 20, 2007, read
1-3 first time and referred to Committee on Business and Commerce;
1-4 April 4, 2007, reported favorably by the following vote: Yeas 9,
1-5 Nays 0; April 4, 2007, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the Uniform Commercial Code provisions relating to
1-9 negotiable instruments.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subdivision (2), Subsection (a), Section 3.103,
1-12 Business & Commerce Code, is amended to read as follows:

1-13 (2) Reserved [~~"Consumer account" means an account~~
1-14 ~~established by an individual primarily for personal, family, or~~
1-15 ~~household purposes~~].

1-16 SECTION 2. Subsection (b), Section 3.103, Business &
1-17 Commerce Code, is amended to read as follows:

1-18 (b) Other definitions applying to this chapter and the
1-19 sections in which they appear are:

1-20	"Acceptance"	Section 3.409.
1-21	"Accommodated party"	Section 3.419.
1-22	"Accommodation party"	Section 3.419.
1-23	"Account"	Section 4.104.
1-24	"Alteration"	Section 3.407.
1-25	"Anomalous indorsement"	Section 3.205.
1-26	"Blank indorsement"	Section 3.205.
1-27	"Cashier's check"	Section 3.104.
1-28	"Certificate of deposit"	Section 3.104.
1-29	"Certified check"	Section 3.409.
1-30	"Check"	Section 3.104.
1-31	"Consideration"	Section 3.303.
1-32	["Demand draft"	Section 3.104.]
1-33	"Draft"	Section 3.104.
1-34	"Holder in due course"	Section 3.302.
1-35	"Incomplete instrument"	Section 3.115.
1-36	"Indorsement"	Section 3.204.
1-37	"Indorser"	Section 3.204.
1-38	"Instrument"	Section 3.104.
1-39	"Issue"	Section 3.105.
1-40	"Issuer"	Section 3.105.
1-41	"Negotiable instrument"	Section 3.104.
1-42	"Negotiation"	Section 3.201.
1-43	"Note"	Section 3.104.
1-44	"Payable at a definite time"	Section 3.108.
1-45	"Payable on demand"	Section 3.108.
1-46	"Payable to bearer"	Section 3.109.
1-47	"Payable to order"	Section 3.109.
1-48	"Payment"	Section 3.602.
1-49	"Person entitled to enforce"	Section 3.301.
1-50	"Presentment"	Section 3.501.
1-51	"Reacquisition"	Section 3.207.
1-52	"Special indorsement"	Section 3.205.
1-53	"Teller's check"	Section 3.104.
1-54	"Transfer of instrument"	Section 3.203.
1-55	"Traveler's check"	Section 3.104.
1-56	"Value"	Section 3.303.

1-57 SECTION 3. Subsection (g), Section 3.605, Business &
1-58 Commerce Code, is amended to read as follows:

1-59 (g) A release or extension preserves a secondary obligor's
1-60 recourse if the terms of the release or extension provide that:

1-61 (1) the person entitled to enforce the instrument
1-62 retains the right to enforce the instrument against the secondary
1-63 obligor; and

1-64 (2) the ~~the~~ recourse of the secondary obligor

2-1 continues as if [~~though~~] the release or extension had not been
2-2 granted.

2-3 SECTION 4. Subsection (k), Section 3.104, Business &
2-4 Commerce Code, is repealed.

2-5 SECTION 5. This Act takes effect September 1, 2007.

2-6

* * * * *