

By: King of Hemphill

H.B. No. 3969

Substitute the following for H.B. No. 3969:

By: King of Uvalde

C.S.H.B. No. 3969

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to a study regarding the feasibility of implementing a  
3 central filing system for the filing of financing statements for  
4 agricultural liens.

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

6 SECTION 1. DEFINITIONS. In this Act:

7 (1) "Agricultural lien" has the meaning assigned by  
8 Section 9.102, Business & Commerce Code.

9 (2) "Buyer" means a person who, in the ordinary course  
10 of business, buys farm products from another person who is engaged  
11 in farming operations and who is in the business of selling farm  
12 products.

13 (3) "Commission merchant" means a person engaged in  
14 the business of receiving a farm product for the purpose of selling  
15 the farm product on commission or on behalf of another person.

16 (4) "Farm products" has the meaning assigned by  
17 Section 9.102, Business & Commerce Code.

18 (5) "Financing statement" has the meaning assigned by  
19 Section 9.102, Business & Commerce Code.

20 (6) "Selling agent" means a person, other than a  
21 commission merchant, who is engaged in the business of negotiating  
22 the sale or purchase of a farm product on behalf of a person engaged  
23 in farming operations.

24 SECTION 2. FEASIBILITY STUDY ON CENTRAL FILING SYSTEM. (a)

1 The secretary of state shall conduct a study on the feasibility of  
2 developing and implementing a central filing system to be used for  
3 the filing of all financing statements that cover farm products  
4 being sold and purchased in this state that are subject to an  
5 agricultural lien.

6 (b) The study conducted under this section must evaluate  
7 proposals for a central filing system that allows:

8 (1) a secured party to file a financing statement in  
9 the system that covers farm products; and

10 (2) a buyer, commission merchant, selling agent, or  
11 other person to search the system to determine whether the farm  
12 product is subject to an agricultural lien based on the information  
13 contained in a financing statement that is filed in the system.

14 SECTION 3. REPORT. Not later than January 8, 2019, the  
15 secretary of state shall report the results of the study and any  
16 recommendations to the legislature. The report must include any  
17 proposed legislation necessary to implement the recommendations  
18 made in the report.

19 SECTION 4. EXPIRATION. This Act expires June 1, 2019.

20 SECTION 5. EFFECTIVE DATE. This Act takes effect September  
21 1, 2017.