

BILL ANALYSIS

Senate Research Center
76R3690 WP-D

S.B. 478
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State Affairs
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As Filed

DIGEST

Currently, Texas law authorizes a person to file financing statements electronically with the secretary of state. Nevertheless, some lenders have been apprehensive about electronic filing because of legal a concern regarding the permissibility of electronic filing under the law. This ambiguity requires clarification by codifying the current and future acceptability of electronically filed financing statements. S.B. 478 clarifies existing law regarding the permissibility of filing financing statements electronically with the secretary of state.

PURPOSE

As proposed, S.B. 478 clarifies existing law regarding the permissibility of filing financing statements electronically with the secretary of state.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 9.402, Business & Commerce Code, by adding Subsection (i), to provide that this code does not require a financing statement or other filing made under this subchapter be created or transmitted to the secretary of state on paper. Provides that a financing statement or other filing made in accordance with rules adopted under this subchapter are not ineffective or insufficient because the statements or other filings are generated or transmitted electronically.

SECTION 2. Intends Section 9.402(i), Business & Commerce Code, to clarify existing law. Provides that the authority granted under Section 9.402(i) to the secretary of state is within the authority previously granted to the secretary of state under 9.411, Business & Commerce Code. Makes application of this Act retroactive.

SECTION 3. Emergency clause.
Effective date: upon passage.