

Department of Finance and Administration

Legislative Impact Statement

Bill: SB219

Bill Subtitle: TO AMEND ARTICLE 9 OF THE UNIFORM COMMERCIAL CODE AND TO DECLARE AN EMERGENCY.

Basic Change :

Sponsors: Senators R. Thompson, D. Johnson;

Representatives Vines, Broadway, Kizzia, D. Whitaker

This bill amends Section 16 of A.C.A. § 4-9-503 by adding a section stating the financing statement sufficiently provides the name of the debtor if the name is the same as the name on the individual's most recent unexpired driver's license. Arkansas issues two separate forms of identification. One is the driver's license and the other is a state identification card. Both documents require the same proof of identity. This bill only recognizes the driver's license form of identification.

Revenue Impact :

None

Taxpayer Impact :

None

Resources Required :

None

Time Required :

None

Procedural Changes :

None

Other Comments :

The bill has an emergency clause and effective date of July 1, 2013.

Legal Analysis :

SB219 amends Article 9 of the Uniform Commercial Code (UCC), which governs how security interests may be obtained in personal property to secure a debt. The emergency clause for SB219 states that the current Article 9 "is in need of important revisions to better identify debtors and secured collateral, to promote the efficiency of electronic filing, to reduce cost and time related to identifying debtors, and to resolve conflicting case law." These changes are consistent with the changes recommended in a 2010 model Article 9 draft prepared by the Uniform Law Commission (ULC). The ULC's recommended changes to Article 9 have been adopted by over 25 states to date. SB219's emergency clause makes it effective on July 1, 2013.

In several new or changed sections of the law under the bill, a driver's license is referenced as a means of identifying a debtor. However, these sections do not also reference an identification card issued by the Office of Driver Services as an identifier for the debtor.