

Bill Summary

COMMITTEE: Banking and Insurance

DATE: 9/21/12

PRIME SPONSOR: Grell

BILL NO: HB 2159

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A. Synopsis:

HB 2159 amends Title 13, the PA Commercial Code, to update provisions related to secured transactions.

B. Summary:

HB 2159 revises Division 9 of Title 13 (related to secured transactions). The bill also amends Titles 30 (Fish and Boat) and 75 (Vehicle) to be consistent with the changes made in Title 13.

The bill updates the definitions of the terms "Authenticate," "certificate of title," "jurisdiction of organization," and "registered organization," to reflect that a state may allow business entities to file records electronically. Additionally, the definition of "public organic record" is created.

The bill provides guidance as to the name of a debtor to be provided on a financing statement. For business entities and other registered organizations (including business trusts), the bill clarifies that the proper name for perfection purposes is the name filed with the state and provided on the organization's charter or other constitutive documents. For individual debtors, the bill requires a filer to use the version of the debtor's name on the debtor's most recently issued and unexpired driver's license, or non-driver's license identification card issued by the Bureau of Motor Vehicles. If the debtor does not have a driver's license, the filer must use either the individual's name or the individual's surname and first personal name. For non-business trusts, the bill requires financing statements to be filed using the name of the trust, or the name of the settler of testator and sufficient information to distinguish the trust from other trusts created by the same person.

HB 2159 also provides for:

- Continued perfection of a security interest for four months after a debtor moves to a new jurisdiction with respect to all collateral covered by a financing statement, rather than only collateral owned at the time of the move;
- Continued perfection of a security interest for four months following a merger;
- Adoption of new and simplified versions of standard forms that may be used to file financing statements adopted by the International Association of Corporate Administrators;
- Authorization of a secured party to file an information statement in the records of the Department of State if the secured party believes that an amendment to its financing statement was not authorized;
- Revisions to law to facilitate electronic transactions.

Effective date: July 1, 2013