

1-1 By: Hall S.B. No. 2037
 1-2 (In the Senate - Filed March 7, 2019; March 21, 2019, read
 1-3 first time and referred to Committee on Agriculture; April 2, 2019,
 1-4 reported adversely, with favorable Committee Substitute by the
 1-5 following vote: Yeas 4, Nays 0; April 2, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11			X	
1-12	X			

1-13 COMMITTEE SUBSTITUTE FOR S.B. No. 2037 By: Hinojosa

1-14 A BILL TO BE ENTITLED
 1-15 AN ACT

1-16 relating to a study regarding the feasibility of implementing a
 1-17 central filing system for the filing of financing statements for
 1-18 security interests in farm products.

1-19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-20 SECTION 1. DEFINITIONS. In this Act:

1-21 (1) "Security interest" has the meaning assigned by
 1-22 Section 1.201, Business & Commerce Code.

1-23 (2) "Buyer" means a person who, in the ordinary course
 1-24 of business, buys farm products from another person who is engaged
 1-25 in farming operations and who is in the business of selling farm
 1-26 products.

1-27 (3) "Commission merchant" means a person engaged in
 1-28 the business of receiving a farm product for the purpose of selling
 1-29 the farm product on commission or on behalf of another person.

1-30 (4) "Farm products" has the meaning assigned by
 1-31 Section 9.102, Business & Commerce Code.

1-32 (5) "Financing statement" has the meaning assigned by
 1-33 Section 9.102, Business & Commerce Code.

1-34 (6) "Selling agent" means a person, other than a
 1-35 commission merchant, who is engaged in the business of negotiating
 1-36 the sale or purchase of a farm product on behalf of a person engaged
 1-37 in farming operations.

1-38 SECTION 2. FEASIBILITY STUDY ON CENTRAL FILING SYSTEM.

1-39 (a) The secretary of state shall conduct a study on the
 1-40 feasibility of developing and implementing a central filing system
 1-41 to be used for the filing of all financing statements that cover
 1-42 farm products being sold and purchased in this state that are
 1-43 subject to a security interest.

1-44 (b) The study conducted under this section must evaluate
 1-45 proposals for a central filing system that allows:

1-46 (1) a secured party to file a financing statement in
 1-47 the system that covers farm products; and

1-48 (2) a buyer, commission merchant, selling agent, or
 1-49 other person to search the system to determine whether the farm
 1-50 product is subject to a security interest based on the information
 1-51 contained in a financing statement that is filed in the system.

1-52 SECTION 3. REPORT. Not later than January 12, 2021, the
 1-53 secretary of state shall report the results of the study and any
 1-54 recommendations to the legislature. The report must include any
 1-55 proposed legislation necessary to implement the recommendations
 1-56 made in the report.

1-57 SECTION 4. EXPIRATION. This Act expires June 1, 2021.

1-58 SECTION 5. EFFECTIVE DATE. This Act takes effect September
 1-59 1, 2019.

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