

PUBLIC CHAPTER NO. 1109

SENATE BILL NO. 372

By Bunch

Substituted for: House Bill No. 2086

By Fincher, Maddox, Sargent, Pinion, Fitzhugh, Curtiss, DuBois, Maggart

AN ACT to amend Tennessee Code Annotated, Title 47, Chapter 9, relative to secured transactions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 47-9-503, as amended by Public Chapter 648, Acts of 2008, is amended by deleting subsection (a)(4) in its entirety and by substituting instead the following:

(a)(4) If the debtor is an individual, if the financing statement provides the individual's name shown on the individual's driver's license or identification license issued by the individual's state of residence; and

SECTION 2. Tennessee Code Annotated, Section 47-9-503, is amended by adding the following new subsection:

(f) For purposes of this part, "identification license issued by the individual's state of residence" as used in subsection (a)(4) means:

(1) For a Tennessee resident, the photo identification license authorized by § 55-50-336; or

(2) For an individual not a resident of Tennessee, an equivalent state-issued identification license issued by the state of the individual's residence in lieu of a driver's license.

SECTION 3. Tennessee Code Annotated, Title 47, Chapter 9, Part 7 is amended by adding the following as an appropriately numbered section:

§ 47-9-7__ .

(a) Section 47-9-503(a)(4) as it existed pursuant to Public Chapter 648, Acts of 2008, applies to initial financing statements and amendments filed on or after May 1, 2008, but before the effective date of this act, that provide the name of an individual as debtor.

(b) If the initial financing statement or amendment provides the name of an individual debtor authorized by Public Chapter 648, Acts of 2008, the following transition rules apply:

(1) The financing statement shall sufficiently provide the name of the debtor if:

(A) The name is the name shown on the individual's driver's license or identification license, as provided in § 47-9-503(a)(4); or

(B) The debtor's name is otherwise sufficient as determined in accordance with any other method permitted by law, excluding § 47-9-503(a)(4) as it existed pursuant to Public Chapter 648, Acts of 2008.

(2) If the financing statement does not sufficiently provide the name of the debtor as set forth in subsection (b)(1) above, then the financing statement shall nevertheless be deemed to sufficiently provide the name of the debtor:

(A) For a period of sixty (60) days from the effective date of this act; and

(B) Thereafter only if an amendment to the financing statement is filed within the sixty (60) day period to provide the name of the debtor as set forth in subsection (b)(1).

(3) A financing statement properly amended by an amendment filed pursuant to subsection (b)(2) shall be deemed to have sufficiently provided the name of the debtor from and after its original filing date.

SECTION 4. The Tennessee Code Commission is requested to add the following legislative intent to the official comments to Tennessee Code Annotated, Section 47-9-503:

The intent of § 47-9-503(a)(4), as amended by this act, is to create a safe harbor to provide that an individual's name, as shown on the individual's driver's license or state-issued identification license, shall always be a sufficient name of the individual debtor for financing statement purposes. However, the use of an individual's name as shown on a driver's license or state-issued identification license is not the exclusive means of establishing that the debtor's name is sufficient for financing statement purposes. An individual debtor's name may also be established by any other method permitted by the laws of this state.

SECTION 5. This act shall take effect upon becoming law, the public welfare requiring it.

PASSED: May 21, 2008



RON RAMSEY
SPEAKER OF THE SENATE



JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 13th day of June 2008



PHIL BREDESEN, GOVERNOR