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**Montana Legislative Services Division**  
**Legal Services Office**

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**TO:** State Administration and Veterans' Affairs Interim Committee

**FROM:** K. Virginia Aldrich

**DATE:** August 8, 2019

**RE:** Legislative Administrative Rule Review Report

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Pursuant to 5-5-228, MCA, the State Administration and Veterans' Affairs Interim Committee is responsible for reviewing administrative rules within its jurisdiction. Staff for the State Administration and Veterans' Affairs Interim Committee has prepared this report for informational purposes only. This report does not represent any action or opinion of the State Administration and Veterans' Affairs Interim Committee and does not preclude additional action that may be taken by the State Administration and Veterans' Affairs Interim Committee pursuant to its authority under the Montana Administrative Procedure Act (Title 2, chapter 4, MCA).

**MAR NOTICE NUMBER:** 44-2-233

**AGENCY/BOARD:** Secretary of State

**RULE CLASSIFICATION:** (e.g. substantive/interpretive/emergency/temporary): Substantive

**SUBJECT:** Filing UCC Documents

**NOTICE DESCRIPTION:** (e.g. proposal notice/adoption notice): Notice of Public Hearing on Proposed Amendment and Repeal

**SUMMARY OF RULE(S):**

The Secretary of State proposes to amend four rules related to the filing of Uniform Commercial Code (UCC) documents. The amendments specify that all UCC liens and financing statement liens under the Federal Food Security Act of 1985 must be filed electronically via the Secretary of State's website. The amendments also delete language concerning format and submission requirements for paper document submissions, update terminology to conform the language to electronic submissions, specify that signatures are electronic signatures, and update language concerning the name of the Secretary of State's online information management system.

The proposed changes delete provisions concerning reprocessing fees for deficient UCC filings. The proposed changes specify that fees will be collected electronically, and the user may save or print copies, but hard copies will not be mailed by the Secretary of State. Because the proposed amendments delete reprocessing fees, the Secretary of State estimates that the proposed fee change will affect 500 applicants and decrease revenue by \$625.

The Secretary of State proposes to repeal one rule that provides format requirements and forms for the filing of paper copy UCC liens.

**NOTES:** A public hearing will be held on August 15, 2019, at 9:00 a.m. in Room 260, State Capitol Building, Helena, Montana. The public comment period ends on August 26, 2019.

**FULL TEXT OF NOTICE:** The full text of the notice proposal and the amended proposal may be found online at [http://www.mtrules.org/gateway/Cycle\\_Home.asp?CID=2935](http://www.mtrules.org/gateway/Cycle_Home.asp?CID=2935).

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