

Committee on Commerce and Tourism

CS/SB 978 — Secured Transactions

by Community Affairs Committee and Senator Bradley

The bill requires that in order to pledge an asset as collateral for the purposes of a security agreement, accounts and other entitlements must be described by specific reference to the individual asset. Describing collateral as “all assets” is no longer legally sufficient.

The assets further protected by the bill include life insurance policies, cash surrender value of life insurance policies and annuity contracts; wages or reemployment assistance or unemployment compensation payments due deceased employees; disability income benefits; certain payments protected by the federal Bankruptcy Reform Act of 1978; pension money and tax exempt retirement accounts; and assets in qualified tuition programs, medical savings accounts, Coverdell education savings accounts, and hurricane savings accounts.

If approved by the Governor, these provisions take effect upon becoming law.

Vote: Senate 39-0; House 112-0