

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass and Be Placed on the Consent Calendar
Vote:	9 - 0 - 0
Yeas:	Barker, Bonamici, Cameron, Flores, Komp, Krieger, Read, Whisnant, Macpherson
Nays:	0
Exc.:	0
Prepared By:	Matt Kalmanson, Counsel
Meeting Dates:	3/13

WHAT THE MEASURE DOES: Inserts definition of “securities account” into definition section of statute that adopts Revised Article 9 (secured transactions) of the Uniform Commercial Code (“UCC”). Defines “securities account” in the same manner as ORS 78.5010, which adopts Article 8 (investment securities) of the UCC.

ISSUES DISCUSSED:

- Inadvertent omission from adoption of Article 9
- Use of term “securities account” in Article 9
- Need for clarification to avoid litigation
- Technical, non-substantive nature of bill

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Article 9 of the UCC governs the law of “security interests” in personal property. A security interest arises when a borrower agrees that a lender may take collateral owned by the borrower if he or she should default on the loan. Oregon adopted its version of Article 9 of the UCC in 2001, as ORS Chapter 79. ORS 79.0102 provides definitions for terms that are used in Chapter 79 and, in many cases, simply incorporates definitions from other sections of the UCC (as adopted in Oregon law). It is unclear why “securities account” is not defined in ORS 79.0102. SB 304 incorporates the definition of “securities account” as defined in ORS 78.5010.