

REVENUE: May have revenue impact, statement not yet issued

FISCAL: May have fiscal impact, statement not yet issued

Action: Do Pass
Vote: 4 - 0 - 1
Yeas: Beyer, Kruse, Prozanski, Burdick
Nays: 0
Exc.: Walker
Prepared By: Matt Kalmanson, Counsel
Meeting Dates: 1/24

WHAT THE MEASURE DOES: Inserts definition of “securities account” into definition section of the 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” throughout Article 9
- Need for clarification to avoid litigation

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.