

**REVENUE: No revenue impact**

**FISCAL: Minimal fiscal impact, no statement issued**

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed
<b>Vote:</b>	5 - 0 - 0
<b>Yeas:</b>	Bonamici, Boquist, Dingfelder, Whitsett, Prozanski
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Steven Cade, Judiciary Intern
<b>Meeting Dates:</b>	3/18

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**WHAT THE MEASURE DOES:** Revises Oregon’s version of the Uniform Commercial Code (UCC). Incorporates “course of performance” provisions into Article 1, formerly applicable only to Article 2. Clarifies definition of “good faith” under the UCC. Repeals statute of frauds for the sale of non-goods personal property valued at more than \$5,000. Includes electronic documents in the definition of “documents of title” found in Article 7. Allows electronic “possession” and transfer of these documents. Makes conforming, cross-referencing, and gender-neutralizing changes to the other articles of the UCC. Corrects the new choice of law provision. Maintains uniformity among the several states. Retains the substance of existing choice of law rules.

**ISSUES DISCUSSED:**

- Legislative history of this bill includes the official comments to the UCC
- Benefits of uniform commercial laws for the business community
- Rejection by the Oregon Law Commission of the broad choice-of-law provision

**EFFECT OF COMMITTEE AMENDMENT:** Corrects the new choice of law provision. Maintains uniformity among the several states. Retains the substance of existing choice of law rules.

**BACKGROUND:** The UCC encourages the free flow of commerce across state lines by establishing clear and uniform standards and rules that govern commercial transactions. These amendments to the UCC are recommended by the National Conference of Commissioners on Uniform State Laws and the American Law Institute, which promulgated the original UCC and continue to recommend updates to reflect changes in business practice and technological advancement. The Oregon Law Commission reviewed the proposed changes and recommended adoption of all of them, with the exception of the broadened choice of law provision. The broadened provision was also rejected by all 35 adopting jurisdictions, except for the U.S. Virgin Islands.

The proposed changes apply to Article 1, which contains the definitions and general principles that apply to all articles of the UCC; and to Article 7, which pertains to documents of title. Senate Bill 558A keeps Oregon law in step with the uniform code. The amendments to Article 1 and Article 7 have so far been adopted by 35 and 31 U.S. jurisdictions, respectively.