

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	7 - 0 - 1
Yeas:	Conger, Doherty, Esquivel, Hoyle, Matthews, Garrett, Kennemer
Nays:	0
Exc.:	Johnson
Prepared By:	Theresa Van Winkle, Administrator
Meeting Dates:	2/1, 2/6, 2/8

WHAT THE MEASURE DOES: Amends provisions of Oregon law to conform to changes in Article 9 of the Uniform Commercial Code. Clarifies the types of farm, timber, construction, and lawn and grounds care vehicles that are not required to have a Department of Motor Vehicles issued title. Establishes an operative date of July 1, 2013. Declares an emergency, effective upon passage.

ISSUES DISCUSSED:

- Background behind revising Article 9 of the Uniform Commercial Code (UCC)
- Choice individual states have in codifying one of two alternatives for the requirements of an individual debtor's name
- Deliberations of the Oregon Law Commission in regards to choosing the alternative that is in the measure
- Consequences of using the alternative in the measure versus the other available alternative

EFFECT OF COMMITTEE AMENDMENT: Clarifies that "special mobile equipment" are not required to have a Department of Motor Vehicles title. Defines "special mobile equipment" as a vehicle that is not designed primarily to transport persons or property, operated on a highway only incidentally, and used primarily on a farm, or for timber production and harvest, construction work or lawn and grounds care. Establishes operative dates.

BACKGROUND: House Bill 4035 A revises Article 9 of the Uniform Commercial Code (UCC), which provides the rules governing any transaction (other than a finance lease) that couples debt with a creditor's personal interest in a debtor's personal property. For instance, if the debtor defaults on their obligation, the creditor may repossess and sell the property (collateral) to satisfy the debt. The Article also covers certain kinds of sales that look like a grant of a security interest (interest of the creditor). The last major revision to Article 9 was in 1998, and is in effect in all 50 states and in Washington, D.C. The Uniform Law Commission and American Law Institute has drafted a uniform code for nationwide use in response to filing issues and other matters that have arisen since the revision was enacted, which is being implemented in Oregon via House Bill 4035 A.

Examples of amendments within House Bill 4035 A include clarification regarding the name of a debtor to be provided on a financing statement, and issues arising on after-acquired property when a debtor (either individual or an organization) moves to a new jurisdiction. For instance, the measure establishes that a debtor that is an individual can use their name as stated on a current drivers' license or identification card issued in Oregon (i.e., "Jones, Janet Ellen"), their individual name (i.e., "Jan Jones"), or their surname and first personal name (i.e., "Janet Jones").

The measure also clarifies the types of farm, forestry, lawn and grounds care, and construction vehicles that are not required to have a Department of Motor Vehicles (DMV) title, which are those that are not designed primarily for transporting persons or property and are only incidentally operated on a highway.

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This summary has not been adopted or officially endorsed by action of the committee.