

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 140
Economic Matters

(Delegate Doory)

Finance

Commercial Law - Uniform Commercial Code - Title 7 Revisions

This bill repeals the current Title 7 to the Maryland Uniform Commercial Code (UCC), which governs various documents of title, and adopts the revised Article 7 to UCC, as adopted by the National Conference of Commissioners of Uniform State Laws (NCCUSL). The bill also makes various conforming changes in other titles of UCC.

Fiscal Summary

State Effect: None. The bill will not directly affect State finances or operations.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: Revised UCC Article 7 provides for control of electronic documents of title and the transfer of interests when electronic documents of title are used. The bill also provides for the application of Title 7 to the federal Electronic Signatures in Global and National Commerce Act (E-SIGN). The bill makes various changes to the rules of construction governing negotiation and transfer of warehouse receipts, bills of lading, and other documents of title for transactions when personal property is transferred. The bill delineates between electronic and tangible documents of title and the conversion between the two types of title documents.

Current Law: Generally, Title 7 of Maryland's UCC governs obligations and rules of construction governing negotiation and transfer of warehouse receipts, bills of lading, and other documents of title for transactions when personal property is transferred.

Background: NCCUSL, along with the American Law Institute, completed work on a revised Article 7 to UCC during 2003. NCCUSL advises that the 2003 revision of Article 7 updates the original to provide a framework for the further development of electronic documents of title, and to update the article for modern times in light of state, federal, and international developments, including the Uniform Electronic Transactions Act and E-SIGN.

Additional Information

Prior Introductions: None.

Cross File: SB 136 (Senator Mooney) – Finance.

Information Source(s): Office of the Attorney General, Department of Budget and Management, Department of Legislative Services

Fiscal Note History: First Reader - February 10, 2004
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