

# HOUSE BILL 1353

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By: **Delegate Boafo**

Introduced and read first time: February 7, 2025

Assigned to: Economic Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law – Uniform Commercial Code – Controllable Electronic Records**

3 FOR the purpose of adding Article 12 of the Uniform Commercial Code to the Maryland  
4 Uniform Commercial Code to establish provisions governing the transfer of property  
5 rights in certain controllable electronic records, controllable accounts, and  
6 controllable payment intangibles; and generally relating to property rights under the  
7 Maryland Uniform Commercial Code.

8 BY repealing and reenacting, with amendments,  
9 Article – Commercial Law  
10 Section 1–101  
11 Annotated Code of Maryland  
12 (2013 Replacement Volume and 2024 Supplement)

13 BY adding to  
14 Article – Commercial Law  
15 Section 10A–101 through 10A–107 to be under the new title “Title 10A. Controllable  
16 Electronic Records”  
17 Annotated Code of Maryland  
18 (2013 Replacement Volume and 2024 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
20 That the Laws of Maryland read as follows:

21 **Article – Commercial Law**

22 1–101.

23 (a) Titles 1 through [10] **10A** of this article may be cited as the Maryland Uniform  
24 Commercial Code.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) This title may be cited as Maryland Uniform Commercial Code – General  
2 Provisions.

3 **TITLE 10A. CONTROLLABLE ELECTRONIC RECORDS.**

4 **10A–101.**

5 **THIS TITLE MAY BE CITED AS THE MARYLAND UNIFORM COMMERCIAL CODE**  
6 **– CONTROLLABLE ELECTRONIC RECORDS.**

7 **10A–102.**

8 **(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS**  
9 **INDICATED.**

10 **(B) (1) “ACCOUNT DEBTOR” MEANS A PERSON OBLIGATED ON AN**  
11 **ACCOUNT, A CHATTEL PAPER, OR A GENERAL INTANGIBLE.**

12 **(2) “ACCOUNT DEBTOR” DOES NOT INCLUDE A PERSON OBLIGATED**  
13 **TO PAY A NEGOTIABLE INSTRUMENT, EVEN IF THE NEGOTIABLE INSTRUMENT**  
14 **EVIDENCES CHATTEL PAPER.**

15 **(C) (1) “CHATTEL PAPER” MEANS:**

16 **(I) A RIGHT TO PAYMENT OF A MONETARY OBLIGATION**  
17 **SECURED BY SPECIFIC GOODS, IF THE RIGHT TO PAYMENT AND SECURITY**  
18 **AGREEMENT ARE EVIDENCED BY A RECORD; OR**

19 **(II) A RIGHT TO PAYMENT OF A MONETARY OBLIGATION OWED**  
20 **BY A LESSEE UNDER A LEASE AGREEMENT WITH RESPECT TO SPECIFIC GOODS AND**  
21 **A MONETARY OBLIGATION OWED BY THE LESSEE IN CONNECTION WITH THE**  
22 **TRANSACTION GIVING RISE TO THE LEASE, IF:**

23 **1. THE RIGHT TO PAYMENT AND THE LEASE AGREEMENT**  
24 **ARE EVIDENCED BY A RECORD; AND**

25 **2. THE PREDOMINANT PURPOSE OF THE TRANSACTION**  
26 **GIVING RISE TO THE LEASE WAS TO GIVE THE LESSEE THE RIGHT TO POSSESSION**  
27 **AND USE OF THE GOODS.**

28 **(2) “CHATTEL PAPER” DOES NOT INCLUDE A RIGHT TO A PAYMENT**  
29 **ARISING OUT OF A CHARTER OR OTHER CONTRACT INVOLVING THE USE OR HIRE OF**

1 A VESSEL OR A RIGHT TO PAYMENT ARISING OUT OF THE USE OF A CREDIT OR  
2 CHARGE CARD OR INFORMATION CONTAINED ON OR FOR USE WITH THE CARD.

3 (D) "CONTROLLABLE ACCOUNT" MEANS AN ACCOUNT EVIDENCED BY A  
4 CONTROLLABLE ELECTRONIC RECORD THAT PROVIDES THAT THE ACCOUNT  
5 DEBTOR UNDERTAKES TO PAY THE PERSON THAT HAS CONTROL OF THE  
6 CONTROLLABLE ELECTRONIC RECORD IN ACCORDANCE WITH § 10A-105 OF THIS  
7 TITLE.

8 (E) (1) "CONTROLLABLE ELECTRONIC RECORD" MEANS A RECORD  
9 STORED IN AN ELECTRONIC MEDIUM THAT CAN BE SUBJECTED TO CONTROL UNDER  
10 § 10A-105 OF THIS TITLE.

11 (2) "CONTROLLABLE ELECTRONIC RECORD" DOES NOT INCLUDE A  
12 CONTROLLABLE ACCOUNT, A CONTROLLABLE PAYMENT INTANGIBLE, A DEPOSIT  
13 ACCOUNT, AN ELECTRONIC COPY OF A RECORD EVIDENCING CHATTEL PAPER, AN  
14 ELECTRONIC DOCUMENT OF TITLE, ELECTRONIC MONEY, INVESTMENT PROPERTY,  
15 OR A TRANSFERABLE RECORD.

16 (F) "CONTROLLABLE PAYMENT INTANGIBLE" MEANS A PAYMENT  
17 INTANGIBLE EVIDENCED BY A CONTROLLABLE ELECTRONIC RECORD THAT  
18 PROVIDES THAT THE ACCOUNT DEBTOR UNDERTAKES TO PAY THE PERSON THAT  
19 HAS CONTROL OF THE CONTROLLABLE ELECTRONIC RECORD IN ACCORDANCE WITH  
20 § 10A-105 OF THIS TITLE.

21 (G) "DEPOSIT ACCOUNT" HAS THE MEANING STATED IN § 9-102 OF THIS  
22 ARTICLE.

23 (H) "ELECTRONIC MONEY" MEANS MONEY IN AN ELECTRONIC FORM.

24 (I) "INVESTMENT PROPERTY" HAS THE MEANING STATED IN § 9-102 OF  
25 THIS ARTICLE.

26 (J) "QUALIFYING PURCHASER" MEANS A PURCHASER OF A CONTROLLABLE  
27 ELECTRONIC RECORD OR AN INTEREST IN A CONTROLLABLE ELECTRONIC RECORD  
28 THAT OBTAINS CONTROL OF THE CONTROLLABLE ELECTRONIC RECORD FOR VALUE,  
29 IN GOOD FAITH, AND WITHOUT NOTICE OF A CLAIM OF PROPERTY RIGHT IN THE  
30 CONTROLLABLE ELECTRONIC RECORD.

31 (K) "TRANSFERABLE RECORDS" HAS THE MEANING STATED IN § 21-115 OF  
32 THIS ARTICLE.

1           (L) "VALUE" HAS THE MEANING STATED IN § 3-303 OF THIS ARTICLE BUT  
2 WITH RESPECT TO A CONTROLLABLE ACCOUNT, CONTROLLABLE ELECTRONIC  
3 RECORD, OR CONTROLLABLE PAYMENT INTANGIBLE, RATHER THAN AN  
4 INSTRUMENT.

5 **10A-103.**

6           (A) IF THERE IS A CONFLICT BETWEEN THIS TITLE AND TITLE 9 OF THIS  
7 ARTICLE, TITLE 9 OF THIS ARTICLE GOVERNS.

8           (B) A TRANSACTION SUBJECT TO THIS TITLE IS ALSO SUBJECT TO ANY  
9 OTHER APPLICABLE STATE LAW.

10 **10A-104.**

11           (A) THIS SECTION APPLIES TO THE ACQUISITION OF RIGHTS IN A  
12 CONTROLLABLE ACCOUNT OR CONTROLLABLE PAYMENT INTANGIBLE, INCLUDING  
13 THE RIGHTS AND BENEFITS PROVIDED UNDER SUBSECTIONS (C) THROUGH (E), (G),  
14 AND (H) OF THIS SECTION OF A PURCHASER AND QUALIFYING PURCHASER, IN THE  
15 SAME MANNER THIS SECTION APPLIES TO A CONTROLLABLE ELECTRONIC RECORD.

16           (B) TO DETERMINE WHETHER A PURCHASER OF A CONTROLLABLE  
17 ACCOUNT OR A CONTROLLABLE PAYMENT INTANGIBLE IS A QUALIFYING  
18 PURCHASER, THE PURCHASER OBTAINS CONTROL OF THE ACCOUNT OR PAYMENT  
19 INTANGIBLE IF THE PURCHASER OBTAINS CONTROL OF THE CONTROLLABLE  
20 ELECTRONIC RECORD THAT EVIDENCES THE ACCOUNT OR PAYMENT INTANGIBLE.

21           (C) EXCEPT AS PROVIDED IN THIS SECTION, A DETERMINATION ABOUT  
22 WHETHER A PERSON ACQUIRES A RIGHT IN A CONTROLLABLE ELECTRONIC RECORD  
23 AND THE TYPE OF RIGHT THE PERSON ACQUIRES CAN BE MADE USING APPLICABLE  
24 STATE OR FEDERAL LAW.

25           (D) (1) A PURCHASER OF A CONTROLLABLE ELECTRONIC RECORD  
26 ACQUIRES ALL RIGHTS IN THE RECORD THAT THE TRANSFEROR HAD THE  
27 AUTHORITY TO TRANSFER.

28           (2) NOTWITHSTANDING PARAGRAPH (1) OF THIS SUBSECTION, A  
29 PURCHASER OF A LIMITED INTEREST IN A CONTROLLABLE ELECTRONIC RECORD  
30 SHALL ACQUIRE RIGHTS ONLY TO THE EXTENT OF THE INTEREST PURCHASED.

31           (E) A QUALIFYING PURCHASER ACQUIRES RIGHTS IN THE CONTROLLABLE  
32 ELECTRONIC RECORD FREE OF A CLAIM OF A PROPERTY RIGHT IN THE  
33 CONTROLLABLE ELECTRONIC RECORD.

1 (F) EXCEPT AS OTHERWISE PROVIDED IN A LAW NOT INCLUDED UNDER  
2 THIS ARTICLE AND SUBSECTIONS (A) AND (E) OF THIS SECTION WITH RESPECT TO A  
3 CONTROLLABLE ACCOUNT AND A CONTROLLABLE PAYMENT INTANGIBLE, A  
4 QUALIFYING PURCHASER TAKES A RIGHT TO PAYMENT, RIGHT TO PERFORMANCE,  
5 OR OTHER INTEREST IN PROPERTY EVIDENCED BY THE CONTROLLABLE  
6 ELECTRONIC RECORD SUBJECT TO A CLAIM OF A PROPERTY RIGHT IN THE RIGHT TO  
7 PAYMENT, RIGHT TO PERFORMANCE, OR OTHER INTEREST IN PROPERTY.

8 (G) AN ACTION MAY NOT BE ASSERTED AGAINST A QUALIFYING PURCHASER  
9 BASED ON BOTH A PURCHASE BY THE QUALIFYING PURCHASER OF A  
10 CONTROLLABLE ELECTRONIC RECORD AND A CLAIM OF PROPERTY RIGHT IN  
11 ANOTHER CONTROLLABLE ELECTRONIC RECORD, WHETHER THE ACTION IS  
12 FRAMED IN CONVERSION, REPLEVIN, CONSTRUCTIVE TRUST, EQUITABLE LIEN, OR  
13 OTHER THEORY.

14 (H) THE FILING OF A FINANCING STATEMENT UNDER TITLE 9 OF THIS  
15 ARTICLE IS NOT NOTICE OF A CLAIM OF A PROPERTY RIGHT IN A CONTROLLABLE  
16 ELECTRONIC RECORD.

17 **10A-105.**

18 (A) A PERSON HAS CONTROL OF A CONTROLLABLE ELECTRONIC RECORD IF  
19 THE CONTROLLABLE ELECTRONIC RECORD, A RECORD ATTACHED TO OR  
20 LOGICALLY ASSOCIATED WITH THE CONTROLLABLE ELECTRONIC RECORD, OR A  
21 SYSTEM IN WHICH THE CONTROLLABLE ELECTRONIC RECORD IS RECORDED:

22 (1) GIVES THE PERSON:

23 (I) THE AUTHORITY TO AVAIL THE PERSON OF SUBSTANTIALLY  
24 ALL THE BENEFIT FROM THE CONTROLLABLE ELECTRONIC RECORD; AND

25 (II) SUBJECT TO SUBSECTION (B) OF THIS SECTION, EXCLUSIVE  
26 POWER TO:

27 1. PREVENT OTHERS FROM AVAILING THEMSELVES OF  
28 SUBSTANTIALLY ALL OF THE BENEFIT FROM THE CONTROLLABLE ELECTRONIC  
29 RECORD; AND

30 2. TRANSFER CONTROL OF THE CONTROLLABLE  
31 ELECTRONIC RECORD TO ANOTHER PERSON OR CAUSE ANOTHER PERSON TO  
32 OBTAIN CONTROL OF ANOTHER CONTROLLABLE ELECTRONIC RECORD AS A RESULT  
33 OF THE TRANSFER OF THE CONTROLLABLE ELECTRONIC RECORD; AND

1           **(2) ENABLES THE PERSON READILY TO IDENTIFY THE PERSON IN ANY**  
2 **WAY, INCLUDING BY NAME, IDENTIFYING NUMBER, CRYPTOGRAPHIC KEY, OFFICE,**  
3 **OR ACCOUNT NUMBER AS HAVING THE POWERS SPECIFIED UNDER PARAGRAPH (1)**  
4 **OF THIS SUBSECTION.**

5           **(B) SUBJECT TO SUBSECTION (C) OF THIS SECTION, POWER IS EXCLUSIVE**  
6 **UNDER SUBSECTION (A)(1)(II) OF THIS SECTION, EVEN IF:**

7           **(1) THE CONTROLLABLE ELECTRONIC RECORD, A RECORD**  
8 **ATTACHED TO OR LOGICALLY ASSOCIATED WITH THE CONTROLLABLE ELECTRONIC**  
9 **RECORD, OR A SYSTEM IN WHICH THE CONTROLLABLE ELECTRONIC RECORD IS**  
10 **RECORDED LIMITS THE USE OF THE CONTROLLABLE ELECTRONIC RECORD OR HAS**  
11 **A PROTOCOL PROGRAMMED TO CAUSE A CHANGE, INCLUDING A TRANSFER OR LOSS**  
12 **OF CONTROL OR A MODIFICATION OF BENEFITS AFFORDED BY THE CONTROLLABLE**  
13 **ELECTRONIC RECORD; OR**

14           **(2) THE POWER IS SHARED WITH ANOTHER PERSON.**

15           **(C) THE POWER OF A PERSON IS NOT SHARED WITH ANOTHER PERSON**  
16 **UNDER SUBSECTION (B)(2) OF THIS SECTION AND THE PERSON'S POWER IS NOT**  
17 **EXCLUSIVE IF:**

18           **(1) THE PERSON CAN EXERCISE THE POWER ONLY IF THE POWER IS**  
19 **ALSO EXERCISED BY THE OTHER PERSON; AND**

20           **(2) THE OTHER PERSON:**

21           **(i) CAN EXERCISE THE POWER WITHOUT EXERCISE OF THE**  
22 **POWER BY THE PERSON; OR**

23           **(ii) IS THE TRANSFEROR TO THE PERSON OF AN INTEREST IN**  
24 **THE CONTROLLABLE ELECTRONIC RECORD OR A CONTROLLABLE ACCOUNT OR**  
25 **CONTROLLABLE PAYMENT INTANGIBLE EVIDENCED BY THE CONTROLLABLE**  
26 **ELECTRONIC RECORD.**

27           **(D) IF A PERSON HAS THE POWER SPECIFIED IN SUBSECTION (A)(1)(II) OF**  
28 **THIS SECTION, THE POWERS ARE PRESUMED TO BE EXCLUSIVE.**

29           **(E) A PERSON HAS CONTROL OF A CONTROLLABLE ELECTRONIC RECORD IF**  
30 **ANOTHER PERSON, OTHER THAN THE TRANSFEROR TO THE PERSON OF AN**  
31 **INTEREST IN THE CONTROLLABLE ELECTRONIC RECORD OR A CONTROLLABLE**

1 ACCOUNT OR CONTROLLABLE PAYMENT INTANGIBLE EVIDENCED BY THE  
2 CONTROLLABLE ELECTRONIC RECORD:

3 (1) HAS CONTROL OF THE CONTROLLABLE ELECTRONIC RECORD  
4 AND ACKNOWLEDGES THAT THE PERSON HAS CONTROL ON BEHALF OF THE PERSON;  
5 OR

6 (2) OBTAINS CONTROL OF THE CONTROLLABLE ELECTRONIC  
7 RECORD AFTER HAVING ACKNOWLEDGED THAT THE PERSON WILL OBTAIN CONTROL  
8 OF THE CONTROLLABLE ELECTRONIC RECORD ON BEHALF OF THE PERSON.

9 (F) A PERSON THAT HAS CONTROL UNDER THIS SECTION IS NOT REQUIRED  
10 TO ACKNOWLEDGE THAT THE PERSON HAS CONTROL ON BEHALF OF ANOTHER  
11 PERSON.

12 (G) IF A PERSON ACKNOWLEDGES THAT THE PERSON HAS, OR WILL OBTAIN,  
13 CONTROL ON BEHALF OF ANOTHER PERSON, UNLESS THE PERSON OTHERWISE  
14 AGREES, OR A LAW OTHER THAN IN THIS TITLE OR TITLE 9 OF THIS ARTICLE  
15 OTHERWISE PROVIDES, THE PERSON DOES NOT OWE A DUTY TO THE OTHER PERSON  
16 AND IS NOT REQUIRED TO CONFIRM THE ACKNOWLEDGMENT TO ANY OTHER  
17 PERSON.

18 10A-106.

19 (A) AN ACCOUNT DEBTOR ON A CONTROLLABLE ACCOUNT OR  
20 CONTROLLABLE PAYMENT INTANGIBLE MAY DISCHARGE THE ACCOUNT DEBTOR'S  
21 OBLIGATION BY PAYING:

22 (1) THE PERSON HAVING CONTROL OF THE CONTROLLABLE  
23 ELECTRONIC RECORD THAT EVIDENCES THE CONTROLLABLE ACCOUNT OR  
24 CONTROLLABLE PAYMENT INTANGIBLE; OR

25 (2) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, A  
26 PERSON THAT FORMERLY HAD CONTROL OF THE CONTROLLABLE ELECTRONIC  
27 RECORD.

28 (B) SUBJECT TO SUBSECTION (D) OF THIS SECTION, THE ACCOUNT DEBTOR  
29 MAY NOT DISCHARGE THE ACCOUNT DEBTOR'S OBLIGATION BY PAYING THE PERSON  
30 THAT FORMERLY HAD CONTROL OF THE CONTROLLABLE ELECTRONIC RECORD IF  
31 THE ACCOUNT DEBTOR RECEIVES A NOTIFICATION THAT:

32 (1) IS SIGNED BY A PERSON THAT FORMERLY HAD CONTROL OR THE  
33 PERSON TO WHOM CONTROL WAS TRANSFERRED;

1           **(2) REASONABLY IDENTIFIES THE CONTROLLABLE ACCOUNT OR**  
2 **CONTROLLABLE PAYMENT INTANGIBLE;**

3           **(3) NOTIFIES THE ACCOUNT DEBTOR THAT CONTROL OF THE**  
4 **CONTROLLABLE ELECTRONIC RECORD THAT EVIDENCES THE CONTROLLABLE**  
5 **ACCOUNT OR CONTROLLABLE PAYMENT INTANGIBLE WAS TRANSFERRED;**

6           **(4) IDENTIFIES THE TRANSFEREE IN ANY REASONABLE WAY,**  
7 **INCLUDING BY NAME, IDENTIFYING NUMBER, CRYPTOGRAPHIC KEY, OFFICE, OR**  
8 **ACCOUNT NUMBER; AND**

9           **(5) PROVIDES A COMMERCIALY REASONABLE METHOD BY WHICH**  
10 **THE ACCOUNT DEBTOR IS TO PAY THE TRANSFEREE.**

11           **(C) AFTER RECEIPT OF A NOTIFICATION THAT COMPLIES WITH SUBSECTION**  
12 **(B) OF THIS SECTION, THE ACCOUNT DEBTOR:**

13           **(1) MAY DISCHARGE THE ACCOUNT DEBTOR'S OBLIGATION BY**  
14 **PAYING ACCORDING TO INSTRUCTIONS IN THE NOTIFICATION; AND**

15           **(2) MAY NOT DISCHARGE THE OBLIGATION BY PAYING A PERSON**  
16 **THAT FORMERLY HAD CONTROL.**

17           **(D) SUBJECT TO SUBSECTION (H) OF THE SECTION, NOTIFICATION IS**  
18 **INEFFECTIVE UNDER SUBSECTION (B) OF THIS SECTION:**

19           **(1) UNLESS, BEFORE NOTIFICATION IS SENT, THE ACCOUNT DEBTOR**  
20 **AND THE PERSON THAT AT THAT TIME HAD CONTROL OF THE CONTROLLABLE**  
21 **ELECTRONIC RECORD THAT EVIDENCES THE CONTROLLABLE ACCOUNT OR**  
22 **CONTROLLABLE PAYMENT INTANGIBLE AGREE IN A SIGNED RECORD TO A**  
23 **COMMERCIALY REASONABLE METHOD BY WHICH A PERSON MAY FURNISH**  
24 **REASONABLE PROOF THAT CONTROL HAS BEEN TRANSFERRED;**

25           **(2) TO THE EXTENT AN AGREEMENT BETWEEN THE ACCOUNT DEBTOR**  
26 **AND SELLER OF A PAYMENT INTANGIBLE LIMITS THE ACCOUNT DEBTOR'S DUTY TO**  
27 **PAY A PERSON OTHER THAN THE SELLER AND THE LIMITATION IS EFFECTIVE UNDER**  
28 **LAW OTHER THAN UNDER THIS TITLE; OR**

29           **(3) AT THE OPTION OF THE ACCOUNT DEBTOR, IF THE NOTIFICATION**  
30 **NOTIFIES THE ACCOUNT DEBTOR TO:**

31           **(I) DIVIDE A PAYMENT;**



1                   (II) MAKE LESS THAN THE FULL AMOUNT OF AN INSTALLMENT  
2 OR OTHER PERIODIC PAYMENT; OR

3                   (III) PAY ANY PART OF A PAYMENT BY MORE THAN ONE METHOD  
4 OR TO MORE THAN ONE PERSON.

5           (E) (1) SUBJECT TO SUBSECTION (H) OF THIS SECTION, IF REQUESTED BY  
6 THE ACCOUNT DEBTOR, THE PERSON GIVING THE NOTIFICATION UNDER  
7 SUBSECTION (B) OF THIS SECTION SHALL FURNISH REASONABLE PROOF, USING THE  
8 METHOD IN THE AGREEMENT REFERRED TO UNDER SUBSECTION (D)(1) OF THIS  
9 SECTION, THAT CONTROL OF THE CONTROLLABLE ELECTRONIC RECORD HAS BEEN  
10 TRANSFERRED.

11           (2) UNLESS THE PERSON COMPLIES WITH THE REQUEST, THE  
12 ACCOUNT DEBTOR MAY DISCHARGE THE ACCOUNT DEBTOR'S OBLIGATION BY  
13 PAYING A PERSON THAT FORMERLY HAD CONTROL EVEN IF THE ACCOUNT DEBTOR  
14 HAD RECEIVED A NOTIFICATION UNDER SUBSECTION (B) OF THIS SECTION.

15           (F) A PERSON FURNISHES PROOF UNDER SUBSECTION (E) OF THIS SECTION  
16 THAT CONTROL HAS BEEN TRANSFERRED IF THE PERSON DEMONSTRATES, USING  
17 THE METHOD IN THE AGREEMENT REFERRED TO UNDER SUBSECTION (D)(1) OF THIS  
18 SECTION, THAT THE TRANSFEREE HAS THE POWER TO:

19           (1) AVAIL THE TRANSFEREE OF SUBSTANTIALLY ALL THE BENEFITS  
20 FROM THE CONTROLLABLE ELECTRONIC RECORD;

21           (2) PREVENT OTHERS FROM AVAILING THEMSELVES OF  
22 SUBSTANTIALLY ALL THE BENEFITS FROM THE CONTROLLABLE ELECTRONIC  
23 RECORD; AND

24           (3) TRANSFER THE POWER SPECIFIED UNDER ITEMS (1) AND (2) OF  
25 THIS SUBSECTION TO ANOTHER PERSON.

26           (G) SUBJECT TO SUBSECTION (H) OF THIS SECTION, AN ACCOUNT DEBTOR  
27 MAY NOT WAIVE OR MODIFY THE ACCOUNT DEBTOR'S RIGHTS:

28           (1) UNDER SUBSECTION (D)(1) OR (E) OF THIS SECTION; OR

29           (2) IF ELECTED BY THE ACCOUNT DEBTOR, UNDER SUBSECTION (D)  
30 OF THIS SECTION.

1           **(H) THIS SECTION IS SUBJECT TO ANY OTHER LAW THAT ESTABLISHES A**  
2 **DIFFERENT RULE FOR AN ACCOUNT DEBTOR WHO IS AN INDIVIDUAL AND WHO**  
3 **INCURRED THE OBLIGATION PRIMARILY FOR PERSONAL, FAMILY, OR HOUSEHOLD**  
4 **PURPOSES.**

5 **10A-107.**

6           **(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, THE LOCAL**  
7 **LAW OF THE CONTROLLABLE ELECTRONIC RECORD'S JURISDICTION GOVERNS A**  
8 **MATTER COVERED BY THIS TITLE.**

9           **(B) FOR A CONTROLLABLE ELECTRONIC RECORD THAT EVIDENCES A**  
10 **CONTROLLABLE ACCOUNT OR CONTROLLABLE PAYMENT INTANGIBLE, THE LOCAL**  
11 **LAW OF THE CONTROLLABLE ELECTRONIC RECORD'S JURISDICTION GOVERNS A**  
12 **MATTER COVERED BY § 10A-106 OF THIS TITLE UNLESS AN EFFECTIVE AGREEMENT**  
13 **DETERMINES THAT THE LOCAL LAW OF ANOTHER JURISDICTION GOVERNS.**

14           **(C) THE FOLLOWING RULES DETERMINE A CONTROLLABLE ELECTRONIC**  
15 **RECORD'S JURISDICTION UNDER THIS SECTION:**

16           **(1) IF THE CONTROLLABLE ELECTRONIC RECORD, OR A RECORD**  
17 **ATTACHED TO OR LOGICALLY ASSOCIATED WITH THE CONTROLLABLE ELECTRONIC**  
18 **RECORD THAT IS READILY AVAILABLE FOR REVIEW, EXPRESSLY PROVIDES THAT A**  
19 **PARTICULAR JURISDICTION IS THE CONTROLLABLE ELECTRONIC RECORD'S**  
20 **JURISDICTION, THEN FOR PURPOSES OF THIS TITLE, THAT JURISDICTION IS THE**  
21 **CONTROLLABLE ELECTRONIC RECORD'S JURISDICTION;**

22           **(2) IF ITEM (1) OF THIS SUBSECTION DOES NOT APPLY AND THE**  
23 **RULES OF THE SYSTEM IN WHICH THE CONTROLLABLE ELECTRONIC RECORD IS**  
24 **RECORDED ARE READILY AVAILABLE FOR REVIEW AND EXPRESSLY PROVIDE THAT**  
25 **A PARTICULAR JURISDICTION IS THE CONTROLLABLE ELECTRONIC RECORD'S**  
26 **JURISDICTION, THEN FOR PURPOSES OF THIS TITLE, THAT JURISDICTION IS THE**  
27 **CONTROLLABLE ELECTRONIC RECORD'S JURISDICTION;**

28           **(3) IF ITEMS (1) AND (2) OF THIS SUBSECTION DO NOT APPLY AND THE**  
29 **CONTROLLABLE ELECTRONIC RECORD, OR A RECORD ATTACHED TO OR LOGICALLY**  
30 **ASSOCIATED WITH THE CONTROLLABLE ELECTRONIC RECORD THAT IS READILY**  
31 **AVAILABLE FOR REVIEW, EXPRESSLY PROVIDES THAT THE CONTROLLABLE**  
32 **ELECTRONIC RECORD IS GOVERNED BY THE LAW OF A PARTICULAR JURISDICTION,**  
33 **THEN THAT JURISDICTION IS THE CONTROLLABLE ELECTRONIC RECORD'S**  
34 **JURISDICTION; AND**

1           **(4) IF ITEMS (1) THROUGH (3) OF THIS SUBSECTION DO NOT APPLY**  
2 **AND THE RULES OF THE SYSTEM IN WHICH THE CONTROLLABLE ELECTRONIC**  
3 **RECORD IS RECORDED ARE READILY AVAILABLE FOR REVIEW AND EXPRESSLY**  
4 **PROVIDE THAT THE CONTROLLABLE ELECTRONIC RECORD OR SYSTEM IS**  
5 **GOVERNED BY THE LAW OF A PARTICULAR JURISDICTION, THEN THAT**  
6 **JURISDICTION IS THE CONTROLLABLE ELECTRONIC RECORD'S JURISDICTION.**

7           **(D) TO THE EXTENT SUBSECTIONS (A) AND (B) OF THIS SECTION PROVIDE**  
8 **THAT THE LOCAL LAW OF THE CONTROLLABLE ELECTRONIC RECORD'S**  
9 **JURISDICTION GOVERNS A MATTER COVERED BY THIS TITLE, THAT LAW GOVERNS**  
10 **EVEN IF THE MATTER OR A TRANSACTION TO WHICH THE MATTER RELATES DOES**  
11 **NOT BEAR ANY RELATION TO THE CONTROLLABLE ELECTRONIC RECORD'S**  
12 **JURISDICTION.**

13           **(E) THE RIGHTS ACQUIRED UNDER § 10A-104 OF THIS TITLE BY A**  
14 **PURCHASER OR QUALIFYING PURCHASER ARE GOVERNED BY THE LAW APPLICABLE**  
15 **UNDER THIS SECTION AT THE TIME OF PURCHASE.**

16           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
17 October 1, 2025.