



# ALASKA STATE LEGISLATURE

## HOUSE LABOR & COMMERCE COMMITTEE

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### HB 102 - UNIFORM COMMERCIAL CODE

#### SECTIONAL ANALYSIS

(Sections Making Substantive, Non-technical Changes)

**Section 1** provides for the Uniform Electronic Transactions Act (UETA) to apply to sections of the Uniform Commercial Code (UCC) concerning warehouse receipts, bills of lading and documents of title previously excluded from application of UETA.

**Section 3** adds a short title, describes the scope, and adds rules of construction and severability provision for the UCC, and addresses modification of federal electronic signatures laws.

**Section 4** adds several new sections to AS 45.01 to promote uniformity in UCC-covered transactions by revising or modifying general rules. These include: general definitions; standards for determining when someone has notice or knowledge; provisions on distinguishing between leases and security interests, what constitutes value given for rights, and determining whether actions are timely performed and what facts must be presumed; choice of laws; good faith; course of performance and dealings, and usage of trade; and various rights and remedies.

**Sections 10 & 12** amend payment requirement as it relates to delivery of goods and passage of title to goods to facilitate use of electronic documents of title.

**Section 25** adds several new sections to AS 45.07 to modernize the UCC Documents of Title statutes, especially to reflect the use of electronic documents of title by the shipping and warehousing industries. These include: general definitions; negotiation of documents of title; use of alternative media (electronic versus tangible documents); and control of electronic documents of title.

**Section 34** updates the language of warehouse lien provisions to include liens arising from storage agreements and clarifies (in this provision rather than by cross reference to another statute) the protection afforded the rights of a person with a perfected security interest in the goods who did not entrust the goods/document of title.

**Section 48** amends the lien provisions applicable to the carrier of goods to ensure that a carrier's lien extends to the proceeds of the goods, not just the goods themselves.

**Section 55** modernizes the language of and clarifies the ability to limit a carrier's liability by specifically referring to bills of lading and transportation agreements at the source documents for limitation of liability provisions.

**Section 62** modernizes the standards for negotiation of documents of title to address use of negotiable electronic documents.

**Section 65** amends provisions on the rights arising from transfer of documents of title to address the rights of lessors and lessees.

**Section 71** revises remedial provisions for dealing with lost or missing documents of title by changing the standards for require the posting of security before the courts order delivery of goods or of a substitute document, and eliminates archaic classification and tariff-related conditions from the standard for whether delivery of goods in good faith constitutes conversion.

**Section 94** amends duties of secured parties who must respond to debtors' demands to include duties for a party with control over an electronic document of title to respond to such demands.

**Sections 108 & 112** describe two indirect amendments of the rules of evidence and provide for those changes to take effect only if the necessary two-thirds majority vote is achieved.