



Alaska State Legislature

Senator Matt Claman

Session: State Capitol, Juneau, AK 99801 Phone: 465-4919

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Senate Bill 252

Sponsor Statement — Version N

"An Act relating to the Uniform Commercial Code; relating to secured transactions; relating to controllable accounts, controllable electronic records, and controllable payment intangibles; relating to sales; relating to negotiable instruments; relating to letters of credit; relating to warehouse receipts, bills of lading, and other documents of title; relating to investment securities; relating to leases of goods; and relating to fund transfers."

The Uniform Commercial Code (UCC) is a set of rules that govern commercial transactions. For over sixty years the UCC has facilitated commerce throughout the United States because it has been adopted in nearly identical form by every U.S. jurisdiction. As a result, it does not matter if the parties to a transaction are in different states – the law governing the transaction is substantially the same.

Alaska uses the Uniform Commercial Code already. The last time Alaska updated our UCC statutes was in 2009. In 2018 and 2022, the Uniform Law Commission and the American Law Institute approved amendments to the UCC that deal with secured transactions and emerging technologies. Senate Bill 252 adopts these amendments for Alaska.

The 2022 amendments to the UCC are necessary to provide uniform rules to govern digital assets, including electronic signatures, negotiability and security interests in electronic currency, and a new chapter relating to “controllable electronic records” (including cryptocurrency, non-fungible tokens, and similar digital assets). The 2022 Amendments also align the UCC terms with electronic records and signatures and provide guidance on hybrid transactions under sales and leases of goods. As technologies continue to advance, these amendments define assets created using today’s blockchain technology and include assets that may function similarly using future technologies. 33 other states have already adopted these amendments.

The 2018 amendments to the UCC update secured transaction law. Secured transactions involve loans made with the pledge of collateral property in the case of default. When interest in a partnership is pledged as collateral and default occurs, business partners face the risk of being forced into business with a stranger. The 2018 amendments divide ownership interests into an economic interest and a governance interest and ensure that only an economic interest is not transferable. 16 other states have adopted the 2018 amendments.

Senate Bill 252 will align Alaska with other states and bring predictability and uniformity to commercial transactions.