New Jersey Changes UCC Filing Requirements
By Paul Hodnefield
Associate General Counsel, Corporation Service Company

On May 11, 2015, Governor Christie signed New Jersey Assembly Bill 2481 amending UCC Article 9 to prevent the filing of fraudulent UCC records and provide remedies for the victims of fraudulent filing activity. The new law took effect immediately and applies to UCC documents filed on or after May 11, 2015.

At the same time, the New Jersey central UCC filing office, the Department of Revenue and Enterprise Services (“DORES”), adopted new administrative rules to implement the fraudulent filing statute. The administrative rules also made changes to the UCC filing process. Combined, the statutory changes and new administrative rules have a significant impact on all UCC records filed in New Jersey, not just those filed with a fraudulent intent.

AB 2481 amended the requirements for sufficiency of a financing statement. Specifically, a financing statement is sufficient only if it provides the name of the secured party or representative; this amended rule is intended to prevent a party from filing a record anonymously. Those who file UCC records in New Jersey will need to make sure the financing statement properly identifies the actual secured party or representative.

The new law also provides that a financing statement is sufficient only if it indicates the collateral and that the collateral is within the scope of the state’s version of Article 9. To ensure compliance with this requirement all UCC records filed after May 11 may consider including a separate statement that the collateral falls within the scope of Article 9 as enacted in New Jersey.
The new DORES administrative rules mandate that all UCC records must be filed electronically through the DORES website. Beginning on July 1, 2015, DORES will no longer accept written forms.

There are other provisions in AB 2481 that may also be of interest to those who file UCC records in New Jersey. More details on the impact of AB 2481 and the new rules can be found at CSC Transaction Watch. If you have questions or need additional information, please contact Paul Hodnefield at paul.hodnefield@cscglobal.com.

**Update on UCC Article 4A-108 Remittance Transfer Amendment**

The 2012 Amendments to UCC Article 4A-108 have been enacted in 44 states and the District of Columbia. North Dakota and Vermont were the most recent states to adopt the amendments. The very narrow amendment to UCC Article 4A, Section 108, provides that UCC Article 4A applies to a remittance transfer that is not an electronic funds transfer under the Electronic Fund Transfer Act (EFTA) and restates the rule of the Supremacy Clause that the federal statute will control in the case of any conflict between UCC Article 4A and the EFTA.

Delaware, Florida, Kansas, Oklahoma, Utah and Wyoming have yet to adopt the suggested uniform amendment. For more information, please see ABA's Chart on the 2012 Amendments to UCC Article 4A-108.

**Oklahoma Adopts Amendments to UCC Article 9; Oregon Switches to Alternative A**

On June 4, 2015, Governor Fallin signed Oklahoma House Bill 1773 enacting the 2010 amendments to UCC Article 9. Oklahoma HB 1773 largely adopted the uniform text of the 2010 amendments, including the Alternative A “Only If” option for sufficiency of an individual debtor name on a financing statement. The law takes effect on November 1, 2015.

As of July 1, 2015, the 2010 amendments to UCC Article 9 have been enacted in 50 states and the District of Columbia. UCC Article 9 governs secured transactions in personal property, and the amendments improve secured parties’ filing and searching protocol and otherwise clarify issues that were problematic prior to the 2010 amendments.

Oregon Bankers Association recently achieved a huge success with the enactment of Senate Bill 462 on June 22, 2015. SB 462 amended Oregon’s UCC Article 9 to switch its individual debtor name sufficiency rules from an Alternative B debtor name standard to Alternative A. Oregon enacted the 2010 amendments with the Alternative B approach in 2012. Oregon’s amended law takes effect on January 1, 2016.

The Alternative A approach establishes an order of priority in identifying a debtor’s name that requires use of the name as it appears on a debtor’s unexpired driver’s license. ABA has supported adoption of the Alternative A approach. An overwhelming majority of states follow the Alternative A priority approach to identify a debtor’s name on a security filing; however, six states will continue to follow a minority Alternative B approach. The 6 states following the Alternative B, or “safe harbor” approach, include Alaska, Colorado, Connecticut, Delaware, New Hampshire and Wyoming.

For more information, please see ABA’s Chart on the 2010 Amendments to UCC Article 9.

**Nevada Enacts B2B Exemption for Unclaimed Property**

Nevada most recently joined at least sixteen other states with a business-to-business (B2B) exemption in its state’s unclaimed property laws. Nevada Governor Sandoval signed Senate Bill 348 on June 9, 2015. The law takes effect today, July 1, 2015.

State B2B exemptions vary, and the scope of Nevada’s exemption is narrow. Like typical B2B exemptions, SB 348 clarifies that designated items outstanding between business entities as part of a commercial transaction in the ordinary course of business is not to be presumed abandoned if the holder
and the business have an ongoing business relationship. Items include credit memoranda, overpayments, credit balances, deposits, unidentified remittances, nonrefunded overcharges, discounts, refunds and rebates, but does not apply to uncashed checks.

The law defers the reporting obligation while there is an ongoing business relationship. SB 348 defines an ongoing business relationship as having “at least one commercial, business or professional transaction involving the sale, lease, license or purchase of goods or services with the business association or a predecessor-in-interest of the business association within each 3-year period that follows the date of the transaction giving rise” to the B2B obligation. Therefore, once the business relationship ceases, the holder would have to review when the B2B obligation is reportable.

Businesses must carefully review individual state laws if the owner’s state and holder’s state differ. That is, if the owner’s state has an applicable B2B exemption but the holder’s domicile state does not, then the property likely needs to be reported and remitted to that holder’s domicile state. For example, if the owner located in Nevada and the holder’s state of domicile is Delaware, which does not recognize a B2B exemption, outstanding items would likely have to be reported and remitted to Delaware.

The Uniform Law Commission Drafting Committee on Revisions to the Uniform Unclaimed Property Act is considering whether the amended act should or should not include a B2B exemption. The ABA and other industry representatives for holders of unclaimed property have advocated that business-to-business transactions should be exempt from unclaimed property reporting requirements, as businesses are in the best position to determine whether another business holds their property.

NOTABLE ULC ACTIVITY

CSG Committee Considers Uniform Acts Among Suggested State Legislation
The Council of State Governments’ Suggested State Legislation (SSL) Committee met in June in Washington, DC, to review and consider 74 state bills for inclusion in the 2016 Suggested State Legislation volume.

The committee voted to include Kentucky Senate Bill 204 enacting the 2014 amendments to the Uniform Voidable Transactions Act (UVTA), formerly known as the Uniform Fraudulent Transfers Act. Governor Beshear approved SB 204 in March of this year, and the law takes effect on January 1, 2016. UVTA has been enacted in seven states (Georgia, Idaho, Kentucky, Minnesota, New Mexico, North Carolina and North Dakota), and UVTA legislation is pending in California and Massachusetts.

The committee also requested that notes be prepared for inclusion in the volume on two topics, including the Uniform Act on Prevention and Remedies for Human Trafficking (UAPR). UAPR provides comprehensive criminal penalties, protections for victims and prevention methods. UAPR has been enacted in 6 states, including Delaware, Louisiana, Montana, New Hampshire, North Dakota, Pennsylvania and South Carolina. North Dakota Bankers Association was successfully involved in advocating for amendments to clarify definitions in the state’s adopted version.

The committee approved 15 bills for inclusion, deferred action on 8 bills and rejected 49 bills. In addition to inclusion of UVTA, the committee also included Virginia legislation (HB 2306) creating Achieving Better Life Experience (ABLE) Act accounts as suggested legislation; ABLE Act accounts were authorized by federal legislation in December 2014. The Committee deferred action on Connecticut’s Do Not Text Registry (SB 209), Colorado bills (HB 1317, HB 1318 and HB 1398) regulating marijuana and a Virginia bill (SB 1025) regulating Transportation Network Companies. Finally, the Committee rejected Illinois SB 2758 creating a Secure Choice Savings Program, Oklahoma SB 862 on gold and silver as legal tender and Rhode Island SB 357 and Delaware HB 167, which were bills related to criminal history self-reporting on job applications.
Guide to Uniform and Model Acts Available
The Uniform Law Commission released the 2014-2015 Guide to Uniform and Model Acts. The publication is a comprehensive guide to uniform and model acts promulgated by the Uniform Law Commission and currently recommended for enactment. This resource provides a subject-matter index identifying uniform and model laws dealing with a particular area of the law, and an enactment chart shows where each act has been adopted.

ULC Considers Numerous Acts for Final Approval this Month
The Uniform Law Commission Annual Meeting will be held July 10-16, 2015, in Williamsburg, Virginia. Relevant acts expected to be presented for final approval include the Home Foreclosure Procedures Act, Commercial Real Estate Receivers Act, Revised Uniform Residential Landlord and Tenant Act and the Trust Decanting Act. Other acts scheduled for consideration this summer include the Revisions to the Uniform Unclaimed Property Act, Social Media Privacy Act, Series of Unincorporated Business Entities Act and Wage Garnishment Act. The current business agenda is available on the ULC website.

ABA State Legislation Team Announcements
ABA is pleased to welcome Andrew (Andy) Guggenheim to the ABA and the State Legislation group within the Office of the General Counsel. Andy joins the ABA with a wealth of prior experience and a solid background in legislation. He may be known already from his work with the U.S. House of Representatives Committee on Small Business, U.S. Election Assistance Commission and U.S. Small Business administration. Andy can be reached at (202) 663-5507 or aguggenh@aba.com.

The State Legislation group will be losing Meg Michiels as she moves on to join the Citigroup State and Local Government Relations team to continue her work on the state side of banking legislation. Meg’s contributions to members, state bankers associations and the ABA have been marked by high energy, diligence and enthusiasm, and she will bring those same qualities to her new role as she goes on to further successes in banking.

Working Group on State Issues Legislative Report
For the recent report on bills reported in this issue, please see the Working Group on State Issues Agenda for June 26, 2015. The ABA Office of the General Counsel offers participation in WGSI to all ABA members who are active in state legislation and to personnel from state bankers associations to monitor and discuss current state banking legislation.

The next conference call for the ABA Working Group on State Issues (WGSI) is scheduled for Friday, July 17, 2015 at 11AM EST. The call-in number is 1-800-579-2540; the ID code is WGSI. Calls will be held once per month through December. An agenda for each call is distributed by email and posted on the ABA website. If you have questions on any topics or issues discussed by the working group, please contact Andy Guggenheim at 202-663-5507 to discuss uniform law issues and Mathew Street at 202-663-5031 to discuss other state issues.

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CALENDAR OF UPCOMING EVENTS

ULC Annual Meeting
July 10-16, 2015
Williamsburg, VA

ABA Working Group on State Issues
Remaining 2015 Schedule: 7/19, 8/28, 9/18, 10/16, 11/13 and 12/18 at 11:00AM Eastern
Call-in Number 1-800-579-2540; ID code - WGSI

ABA State Issues Summit
October 22-23, 2015
Intercontinental Hotel, Chicago, IL

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American Bankers Association, 1120 Conn. Ave NW, Wash. DC 20036

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