

FINAL BILL REPORT

SHB 1014

C 229 L 93
Synopsis as Enacted

Brief Description: Updating Uniform Commercial Code Articles 1, 3, and 4.

By House Committee on Financial Institutions & Insurance
(originally sponsored by Representatives Appelwick and Riley).

House Committee on Financial Institutions & Insurance
Senate Committee on Labor & Commerce

Background: Articles 3 and 4 of the State Uniform Commercial Code (UCC), which govern commercial paper and bank deposits and collections, have not been substantially amended since 1965. Since that time much has changed in commerce and banking, both with respect to law and to technology.

After nearly a decade of work, the National Conference of Commissioners on Uniform State Laws has completed revisions to UCC articles 3 and 4 and has recommended that the states adopt these revisions.

Summary: Uniform Commercial Code articles 3 and 4 are substantially revised in accordance with recommendations of the National Conference of Commissioners on Uniform State Laws. Most of the provisions of Article 3 are amended governing negotiable instruments, e.g., checks, including: transfer and negotiation of instruments; liability of parties to the instrument; presentment, notice of dishonor and protest of instruments; discharge of parties; and other rights, remedies, and procedures relating to negotiable instruments. Most of the provisions of Article 4 are amended governing the rights and obligations of banks in their relationship with other banks in the check deposit and collection system and the rights and obligations of banks in their relationship with their customers.

Votes on Final Passage:

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|--------|----|---|-------------------|
| House | 97 | 0 | |
| Senate | 42 | 0 | (Senate amended) |
| House | 97 | 0 | (House concurred) |

Effective: July 1, 1994