Rep. Ammon, Hills. 42
March 14, 2023
2023-0993h
08/05

Amendment to HB 584

Amend the bill by deleting section 3 and renumbering the original sections 4-93 to read as 3-92, respectively.

HB 584 - AS INTRODUCED

2023 SESSION

23-0481
08/10

HOUSE BILL ***584***

AN ACT relative to the Uniform Commercial Code's article on controllable electronic records.

SPONSORS: Rep. Ammon, Hills. 42; Rep. Potucek, Rock. 13; Rep. Edwards, Rock. 31; Rep. Osborne, Rock. 2; Rep. Bernardy, Rock. 36; Rep. Hunt, Ches. 14; Sen. Watters, Dist 4

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill makes changes to the Uniform Commercial Code relative to controllable electronic records.

- -

Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

23-0481
08/10

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Three

AN ACT relative to the Uniform Commercial Code's article on controllable electronic records.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 Definitions; Conspicuous. Amend RSA 382-A:1-201(b)(10) to read as follows:

(10) "Conspicuous" with reference to a term, means so written, displayed, or presented that***, based on the totality of the circumstances,*** a reasonable person against which it is to operate ought to have noticed it. Whether a term is "conspicuous" or not is a decision for the court.

2 Definitions; Delivery. Amend RSA 382-A:1-201(b)(15) to read as follows:

(15) "Delivery" with respect to an electronic document of title means voluntary transfer of control and with respect to an instrument, a tangible document of title, or ***an authoritative tangible copy of a record evidencing*** chattel paper, means voluntary transfer of possession.

3 Definitions; Money. Amend RSA 382-A:1-201(b)(24) to read as follows:

(24) "Money" means a medium of exchange that is currently authorized or adopted by a domestic or foreign government. ***The term includes a monetary unit of account established by an intergovernmental organization, or pursuant to an agreement between 2 or more countries.*** The term does not include an electronic record that is a medium of exchange recorded and transferable in a system that existed and operated for the medium of exchange before the medium of exchange was authorized or adopted by a government, or organization or pursuant to such an agreement.

4 Definitions; Send. Amend RSA 382-A:1-201(b)(36) to read as follows:

(36) "Send" in connection with a [~~writing,~~] record, or [~~notice~~] ***notification,*** means:

(A) to deposit in the mail***,*** [~~or~~] deliver for transmission***, or transmit*** by any other usual means of communication with postage or cost of transmission provided for [~~and properly addressed and, in the case of an instrument, to an address specified thereon or otherwise agreed, or if there be none~~] ***addressed*** to any address reasonable under the circumstances; or

(B) [~~in any other way to cause to be received any record or notice within the time it would have arrived if properly sent~~] ***to cause the record or notification to be received within the time that it would have been received if properly sent under subparagraph (A)***.

5 Definitions; Signed. Amend RSA 382-A:1-201(b)(37) to read as follows:

(37) [~~"Signed" includes using any symbol executed or adopted with present intention to adopt or accept a writing and, with respect to a record that is not a writing, includes the~~

~~attachment to or logical association with the record of an electronic symbol, sound, or process with the present intent to adopt or accept the record. "Sign" and "Signature" have corresponding meanings.~~] ***"Sign" means with present intent to authenticate or adopt a record:***

(A) execute or adopt a tangible symbol; or

(B) attach or logically associate with the record an electronic symbol, sound, or process. "Signed," "signing," and "signature" have corresponding meanings.

6 Uniform Commercial Code; Sales; Scope. RSA 382-A:2-102 is repealed and reenacted to read as follows:

382-A:2-102 Scope; Certain Security and Other Transactions Excluded from this Article.

(1) Unless the context otherwise requires, and except as provided in subsection (3), this Article applies to transactions in goods and, in the case of a hybrid transaction, it applies to the extent provided in subsection (2).

(2) In a hybrid transaction:

(a) If the sale-of-goods aspects do not predominate, only the provisions of this Article which relate primarily to the sale-of-goods aspects of the transaction apply, and the provisions that relate primarily to the transaction as a whole do not apply.

(b) If the sale-of-goods aspects predominate, this Article applies to the transaction but does not preclude application in appropriate circumstances of other law to aspects of the transaction which do not relate to the sale of goods.

(3) This Article does not:

(a) apply to a transaction that, even though in the form of an unconditional contract to sell or present sale, operates only to create a security interest; or

(b) impair or repeal a statute regulating sales to consumers, farmers, or other specified classes of buyers.

7 Definitions; Hybrid Transaction. Amend the section heading of RSA 382-A:2-106 to read as follows:

382-A:2-106 Definitions: "Contract"; "Agreement"; "Contract for Sale"; "Sale"; "Present Sale"; "Conforming" to Contract; "Termination"; "Cancellation"***; "Hybrid Transaction"***.

8 Definitions; Hybrid Transaction. RSA 382-A:2-106(5) is repealed and reenacted to read as follows:

(5) "Hybrid transaction" means a single transaction involving a sale of goods and:

(a) the provision of services;

(b) a lease of other goods; or

(c) a sale, lease, or license of property other than goods.

9 Sales; Statute of Frauds. Amend RSA 382-A:2-201(1) to read as follows:

(1) Except as otherwise provided in this section a contract for the sale of goods for the price of $500 or more is not enforceable by way of action or defense unless there is some record

sufficient to indicate that a contract for sale has been made between the parties and signed by the party against whom enforcement is sought or by [~~his~~] ***the party's*** authorized agent or broker. A record is not insufficient because it omits or incorrectly states a term agreed upon but the contract is not enforceable under this paragraph beyond the quantity of goods shown in such record.

10 Sales; Final Expression. Amend the section heading of RSA 382-A:2-202 to read as follows:

382-A:2-202 Final [~~Written~~] Expression; Parol or Extrinsic Evidence.

11 Modification; Rescission and Waiver. Amend RSA 382-A:2-209(2) to read as follows:

(2) A signed agreement which excludes modification or rescission except by a signed ***writing or other signed*** record cannot be otherwise modified or rescinded, but except as between merchants such a requirement on a form supplied by the merchant must be separately signed by the other party.

12 Leases; Scope. RSA 382-A:2A-102 is repealed and reenacted to read as follows:

(1) This Article applies to any transaction regardless of form, that creates a lease and, in the case of a hybrid lease, it applies to the extent provided in subsection (2).

(2) In a hybrid lease:

(a) if the lease-of-goods aspects do not predominate:

(i) only the provisions of this Article which relate primarily to the lease-of-goods aspects of the transaction apply, and the provisions that relate primarily to the transaction as a whole do not apply.

(ii) Section 2A-209 applies if the lease is a finance lease; and

(iii) Section 2A-407 applies to the promises of the lessee in a finance lease to the extent the promises are consideration for the right to possession and use of the leased goods; and

(b) if the lease-of-goods aspects predominate, this article applies to the transaction, but does not preclude application in appropriate circumstances of other law to the aspects of the lease which do not relate to the lease of goods.

13 Waiver or Renunciation of Claim or Right After Default. Amend RSA 382-A:2A-107 to read as follows:

382-A:2A-107 Waiver or Renunciation of Claim or Right After Default. Any claim or right arising out of an alleged default or breach of warranty may be discharged in whole or in part without consideration by a [~~written~~] waiver or renunciation ***in a*** signed [~~and~~] ***record*** delivered by the aggrieved party.

14 Leases; Statute of Frauds. Amend RSA 382-A:2A-201 to read as follows:

(3) A record is not insufficient because it omits or incorrectly states a term agreed upon, but the lease contract is not enforceable under subsection (1)(b) beyond the lease term and the quantity of goods shown in the [~~writing~~] ***record***.

15 Final Expression; Parol or Extrinsic Evidence. Amend the section heading of RSA 382-A:2A-202

382-A:2A-202 Final [~~Written~~] Expression; Parol or Extrinsic Evidence.

16 Signature Necessary for Liability on an Instrument. Amend RSA 382-A:3-401 to read as follows:

382-A:3-401 Signature ***Necessary for Liability on Instrument***.

[~~(a)~~] A person is not liable on an instrument unless (i) the person signed the instrument, or (ii) the person is represented by an agent or representative who signed the instrument and the signature is binding on the represented person under Section 3-402.

[~~(b) A signature may be made (i) manually or by means of a device or machine, and (ii) by the use of any name, including a trade or assumed name, or by a word, mark, or symbol executed or adopted by a person with present intention to authenticate a writing.~~]

17 Liability for Late or Improper Execution or Failure to Execute Payment Oder. Amend RSA 382-A:4A-305(c)-(d) to read as follows:

(c) In addition to the amounts payable under subsections (a) and (b), damages, including consequential damages, are recoverable to the extent provided in an express written agreement of the receiving bank***, evidenced by a record***.

(d) If a receiving bank fails to execute a payment order it was obliged by express agreement to execute, the receiving bank is liable to the sender for its expenses in the transaction and for incidental expenses and interest losses resulting from the failure to execute. Additional damages, including consequential damages, are recoverable to the extent provided in an express [~~written~~] agreement of the receiving bank, ***evidenced by a record,*** but are not otherwise recoverable.

18 Formal Requirements. Amend RSA 382-A:5-104 to read as follows:

382-A:5-104 Formal Requirements. A letter of credit, confirmation, advice, transfer, amendment, or cancellation may be issued in any form that is a ***signed*** record [~~and is authenticated (i) by a signature or (ii) in accordance with the agreement of the parties or the standard practice referred to in Section 5-108(e)~~].

19 Choice of Law and Forum. Amend RSA 382-A:5-116(a) to read as follows:

(a) The liability of an issuer, nominated person, or adviser for action or omission is governed by the law of the jurisdiction chosen by an agreement in the form of a record signed or [~~otherwise authenticated~~] by the affected parties [~~in the manner provided in Section 5-104~~] or by a provision in the person's letter of credit, confirmation, or other undertaking. The jurisdiction whose law is chosen need not bear any relation to the transaction.

20 Definitions; Record; Sign. Amend RSA 382-A:7-102(a)(10)-(11) to read as follows:

[~~(10) "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.~~

~~(11) "Sign" means, with present intent to authenticate or adopt a record:~~

~~(A) to execute or adopt a tangible symbol; or~~

~~(B) to attach to or logically associate with the record an electronic sound, symbol, or process.~~]

21 Control of Electronic Document of Title. RSA 382-A:7-106, (d)-(h) are repealed and reenacted to read as follows:

(d) Subject to subsection (e), a power is exclusive under subsection (c)(3)(A) and (B0 even if:

(1) the authoritative electronic copy, a record attached to or logically associated with the authoritative electronic copy, or a system in which the authoritative electronic copy is recorded limits the use of the document of title or has protocol that is programmed to cause a change, including a transfer or loss of control; or

(2) the power is shared with another person.

(e) A power of a person is not shared with another person under subsection (d)(2) and the person's power is not exclusive if:

(1) the person can exercise the power only if the power also is exercised by the other person; and

(2) the other person:

(A) can exercise the power without exercise of the power by the person; or

(B) is the transferor to the person of an interest in the document of title.

(f) If a person has the powers specified in subsection (c)(3)(A) and (B), the powers are presumed to be exclusive.

(g) A person has control of an electronic document of title if another person, other than the transferor to the person of an interest in the document:

(1) has control of the document and acknowledges that it has control on behalf of the person; or

(2) obtains control of the document after having acknowledged that it will obtain control of the document on behalf of the person.

(h) A person that has control under this section is not required to acknowledge that it has control on behalf of another person.

(i) If a person acknowledges that it has or will obtain control on behalf of another person, unless the person otherwise agrees or law other than this article or Article 9 otherwise provides, the person does not owe any duty to the other person and is not required to confirm the acknowledgment of any other person.

22 Definitions. Amend RSA 382-A:8-102(b) to read as follows:

(b) [~~Other~~] ***The following*** definitions [~~applying to~~] ***in*** this Article and [~~the sections in which they appear are~~] ***other Articles apply to this Article***:

Appropriate person	Section 8-107
Controllable account	***Section 9-102***

Controllable electronic record	***Section 12-102***
Controllable payment intangible	***Section 9-102***
Control Delivery	Section 8-106
Delivery	Section 8-301
Investment company security	Section 8-103
Issuer	Section 8-201
Overissue	Section 8-210
Protected purchaser	Section 8-303
Securities account	Section 8-501

23 New Paragraph; Rules for Determining Whether Certain Obligations and Interests are Securities or Financial Assets. Amend RSA 382-A:8-103 by inserting after paragraph (g) the following new paragraph:

(h) A controllable account, controllable electronic record, or controllable payment intangible is not a financial asset unless Section 8-102(a)(9)(iii) applies.

24 Investment Securities; Definitions. Amend the introductory paragraph of RSA 382-A:8-106(d)(3) to read as follows:

(3) another person other than the transferor ***to the purchaser*** of an interest in the security entitlement:

25 New Paragraph; Applicability; Choice of Law. Amend RSA 382-A:8-110 by inserting after paragraph (f) the following new paragraph:

(g) The local law of the issuer's jurisdiction or the securities intermediary's jurisdiction governs a matter or transaction specified in subsection (a) or (b) even if the matter or transaction does not bear any relation to the jurisdiction.

26 Definitions; Account. Amend RSA 382-A:9-102(a)(2) to read as follows:

(2) "Account", except as used in "account for", [~~"account to", "account statement", "customer's account", "on account of", "statement of account", and paragraphs (14) and (29)~~] ***"account statement", "account to", "commodity account" in paragraph (14), "customer's account", "deposit account" in paragraph (29), "on account of", and "statement of account"*** means a right to payment of a monetary obligation, whether or not earned by performance, (i) for property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of, (ii) for services rendered or to be rendered, (iii) for a policy of insurance issued or to be issued, (iv) for a secondary obligation incurred or to be incurred, (v) for energy provided or to be provided, (vi) for the use or hire of a vessel under a charter or other contract, (vii) arising out of the use of a credit or charge card or information contained on or for use with the card, or (viii) as winnings in a lottery or other game of chance operated or sponsored by a State, governmental unit of a State, or person licensed or authorized to operate the game by a State or governmental unit of a State. The term includes controllable accounts and health-care-insurance receivables. The term does not include (i)

chattel paper, (ii) commercial tort claims, (iii) deposit accounts, (iv) investment property, (v) letter-of-credit rights or letters of credit, or (vi) rights to payment for money or funds advanced or sold, other than rights arising out of the use of a credit or charge card or information contained on or for use with the card, or (vii) rights to payment evidenced by an instrument.

27 Definitions; Account Debtor; Accounting. Amend RSA 382-A:9-102(a)(3)-4) to read as follows:

(3) "Account debtor" means a person obligated on an account, chattel paper, or general intangible. The term does not include persons obligated to pay a negotiable instrument, even if the ***negotiable*** instrument[~~constitutes part of~~] ***evidences*** chattel paper.

(4) "Accounting", except as used in " accounting for", means a record:

(A) [~~authenticated~~] ***signed*** by a secured party;

(B) indicating the aggregate unpaid secured obligations as of a date not more than 35 days earlier or 35 days later than the date of the record; and

(C) identifying the components of the obligations in reasonable detail.

28 Definitions; Assignee; Assignor. Amend RSA 382-A:1-902(a)(7) to read as follows:

[~~(7) "Authenticate" means:~~

~~(A) to sign; or~~

~~(B) with present intent to adopt or accept a record, to attach to or logically associate with the record an electronic sound, symbol, or process.~~]

(7A) "Assignee" except as used in "assignee for benefit of creditors", means a person (i) in whose favor a security interest that secures an obligation is created or provided for under a security agreement, whether or not the obligation is outstanding or

(ii) to which an account, chattel paper, payment intangible, or promissory note has been sold. The term includes a person to which a security interest has been transferred by a secured party.

(7B) "Assignor" means a person that (i) under a security agreement creates or provides for a security interest that secures an obligation or (ii) sells an account, chattel paper, payment intangible, or promissory note. The term includes a secured party that has transferred a security interest to another person.

29 Definitions; Proposal. Amend RSA 382-A:9-102(a)(66) to read as follows:

(66) "Proposal" means a record [~~authenticated~~] ***signed*** by a secured party which includes the terms on which the secured party is willing to accept collateral in full or partial satisfaction of the obligation it secures pursuant to Sections 9-620, 9-621, and 9-622.

30 Definitions; Send. Amend RSA 382-A:9-102(a)(75) to read as follows:

(75) [~~"Send", in connection with a record or notification, means:~~

~~(A) to deposit in the mail, deliver for transmission, or transmit by any other usual means of communication, with postage or cost of transmission provided for, addressed to any address reasonable under the circumstances; or~~

~~(B) to cause the record or notification to be received within the time that it would have been received if properly sent under subparagraph (A).~~]

31 Definition; Tangible Chattel Paper. Amend RSA 382-A:9-102(a)(79) to read as follows:

(79) [~~"Tangible chattel paper" means chattel paper evidenced by a record or records consisting of information that is inscribed on a tangible medium.~~]

32 Definitions; Protected Purchaser. Amend RSA 382-A:9-102(b) to read as follows:

(b) "Control" as provided in Section 7-106 and the following definitions in other articles apply to this article:

"Applicant"	Section 5-102.
"Beneficiary"	Section 5-102.
"Broker"	Section 8-102.
"Certificated security"	Section 8-102.
"Check"	Section 3-104.
"Clearing corporation"	Section 8-102.
"Contract for sale"	Section 2-106.
"Controllable electronic record"	Section 12-102.
"Customer"	Section 4-104.
"Entitlement holder"	Section 8-102.
"Financial asset"	Section 8-102.
"Holder in due course"	Section 3-302.
"Issuer" (with respect to a letter of credit or letter-of-credit right)	Section 5-102.
"Issuer" (with respect to a security)	Section 8-201.
"Issuer" (with respect to documents of title)	Section 7-102.
"Lease"	Section 2A-103.
"Lease agreement"	Section 2A-103.
"Lease contract"	Section 2A-103.
"Leasehold interest"	Section 2A-103.
"Lessee"	Section 2A-103.
"Lessee in ordinary course of business"	Section 2A-103.
"Lessor"	Section 2A-103.
"Lessor's residual interest"	Section 2A-103.
"Letter of credit"	Section 5-102.
"Merchant"	Section 2-104.
"Negotiable instrument"	Section 3-104.
"Nominated person"	Section 5-102.
"Note"	Section 3-104.

"Proceeds of a letter of credit"	Section 5-114.
"Protected purchaser"	***Section 8-303.***
"Prove"	Section 3-103.
"Qualifying purchaser"	Section 12-102.
"Sale"	Section 2-106.
"Securities account"	Section 8-501.
"Securities intermediary"	Section 8-102.
"Security"	Section 8-102.
"Security certificate"	Section 8-102.
"Security entitlement"	Section 8-102.
"Uncertificated security"	Section 8-102.

33 Control of Electronic Copy of Record Evidencing Chattel Paper. Amend RSA 382-A:9-105 to read as follows:

382-A:9-105 Control of Electronic Copy of Record Evidencing Chattel Paper.

(a) General rule: control of electronic copy of record evidencing chattel paper. A purchaser has control of each authoritative electronic copy of a record evidencing chattel paper if a system employed for evidencing the assignment of interests in the chattel paper reliably establishes the purchaser as the person to which the [~~chattel paper~~] ***authoritative electronic copy*** was assigned.

(b) Single authoritative copy. A system satisfies subsection (a) if the record or records evidencing the chattel paper are created, stored, and assigned in such a manner that:

(1) a single authoritative copy of the record or records exists which is unique, identifiable, and, except as otherwise provided in paragraphs (4), (5), and (6), unalterable;

(2) the authoritative copy identifies the purchaser as the assignee of the record or records;

(3) the authoritative copy is communicated to and maintained by the purchaser or its designated custodian;

(4) copies or amendments that add or change an identified assignee of the authoritative copy can be made only with the consent of the purchaser;

(5) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy; and

(6) any amendment of the authoritative copy is readily identifiable as authorized or unauthorized.

(c) One or more authoritative copies. A system satisfies subsection (a) and a purchaser has control of an ***authoritative*** electronic copy of a record evidencing chattel paper if[~~:~~

~~(1)~~] the electronic copy, a record attached to or logically associated with the electronic copy, or a system in which the electronic copy is recorded:

[~~(A)~~] ***(1)*** enables the person readily to identify each electronic copy as an authoritative copy or nonauthoritative copy;

[~~(B)~~] ***(2)*** enables the purchaser readily to identify itself in any way, including by name, identifying number, cryptographic key, office, or account number, as the assignee of each authoritative electronic copy; and

[~~(C)~~] ***(3)*** gives the purchaser exclusive power, subject to subsection (d), to:

[~~(i)~~] ***(A)*** prevent others from adding or changing an identified assignee of each authoritative electronic copy; and

[~~(ii)~~] ***(B)*** transfer control of each authoritative electronic copy;[~~ or~~

~~(2) another person, other than the debtor:~~

~~(A) has control of each authoritative electronic copy and acknowledges that it has control on behalf of the purchaser; or~~

~~(B) obtains control of each authoritative electronic copy after having acknowledged that it will obtain control of the electronic copy on behalf of the purchaser~~.

(d) ~~Presumption of exclusivity of certain powers. If a person has the powers that are specified in subsection (c)(1)(C), the powers are presumed to be exclusive~~] ***Meaning of exclusive. Subject to subsection (e), a power is exclusive under subsection (c)(3)(A) and (B) even if:***

(1) the authoritative electronic copy, a record attached to or logically associated with the authoritative electronic copy, or a system in which the authoritative electronic copy is recorded limits the use of the authoritative electronic copy or has a protocol programmed to cause a change, including a transfer or loss of control; or

(2) the power is shared with another person.

(e) [~~Meaning of exclusive. A power is exclusive under subsection (b)(1)(C), even if:~~

~~(1) the electronic copy, a record attached to or logically associated with the electronic copy, or a system in which the electronic copy is recorded limits the use of the electronic record or has a protocol programmed to cause a change, including a transfer or loss of control; or~~

~~(2) the purchaser shares the power with another person.~~] ***When power not shared with another person. A power of purchaser is not shared with another person under subsection (d)(2) and the purchasers power is not exclusive if:***

(1) the purchaser can exercise the power only if the power is also exercised by the other person; and

(2) the other person:

(A) can exercise the power without exercise of the power by the purchaser; or

(B) is the transferor to the purchaser of an interest in the chattel paper.

(f) Presumption of exclusivity of certain powers. If a purchaser has the powers specified in subsection (c)(3)(A) and (B), the powers are presumed to be exclusive.

(g) Obtaining control through another person. A purchaser has control of an authoritative electronic copy of a record evidencing chattel paper if another person, other than the transferor to the purchaser of an interest in the chattel paper:

(1) has control of the authoritative electronic copy and acknowledges that it has control on behalf of the purchaser; or

(2) obtains control of the authoritative electronic copy and acknowledges that it has control on behalf of the purchaser; or

(3) obtains control of the authoritative electronic copy after having acknowledged that it will obtain control of the electronic copy on behalf of the purchaser.

34 Control of Electronic Money. Amend RSA 382-A:9-105A, (a)(1)(A) to read as follows:

(A) [~~the~~] power to avail itself of substantially all the benefit from the electronic money; and

35 Control of Electronic Money. RSA 382-A:9-105A(b)-(d) is repealed and reenacted to read as follows:

(b) Meaning of exclusive. Subject to subsection (c), a power is exclusive under subsection (a)(1)(B)(i) and (ii) even if:

(1) the electronic money, a record attached to or logically associated with the electronic money, or a system in which the electronic money is recorded limits the use of the electronic money or has a protocol programmed to cause a change, including a transfer or loss of control; or

(2) the power is shared with another person.

(c) When power not shared with another person. A power of a person is not shared with another person under subsection (b)(2) and the person's power is not exclusive if:

(1) the person can exercise the power only if the power also is exercised by the other person; and

(2) the other person:

(A) can exercise the power without exercise of the power by the person; or

(B) is the transferor to the person of an interest in the electronic money.

(d) Presumption of exclusivity of certain powers. If a person has the powers specified in subsection (a)(1)(B)(i) and (ii), the powers are presumed to be exclusive.

(e) Control through another person. A person has control of electronic money if another person other than the transferor to the person of an interest in the electronic money:

(1) has control of the electronic money and acknowledges that it has control on behalf of the person; or

(2) obtains control of the electronic money after having acknowledged that it will obtain controlled of the electronic money on behalf of the person.

36 No Requirement to Acknowledge or Confirm; No Duties. Amend RSA 382-A:107B(a) to read as follows:

(a) No requirement to acknowledge. A person that has control under Section 9-104, 9-105, or 9-105A is not required to acknowledge that it has [~~or will obtain~~] control on behalf of another person.

37 After-Acquired Property; Future Advances. Amend RSA 382-A:9-204(b) to read as follows:

(b) When after-acquired property clause not effective. Subject to subsection [~~(c)~~]***b.1***, a security interest does not attach under a term constituting an after-acquired property clause to:

(b.1) Limitation on subsection (b). Subsection (b) does not prevent a security interest from attaching:

(1) ***to*** consumer goods, other than an accession when given as additional security, unless the debtor acquires rights in them within 10 days after the secured party gives value; [~~or~~]

(2) a commercial tort claim ***as proceeds under Section 9-315(a); or***

(3) under an after-acquired property clause to property that is proceeds of consumer goods or a commercial tort claim.

38 Duties of Secured Party After Receiving Demand from Debtor. Amend RSA 382-A:9-208(b)(1) to read as follows:

(1) a secured party having control of a deposit account under Section 9-104(a)(2) shall send to the bank with which the deposit account is maintained a signed [~~statement~~] ***record*** that releases the bank from any further obligation to comply with instructions originated by the secured party;

39 Duties of Secured Party After Receiving Demand from Debtor. RSA 382-A:9-208(b)(8) is repealed and reenacted as follows:

(8) A secured party having control under Section 12-105 of a controllable electronic record, other than a buyer of a controllable account or controllable payment intangible evidenced by the controllable electronic record, shall transfer control of the controllable electronic record to the debtor or a person designated by the debtor.

40 Duties of Secured Party After Receiving Demand for Debtor. Amend RSA 382-A:9-209(b) to read as follows:

(b) Duties of secured party after receiving demand from debtor. Within 10 days after receiving [~~an authenticated~~] ***a signed*** demand by the debtor, a secured party shall send to an account debtor that has received notification ***under Section 9-406(a) or 12-106(b)*** of an assignment to the secured party as assignee [~~under Section 9-406(a) an authenticated~~] ***a singed*** record that releases the account debtor from any further obligation to the secured party.

41 Request for Accounting. Amend RSA 382-A:9-210 to read as follows:

382-A:9-210 Request for Accounting; Request Regarding List of Collateral or Statement of Account.

(a) Definitions. In this section:

(1) "Request" means a record of a type described in paragraph (2), (3), or (4).

(2) "Request for an accounting" means a record [~~authenticated~~] ***signed*** by a debtor requesting that the recipient provide an accounting of the unpaid obligations secured by collateral and reasonably identifying the transaction or relationship that is the subject of the request.

(3) "Request regarding a list of collateral" means a record [~~authenticated~~] ***signed*** by a debtor requesting that the recipient approve or correct a list of what the debtor believes to be the collateral securing an obligation and reasonably identifying the transaction or relationship that is the subject of the request.

(4) "Request regarding a statement of account" means a record [~~authenticated~~] ***signed*** by a debtor requesting that the recipient approve or correct a statement indicating what the debtor believes to be the aggregate amount of unpaid obligations secured by collateral as of a specified date and reasonably identifying the transaction or relationship that is the subject of the request.

(b) Duty to respond to requests. Subject to subsections (c), (d), (e), and (f), a secured party, other than a buyer of accounts, chattel paper, payment intangibles, or promissory notes or a consignor, shall comply with a request within 14 days after receipt:

(1) in the case of a request for an accounting, by [~~authenticating~~] ***signing*** and sending to the debtor an accounting; and

(2) in the case of a request regarding a list of collateral or a request regarding a statement of account, by [~~authenticating~~] ***signed*** and sending to the debtor an approval or correction.

(c) Request regarding list of collateral; statement concerning type of collateral. A secured party that claims a security interest in all of a particular type of collateral owned by the debtor may comply with a request regarding a list of collateral by sending to the debtor [~~an authenticated~~] ***a signed*** record including a statement to that effect within 14 days after receipt.

(d) Request regarding list of collateral; no interest claimed. A person that receives a request regarding a list of collateral, claims no interest in the collateral when it receives the request, and claimed an interest in the collateral at an earlier time shall comply with the request within 14 days after receipt by sending to the debtor [~~an authenticated~~] ***a signed*** record:

(1) disclaiming any interest in the collateral; and

(2) if known to the recipient, providing the name and mailing address of any assignee of or successor to the recipient's interest in the collateral.

(e) Request for accounting or regarding statement of account; no interest in obligation claimed. A person that receives a request for an accounting or a request regarding a statement of account, claims no interest in the obligations when it receives the request, and claimed an interest in

the obligations at an earlier time shall comply with the request within 14 days after receipt by sending to the debtor [~~an authenticated~~] ***a signed*** record:

(1) disclaiming any interest in the obligations; and

(2) if known to the recipient, providing the name and mailing address of any assignee of or successor to the recipient's interest in the obligations.

(f) Charges for responses. A debtor is entitled without charge to one response to a request under this section during any six-month period. The secured party may require payment of a charge not exceeding $25 for each additional response.

42 Law Governing Perfection and Priority of Security Interests in Deposit Accounts. Amend RSA 382-A:9-304(a) to read as follows:

(a) Law of bank's jurisdiction governs. The local law of a bank's jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a deposit account maintained with that bank***, even if the transaction does not bear any relation to the bank's jurisdiction***.

43 New Subparagraph; Governing Law; General Rules. Amend RSA 382-A:9-305(a) by inserting after subparagraph (4) the following new subparagraph:

(5) Paragraphs (2), (3), and (4) apply even if the transaction does not bear any relation to the jurisdiction.

44 Chattel Paper Evidenced by Authoritative Electronic Copy. Amend RSA 382-A:9-306A(a) to read as follows:

(a) Chattel paper evidenced by authoritative electronic copy. Except as provided in subsection [~~(e)~~]***(d)***, if chattel paper is evidenced only by an authoritative electronic copy of the chattel paper or is evidenced by an authoritative electronic copy and an authoritative tangible copy, the local law of the electronic chattel paper's jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in the chattel paper***, even if the transaction does not bear any relation to the chattel paper's jurisdiction***.

45 Chattel Paper; Perfection. RSA 382-A:9-306A(c)-(e) is repealed and reenacted to read as follows:

(c) Chattel paper evidenced by authoritative tangible copy. If an authoritative tangible copy of a record evidences chattel paper and the chattel paper is not evidenced by an authoritative electronic copy, while the authoritative tangible copy of the record evidencing chattel paper is located in a jurisdiction, the local law of that jurisdiction governs:

(1) perfection of a security interest in the chattel paper by possession under Section 9-314A; and

(2) the effect of perfection or nonperfection and the priority of a security interest in the chattel paper.

(d) When perfection governed by the law of jurisdiction where debtor located. The local law of the jurisdiction in which the debtor is located governs perfection of a security interest in chattel paper by filing.

46 Governing Law; General Rules. Amend RSA 382-A:9-306B(a) to read as follows:

(a) Governing law: general rules. Except as provided in subsection (b), the local law of the controllable electronic record's jurisdiction as specified in Section 12-107(c) and (d) governs perfection, the effect of perfection or nonperfection, and the priority of a security interest in a controllable account, controllable electronic record, or controllable payment intangible ***evidenced by the controllable electronic record***.

47 Exemptions; Filing of Financing Statement. Amend RSA 382-A:9-310(b)(9)-(11) to read as follows:

[~~(9)~~] ***(8.1)*** in chattel paper which is perfected by possession and control under Section 9-314A;

[~~(10)~~] ***(9)*** in proceeds which is perfected under Section 9-315; or

[~~(11)~~] ***(10)*** that is perfected under Section 9-316.

48 Specified Collateral; Time of Perfection. Amend RSA 382-A:9-314(b)-(c) to read as follows:

(b) Specified collateral: time of perfection by control; continuation of perfection. A security interest in controllable accounts, controllable electronic records, controllable payment intangibles, deposit accounts, electronic documents, electronic money, or letter-of-credit rights is perfected by control under Section 7-106, 9-104, 9-105A, 9-107, or 9-107A [~~when~~] ***not earlier than the time*** the secured party obtains control and remains perfected by control only while the secured party retains control.

(c) Investment property: time of perfection by control; continuation of perfection. A security interest in investment property is perfected by control under Section 9-106 [~~from~~] ***not earlier than*** the time the secured party obtains control and remains perfected by control until:

(1) the secured party does not have control; and

(2) one of the following occurs:

(A) if the collateral is a certificated security, the debtor has or acquires possession of the security certificate;

(B) if the collateral is an uncertificated security, the issuer has registered or registers the debtor as the registered owner; or

(C) if the collateral is a security entitlement, the debtor is or becomes the entitlement holder.

49 Perfection by Possession; Time of Perfection. Amend RSA 382-A:9-314A(b) to read as follows:

(b) Time of perfection; continuation of perfection. A security interest is perfected under subsection (a) [~~when~~] ***not earlier than the time*** the secured party takes possession and obtains

control and remains perfected under subsection (a) only while the secured party retains possession and control.

50 Continued Perfection of Security Interest. Amend the introductory paragraph of RSA 382-A:9-316(a) to read as follows:

(a) General rule: effect on perfection of change in governing law. A security interest perfected pursuant to the law of the jurisdiction designated in Section 9-301(1), 9-305(c), [~~9-306A(c)~~] ***9-306A(d)***, or 9-306B(b) remains perfected until the earliest of:

51 Changed in Jurisdiction of Chattel Paper. Amend the introductory paragraph of RSA 382A:9-316(f) to read as follows:

(f) Change in jurisdiction of ***chattel paper,*** controllable electronic record, bank, issuer, nominated person, securities intermediary, or commodity intermediary. A security interest in ***chattel paper,*** controllable accounts, controllable electronic records, controllable payment intangibles, [~~chattle paper,~~] deposit accounts, letter-of-credit rights, or investment property which is perfected under the law of the ***chattel paper's jurisdiction, the*** controllable electronic record's jurisdiction, [~~the electronic chattel paper's jurisdiction,~~] the bank's jurisdiction, the issuer's jurisdiction, a nominated person's jurisdiction, the securities intermediary's jurisdiction, or the commodity intermediary's jurisdiction, as applicable, remains perfected until the earlier of:

52 Buyers that Receive Delivery. Amend RSA 382-A:9-317(b) to read as follows:

(b) Buyers that receive delivery. Except as otherwise provided in subsection (e), a buyer of goods***, other than a secured party***, instruments, tangible documents, or a certificated security takes free of a security interest or agricultural lien if the buyer gives value and receives delivery of the collateral without knowledge of the security interest or agricultural lien and before it is perfected.

53 Future Advances; Buyer of Goods. Amend the introductory paragraph of RSA 382-A:9-323(d) to read as follows:

(d) Buyer of goods. Except as otherwise provided in subsection (e), a buyer of goods [~~other than a buyer in ordinary course of business~~] takes free of a security interest to the extent that it secures advances made after the earlier of:

54 Future Advances; Lessee of Goods. Amend the introductory paragraph of RSA 382-A:9-323(f) to read as follows:

(f) Lessee of goods. Except as otherwise provided in subsection (g), a lessee of goods[~~,~~ ~~other than a lessee in ordinary course of business,~~] takes the leasehold interest free of a security interest to the extent that it secures advances made after the earlier of:

55 Priority of Purchase; Inventory Purchase-Money Priority. Amend RSA 382-A:9-324(b)(2) to read as follows:

(2) the purchase-money secured party sends [~~an authenticated~~] ***a signed*** notification to the holder of the conflicting security interest;

56 Priority of Purchase; Livestock Purchase-Money Priority. Amend RSA 382-A:9-324(d)(2) to read as follows:

(2) the purchase-money secured party sends [~~an authenticated~~] ***a signed*** notification to the holder of the conflicting security interest;

57 Priority of Purchaser of Chattel Paper or Instrument. Amend RSA 382-A:9-330 to read as follows:

382-A:9-330 Priority of Purchaser of Chattel Paper or Instrument.

(a) Purchaser's priority: security interest claimed merely as proceeds. A purchaser of chattel paper has priority over a security interest in the chattel paper which is claimed merely as proceeds of inventory subject to a security interest if:

(1) in good faith and in the ordinary course of the purchaser's business, the purchaser gives new value***,*** [~~and~~] takes possession of each authoritative tangible copy of the record evidencing the chattel paper***,*** and obtains control under RSA 382-A:9-105 of each authoritative electronic copy of the record evidencing the chattel paper; and

(2) the authoritative copies of the record evidencing the chattel paper do not indicate that [~~the copies have~~] ***the chattel paper has*** been assigned to an identified assignee other than the purchaser.

(b) Purchaser's priority: other security interests. A purchaser of chattel paper has priority over a security interest in the chattel paper which is claimed other than merely as proceeds of inventory subject to a security interest if the purchaser gives new value***,*** [~~and~~] takes possession of each authoritative tangible copy of the record evidencing the chattel paper and obtains control under RSA 382-A:9-105 of each authoritative electronic copy of the record evidencing the chattel paper in good faith, in the ordinary course of the purchaser's business, and without knowledge that the purchase violates the rights of the secured party.

(c) Chattel paper purchaser's priority in proceeds. Except as otherwise provided in Section 9-327, a purchaser having priority in chattel paper under subsection (a) or (b) also has priority in proceeds of the chattel paper to the extent that:

(1) Section 9-322 provides for priority in the proceeds; or

(2) the proceeds consist of the specific goods covered by the chattel paper or cash proceeds of the specific goods, even if the purchaser's security interest in the proceeds is unperfected.

(d) Instrument purchaser's priority. Except as otherwise provided in Section 9-331(a), a purchaser of an instrument has priority over a security interest in the instrument perfected by a method other than possession if the purchaser gives value and takes possession of the instrument in good faith and without knowledge that the purchase violates the rights of the secured party.

(e) Holder of purchase-money security interest gives new value. For purposes of subsections (a) and (b), the holder of a purchase-money security interest in inventory gives new value for chattel paper constituting proceeds of the inventory.

(f) Indication of assignment gives knowledge. For purposes of subsections (b) and (d), if ***the authoritative copies of the record evidencing*** chattel paper or an instrument [~~indicates~~] ***indicate*** that [~~it~~] ***the chattel paper or instrument*** has been assigned to an identified secured party other than the purchaser, a purchaser of the chattel paper or instrument has knowledge that the purchase violates the rights of the secured party.

58 Priority of Security; Fixtures. Amend RSA 382-A:9-334(f)(1) to read as follows:

(1) the encumbrancer or owner has, in [~~an authenticated~~] ***a signed*** record, consented to the security interest or disclaimed an interest in the goods as fixtures; or

59 Bank's Rights and Duties with Respect to Deposit Account. Amend the introductory paragraph to RSA 382-A:9-341 to read as follows:

Except as otherwise provided in Section 9-340(c), and unless the bank otherwise agrees in [~~an authenticated~~]***a signed*** record, a bank's rights and duties with respect to a deposit account maintained with the bank are not terminated, suspended, or modified by:

60 Rights Acquired by Assignee. Amend RSA 382-A:9-404(a)(2) to read as follows:

(2) any other defense or claim of the account debtor against the assignor which accrues before the account debtor receives a notification of the assignment [~~authenticated~~] ***signed*** by the assignor or the assignee.

61 Discharge of Account Debtor. Amend RSA 382-A:9-406(d) to read as follows:

(d) Term restricting assignment generally ineffective. ***In this subsection, "promissory note" includes a negotiable instrument that evidences chattel paper.*** Except as otherwise provided in subsection (e) and Sections 2A-303 and 9-407, and subject to subsection (h), a term in an agreement between an account debtor and an assignor or in a promissory note is ineffective to the extent that it:

62 New Paragraph; Promissory Note. Amend RSA 382-A:9-408 by inserting after paragraph (f) the following new paragraph:

(g) "Promissory Note." In this section, "promissory note" includes a negotiable instrument that evidences chattel paper.

63 Persons Entitled to File a Record. Amend RSA 382-A:9-509(a)(1) to read as follows:

(1) the debtor authorizes the filing in [~~an authenticated~~] ***a signed*** record or pursuant to subsection (b) or (c); or

64 Security Agreement as Authorization. Amend the introductory paragraph of RSA 382-A:9-509(b) to read as follows:

(b) Security agreement as authorization. By [~~authenticating~~] ***signing*** or becoming bound as debtor by a security agreement, a debtor or new debtor authorizes the filing of an initial financing statement, and an amendment, covering:

65 Time for Compliance; Termination Statement. Amend RSA 382-A:9-513(b)(2) to read as follows:

(2) if earlier, within 20 days after the secured party receives [~~an authenticated~~] ***a signed*** demand from a debtor.

66 Other Collateral; Termination Statement. Amend the introductory paragraph of RSA 382-A:9-513(c) to read as follows:

(c) Other collateral. In cases not governed by subsection (a), within 20 days after a secured party receives [~~an authenticated~~] ***a signed*** demand from a debtor, the secured party shall cause the secured party of record for a financing statement to send to the debtor a termination statement for the financing statement or file the termination statement in the filing office if:

67 Secured Party Owes Duty to Debtor or Obligor. RSA 382-A:9-605(b) is repealed and reenacted to read as follows:

(b) Secured party owes duty to debtor or obligor. A secured party owes a duty based on its status as a secured party to a person if, at the time the secured party obtains control of collateral that is a controllable account, controllable electronic record, or controllable payment intangible or at the time the security interest attaches to the collateral, whichever is later:

(1) the person is a debtor or obligor; and

(2) the secured party knows that the information in subsection (a)(1)(A), (B), or (C) relating to the person is not provided by the collateral, a record attached to or logically associated with the collateral, or the system in which the collateral is recorded.

68 Application of Proceeds, Surplus, and Deficiency if Obligation is Secured. Amend RSA 382-A:9-608(a)(1)(C) to read as follows:

(C) the satisfaction of obligations secured by any subordinate security interest in or other lien on the collateral subject to the security interest or agricultural lien under which the collection or enforcement is made if the secured party receives [~~an authenticated~~] ***a signed*** demand for proceeds before distribution of the proceeds is completed.

69 Persons to Be Notified. Amend RSA 382-A:9-611(b) -(c) to read as follows:

(b) Notification of disposition required. Except as otherwise provided in subsection (d), a secured party that disposes of collateral under Section 9-610 shall send to the persons specified in subsection (c) a reasonable [~~authenticated~~] ***signed*** notification of disposition.

(c) Persons to be notified. To comply with subsection (b), the secured party shall send a signed notification of disposition to:

(1) the debtor;

(2) any secondary obligor; and

(3) if the collateral is other than consumer goods:

(A) any other person from which the secured party has received, before the notification date, [~~an authenticated~~] ***a signed*** notification of a claim of an interest in the collateral;

(B) any other secured party or lienholder that, 10 days before the notification date, held a security interest in or other lien on the collateral perfected by the filing of a financing statement that:

(i) identified the collateral;

(ii) was indexed under the debtor's name as of that date; and

(iii) was filed in the office in which to file a financing statement against the debtor covering the collateral as of that date; and

(C) any other secured party that, 10 days before the notification date, held a security interest in the collateral perfected by compliance with a statute, regulation, or treaty described in Section 9-311(a).

70 Contents and Form of Notification Before Disposition of Collateral: General. RSA 382-A:9-613 is repealed and reenacted to read as follows:

382-A:9-613 Contents and Form of Notification Before Disposition of Collateral: General.

(a) Contents and form of notification. Except in a consumer-goods transaction, the following rules apply:

(1) The contents of a notification of disposition are sufficient if the notification:

(A) describes the debtor and the secured party;

(B) describes the collateral that is the subject of the intended disposition;

(C) states the method of intended disposition;

(D) states that the debtor is entitled to an accounting of the unpaid indebtedness and states the charge, if any, for an accounting; and

(E) states the time and place of a public disposition or the time after which any other disposition is to be made.

(2) Whether the contents of a notification that lacks any of the information specified in paragraph (1) are nevertheless sufficient is a question of fact.

(3) The contents of a notification providing substantially the information specified in paragraph (1) are sufficient, even if the notification includes:

(A) information not specified by that paragraph; or

(B) minor errors that are not seriously misleading.

(4) A particular phrasing of the notification is not required.

(5) The following form of notification and the form appearing in Section 9-614(a)(3), when completed in accordance with the instructions in subsection (b) and Section 9-614(b), each provides sufficient information:

NOTIFICATION OF DISPOSITION OF COLLATERAL

To: (Name of debtor, obligor, or other person to which the notification is sent)

From: (Name, address, and telephone number of secured party)

{1} Name of debtor that is not an addressee:

(Name of each debtor)

{2} We will sell (describe collateral) to the highest qualified bidder at public sale. A sale could include a lease or license. The sale will be held as follows:

(Date: _____)

(Time: _____)

(Place:_____)

{3} We will sell (describe collateral) at private sale sometime after (date). A sale could include a lease or license.

{4} You are entitled to an accounting of the unpaid indebtedness secured by the property we intend to sell or, as applicable, lease or license.

{5} If you request an accounting, you must pay a charge of $(amount).

{6} You may request an accounting by calling us at (telephone number).

(b) Instructions for form of notification. The following instructions apply to the form of notification in subsection (a)(5):

(1) The instructions in this subsection refer to the numbers in braces before items in the form of notification in subsection (a)(5). Do not include the numbers or braces in the notification. The numbers and braces are used only for the purpose of these instructions.

(2) Include and complete item {1} only if there is a debtor that is not an addressee of the notification and list the name or names.

(3) Include and complete either item {2}, if the notification relates to a public disposition of the collateral, or item {3}, if the notification relates to a private disposition of the collateral. If item {2} is included, include the words "to the highest qualified bidder" only if applicable.

(4) Include and complete items {4} and {6}.

(5) Include and complete item {5} only if the sender will charge the recipient for an accounting.

71 Contents and Form of Notification Before Disposition of Collateral: Consumer-Goods Transaction. RSA 382-A:9-614 is repealed and reenacted to read as follows:

382-A:9-614 Contents and Form of Notification Before Disposition of Collateral: Consumer-Goods Transaction.

(a) Contents and form of notification. In a consumer-goods transaction, the following rules apply:

(1) A notification of disposition must provide the following information:

(A) the information specified in Section 9-613(a)(1);

(B) a description of any liability for a deficiency of the person to which the notification is sent;

(C) a telephone number from which the amount that must be paid to the secured party to redeem the collateral under Section 9-623 is available; and

(D) a telephone number or mailing address from which additional information concerning the disposition and the obligation secured is available.

(2) A particular phrasing of the notification is not required.

(3) The following form of notification, when completed in accordance with the instructions in subsection (b), provides sufficient information:

(Name and address of secured party)

(Date)

NOTICE OF OUR PLAN TO SELL PROPERTY

(Name and address of any obligor who is also a debtor)

Subject: (Identify transaction)

We have your (describe collateral), because you broke promises in our agreement.

{1} We will sell (describe collateral) at public sale. A sale could include a lease or license. The sale will be held as follows:

(Date:)

(Time:)

(Place:)

You may attend the sale and bring bidders if you want.

{2} We will sell (describe collateral) at private sale sometime after (date. A sale could include a lease or license.

{3} The money that we get from the sale, after paying our costs, will reduce the amount you owe. If we get less money than you owe, you (will or will not, as applicable) still owe us the difference. If we get more money than you owe, you will get the extra money unless we must pay it to someone else.

{4} You can get the property back at any time before we sell it by paying us the full amount you owe, not just the past due payments, including our expenses. To learn the exact amount you must pay, call us at (telephone number).

{5} If you want us to explain to you in (writing) or in (description of electronic record) how we have figured the amount you owe us,

{6} Call us at (telephone number) or write us at (secured party's address) or contact us by (description of electronic communication method).

{7} and request (a written explanation) (a written explanation or an explanation in description of electronic record).

{8} We will charge you (amount) for the explanation if we sent you another written explanation of the amount you owe us within the last six months.

{9} If you need more information about the sale(call us at (telephone number))(or) (write us at (secured party's address))(or contact us by (description of electronic communication method)).

{10} We are sending this notice to the following other people who have an interest in (describe collateral) or who owe money under your agreement:

(Names of all other debtors and obligors, if any)

(b) Instructions for form of notification. The following instructions apply to the form of notification in subsection (a)(3):

(1) The instructions in this subsection refer to the numbers in braces before items in the form of notification in subsection (a)(3). Do not include the numbers or braces in the notification. The numbers and braces are used only for the purpose of these instructions.

(2) Include and complete either item {1}, if the notification relates to a public disposition of the collateral, or item {2}, if the notification relates to a private disposition of the collateral.

(3) Include and complete items {3}, {4}, {5}, {6}, and {7},

(4) In item {5}, include and complete any one of the three alternative methods for the explanation__writing, writing or electronic record, or electronic record,

(5) In item {6}, include the telephone number, In addition, the sender may include and complete either or both of the two additional alternative methods of communication__writing or electronic communication__for the recipient of the notification to communicate with the sender. Neither of the two additional methods of communication is required to be included.

(6) In item {7}, include and complete the method or methods for the explanation__writing, writing or electronic record, or electronic record--included in item {5},

(7) Include and complete item {8} only if a written explanation is included in item {5} as a method for communicating the explanation and the sender will charge the recipient for another written explanation.

(8) In item {9}, include either the telephone number or the address or both the telephone number and the address. In addition, the sender may include and complete the additional method of communication--electronic communication--for the recipient of the notification to communicate with the sender. The additional method of electronic communication is not required to be included.

(9) If item {10} does not apply, insert "None" after "agreement."

72 Application of Proceeds of Disposition. Amend RSA 382-A:9-615(a)(3)-(4) to read as follows:

(3) the satisfaction of obligations secured by any subordinate security interest in or other subordinate lien on the collateral if:

(A) the secured party receives from the holder of the subordinate security interest or other lien [~~an authenticated~~] ***a signed*** demand for proceeds before distribution of the proceeds is completed; and

(B) in a case in which a consignor has an interest in the collateral, the subordinate security interest or other lien is senior to the interest of the consignor; and

(4) a secured party that is a consignor of the collateral if the secured party receives from the consignor [~~an authenticated~~] ***a signed*** demand for proceeds before distribution of the proceeds is completed.

73 Explanation of Calculation of Surplus or Deficiency. Amend RSA 382-A:9-616(a)(1)-(2) to read as follows:

(1) "Explanation" means a [~~writing~~] ***record*** that:

(A) states the amount of the surplus or deficiency;

(B) provides an explanation in accordance with subsection (c) of how the secured party calculated the surplus or deficiency;

(C) states, if applicable, that future debits, credits, charges, including additional credit service charges or interest, rebates, and expenses may affect the amount of the surplus or deficiency; and

(D) provides a telephone number or mailing address from which additional information concerning the transaction is available.

(2) "Request" means a record:

(A) [~~authenticated~~] ***signed*** by a debtor or consumer obligor;

(B) requesting that the recipient provide an explanation; and

(C) sent after disposition of the collateral under Section 9-610.

74 Explanation of Calculation. Amend RSA 382-A:9-616(b)(1)(A) to read as follows:

(A) before or when the secured party accounts to the debtor and pays any surplus or first makes [~~written~~] demand ***in a record*** on the consumer obligor after the disposition for payment of the deficiency; and

75 Transfer of Record or Legal Title. Amend the introductory statement of RSA 382-A:9-619(a) to read as follows:

(a) "Transfer statement." In this section, "transfer statement" means a record [~~authenticated~~] ***signed*** by a secured party stating:

76 Acceptance of Collateral in Full or Partial Satisfaction of Obligation. Amend the introductory statement of RSA 382-A:9-620(a)(2) to read as follows:

(2) The secured party does not receive, within the time set forth in subsection (d), a notification of objection to the proposal [~~authenticated~~] ***signed*** by:

77 Purported Acceptance Ineffective. Amend RSA 382-A:9-620(b)(1) to read as follows:

(1) the secured party consents to the acceptance in [~~an authenticated~~] ***a signed*** record or sends a proposal to the debtor; and

78 Debtors Consent. Amend RSA 382-A:9-620(c) to read as follows:

(c) Debtor's consent. For purposes of this section:

(1) a debtor consents to an acceptance of collateral in partial satisfaction of the obligation it secures only if the debtor agrees to the terms of the acceptance in a record [~~authenticated~~] ***signed*** after default; and

(2) a debtor consents to an acceptance of collateral in full satisfaction of the obligation it secures only if the debtor agrees to the terms of the acceptance in a record [~~authenticated~~] ***signed*** after default or the secured party:

(A) sends to the debtor after default a proposal that is unconditional or subject only to a condition that collateral not in the possession of the secured party be preserved or maintained;

(B) in the proposal, proposes to accept collateral in full satisfaction of the obligation it secures; and

(C) does not receive a notification of objection [~~authenticated~~] ***signed*** by the debtor within 20 days after the proposal is sent.

79 Compliance with Mandatory Disposition Requirement. Amend RSA 382-A:620(f)(2)

(2) within any longer period to which the debtor and all secondary obligors have agreed in an agreement to that effect entered into and [~~authenticated~~] ***signed*** after default.

80 Notification of Proposal to Accept Collateral. Amend RSA 382-A:9-621(a)(1) to read as follows:

(1) any person from which the secured party has received, before the debtor consented to the acceptance, [~~an authenticated~~] ***a signed*** notification of a claim of an interest in the collateral;

81 Waivers. Amend RSA 382-A:9-624 to read as follows:

382-A:9-624 Waiver.

(a) Waiver of disposition notification. A debtor or secondary obligor may waive the right to notification of disposition of collateral under Section 9-611 only by an agreement to that effect entered into and [~~authenticated~~] ***signed*** after default.

(b) Waiver of mandatory disposition. A debtor may waive the right to require disposition of collateral under Section 9-620(e) only by an agreement to that effect entered into and[~~authenticated~~] ***signed*** after default.

(c) Waiver of redemption right. Except in a consumer-goods transaction, a debtor or secondary obligor may waive the right to redeem collateral under Section 9-623 only by an agreement to that effect entered into and [~~authenticated~~] ***signed*** after default.

82 Limitation of Liability. RSA 382-A:9-628(f) is repealed and reenacted to read as follows:

(f) Limitation of liability under subsections (a) and (b) does not apply. Subsections (a) and (b) do not apply to limit the liability of a secured party to a person if, at the time the secured party obtains control of collateral that is a controllable account, controllable electronic record, or

controllable payment intangible or at the time the security interest attaches to the collateral, whichever is later:

(1) the person is a debtor or obligor; and

(2) the secured party knows that the information in subsection (b)(1)(A), (B), or (C) relating to the person is not provided by the collateral, a record attached to or logically associated with the collateral, or the system in which the collateral is recorded.

83 Definitions. Amend RSA 382-A:12-102(a)(2)-(3) to read as follows:

(2) "Qualifying purchaser" means a purchaser of a controllable electronic record or an interest in the controllable electronic record that obtains control of [~~the~~] ***a*** controllable electronic record for value, in good faith, and without notice of a claim of a property right in the controllable electronic record.

(3) "Transferable record" [~~means~~] ***has the meaning provided for that term in:***

(A) [~~"Transferable record" as defined in~~] ***Section 201(a)(1) of*** the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. Section 7001 et seq., as amended; or

(B) "Transferable record" as defined in Uniform Electronic Transactions Act Section 16(a).

84 Control of Controllable Account and Controllable Payment Intangible. Amend RSA 382-A:12-104(b) to read as follows:

(b) Control of controllable account and controllable payment intangible. [~~For purposes of determining~~] ***To determine*** whether a purchaser of a controllable account or a controllable payment intangible is a qualifying purchaser, the purchaser obtains control of the account or payment intangible if it obtains control of the controllable electronic record that evidences the account or payment intangible.

85 Limitation of Rights of Qualifying Purchasers in Other Property. Amend RSA 382-A:12-104(f) to read as follows:

(f) Limitation of rights of qualifying purchaser in other property. Except as provided in subsections (a) and (e) for[~~controllable accounts~~] ***a controllable account*** and [~~controllable payment intangibles~~] ***a controllable payment intangible*** or law other than this article, a qualifying purchaser takes a right to payment, right to performance, or interest in property evidenced by the controllable electronic record subject to a claim of a property right in the right to payment, right to performance, or other interest in property.

86 Control of Controllable Electronic Record. RSA 382-A:12-105 is repealed and reenacted to read as follows:

382-A:12-105 Control of Controllable Electronic Record.

(a) Control of controllable electronic record. A person has control of a controllable electronic record if the electronic record, a record attached to or logically associated with the electronic record, or a system in which the electronic record is recorded:

(1) gives the person:

(A) power to avail itself of substantially all the benefit from the electronic record; and

(B) exclusive power, subject to subsection (b) to:

(i) prevent others from availing themselves of substantially all the benefit from the electronic record; and

(ii) transfer control of the electronic record to another person or cause another person to obtain control of another controllable electronic record as a result of the transfer of the electronic record; and

(2) enables the person readily to identify itself in any way, including by name, identifying number, cryptographic key, office, or account number, as having powers specified in paragraph (1).

(b) Meaning of exclusive. Subject to subsection (c), a power is exclusive under subsection (a)(1)(B)(i) and (ii) even if:

(1) the controllable electronic record, a record attached to or logically associated with the electronic record, or a system in which the electronic record is recorded limits the use of the electronic record or has a protocol programmed to cause a change, including a transfer or loss of control or a modification of benefits afforded by the electronic record; or

(2) the power is shared with another person.

(c) When power not shared with another person. A power of a person is not shared with another person under subsection (b)(2) and the person's power is not exclusive if:

(1) the person can exercise the power only if the power also is exercised by the other person; and

(2) the other person:

(A) can exercise the power without exercise of the power by the person; or

(B) is the transferor to the person of an interest in the controllable electronic record or a controllable account or controllable payment intangible evidenced by the controllable electronic record.

(d) Presumption of exclusivity of certain powers. If a person has the powers specified in subsection (a)(1)(B)(i) and (ii), the powers are presumed to be exclusive.

(e) Control through another person. A person has control of a controllable electronic record if another person, other than the transferor to the person of an interest in the controllable electronic record or a controllable account or controllable payment intangible evidenced by the controllable electronic record:

(1) has control of the electronic record and acknowledges that it has control on behalf of the person; or

(2) obtains control of the electronic record after having acknowledged that it will obtain control of the electronic record on behalf of the person.

(f) No requirement to acknowledge. A person that has control under this section is not required to acknowledge that it has control on behalf of another person.

(g) No duties or confirmation. If a person acknowledges that it has or will obtain control on behalf of another person, unless the person otherwise agrees or law other than this article or Article 9 otherwise provides, the person does not owe any duty to the other person and is not required to confirm the acknowledgment to any other person.

87 Proof of Transfer of Control. Amend RSA 382-A:12-106 to read as follows:

382-A:12-106 Discharge of Account Debtor on Controllable Account or Controllable Payment Intangible.

(a) Discharge of account debtor. An account debtor on a controllable account or controllable payment intangible may discharge its obligation by paying:

(1) the person having control of the controllable electronic record that evidences the controllable account or controllable payment intangible; or

(2) except as provided in subsection (b), a person that formerly had control of the controllable electronic record.

(b) Effect of notification. Subject to subsection (d), [~~an~~] ***the*** account debtor may not discharge its obligation by paying a person that formerly had control of the controllable electronic record if the account debtor receives a notification that:

(1) is signed by a person that formerly had control or the person to which control was transferred;

(2) reasonably identifies the controllable account or controllable payment intangible;

(3) notifies the account debtor that control of the controllable electronic record that evidences the controllable account or controllable payment intangible was transferred;

(4) identifies the transferee, in any reasonable way, including by name, identifying number, cryptographic key, office, or account number; and

(5) provides a commercially reasonable method by which the account debtor is to pay the transferee.

(c) Discharge following effective notification. After receipt of a notification that complies with subsection (b), the account debtor may discharge its obligation by paying in accordance with the notification and may not discharge the obligation by paying a person that formerly had control.

(d) When notification ineffective. Subject to subsection (h), notification is ineffective under subsection (b):

(1) unless, before the notification is sent, [~~an~~] ***the*** account debtor and the person that, at that time, had control of the controllable electronic record that evidences the controllable

account or controllable payment intangible agree in a signed record to a commercially reasonable method by which a person may furnish reasonable proof that control has been transferred;

(2) to the extent an agreement between [~~an~~] ***the*** account debtor and seller of a payment intangible limits the account debtor's duty to pay a person other than the seller and the limitation is effective under law other than this article; or

(3) at the option of [~~an~~] ***the*** account debtor, if the notification notifies the account debtor to:

(A) divide a payment;

(B) make less than the full amount of an installment or other periodic payment; or

(C) pay any part of a payment by more than one method or to more than one person.

(e) Proof of transfer of control. Subject to subsection (h), if requested by the account debtor, the person giving the notification seasonably shall furnish reasonable proof, using the [~~agreed~~] method ***in the agreement referred to in subsection (d)(1)***, that control of the controllable electronic record has been transferred. Unless the person complies with the request, the account debtor may discharge its obligation by paying a person that formerly had control, even if the account debtor has received a notification under subsection (b).

(f) What constitutes reasonable proof. A person furnishes reasonable proof ***under subsection (e)*** that control has been transferred if the person demonstrates, using the [~~agreed~~] method ***in the agreement referred to in subsection (d)(1)***, that the transferee has the power to:

(1) avail itself of substantially all the benefit from the controllable electronic record;

(2) prevent others from availing themselves of substantially all the benefit from the controllable electronic record; and

(3) transfer the powers [~~mentioned~~] ***specified*** in paragraphs (1) and (2) to another person.

(g) Rights not waivable. Subject to subsection (h), an account debtor may not waive or vary its rights under subsections (d)(1) and (e) or its option under subsection (d)(3).

(h) Rule for individual under other law. This section is subject to law other than this article which establishes a different rule for an account debtor who is an individual and who incurred the obligation primarily for personal, family, or household purposes.

88 Governing Law. Amend RSA 382-A: 12-107(b) to read as follows:

(b) Governing law: Section 12-106. ***For a controllable electronic record that evidences a controllable account or controllable payment intangible,*** the local law of the controllable electronic record's jurisdiction for a controllable electronic record that evidences a controllable account or controllable payment intangible governs a matter covered by Section 12-106 unless an effective agreement determines that the local law of another jurisdiction governs.

89 Applicability; Relations; Rights. Amend RSA 382-A:12-107(d)-(f) to read as follows:

(d) Applicability of Article 12. If subsection (c)(5) applies and Article 12 is not in effect in the District of Columbia without material modification, the governing law for a matter covered by this article is the law of the District of Columbia as though Article 12 were in effect in the District of Columbia without material modification. In this section, "Article 12" means Uniform Commercial Code[~~Controllable Electronic Records (with Conforming Amendments to Articles 1 and 9), 2022 Official Text~~].

(e) Relation of ***matter or*** transaction to controllable electronic record's jurisdiction not necessary. [~~Subsections (b) through (d) apply even if a transaction~~] ***To the extent subsections (a) and (b) provide that the local law of the controllable electronic record's jurisdiction governs a matter covered by this article, that law governs even if the matter or a transaction to which the matter relates*** does not bear any relation to the controllable electronic record's jurisdiction.

(f) Rights of purchasers determined at time of purchase. The rights acquired ***under Section 12-104*** by a purchaser or [~~a~~] qualifying purchaser [~~under Section 12-104~~] are governed by the law applicable under this section at the time of purchase.

90 Article Title; Transitional Provisions. Amend the Article title preceding RSA 382-A:13 to read as follows:

ARTICLE 13

[~~ADDITIONAL~~] TRANSITION PROVISIONS FOR [~~ARTICLES 9 AND 12~~] ***UNIFORM COMMERCIAL CODE AMENDMENTS***

91 New Sections; Transition Provisions. Amend RSA 382-A:13 by inserting after the Article title the following new sections:

382-A:13-101 Title. This article may be cited as Transactional Provisions for Uniform Commercial Code Amendments.

382-A:13-102 Definitions.

(a) Article A Definitions. In this article:

(1) "Adjustment date" means July 1, 2025, or the date that is one year after the effective date of this article, whichever is later.

(2) "Article 12" means Article 12 of the Uniform Commercial Code.

(3) "Article 12 property" means a controllable account, controllable electronic record, or controllable payment intangible.

(b) Definitions in other articles. The following definitions in other articles of the Uniform Commercial Code apply to this article.

"Controllable account".	Section 9-102.
"Controllable electronic record".	Section 12-102.
"Controllable payment intangible".	Section 9-102.

"Electronic money". Section 9-102.

"Financing statement". Section 9-102.

(c) Article 1 definitions and principles. Article 1 contains general definitions and principles of construction and interpretation applicable throughout this article.

382-A:13-201 Saving Clause. Except as provided in Part 3, a transaction validly entered into before the effective date of this article and the rights, duties, and interests flowing from the transaction remain valid thereafter and may be terminated, completed, consummated, or enforced as required or permitted by law other than the Uniform Commercial Code or, if applicable, the Uniform Commercial Code, as though this article had not taken effect.

92 Transition Provisions. RSA 382-A:13-301 through 382-A:13-306 are repealed and reenacted to read as follows:

382-A:13-301 Saving Clause.

(a) Pre-effective date transaction, lien, or interest. Except as provided in this part, Article 9 as amended by this act and article 12 apply to a transaction, lien, or other interest in property, even if the transaction, lien, or interest was entered into, created, or acquired before the effective date of this article.

(b) Continuing validity. Except as provided in subsection (c) and sections 13-302 through 12-A306:

(1) a transaction, lien, or interest in property that was validly entered into, created, or transferred before the effective date of this article, and was not governed by the Uniform Commercial Code, but would be subject to Article 9 as amended in this act or Article 12 if it had been entered into, created, or transferred on or after the effective date of this act, including the rights, duties and interests, flowing from the transaction ,lien, or interest, remains valid on and after the effective date of this act; and

(2) the transaction, lien, or interest may be terminated, completed, consummated, and enforced as required or permitted by this act or by the law that would apply if this act had not taken effect.

(c) Pre-effective date proceeding. This article does not affect an action case, or proceeding commenced from before the effective date of this article.

382-A:13-302 Security Interest Perfected Before Effective Date.

(a) Continuing perfection: perfection requirements satisfied. A security interest that is enforceable and perfected immediately before the effective date of this article is a perfected security interest under this chapter if, on the effective date of this article the requirements for enforceability and perfection under this chapter are satisfied without further action.

(b) Continuing perfection: enforceability or perfection requirements not satisfied. If a security interest is enforceable and perfected immediately before the effective date of this article but

the requirements for enforceability or perfection under this chapter are not satisfied on the effective date of this article, the security interest:

(1) is a perfected security interest until the earlier of the time perfection would have ceased under the law in effect immediately before the effective date of this article or the adjustment date;

(2) remaines enforceable thereafter only if the security interest satisfies the requirements for enforceability under Section 9-203 before the adjustment date; and

(3) remains perfected thereafter only if the requirements for perfection under this chapter are satisfied before the time specified in paragraph (1).

382-A:13-303 Security Interest Unperfected Before Effective Date.

A security interest that is enforceable immediately before the effective date of this article but is unperfected at that time:

(1) remains an enforceable security interest until the adjustment date;

(2) remains enforceable thereafter if the security interest becomes enforceable under Section 9-203 on the effective date of this article or before the adjustment date; and

(3) becomes perfected:

(A) without further action on the effective date of this article if the requirements for perfection under this chapter are satisfied before or at that time; or

(B) when the requirements for perfection are satisfied if the requirements are satisfied after that time.

382-A:13-304 Effectiveness of Action Taken Before Effective Date.

(a) Pre-effective date; action; attachment and perfection before adjustment date. If action, other than the filing of a financing statement, is taken before the effective date of this article and the action would have resulted in perfection of the security interest had the security interest become enforceable before the effective date of this article, the action is effective to perfect a security interest that attaches under this chapter before the adjustment date. An attached security interest becomes unperfected on the adjustment date unless the security interest becomes a perfected security interest under this article before the adjustment date.

(b) Pre-effective date filing. The filing of a financing statement before the effective date of this article is effective to perfect a security interest on the effective date of this article to the extent the filing would satisfy the requirements for perfection under this article.

(c) Pre-effective date enforceability action. The taking of an action before the effective date of this article is sufficient for the enforceability of a security interest on the effective date of this article if the action would satisfy the requirements for enforceability under this article.

382-A:13-305 Priority.

(a) Determination of priority. Subject to subsections (b) and (c), this act determines the priority of conflicting claims to collateral.

(b) Established priorities. Subject to subsection (c), if the priorities of claims to collateral were established before the effective date of this article, Article 9 as in effect before the effective date of this article determines priority.

(c) Determination of certain priorities on adjustment date. On the adjustment date, to the extent the priorities determined by Article 9 as amended by this act modify the priorities established before the effective date of this article, the priorities of claims to Article 12 property and electronic money established before the effective date of this article shall cease to apply.

382-A:13-306 Priority of Claims When Priority Rules of Article 9 Do Not Apply.

(a) Determination of priority. Subject to subsections (b) and (c), Article 12 determines the priority of conflicting claims to Article 12 property when the priority rules of Article 9 as amended by this act do not apply.

(b) Established priorities. Subject to subsection (c), when the priority rules of Article 9 as amended by this act do not apply and the priorities of claims to Article 12 property were established before the effective date of this article, law other than Article 12 determines priority.

(c) Determination of certain priorities on adjustment date. When the priority rules of Article 9 as amended by this act do not apply, to the extent the priorities determined by this act modify the priorities established before the effective date of this act, the priorities of claims to Article 12 property established before the effective date of this act cease to apply on the adjustment date.

93 Effective Date. This act shall take effect 60 days after its passage.

REGULAR CALENDAR

March 15, 2023

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Majority of the Committee on Commerce and Consumer Affairs to which was referred HB 584,

AN ACT relative to the Uniform Commercial Code's article on controllable electronic records. Having considered the same, report the same with the following amendment, and the recommendation that the bill OUGHT TO PASS WITH AMENDMENT.

Rep. Keith Ammon

FOR THE MAJORITY OF THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

MAJORITY
COMMITTEE REPORT

Committee:	**Commerce and Consumer Affairs**
Bill Number:	**HB 584**
Title:	**relative to the Uniform Commercial Code's article on controllable electronic records.**
Date:	**March 15, 2023**
Consent Calendar:	**REGULAR**
Recommendation:	**OUGHT TO PASS WITH AMENDMENT 2023-0993h**

STATEMENT OF INTENT

Article 12 of the Uniform Commercial Code (UCC) is a set of rules about "Controllable Electronic Records" (CERs), like cryptocurrencies, digital assets, or non-fungible tokens, and how they can be legally controlled and transferred. The rules define what it means to have control of an electronic record and who can get the rights to them. The rules also explain how debts can be paid using electronic records and which laws apply to them. These rules are designed to work with new technologies that may be created in the future. A near-complete draft of UCC Article 12 was adopted in 2022 with the passage of HB 1503. HB 584, as amended, would update our statutes to include some of the changes that the Uniform Law Commission has developed since the passage of HB 1503. Having a standardized set of rules around digital assets helps facilitate interstate commerce.

Vote 19-1.

Rep. Keith Ammon
FOR THE MAJORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Commerce and Consumer Affairs

HB 584, relative to the Uniform Commercial Code's article on controllable electronic records. **MAJORITY: OUGHT TO PASS WITH AMENDMENT. MINORITY: INEXPEDIENT TO LEGISLATE.**

Rep. Keith Ammon for the **Majority** of Commerce and Consumer Affairs. Article 12 of the Uniform Commercial Code (UCC) is a set of rules about "Controllable Electronic Records" (CERs), like cryptocurrencies, digital assets, or non-fungible tokens, and how they can be legally controlled and transferred. The rules define what it means to have control of an electronic record and who can get the rights to them. The rules also explain how debts can be paid using electronic records and which laws apply to them. These rules are designed to work with new technologies that may be created in the future. A near-complete draft of UCC Article 12 was adopted in 2022 with the passage of HB 1503. HB 584, as amended, would update our statutes to include some of the changes that the Uniform Law Commission has developed since the passage of HB 1503. Having a standardized set of rules around digital assets helps facilitate interstate commerce. **Vote 19-1.**

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

March 15, 2023

HOUSE OF REPRESENTATIVES

REPORT OF COMMITTEE

The Minority of the Committee on Commerce and Consumer Affairs to which was referred HB 584,

AN ACT relative to the Uniform Commercial Code's article on controllable electronic records. Having considered the same, and being unable to agree with the Majority, report with the following resolution: RESOLVED, that it is INEXPEDIENT TO LEGISLATE.

Rep. Christopher Herbert

FOR THE MINORITY OF THE COMMITTEE

Original: House Clerk
Cc: Committee Bill File

MINORITY
COMMITTEE REPORT

Committee:	**Commerce and Consumer Affairs**
Bill Number:	**HB 584**
Title:	**relative to the Uniform Commercial Code's article on controllable electronic records.**
Date:	**March 15, 2023**
Consent Calendar:	**REGULAR**
Recommendation:	**INEXPEDIENT TO LEGISLATE**

STATEMENT OF INTENT

This amendment is attached to legislation passed during the last session by a 150 to 170 vote. The minority argued then that this movement seeks to create a private substitute for the dollar. Our monetary sovereign status comes from the dollar, a public asset owned by the people. To introduce a private currency threatens the nation's sovereignty. Congress has monopoly power over the dollar. It has been the case for centuries that whoever controls the money supply controls the nation and its economy. The view of the minority is that very few people have an understanding of what a sovereign currency is. This substitute, this private money (called crypto) has no intrinsic value. It needs to be legitimized in order to buy and sell legitimate assets -- in order to have what is known as "use value." It will compromise the dollar sovereignty.

Rep. Christopher Herbert
FOR THE MINORITY

Original: House Clerk
Cc: Committee Bill File

REGULAR CALENDAR

Commerce and Consumer Affairs
HB 584, relative to the Uniform Commercial Code's article on controllable electronic records. **INEXPEDIENT TO LEGISLATE.**
Rep. Christopher Herbert for the **Minority** of Commerce and Consumer Affairs. This amendment is attached to legislation passed during the last session by a 150 to 170 vote. The minority argued then that this movement seeks to create a private substitute for the dollar. Our monetary sovereign status comes from the dollar, a public asset owned by the people. To introduce a private currency threatens the nation's sovereignty. Congress has monopoly power over the dollar. It has been the case for centuries that whoever controls the money supply controls the nation and its economy. The view of the minority is that very few people have an understanding of what a sovereign currency is. This substitute, this private money (called crypto) has no intrinsic value. It needs to be legitimized in order to buy and sell legitimate assets -- in order to have what is known as "use value." It will compromise the dollar sovereignty.

Original: House Clerk
Cc: Committee Bill File

SIGN UP SHEET

To Register Opinion If Not Speaking

Bill #: HB584 Date: 2/1/23

Committee: Commerce

**** Please Print All Information ****

Name	Address	Phone	Representing	Pro	Con
Rick Fabeizio	122 N. Main	224-5388	BIA	Neutral	

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

PUBLIC HEARING ON HB 584

BILL TITLE: **relative to the Uniform Commercial Code's article on controllable electronic records.**

DATE: **February 1, 2023**

LOB ROOM: **302-304** **Time Public Hearing Called to Order:** **3:55 p.m.**

Time Adjourned: **4:25 p.m.**

Committee Members: Reps. Hunt, Ammon, Beaulieu, Potucek, Terry, Post, Cole, Porcelli, Thackston, L. Walsh, Burroughs, Herbert, McAleer, Vincent, Calabro, Gibbs, Spier and J. Sullivan

Bill Sponsors:

Rep. Ammon	**Rep. Potucek**	**Rep. Edwards**
Rep. Osborne	**Rep. Bernardy**	**Rep. Hunt**
Sen. Watters		

TESTIMONY

* Use asterisk if written testimony and/or amendments are submitted.

Rep Ammon introduced the bill

- Custody of digital assets
- Rules and guidelines for computer security
- Bitcoin transfers are included in this bill

Charles Mooney - Uniform Law Commission, Professor of Law

- This Article 12 CERS - building block property rules
- FTX example - In this example regulations are needed
- Technical changes are needed
- Does not affect legal tender

Tom Connely and Erin Hennessey - Secretary of States Office

Respectfully Submitted,

Rep Jane Beaulieu, Clerk

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

SUBCOMMITTEE WORK SESSION on HB 584

BILL TITLE: relative to the Uniform Commercial Code's article on controllable electronic records.

DATE: March 15, 2023

Subcommittee Members: Reps. Hunt, Ammon, Beaulieu, Osborne, Potucek, Terry, Post, Cole, Porcelli, Thackston, L. Walsh, Burroughs, Herbert, McAleer, Vincent, Calabro, Filiault, Gibbs, Spier and J. Sullivan

Comments and Recommendations:

MOTIONS: **OUGHT TO PASS WITH AMENDMENT**

Moved by Rep. Ammon	Seconded by Rep. Hunt	AM Vote: 19-1

Amendment # 2023-0993h

Moved by Rep. Ammon	Seconded by Rep. Potucek	Vote: 19-1

Respectfully submitted,

Rep. Jane Beaulieu
Subcommittee Clerk

Nowhere is found protections of privacy, invasion of personal transactions or attribution of purchase using electronic money or digital currency from being correlated and recorded in banking system as permanent record. Such loss of wealth and transaction anonymity is the totality of loss of privacy.

HOUSE COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

EXECUTIVE SESSION on HB 584

BILL TITLE: relative to the Uniform Commercial Code's article on controllable electronic records.

DATE: March 8, 2023

LOB ROOM: 302-304

MOTIONS: OUGHT TO PASS

Moved by Rep. Ammon Seconded by Rep. Potucek Vote: 18-1

CONSENT CALENDAR: YES

Statement of Intent: Refer to Committee Report

Respectfully submitted,

Rep Jane Beaulieu, Clerk

STATE OF NEW HAMPSHIRE
OFFICE OF THE HOUSE CLERK

1/5/2023 1:24:24 PM
Roll Call Committee Registers Report

2023 SESSION

Commerce and Consumer Affairs

Bill #: 584 Motion: OTP AM #: Exec Session Date: 3/8/23

Members	YEAS	Nays	NV
Hunt, John B. Chairman	✓		
Ammon, Keith Michael Vice Chairman	✓		
Osborne, Jason M.	✓		
Potucek, John M.	✓		
Terry, Paul A	✓		
Post, Lisa C.M.	✓		
Cole, Brian D	✓		
Porcelli, Susan M	✓		
Thackston, Dick H	✓		
Walsh, Lilli M	✓		
Burroughs, Anita D.	✓		
Herbert, Christopher J.		✓	
Beaulieu, Jane E. Clerk	✓		
McAleer, Chris R.	✓		
Vincent, Kenneth S.			
Calabro, Karen E	✓		
Filiault, Shaun M	✓		
Gibbs, Merryl	✓		
Spier, Carry	✓		
Sullivan, Jared	✓		
TOTAL VOTE:	15	1	