

HB 427 - AS INTRODUCED

2025 SESSION

25-0602
07/08

HOUSE BILL **427**

AN ACT relative to amending the uniform commercial code.

SPONSORS: Rep. Bernardy, Rock. 36

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill:

- I. Specifies New Hampshire state law will govern certain UCC transactions.
- II. Changes the priority of claims among security interests and entitlement holders.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Five

AN ACT relative to amending the uniform commercial code.

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

1 1 Uniform Commercial Code; Investment Securities; Applicability; Choice of Law. Amend RSA
2 382-A:8-110 (b) to read as follows:

3 (b) The ~~[local]~~ law of the **state of New Hampshire** ~~[securities intermediary's~~
4 ~~jurisdiction, as specified in subsection (e);]~~ governs:

5 2 Uniform Commercial Code; Investment Securities; Applicability; Choice of Law. RSA 382-A:8-
6 110 (e) - (g) are repealed and reenacted to read as follows:

7 (e) The local law of the issuer's jurisdiction governs a matter or transaction specified in
8 subsection (a), even if the matter or transaction does not bear any relation to the jurisdiction.

9 3 Uniform Commercial Code; Investment Securities; Security Entitlements; Property Interest of
10 Entitlement Holder in Financial Asset Held by Securities Intermediary. Amend RSA 382-A:8-503
11 (a) to read as follows:

12 (a) To the extent necessary for a securities intermediary to satisfy all security
13 entitlements with respect to a particular financial asset, all interests in that financial asset held by
14 the securities intermediary are held by the securities intermediary for the entitlement holders, are
15 not property of the securities intermediary, and are not subject to claims of creditors of the securities
16 intermediary~~[, except as otherwise provided in Section 8-511].~~

17 4 Uniform Commercial Code; Investment Securities; Security Entitlements; Priority Among
18 Security Interests and Entitlement Holders. RSA 382-A:8-511, (a) is repealed and reenacted to read
19 as follows:

20 (a) If a securities intermediary does not have sufficient interests in a particular financial
21 asset to satisfy both its obligations to entitlement holders who have security entitlements to that
22 financial asset and its obligation to a creditor of the securities intermediary who has a security
23 interest in that financial asset, the claims of entitlement holders, other than the creditor, have
24 priority over the claim of the creditor.

25 5 Uniform Commercial Code; Secured Transactions; General Provisions; Definitions and Index
26 of Definitions. Amend RSA 382-A:9-102 (a)(29) to read as follows:

27 (29) "Deposit account" means a demand, time, savings, passbook, or similar account
28 maintained with a bank. The term does not include investment property, **a programmable**
29 **medium of exchange**, or accounts evidenced by an instrument.

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1 6 Secured Transactions; Perfection and Priority; Law Governing Perfection and Priority of
2 Security Interests in Investment Property. RSA 382-A:9-305, (a) is repealed and reenacted to read
3 as follows:

4 (a) Governing law: general rules. Except as otherwise provided in subsection (c), the
5 following rules apply:

6 (1) While a security certificate is located in a jurisdiction, the local law of that
7 jurisdiction governs perfection, the effect of perfection or nonperfection, and the priority of a security
8 interest in the certificated security represented thereby.

9 (2) The local law of the issuer's jurisdiction as specified in Section 8-110(d) governs
10 perfection, the effect of perfection or nonperfection, and the priority of a security interest in an
11 uncertificated security.

12 (3) The local law of the commodity intermediary's jurisdiction governs perfection, the
13 effect of perfection or nonperfection, and the priority of a security interest in a commodity contract or
14 commodity account.

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

17 7 Effective Date. This act shall take effect 60 days after its passage.