

Session 126 - (2025-2026)

H 3454 General Bill, By Caskey

Summary: UCC

A BILL TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 36-1-201, RELATING TO DEFINITIONS, SO AS TO AMEND THE DEFINITION OF "CONSPICUOUS," "DELIVERY," "HOLDER," "MONEY," "PERSON," "SEND," "SIGNED," AND TO ADD THE DEFINITION OF "ELECTRONIC"; BY AMENDING SECTION 36-2-102, RELATING TO THE SCOPE OF THE CHAPTER, SO AS TO INCLUDE HYBRID TRANSACTIONS; BY AMENDING SECTION 36-2-106, RELATING TO DEFINITIONS, SO AS TO ADD THE DEFINITION OF "HYBRID TRANSACTION"; BY AMENDING SECTION 36-2A-102, RELATING TO THE SCOPE OF CHAPTER 2A, SO AS TO INCLUDE PROVISIONS FOR A HYBRID LEASE; BY AMENDING SECTION 36-2A-103, RELATING TO DEFINITIONS, SO AS TO ADD THE DEFINITION OF "HYBRID LEASE"; BY AMENDING SECTION 36-3-104, RELATING TO NEGOTIABLE INSTRUMENTS, SO AS TO PROVIDE ADDITIONAL FACTORS FOR WHAT CONSTITUTES A NEGOTIABLE INSTRUMENT; BY AMENDING SECTION 36-3-105, RELATING TO THE DEFINITION OF "ISSUE," SO AS TO AMEND THAT DEFINITION; BY AMENDING SECTION 36-3-401, RELATING TO LIABILITY ON AN INSTRUMENT, SO AS TO ELIMINATE THE STANDARDS REGARDING A SIGNATURE; BY AMENDING SECTION 36-3-604, RELATING TO THE OBLIGATION OF A PARTY TO PAY A CHECK, SO AS TO PROVIDE WHEN THE OBLIGATION TO PAY A CHECK IS NOT DISCHARGED; BY AMENDING SECTION 36-4A-103, RELATING TO DEFINITIONS, SO AS TO AMEND THE DEFINITION OF "PAYMENT ORDER"; BY AMENDING SECTION 36-4A-201, RELATING TO "SECURITY PROCEDURE," SO AS TO PROVIDE THAT A SECURITY PROCEDURE MAY IMPOSE AN OBLIGATION ON THE RECEIVING BANK OR CUSTOMER; BY AMENDING SECTION 36-5-104, RELATING TO FORMAL REQUIREMENTS, SO AS TO PROVIDE A LETTER OF CREDIT, CONFIRMATION, ADVICE, TRANSFER, AMENDMENT, OR CANCELLATION MAY BE ISSUED IN ANY FORM THAT IS A SIGNED RECORD; BY AMENDING SECTION 36-5-116, RELATING TO CHOICE OF LAW AND FORUM, SO AS TO PROVIDE FOR THE BRANCH OF A BANK'S ADDRESS; BY AMENDING SECTION 36-7-102, RELATING TO AMENDMENTS, SO AS TO ELIMINATE THE DEFINITION OF "SIGN"; BY AMENDING SECTION 36-7-106, RELATING TO CONTROL OF ELECTRONIC DOCUMENT OF TITLE, SO AS TO PROVIDE WHEN A PERSON HAS CONTROL OF AN ELECTRONIC DOCUMENT OF TITLE; BY AMENDING SECTION 36-8-102, RELATING TO DEFINITIONS, SO AS TO AMEND THE DEFINITION OF "COMMUNICATE"; BY AMENDING SECTION 36-8-103, RELATING TO RULES FOR DETERMINING WHETHER CERTAIN OBLIGATIONS AND INTERESTS ARE SECURITIES OR FINANCIAL INTERESTS, SO AS TO PROVIDE WHEN A CONTROLLABLE ACCOUNT, CONTROLLABLE ELECTRONIC RECORD, OR CONTROLLABLE PAYMENT INTANGIBLE IS NOT A FINANCIAL ASSET; BY AMENDING SECTION 36-8-106, RELATING TO WHEN A PURCHASER HAS CONTROL OF A SECURITY ENTITLEMENT, SO AS TO PROVIDE WHEN A PERSON, OTHER THAN THE TRANSFEROR TO THE PURCHASER OF AN INTEREST IN THE SECURITY ENTITLEMENT, HAS CONTROL OF THE SECURITY ENTITLEMENT, AND TO PROVIDE FOR ACKNOWLEDGEMENT OF CONTROL FOR SECURITY ENTITLEMENT; BY AMENDING SECTION 36-8-110, RELATING TO APPLICABILITY AND CHOICE OF LAW, SO AS TO PROVIDE WHEN THE LOCAL LAW OF THE ISSUER'S OR SECURITY INTERMEDIARY'S JURISDICTION GOVERNS; BY AMENDING SECTION 36-8-303, RELATING TO A PROTECTED PURCHASER, SO AS TO PROVIDE THAT A PROTECTED PURCHASER ALSO ACQUIRES ITS INTEREST IN THE SECURITY FREE OF ANY ADVERSE CLAIM; BY AMENDING SECTION 36-9-102, RELATING TO DEFINITIONS, SO AS TO AMEND THE DEFINITION OF "ACCOUNT," "ACCOUNT DEBTOR," "ACCOUNTING," "AUTHENTICATE," "ASSIGNEE," "ASSIGNOR," "CHATTEL PAPER," "CONTROLLABLE ACCOUNT," "CONTROLLABLE PAYMENT INTANGIBLE," "ELECTRONIC CHATTEL PAPER," "GENERAL INTANGIBLE," "INSTRUMENT," "PAYMENT INTANGIBLE," "SEND," AND "TANGIBLE CHATTEL PAPER," AND TO ADD REFERENCES TO "CONTROLLABLE ELECTRONIC RECORD," "PROTECTED PURCHASER," AND "QUALIFYING PURCHASER"; BY AMENDING SECTION 36-9-104, RELATING TO CONTROL OF DEPOSIT ACCOUNT, SO AS TO PROVIDE WHEN A SECURED PARTY HAS CONTROL OF A DEPOSIT ACCOUNT; BY AMENDING SECTION 36-9-105, RELATING TO CONTROL OF ELECTRONIC CHATTEL PAPER, SO AS TO PROVIDE WHEN A PURCHASER HAS CONTROL OF AN AUTHORITATIVE ELECTRONIC COPY OF A RECORD EVIDENCING CHATTEL PAPER; BY ADDING SECTION 36-9-107A SO AS TO PROVIDE WHEN A SECURED PARTY HAS CONTROL OF A CONTROLLABLE ELECTRONIC RECORD, CONTROLLABLE ACCOUNT, OR CONTROLLABLE PAYMENT INTANGIBLE; BY ADDING SECTION 36-9-107B SO AS TO PROVIDE A PERSON THAT HAS CONTROL OF CERTAIN ITEMS IS NOT REQUIRED TO ACKNOWLEDGE CONTROL ON BEHALF OF ANOTHER PERSON; BY AMENDING SECTION 36-9-204, RELATING TO AFTER-ACQUIRED PROPERTY AND FUTURE ADVANCES, SO AS TO PROVIDE CIRCUMSTANCES THAT WOULD NOT PREVENT A SECURITY INTEREST FROM ATTACHING; BY AMENDING SECTION 36-9-208, RELATING TO ADDITIONAL DUTIES OF A SECURED PARTY HAVING CONTROL OF COLLATERAL, SO AS TO PROVIDE WHEN A SECURED PARTY THAT HAS CONTROL OF AN AUTHORITATIVE

ELECTRONIC COPY OF A RECORD EVIDENCING CHATTEL PAPER OR CONTROLLABLE ELECTRONIC RECORD SHALL TRANSFER CONTROL; BY AMENDING SECTION 36-9-304, RELATING TO LAW GOVERNING PERFECTION AND PRIORITY OF SECURITY INTERESTS, SO AS TO PROVIDE THAT THE LOCAL LAW OF A BANK'S JURISDICTION GOVERNS PERFECTION AND 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; BY AMENDING SECTION 36-9-305, RELATING TO LAW GOVERNING PERFECTION AND PRIORITY OF SECURITY INTERESTS IN INVESTMENT PROPERTY, SO AS TO PROVIDE LOCAL LAW GOVERNS, EVEN IF THE TRANSACTION DOES NOT BEAR ANY RELATION TO THE JURISDICTION; BY ADDING SECTION 36-9-306A SO AS TO PROVIDE FOR JURISDICTION OF CHATTEL PAPER; BY ADDING SECTION 36-9-306B SO AS TO PROVIDE FOR JURISDICTION OF A CONTROLLABLE ELECTRONIC RECORD; BY AMENDING SECTION 36-9-310, RELATING TO FILING TO PERFECT A SECURITY INTEREST OR AGRICULTURAL LIEN, SO AS TO PROVIDE PROVISIONS FOR CONTROLLABLE ACCOUNTS, CONTROLLABLE ELECTRONIC RECORDS, CONTROLLABLE PAYMENT INTANGIBLES, AND CHATTEL PAPER; BY AMENDING SECTION 36-9-312, RELATING TO PERFECTION OF SECURITY INTERESTS, SO AS TO INCLUDE CONTROLLABLE ACCOUNTS, CONTROLLABLE ELECTRONIC RECORDS, CONTROLLABLE PAYMENT INTANGIBLES, AND NEGOTIABLE INSTRUMENTS; BY AMENDING SECTION 36-9-314, RELATING TO PERFECTION BY CONTROL, SO AS TO INCLUDE PROVISIONS FOR CONTROLLABLE ACCOUNTS, CONTROLLABLE ELECTRONIC RECORDS, AND CONTROLLABLE PAYMENT INTANGIBLES; BY ADDING SECTION 36-9-314A SO AS TO PROVIDE FOR PERFECTING A SECURITY INTEREST IN CHATTEL PAPER; BY AMENDING SECTION 36-9-316, RELATING TO CONTINUED PERFECTION OF A SECURITY INTEREST FOLLOWING CHANGE IN GOVERNING LAW, SO AS TO INCLUDE PROVISIONS FOR CHATTEL PAPER, CONTROLLABLE ACCOUNTS, CONTROLLABLE ELECTRONIC RECORDS, AND CONTROLLABLE PAYMENT INTANGIBLES; BY AMENDING SECTION 36-9-317, RELATING TO INTERESTS THAT TAKE PRIORITY OVER OR TAKE FREE OF SECURITY INTEREST OR AGRICULTURAL LIEN, SO AS TO PROVIDE FOR CHATTEL PAPER, ELECTRONIC DOCUMENT, CONTROLLABLE ELECTRONIC RECORD, CONTROLLABLE ACCOUNT, OR CONTROLLABLE PAYMENT INTANGIBLE; BY AMENDING SECTION 36-9-323, RELATING TO A LESSEE OF GOODS TAKING THE LEASEHOLD INTEREST, SO AS TO DELETE THE REFERENCE TO A BUYER OR A LESSEE IN THE ORDINARY COURSE OF BUSINESS; BY ADDING SECTION 36-9-326A SO AS TO PROVIDE FOR THE PRIORITY OF A SECURITY INTEREST IN A CONTROLLABLE ACCOUNT, CONTROLLABLE ELECTRONIC RECORD, OR CONTROLLABLE PAYMENT INTANGIBLE; BY AMENDING SECTION 36-9-332, RELATING TO TRANSFER OF MONEY AND TRANSFER OF FUNDS FROM A DEPOSIT ACCOUNT, SO AS TO PROVIDE FOR TANGIBLE MONEY AND ELECTRONIC MONEY; BY AMENDING SECTION 36-9-408, RELATING TO RESTRICTIONS ON ASSIGNMENT OF PROMISSORY NOTE, SO AS TO PROVIDE A PROVISION FOR A PROMISSORY NOTE; BY AMENDING SECTION 36-9-605, RELATING TO AN UNKNOWN DEBTOR OR SECONDARY OBLIGOR, SO AS TO PROVIDE WHEN A SECURED PARTY OWES A DUTY BASED ON ITS STATUS AS A SECURED PARTY; BY AMENDING SECTION 36-9-613, RELATING TO THE NOTIFICATION OF DISPOSITION OF COLLATERAL, SO AS TO UPDATE THE NOTIFICATION OF DISPOSITION OF COLLATERAL FORM AND RELATED INSTRUCTIONS; BY AMENDING SECTION 36-9-614, RELATING TO THE CONTENTS AND FORM OF NOTIFICATION BEFORE DISPOSITION OF COLLATERAL FOR A CONSUMER-GOODS TRANSACTION, SO AS TO UPDATE THE NOTICE OF PLAN TO SELL PROPERTY FORM AND RELATED INSTRUCTIONS; BY AMENDING SECTION 36-9-628, RELATING TO NONLIABILITY AND LIMITATION ON LIABILITY OF A SECURED PARTY AND LIABILITY OF SECONDARY OBLIGOR, SO AS TO PROVIDE FOR THE LIABILITY OF A SECURED PARTY UNDER CERTAIN CIRCUMSTANCES; BY ADDING CHAPTER 12 TO TITLE 36 SO AS TO PROVIDE FOR CONTROLLABLE ELECTRONIC RECORDS; BY ADDING CHAPTER 12A TO TITLE 36 SO AS TO PROVIDE FOR TRANSITIONAL PROVISIONS FOR UNIFORM COMMERCIAL CODE AMENDMENTS (2022); AND BY AMENDING SECTIONS 36-1-204, 36-1-301, 36-1-306, 36-2-201, 36-2-202, 36-2-203, 36-2-205, 36-2-209, 36-2A-107, 36-2A-201, 36-2A-202, 36-2A-203, 36-2A-205, 36-2A-208, 36-4A-202, 36-4A-203, 36-4A-207, 36-4A-208, 36-4A-210, 36-4A-211, 36-4A-305, 36-9-203, 36-9-207, 36-9-209, 36-9-210, 36-9-301, 36-9-313, 36-9-324, 36-9-330, 36-9-331, 36-9-334, 36-9-341, 36-9-404, 36-9-406, 36-9-509, 36-9-513, 36-9-601, 36-9-608, 36-9-611, 36-9-615, 36-9-616, 36-9-619, 36-9-620, 36-9-621, AND 36-9-624, ALL RELATING TO THE UNIFORM COMMERCIAL CODE, ALL SO AS TO MAKE VARIOUS CONFORMING CHANGES.

12/05/24 House Prefiled

12/05/24 House Referred to Committee on Judiciary

01/14/25 House Introduced and read first time (House Journal-page 206)

01/14/25 House Referred to Committee on Judiciary (House Journal-page 206)

02/05/25 Scrivener's error corrected