

## Session 114 - (2001-2002)

### S\*0498 (Rat #0128, Act #0067 of 2001) General Bill, By McConnell

**Summary:** Uniform Commercial Code, Consumer Affairs, Uniform Laws, Secretary of State, Banks and Savings and Loan

A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING CHAPTER 2A TO TITLE 36 SO AS TO ADD GENERAL PROVISIONS TO THE UNIFORM COMMERCIAL CODE REGARDING LEASES AND TO PROVIDE FOR THE FORMATION, CONSTRUCTION, EFFECT, PERFORMANCE, AND DEFAULT OF A LEASE CONTRACT; TO AMEND SECTION 36-1-201, AS AMENDED, RELATING TO GENERAL DEFINITIONS OF THE UNIFORM COMMERCIAL CODE, SO AS TO DIFFERENTIATE BETWEEN A SECURITY INTEREST AND A LEASE; TO AMEND CHAPTER 8, TITLE 36, RELATING TO THE UNIFORM COMMERCIAL CODE REGARDING INVESTMENT SECURITIES, SO AS TO, INTER ALIA, TRANSFER THE STATUTORY LAW CONCERNING CREATION AND PERFECTION OF SECURITY INTERESTS IN INVESTMENT SECURITIES TO CHAPTER 9, TITLE 36, RELATING TO SECURED TRANSACTIONS, TO CODIFY INDUSTRY PRACTICES OF HOLDING INVESTMENT SECURITIES INDIRECTLY THROUGH INTERMEDIARIES, TO INCREASE LIQUIDITY AND CERTAINTY IN THE SECURITIES MARKETS BY ESTABLISHING FINALITY IN SECURITIES TRANSACTIONS, AND TO CLARIFY CHOICE OF LAW RULES IN SECURITIES TRANSACTIONS; TO MAKE CORRESPONDING CHANGES TO APPROPRIATE OFFICIAL COMMENTS AS NECESSARY TO REFLECT THE CHANGES TO CHAPTER 8; TO AMEND SECTION 36-4-104, RELATING TO DEFINITIONS IN CONNECTION WITH BANKING PRACTICES AND TRANSACTIONS GOVERNED BY THE UNIFORM COMMERCIAL CODE, SO AS TO CONFORM THE DEFINITION OF "DOCUMENTARY DRAFT" TO MODIFICATIONS MADE IN CHAPTER 8, INVESTMENT SECURITIES; TO AMEND SECTION 33-6-260, RELATING TO RESTRICTION ON TRANSFER OR REGISTRATION OF SECURITIES, SO AS TO CONFORM THE REFERENCE TO "SECURITIES"; TO AMEND CHAPTER 9, TITLE 36, RELATING TO THE UNIFORM COMMERCIAL CODE REGARDING SECURED TRANSACTIONS, SO AS TO, INTER ALIA, EXPAND THE SCOPE OF THE PROVISIONS TO INCLUDE ADDITIONAL TYPES OF PROPERTY AS COLLATERAL, INCLUDING INVESTMENT SECURITIES FORMERLY ADDRESSED IN CHAPTER 8, AND NEW KINDS OF TRANSACTIONS; TO PROVIDE FOR CLARITY OF METHODS OF PERFECTION AND FOR CENTRALIZED AND ELECTRONIC FILING OF FINANCING STATEMENTS; TO PROVIDE THAT THE LOCATION OF THE DEBTOR DETERMINES THE PLACE OF FILING AND THE EFFECT OF PERFECTION; TO PROVIDE NEW DEFAULT AND ENFORCEMENT RULES FOR DEALING WITH GUARANTORS, NEW KINDS OF PROPERTY, AND SUBORDINATE CREDITORS; TO DISTINGUISH MORE CLEARLY THE TREATMENT OF A CONSUMER TRANSACTION INVOLVING A SECURITY INTEREST AND THE PROTECTIONS AFFORDED A CONSUMER DEBTOR; TO CLARIFY CERTAIN AMBIGUITIES ARISING FROM CONFLICTING JUDICIAL INTERPRETATIONS OF THE APPLICATIONS OF SOME PROVISIONS; TO PROVIDE FOR INCREASED UNIFORMITY IN THE TREATMENT OF SECURED TRANSACTIONS INVOLVING OIL AND GAS AND AGRICULTURE; TO AMEND SECTION 36-1-105, AS AMENDED, RELATING TO CHOICE OF LAW GENERALLY, SO AS TO CONFORM ITS PROVISIONS TO THE PROVISIONS OF CHAPTER 2A AND THE REVISIONS TO CHAPTER 9; TO REPEAL CHAPTER 6, TITLE 36, RELATING TO BULK TRANSFERS AND TO REPEAL CHAPTER 7, TITLE 35, RELATING TO THE "UNIFORM ACT FOR SIMPLIFICATION OF FIDUCIARY SECURITY TRANSFERS"; TO AMEND CHAPTER 5 OF TITLE 36 RELATING TO LETTERS OF CREDIT UNDER THE UNIFORM COMMERCIAL CODE, SO AS TO FURTHER PROVIDE FOR THE FUNCTION, LEGAL NATURE, AND PROCEDURES APPLICABLE TO LETTERS OF CREDIT; TO AMEND SECTION 36-2-512, RELATING TO PAYMENT BY BUYER OF GOODS BEFORE INSPECTION, SO AS TO CONFORM A REFERENCE TO THE REVISED PROVISIONS OF CHAPTER 5 OF TITLE 36.-AMENDED TITLE

03/23/01	Senate	Introduced and read first time
03/23/01	Senate	Referred to Committee on Judiciary
04/25/01	Senate	Committee report: Favorable with amendment Judiciary SJ-25
04/26/01	Senate	Amended SJ-86
04/26/01	Senate	Read second time SJ-86
04/26/01	Senate	Unanimous consent for third reading on next legislative day SJ-86
04/27/01	Senate	Read third time and sent to House SJ-13
05/01/01	House	Introduced and read first time
05/01/01	House	Referred to Committee on Judiciary
05/23/01	House	Committee report: Favorable Judiciary HJ-9
05/29/01	House	Read second time HJ-18
05/30/01	House	Read third time and enrolled HJ-14
06/07/01		Ratified R 128
06/11/01		Signed By Governor

06/12/01  
07/18/01

**This bill will not be printed in Act form**  
**Act No. 67**