

SENATE CONCURRENT RESOLUTION NO. 4032

Introduced by

Senators Traynor, Hacker, Nelson, Syverson, Trenbeath, Triplett

Judiciary Committee

1 A concurrent resolution directing the Legislative Council to study the feasibility and desirability
2 of adopting Revised Article 1 of the Uniform Commercial Code, General Provisions.

3 **WHEREAS**, the Uniform Commercial Code governs commercial transactions, including
4 sales and leasing of goods, transfer of funds, commercial paper, bank deposits and collections,
5 letters of credit, bulk transfers, warehouse receipts, bills of lading, investment securities, and
6 secured transactions; and

7 **WHEREAS**, the purpose of the Uniform Commercial Code is to establish a uniform set
8 of rules to govern commercial transactions, which are often conducted across state lines; and

9 **WHEREAS**, since adoption of the Uniform Commercial Code in 1965, changes and
10 developments in commercial law have resulted in revision of the entire Uniform Commercial
11 Code between 1985 and 2003; and

12 **WHEREAS**, the Revised Article 1 clarifies when the Uniform Commercial Code is to
13 apply to commercial transactions, allows parties to determine which laws best govern their
14 transactions and thus promotes interstate business transactions, and promotes continued use
15 and development of electronic transactions; and

16 **WHEREAS**, Minnesota, to which much of the commerce of this state flows, enacted
17 Revised Article 1 in 2004; and

18 **WHEREAS**, the version of Article 1 introduced in North Dakota as Senate Bill No. 2143
19 (2005) was modeled on Article 1 as enacted in Minnesota; and

20 **WHEREAS**, continued economic development in this state depends on up-to-date
21 commercial law and states outside the mainstream of advances in commercial law will be at a
22 competitive disadvantage in attracting and maintaining commerce and industry; and

23 **WHEREAS**, the North Dakota Bankers Association and North Dakota Credit Union
24 League opposed harmonizing the various articles of the Uniform Commercial Code through
25 Revised Article 1; and

1 **WHEREAS**, an interim study of Revised Article 1 would provide opponents of
2 harmonization of the various articles of the Uniform Commercial Code an opportunity to identify
3 those provisions that should be unique to North Dakota;

4 **NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF NORTH DAKOTA, THE**
5 **HOUSE OF REPRESENTATIVES CONCURRING THEREIN:**

6 That the Legislative Council study the feasibility and desirability of adopting Revised
7 Article 1, of the Uniform Commercial Code, General Provisions; and

8 **BE IT FURTHER RESOLVED**, that the Legislative Council report its findings and
9 recommendations, together with any legislation required to implement the recommendations, to
10 the Sixtieth Legislative Assembly.