



Ninety-Ninth Legislature - First Session - 2005
Committee Statement
LB 171

Hearing Date: February 1, 2005

Committee On: Banking, Commerce and Insurance

Introducer(s): (Landis)

Title: Adopt Uniform Commercial Code provisions relating to documents of title

Roll Call Vote – Final Committee Action:

- X Advanced to General File
 - Advanced to General File with Amendments
 - Indefinitely Postponed
-

Vote Results:

7	Yes	Senators Mines, Redfield, Flood, Jensen, Johnson, Langemeier, Pahls
	No	
	Present, not voting	
1	Absent	Louden

Proponents:

Senator David Landis
 John McCabe

Bob Hallstrom
 Larry Ruth

Representing:

Introducer
 National Conference of Commissioners on
 Uniform State Laws
 NE Bankers Assn.
 NE State Bar Assn.

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 171 (Landis) would enact Revised Uniform Commercial Code (UCC) Article 7 – Documents of Title, as approved and recommended to the states by the National Conference of Commissioners on Uniform State Laws in 2003. The bill would repeal and replace Nebraska’s current version of UCC Article 7 – Warehouse Receipts, Bills of Lading, which was originally enacted in 1963.

Revised UCC Article 7 updates the original UCC Article 7 to provide a framework for further development of electronic documents of title and to update the article for modern times in light of state, federal, and international developments.

The bill, section by section, contains the following provisions:

CONFORMING AMENDMENTS

Section 1. Section 86-643 of the Uniform Electronic Transactions Act. Harmonizing amendments of internal references.

Sections 2 to 19. UCC Sections 1-101, 1-201, 2-103, 2-104, 2-310, 2-323, 2-401, 2-503, 2-505, 2-506, 2-509, 2-605, 2-705, 2A-103, 2A-514, 2A-526, 4-104, and 4-210. Conforming amendments approved and recommended by the uniform law commissioners.

ARTICLE 7 – DOCUMENTS OF TITLE PART 1. GENERAL

Section 20. Section 7-101. Short Title.

Section 21. Section 7-102. Definitions and Index of Definitions.

Section 22. Section 7-103. Relation of Article to Treaty or Statute.

Section 23. Section 7-104. Negotiable and Nonnegotiable Document of Title.

Section 24. Section 7-105. Reissuance in Alternative Medium.

Section 25. Section 7-106. Control of Electronic Document of Title.

PART 2. WAREHOUSE RECEIPTS: SPECIAL PROVISIONS

Section 26. Section 7-201. Person that May Issue a Warehouse Receipt; Storage Under Bond.

Section 27. Section 7-202. Form of Warehouse Receipt; Effect of Omission.

Section 28. Section 7-203. Liability for Nonreceipt or Misdescription.

Section 29. Section 7-204. Duty of Care; Contractual Limitation of Warehouse's Liability.

Section 30. Section 7-205. Title Under Warehouse Receipt Defeated in Certain Cases.

Section 31. Section 7-206. Termination of Storage at Warehouse's Option.

Section 32. Section 7-207. Goods Must Be Kept Separate; Fungible Goods.

Section 33. Section 7-208. Altered Warehouse Receipts.

Section 34. Section 7-209. Lien of Warehouse.

Section 35. Section 7-210. Enforcement of Warehouse's Lien.

PART 3. BILLS OF LADING:
SPECIAL PROVISIONS

Section 36. Section 7-301. Liability for Nonreceipt or Misdescription; "Said to Contain"; "Shipper's Weight, Load, and Count"; Improper Handling.

Section 37. Section 7-302. Through Bills of Lading and Similar Documents of Title.

Section 38. Section 7-303. Diversion; Reconsignment; Change of Instructions.

Section 39. Section 7-304. Tangible Bills of Lading in a Set.

Section 40. Section 7-305. Destination Bills.

Section 41. Section 7-306. Altered Bills of Lading.

Section 42. Section 7-307. Lien of Carrier.

Section 43. Section 7-308. Enforcement of Carrier's Lien.

Section 44. Section 7-309. Duty of Care; Contractual Limitation of Carrier's Liability.

PART 4. WAREHOUSE RECEIPTS AND BILLS OF LADING:
GENERAL OBLIGATIONS

Section 45. Section 7-401. Irregularities in Issue of Receipt or Bill or Conduct of Issuer.

Section 46. Section 7-402. Duplicate Document of Title; Overissue.

Section 47. Section 7-403. Obligation of Bailee to Deliver; Excuse.

Section 48. Section 7-404. No Liability for Good-Faith Delivery Pursuant to Document of Title.

PART 5. WAREHOUSE RECEIPTS AND BILLS OF LADING:
NEGOTIATION AND TRANSFER

Section 49. Section 7-501. Form of Negotiation and Requirements of Due Negotiation.

Section 50. Section 7-502. Rights Acquired by Due Negotiation.

Section 51. Section 7-503. Document of Title to Goods Defeated in Certain Cases.

Section 52. Section 7-504. Rights Acquired in Absence of Due Negotiation; Effect of Diversion; Stoppage of Delivery.

Section 53. Section 7-505. Indorser Not Guarantor for Other Parties.

Section 54. Section 7-506. Delivery Without Indorsement: Right to Compel Indorsement.

Section 55. Section 7-507. Warranties on Negotiation or Delivery of Document of Title.

Section 56. Section 7-508. Warranties of Collecting Bank as to Documents of Title.

Section 57. Section 7-509. Adequate Compliance With Commercial Contract.

PART 6. WAREHOUSE RECEIPTS AND BILLS OF LADING:
MISCELLANEOUS PROVISIONS

Section 58. Section 7-601. Lost, Stolen, or Destroyed Documents of Title.

Section 59. Section 7-602. Judicial Process Against Goods Covered by Negotiable Document of Title.

Section 60. Section 7-603. Conflicting Claims; Interpleader.

PART 7. MISCELLANEOUS PROVISIONS

Section 61. Section 7-703. Applicability.

Section 62. Section 7-704. Savings Clause.

CONFORMING AMENDMENTS

Sections 63 to 75. UCC Sections 8-103, 9-102, 9-203, 9-207, 9-208, 9-301, 9-310, 9-312, 9-313, 9-314, 9-317, 9-338, and 9-601. Conforming amendments approved and recommended by the uniform law commissioners.

OTHER MISCELLANEOUS PROVISIONS

Section 76. Directions for the Revisor of Statutes.

Section 77. Operative date of January 1, 2006.

Section 78. Repealers of amendatory sections.

Section 79. Outright repealers.

Explanation of amendments, if any:

Senator Mick Mines, Chairperson