

SB 167 STAFF MEASURE SUMMARY

House Committee On Judiciary

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Meeting Dates: 4/15, 4/22

WHAT THE MEASURE DOES:

The measure updates Oregon's Uniform Commercial Code (UCC) to address digital assets and transactions of electronic money.

Detailed Summary

- Defines relevant terms.
- Sets criteria for who has control of the digital asset for determining who can transfer or enforce a right to the asset.
- Modifies terminology throughout the Oregon UCC to incorporate electronic methods of communicating and transacting, such as electronic records and signatures.
- Corrects an inadvertent omission in the voidable transactions law.
- Excludes transactions from the measure that were entered into before the effective date of the act or security interests perfected before the measure's effective date and allows a one-year grace period for others.

SENATE VOTE: Ayes, 26; Nays, 2

ISSUES DISCUSSED:

- Use of virtual currency as collateral
- HB 2330 (2023) regarding voidable transactions contained an error
- Secured transactions scholars

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Uniform Commercial Code is a national model act regulating commercial transactions that encourages the free flow of commerce across state lines, with laws recommended by the American Law Institute and Uniform Law Commission. Oregon adopted its version of the UCC in 1961 and has amended it periodically to incorporate changes in the national model UCC. The model UCC added Article 12 in 2022 to address modern digital forms of assets and currency, and it made conforming changes throughout the existing UCC Articles. Prior to Article 12, digital assets were often classified as general intangibles, which did not fit well with how digital assets are used now and created confusion over who had rights to the asset and how they could be transferred. Approximately 25 states have adopted it into their state UCCs. The Debtor-Creditor Section of the Oregon State Bar brings Senate Bill 167 to adopt UCC Article 12 and related updates into the Oregon UCC.