

By Mr. Loscocco of Holliston, petition of Paul J.P. Loscocco relative to secured transactions within the Uniform Commercial Code. Commerce and Labor.

The Commonwealth of Massachusetts

In the Year Two Thousand and One.

AN ACT MAKING TECHNICAL AMENDMENTS TO THE UNIFORM COMMERCIAL CODE COVERING PROVISIONS DEALING WITH SECURED TRANSACTIONS.

1 *Whereas*, The deferred operation of this act would tend to
2 defeat its purpose, which is to make certain statutory corrections
3 effective immediately, therefore it is hereby declared to be an
4 emergency law, necessary for the immediate preservation of the
5 public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 28 of chapter 10 of the General Laws is
2 hereby amended by striking out "9-405" and by substituting "9-
3 406."

1 SECTION 2. Section 1-102 of chapter 106 of the General Laws
2 is hereby amended by adding the following subsection:—

- 3 (5) In this Act unless the context otherwise requires
4 (a) words in the singular number include the plural, and in the
5 plural include the singular;
6 (b) words of the masculine gender include the feminine and the
7 neuter, and when the sense so indicates words of the neuter gender
8 may refer to any gender.

1 SECTION 3. Section 1-105 of said chapter 106 is hereby
2 amended by striking out subsection (3) in its entirety.

1 SECTION 4. Section 2-210(2) of said chapter 106 is hereby
2 amended by striking out “9-405” and by substituting “9-406.”

1 SECTION 5. Section 2A-303(2) of said chapter 106 is hereby
2 amended by striking out “9-406” and by substituting “9-407.”

1 SECTION 6. Section 2A-303(4) of said chapter 106 is hereby
2 amended by striking out “9-406” and by substituting “9-407.”

1 SECTION 7. Section 9-109(d)(10)(B) of said chapter 106
2 is hereby amended by striking out “9-403” and by substituting
3 “9-404.”

1 SECTION 8. Section 9-209(b) of said chapter 106 is
2 hereby amended by striking out “9-405(a)” and by substituting
3 “9-406(a).”

1 SECTION 9. Part 3 of article 9 of said chapter 106 is hereby
2 amended by inserting, immediately after section 9-341, the
3 following new section:—

4 SECTION 9-342. BANK’S RIGHT TO REFUSE TO ENTER
5 INTO OR DISCLOSE EXISTENCE OF CONTROL AGREE-
6 MENT. This article does not require a bank to enter into an agree-
7 ment of the kind described in Section 9-104(a)(2), even if its
8 customer so requests or directs. A bank that has entered into such
9 an agreement is not required to confirm the existence of the agree-
10 ment to another person unless requested to do so by its customer.

1 SECTION 10. Section 9-401(a) of said chapter 106 is hereby
2 amended by striking out “9-405, 9-406, 9-407 and 9-408” and by
3 substituting “9-406, 9-407, 9-408 and 9-409.”

1 SECTION 11. Part 4 of article 9 of said chapter 106 is hereby
2 amended by inserting, immediately after section 9-401, the
3 following new section and by redesignating sections 9-402, 9-403,
4 9-404, 9-405, 9-406, 9-407 and 9-408 as sections 9-403, 9-404,
5 9-405, 9-406, 9-407, 9-408 and 9-409 respectively:—

6 SECTION 9-402. SECURED PARTY NOT OBLIGATED ON
7 CONTRACT OF DEBTOR OR IN TORT. The existence of a

8 security interest, agricultural lien, or authority given to a debtor to
9 dispose of or use collateral, without more, does not subject a
10 secured party to liability in contract or tort for the debtor's acts or
11 omissions.

1 SECTION 12. Section 9-404(b)(2), so redesignated as
2 Section 9-405(b)(2), of said chapter 106 is hereby amended by
3 striking out "9-405(a)" and by substituting "9-406(a)."

1 SECTION 13. Section 9-405(d), so redesignated as Section 9-
2 406(d), of said chapter 106 is hereby amended by striking out
3 "9-406" and by substituting "9-407."

1 SECTION 14. Section 9-405(f), so redesignated as
2 Section 9-406(f), of said chapter 106 is hereby amended by
3 striking out "9-406" and by substituting "9-407."

1 SECTION 15. Section 9-706(b)(1) of said chapter 106 is hereby
2 amended by striking out "9-402" and by substituting "9-403."

1 SECTION 16. Section 47 of chapter 152 of the General Laws is
2 hereby amended by striking out "9-405 and 9-407" and by substi-
3 tuting "9-406 and 9-408."

1 SECTION 17. The foregoing amendments are intended to cor-
2 rect technical errors and, to the extent substantive, are intended to
3 be declarative of existing law.

