

Legislative developments since the last update on 1/7/2022:

Article 9 and Lien-Related Legislation

Florida: Senate Bill 1758 was pre-filed on 1/7/2022 to make changes to the state's judgment lien law. The bill would (i) specify that payment intangibles, accounts and proceeds thereof are subject to judgment liens; and (ii) make numerous changes to the judgment lien law with respect to priority and enforcement of judgment liens on motor vehicles, mobile homes, and vessels. The bill is pending introduction in the 2022 session and appears to be a companion to HB 1173, which was introduced earlier last week.

Illinois: House Bill 4500 was introduced on 1/13/2022 to amend UCC § 9-525 regarding filing fees. The amendment would set the filing fee for a termination statement at \$5. The bill also makes several changes to business organization laws (see below). Committee assignment is pending.

Kentucky: Senate Bill 67 was introduced on 1/8/2022 to create new UCC Article 12 titled "Controllable Electronic Records". This bill would (i) establish definitions, scope, purchaser rights, debtor discharge obligations, control requirements, and jurisdictional rules relating to controllable electronic records; (ii) modify requirements relating to instruments; (iii) make various definitional revisions; and (iv) make conforming amendments. Committee assignment is pending.

Virginia: Senate Bill 199 was introduced on 1/12/2022 to provide that a notice of sale of personal property to satisfy a lien may be made on a publically available web site. The bill was assigned to the Senate Judiciary Committee.

Other Uniform Laws Legislation

No developments to report.

Emerging Technology Legislation (Blockchain, DLT, Cryptocurrency, etc.)

Alabama: House Bill 127 was introduced on 1/13/2022 to exempt virtual currency from ad valorem taxation. Committee assignment is pending.

Arizona: Senate Bill 1156 was introduced on 1/11/2021 to prohibit a county, city or town from imposing restrictions on individuals running blockchain technology in a residence or imposing any tax or fee for the use of blockchain technology. The bill was assigned to the Senate Finance Committee.

Colorado: House Bill 1053 was introduced on 1/13/2022 to create UCC Article 12, "Digital Assets." This bill would (i) classify digital assets as certain types of property under the UCC; (ii) provide for perfection by control of digital assets; (iii) specify what constitutes control of a digital asset; (iv) equate control with possession of a digital asset; and (v) classify a bank that provides digital asset custodial services as a financial intermediary. This is based on a similar law enacted previously in Wyoming. The bill was assigned to the House Business Affairs and Labor Committee.

Colorado: Senate Bill 25 was introduced on 1/12/2022 to direct the state treasurer to study the use of security tokens for state capital financing. The bill defines "Security Token" to mean a digital, liquid contract made verifiable and secured through the use of blockchain technology that establishes its owner's right to a fraction of a financial asset, such as stock, bond, or certificate of participation. The bill was assigned to the Senate Finance Committee.

Indiana: Senate Bill 351 was introduced on 1/10/2021 to add new Chapter 11 to the state's UCC that would define "virtual currency" and would establish (i) the extent to which a purchaser acquires rights in virtual currency; (ii) when a purchaser of virtual currency takes free of an adverse claim; (iii) conditions for control of virtual currency. The bill would also provide for perfection of a security interest in virtual currency by control or filing a financing statement. Finally, the bill would authorize the attorney general to adopt rules regarding virtual currency and digital assets. The bill was assigned to the Senate Judiciary Committee.

New York: Assembly Bill 8820 was introduced on 1/12/2022 to define "virtual token fraud" and establish civil and criminal penalties for the offense. The bill was assigned to the Codes Committee.

Virginia: House Bill 208 was pre-filed on 1/10/2022 to create the department of regulatory innovation to administer the Virginia Regulatory Sandbox program, which would authorize the testing of innovative offerings without the need to obtain a license or other authorization that would otherwise be required. The bill is pending introduction.

Virginia: House Bill 263 was introduced on 1/12/2022 to authorize banks to provide virtual currency custodial services. Committee assignment is pending.

Business Organization Legislation

Illinois: House Bill 4500 was introduced on 1/13/2022 to make several changes to business organization laws. These changes include (i) requiring a report of interim changes for corporations subject to the General Not For Profit Corporation Act; (ii) amendment of the LLC Act to provide that a registered agent shall continue as the registered agent for five years after

dissolution of the LLC; (iii) authorization for the secretary of state to submit interrogatories to LPs and LLPs to determine compliance with the applicable act; and (iv) provides for the name requirements of LPs and LLPs, as well as the use of assumed names. The bill also amends the filing fees in the state's version of UCC § 9-525 (see above). Committee assignment is pending.

Virginia: House Bill 691 was introduced on 1/11/2022 to clarify provisions related to entity conversion in various business entity acts. Committee assignment is pending.

Notary Legislation

Mississippi: Senate Bill 2035 was introduced on 1/6/2022 to authorize the commissioning of a non-resident who works or practices in the state as a notary. The bill was assigned to the Senate Judiciary Committee.

New Jersey: Assembly Bill 732 was introduced on 1/11/2022 to require that notaries public must be U.S. citizens. Text of the bill is not yet available. Committee assignment is pending.

New York: Assembly Bill 8691 was introduced on 1/10/2022 to authorize remote electronic notarization. The bill provides for both remote ink notarization and remote electronic notarization. A similar bill, SB 7780, was introduced in the Senate on 1/11/2022. The Assembly bill was assigned to the Governmental Operations Committee. The Senate bill committee assignment is pending.

West Virginia: House Bill 3209 was introduced on 1/12/2022 to exempt previously commissioned notaries from a requirement that a person must have a high school diploma or equivalent to be recommissioned as a notary public. The bill was assigned to the House Judiciary Committee.

Real-Estate-Recording-Related Legislation

Indiana: Senate Bill 357 was introduced on 1/10/2021 to provide that a county recorder may not refuse a record simply because it is in electronic form. There are exceptions for certain documents, such as military discharge papers. The bill was assigned to the Senate Judiciary Committee.

New Jersey: Assembly Bill 171 was introduced on 1/11/2022 to provide added protection against fraudulent deed recordings. A companion bill was pre-filed in the Senate on 1/11/2022 as SB 390. Text of these bills is not yet available. Committee assignment is pending.

New Jersey: Assembly Bill 720 was introduced on 1/11/2022 to prohibit a seller of real property from transferring realty transfer fee liability to the buyer. Text of the bill is not yet available. Committee assignment is pending.

New Jersey: Assembly Bill 985 was introduced on 1/11/2022 to promote prompt recording of residential deeds. Text of the bill is not yet available. Committee assignment is pending.

New Jersey: Senate Bill 564 was pre-filed on 1/11/2022 to require that LLCs disclose ownership information when submitting a deed for recording. Text of the bill is not yet available. Committee assignment is pending.

Utah: Senate Bill 80 was pre-filed on 1/11/2022 to provide requirements for the legal description on documents to be recorded with a county recorder. Committee assignment is pending.

Wisconsin: Senate Bill 865 was introduced on 1/13/2022 to require that that covenants and restrictions for a planned community must be recorded with the register of deeds of every county where the community is located by the homeowners association. The bill also requires the Department of Financial Institutions to create a filing system for certain notices by homeowners associations. The bill was assigned to the Senate Housing, Commerce and Trade Committee.

Other Items/Legislation of Interest

Kentucky: House Bill 256 was introduced on 1/10/2022 to increase the criminal penalties for unauthorized practice of law. Committee assignment is pending.

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Note that this update provides only a short summary of the listed bills, which are often lengthy and complex. It is not intended to include all potentially relevant provisions of each bill. For full details, please review the bill on the applicable state legislative web site.