

Legislative developments since the last update on 6/23/2021:

Article 9 and Lien-Related Legislation

Ohio: The Senate concurred in House Amendments to SB 49 on 6/23/2021 and the governor signed the bill on 7/1/2021. This new law creates a statutory lien against commercial real estate in favor of a registered architect, landscape architect, professional surveyor or professional engineer for services provided under contract. The new law takes effect 91 days after it is filed with the secretary of state.

Other Uniform Laws Legislation

Illinois: The governor signed SB 2176 on 6/25/2021 to adopt the Uniform Electronic Transactions Act. The new law took effect immediately.

Rhode Island: HB 5511, which would correct some drafting oversights from the state's adoption of UCC Article 7, passed the Senate on 6/30/2021 and is now awaiting delivery to the governor. The corrections add the official text to certain UCC Article 1 definitions. The bill also would amend the Article 1 definitions of "bearer" and "holder" to include a person in control of a negotiable electronic document of title. The bill would define "delivery" to include the transfer of control of a negotiable electronic document of title. Finally, the bill would add a definition for "document of title."

Rhode Island: SB 451, which would correct some drafting oversights from the state's adoption of UCC Article 7, passed the Senate on 6/24/2021 and then passed the House on 6/30/2021. The corrections add the official text to certain UCC Article 1 definitions. The bill also would amend the Article 1 definitions of "bearer" and "holder" to include a person in control of a negotiable electronic document of title. The bill would define "delivery" to include the transfer of control of a negotiable electronic document of title. Finally, the bill would add a definition for "document of title." This is the Senate companion bill to HB 5511. The bill is pending delivery to the governor.

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

Minnesota: House Bill 62a was introduced in special session on 6/25/2021 to allow corporations to issue certificate tokens in place of shares of stock. The certificate tokens would be recorded into a blockchain or use other emerging technology. The bill was assigned to the House Commerce, Finance and Policy Committee.

New Jersey: Assembly Bill 5926 was introduced on 6/24/2021 to enact the Virtual Currency and Blockchain Regulation Act. The Act would (i) regulate virtual currency businesses; (ii) clarify that open blockchain tokens are intangible personal property; (iii) allow banks to provide custodial services for digital assets; and (iv) permit the formation of distributed autonomous organizations under the state's LLC law. The bill was assigned to the Assembly Judiciary Committee.

United States: HB 3726 passed the House on 6/23/2021. This bill would direct the Consumer Product Safety Commission to establish a pilot program to explore the use of artificial intelligence and direct the Commerce Department and FTC to study use of blockchain technology for consumer protection purposes and to report on deceptive or unfair trade practices relating to digital tokens. The bill is now pending in the Senate Commerce, Science and Transportation Committee.

United States: Senate Bill 1869 was introduced on 5/27/2021 to establish the Blockchain Working Group in the Department of Commerce, which will (i) recommend a definition for distributed ledger technology commonly known as "blockchain;" (ii) study the impact of blockchain technology on electromagnetic spectrum policy; and (iii) identify non-financial uses of blockchain technology; and (iv) identify opportunities for federal agencies to use blockchain. The bill was assigned to the Senate Commerce, Science and Transportation Committee.

Business Organization Legislation

Delaware: The governor signed SB 114 on 6/30/2021 to update the Limited Liability Company Act. The updates (i) provide a safe harbor procedure for ratifying acts or transactions; (ii) clarify when a member is entitled to obtain information for a certain purpose; (iii) provide authority for a member or manager to delegate irrespective of conflict of interest; (iv) provide manner in which an LLC may become a public benefit LLC; and (v) provide that the LLC agreement of a public benefit LLC must state the public benefit. The new law takes effect on 8/1/2021.

Delaware: The governor signed SB 116 on 6/30/2021 to update the Revised Uniform Limited Partnership Act. The updates (i) provide a safe harbor procedure for ratifying acts or transactions; (ii) clarify when a limited partner is entitled to obtain information for a certain purpose; (iii) provide authority for a general partner to delegate irrespective of conflict of interest; (iv) provide manner in which an LP may become a public benefit LP; and (v) provide

that the LP agreement of a public benefit LP must state the public benefit. The new law takes effect on 8/1/2021.

Notary Legislation

Delaware: Senate Bill 193 was introduced on 6/22/2021 to adopt the Revised Uniform Law on Notarial Acts. The bill was assigned to the Senate Legislative Oversight and Sunset Committee.

Florida: The governor signed HB 483 on 6/29/2021 to amend the notary law. The bill changes the notary law to (i) revise the definition of "online notarization;" (ii) provide that supervising the witnessing of an online electronic record by a notary is a notarial act that requires the notary to comply with the same procedures for online notarization by a principal; and (iii) revise various forms. The new law took effect immediately.

Maine: The governor signed HB 1033a on 6/23/2021 to authorize remote online notarization based upon model legislation created by the Mortgage Bankers Association and American Land Title Association. The new law took effect immediately.

Michigan: House Bill 5249 was introduced on 7/1/2021 to authorize a notary to charge a technology fee for the use of a remote electronic notary platform in addition to the fee charged to perform the notarial act. The bill was assigned to the House Judiciary Committee.

New Jersey: AB 4250 (2020), which would revise notary law to adopt RULONA with the 2018 amendments so it will authorize electronic signatures and remote online notary, passed the Senate as amended on 6/21/2021. The bill passed the Assembly last year on 7/30/2020. The Assembly concurred in the Senate amendments on 6/21/2021.

Real-Estate-Recording-Related Legislation

No developments to report.

Other Items/Legislation of Interest

No developments to report.

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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.