



## **REVISED UNIFORM COMMERCIAL CODE ARTICLE 7 (2003)**

The National Conference of Commissioners on Uniform State Laws (NCCUSL) and the American Law Institute (ALI) promulgated for adoption in the states Revised Article 7 – Documents of Title in October 2003. The revision replaces the existing Uniform Commercial Code Article 7 – Documents of Title first promulgated in 1952 and adopted by Florida (Florida Statutes, Chapter 677).

Revised Article 7 does not make major changes to existing law. Rather, it has two primary objectives: (1) allowance of electronic documents of title, and (2) introduction of provisions to reflect modern commercial practices at the state, federal and international levels. Adoption of the Revised Article may require conforming amendments to several other sections of Florida Statutes.

**Support:** It is supported by the warehousing industry and major shippers and carriers because it allows them to more confidently modernize their practices with regard to bills of lading and warehouse receipts. The current Article 7 framework in Florida law reflects an antiquated, paper intensive environment that is out of sync with today’s automated commercial environment. The adoption of Revised Article 7 in thirty-one states indicates that there is a growing trend among the states to adopt this Revised Article. There is no substantial opposition to its provisions.

### **STATE ADOPTIONS:**

Alabama	Illinois	New Mexico
Arizona	Indiana	North Carolina
Arkansas	Iowa	North Dakota
California	Kansas	Oklahoma
Colorado	Maryland	Pennsylvania
Connecticut	Minnesota	Rhode Island
Delaware	Mississippi	Tennessee
Hawaii	Montana	Texas
	Nebraska	Utah
	Nevada	Virginia

**Background:** The storage and shipment of tangible goods for commercial purposes is a fundamental part of our economy. The physical side of the business is carried on by entities that provide warehouses (public warehouses) and entities that carry the goods from place of origin to destination (common carriers).

**Revision in 2003:** The original Article 7 of the Uniform Commercial Code, “Warehouse Receipts, Bills of Lading and Other Documents of Title,” combined two earlier uniform acts, the Uniform Warehouse Receipts Act (1906) and the Uniform Bills of Lading Act (1909).

**Electronic Documents of Title:** A key feature of the revised UCC Article 7 is an electronic system of transfer for electronic documents of title and for the traditional paper system of documents of title, which includes negotiable documents of title.

**Statute of Frauds Requirements:** Revised Article 7 extends statute of fraud requirements to include electronic records and electronic signatures. (The “statue of frauds” requires that certain contracts be in writing and signed by all parties.) Revised Article 7 treats electronic records and signatures as the equivalent of paper documents and written, manual signatures.

**Relationship to Federal Law:** Revised Article 7 provides language stating expressly that it modifies, limits and supersedes the federal Electronic Signatures in Global and National Commerce Act. This express language, permitted in the federal act, avoids any issue of federal preemption. The federal statute allows specific tailoring for the purposes of incorporating electronic records and signatures into state law.

**Other Benefits to Revision:** Beyond making way for electronic documents of title, the revisions to UCC Article 7 primarily update or clarify existing rules of law. For example, the original Article 7 references tariffs and regulations that no longer exist following deregulation of the trucking and rail industries. These references have been eliminated in the revision. Documents of title are fundamental to the transfer of goods in interstate commerce. The outmoded UCC Article 7 should be revised as soon as practicable. The new rules are wholly commerce friendly and Florida will benefit from their prompt enactment.