

Alaska	Massachusetts	Oklahoma
Arkansas	Michigan	Oregon
Connecticut	Montana ¹	Pennsylvania
Georgia	New Hampshire	Rhode Island
Illinois	New Jersey	Tennessee
Indiana ¹	New Mexico	West Virginia ¹
Kentucky	New York	Wyoming
Maryland ¹	Ohio	

Your committee is also informed that the Uniform Commercial Code is also still pending (as of March 13, 1963) before the legislatures of 10 other States, namely:

California	Missouri	Vermont
Hawaii	Nebraska	Washington
Maine	Texas	Wisconsin
Minnesota		

SECTION-BY-SECTION ANALYSIS OF THE BILL

Section 1 of H.R. 5338 provides for the adoption of the Uniform Commercial Code as subtitle I of title 28 of the District of Columbia Code. The following is a brief review of the ten articles of the Uniform Commercial Code (hereinafter referred to as UCC):

Article 1: This article deals with matters of general application, and contains general definitions and principles of interpretation.

Article 2: This article would completely supersede the Uniform Sales Act as contained in chapters 11 through 16 of title 28 of the District of Columbia Code. The Uniform Sales Act has been completely rewritten and much new material added, to conform to present day commercial practices.

Article 3: This article would replace the Uniform Negotiable Instruments Act (NIL) as contained in chapters 1 through 10 of title 28 of the District of Columbia Code.

The law pertaining to commercial paper of the short-term type, like checks, drafts, certificates of deposit and promissory notes, has been completely rewritten in modern commercial language, conforming to the remainder of the UCC. Numerous conflicting judicial interpretations, which have developed concerning provisions of NIL over the last 65 years, have been eliminated in the drafting of Article 3. The parts of NIL dealing with negotiation of securities have been transferred to Article 8 on "Investment Securities".

Article 4: This article, dealing with bank deposits and collections, does not replace any uniform act, and covers a branch of commercial law for which there is virtually no statutory counterpart in the District of Columbia aside from several relatively small sections of the District of Columbia Code.

Article 4, which is of tremendous importance to banks and all customers of banks, codifies in relatively simplified form the law pertaining to the handling of the vast number of collection items which are processed daily by banks and to the relations between a customer and his bank. Article 4 is of course integrated with Article 3 dealing with negotiable instruments and Article 8 dealing with investment securities.

Article 5: This article puts in statutory form the basic legal principles relating to letters of credit, and should prove of great assistance to any attorney who becomes involved in a letter of credit situation.

Section 28-5-102(1), however, differs from the official text in that the former makes it absolutely clear that issuers of letters of credit are entitled, if they so desire, to operate under the Uniform Customs and Practice For Commercial Documentary Credits, instead of under the UCC. In view of the substantial national and international acceptance of the Uniform Customs and Practice, it is considered that the right to continue under them should be expressly preserved.

Article 6: This article relates to bulk sales, and would replace chapter 17 of title 28 of the District of Columbia Code.

Article 6 continues the basic policy of protecting creditors of a merchant who sells in bulk by permitting such creditors to treat the sale of ineffective. Article 6, however, is more detailed and less ambiguous than the existing District of Columbia law enacted in 1904.

Article 7: This article, dealing with warehouse receipts, bills of lading and other documents of title, would replace the Uniform Warehouse Receipts Act as contained in chapters 18 through 22 of title 28 of the District of Columbia Code.

¹ Not signed by Governor as of Mar. 13, 1963.