

I Mina'trentai Siete Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
87-37 (COR)	Sabina Flores Perez Chris Barnett	AN ACT TO ADD A NEW ARTICLE 2 TO CHAPTER 16, TITLE 1, GUAM CODE ANNOTATED, RELATIVE TO CREATING A MECHANISM FOR ATTORNEYS TO EVALUATE AND PROPOSE UPDATES TO GUAM'S UNIFORM COMMERCIAL CODE.	3/31/23 10:14 a.m.						

I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN
2023 (FIRST) Regular Session

Bill No. 87-37 (COR)

Introduced by:

Sabina Flores Perez *SFP*
Chris Barnett *CB*

**AN ACT TO *ADD* A NEW ARTICLE 2 TO CHAPTER 16,
TITLE 1, GUAM CODE ANNOTATED, RELATIVE TO
CREATING A MECHANISM FOR ATTORNEYS TO
EVALUATE AND PROPOSE UPDATES TO GUAM'S
UNIFORM COMMERCIAL CODE.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 that the Uniform Commercial Code (UCC) is a standardized set of laws and
4 regulations for transacting business. The UCC was established in 1953 because it
5 was becoming increasingly difficult for companies to transact business across state
6 lines given the various state laws. The UCC, which consist of 9 Articles, provides a
7 standard legal and contractual framework for businesses in various states to transact
8 with each other.

9 Although there are slight variations in the UCC for state-to-state, the UCC has
10 been fully adopted by most U.S. states. On Guam the UCC was adopted in 1977 and
11 codified as Title 13 Guam Code Annotated. Although there have been several
12 revisions to the UCC since 1977, none have been made to Guam's UCC which
13 remains the same since it was enacted.

1 In December of 1977, the Compiler of Laws position was created as a
2 classified position within the Legislative Branch. This position was later placed
3 under the general administrative supervision of the Guam Law Revision
4 Commission. The Legislature, in January of 1982 decided to terminate the Guam
5 Law Revision Commission in favor of the Office of the Compiler of Laws. In 1983
6 the Compiler of Laws was moved to the Office of the Attorney General and then to
7 the Supreme Court of Guam in 2004. Unfortunately, with the repeal of the Guam
8 Law Revision Commission also came the repeal to the function to review Guam’s
9 uniform laws, including the UCC, and provide guidance to the legislature on how
10 the UCC should be updated to maintain uniformity with other states.

11 *I Liheslaturan Guåhan* further finds that since the UCC was created in 1977,
12 there was an attempt in 2002 to amend Article 9 (Division 9 of the Guam UCC) with
13 Public Law 26-172 to adopt the Uniform Law Commission 2001 update. However,
14 with subsequent repeal of P.L. 26-172, Guam UCC today, remains unchanged, in its
15 entirety, from the version adopted in 1977.

16 *I Liheslaturan Guåhan* further finds that many of the recent UCC revision
17 recommendation adopted by the Uniform Law Commission include updates to
18 address new technology and electronic commerce. Unless Guam’s UCC is updated
19 to account for technological and electronic commerce advancements, it will be
20 increasingly difficult for companies on Guam to transact business with companies
21 across the nation.

22 It is the intent of *I Liheslaturan Guåhan* to create Uniform Commercial Code
23 (UCC) Advisory Councils within the Office of the Compiler of Laws. The purpose
24 of the Council is draft amendments for *I Liheslatura*, inclusive of the recommended
25 effective dates for such amendments. The goal of amendments is to achieve
26 uniformity with a minimal amount of variation from other states that have updated
27 their UCCs. The difficulty for the Councils is determining the effective dates of the

1 updates so that existing contracts, security instruments and other requirements of the
2 UCC are not adversely affected.

3 It is also the commitment of *I Liheslaturan Guåhan* to provide the Office of
4 Compiler of Laws with the resources it needs not just to bring the UCC up to date
5 with other states and territories but to address future updates that may be
6 recommended by the Uniform Law Commission.

7 **Section 2.** A new Article 2 is *added* to Chapter 16, Title 1, Guam Code
8 Annotated to read as follows:

9 **“Article 2**

10 **Uniform Commercial Code (UCC) Advisory Councils**

11 **§ 1621. Uniform Commercial Code Advisory Councils: Creation.**

12 The Compiler of Laws may create any number of Uniform Commercial Code
13 (UCC) Advisory Councils to serve on an *ad hoc* basis.

14 **§ 1622. Same: Composition.**

15 Members of each UCC Advisory Council are appointed by the Compiler of
16 Laws and must be attorneys admitted to the Guam Bar. Members of UCC Advisory
17 Councils serve on an uncompensated voluntary basis.

18 **§ 1623. Same: Length of Term.**

19 The terms for members of UCC Advisory Councils are determined by the
20 Compiler of Laws.

21 **§ 1624. Same: Duties and Responsibilities.**

22 The duties and responsibilities of each UCC Advisory Council shall include,
23 but not be limited to:

24 (a) Draft legislation or recommendations for legislation, on a
25 section-by section basis, to update provisions of the Guam UCC contained in
26 Title 13, Guam Code Annotated,

1 (b) Draft recommendations for the effective dates of the
2 recommendations created in paragraph (a) of this Section, *supra*,

3 (c) Conduct public hearings on proposed recommendations for
4 paragraphs (a) and (b), *supra*, and make amendments, if necessary, to said
5 proposed recommendations, and

6 (d) Recommendation options of the UCC Advisory Councils
7 include:

8 (1) Adopt the Uniform Law Commission recommendations,

9 (2) Adopt the Uniform Law Commission recommendations
10 with variations,

11 (3) Adopt recommendations other than those of the Uniform
12 Law Commission (and provide the source), or

13 (4) Adopt a recommendation for no changes.

14 **§ 1625. Uniform Law Commission (ULC).**

15 The Uniform Law Commission (ULC), also known as the National
16 Conference of Commissioners on Uniform State Laws), established in 1892,
17 provides states with non-partisan, well-conceived and well-drafted legislation that
18 brings clarity and stability to critical areas of state statutory law.

19 ULC members must be lawyers qualified to practice law. They are practicing
20 lawyers, judges, legislators and legislative staff and law professors, who have been
21 appointed by state and territorial governments to research, draft, and promote
22 enactment of uniform state laws in areas of state law where uniformity is desirable
23 and practical.

24 (a) ULC strengthens the federal system by providing rules and
25 procedures that are consistent from state to state but that also reflect the
26 diverse experience of the states.

1 **(b) ULC statutes are representative of state experience, because the**
2 **organization is made up of representatives from each state, appointed by state**
3 **government.**

4 **(c) ULC keeps state law up-to-date by addressing important and**
5 **timely legal issues.**

6 **(d) ULC’s efforts reduce the need for individuals and businesses to**
7 **deal with different laws as they move and do business in different states.**

8 **(e) ULC’s work facilitates economic development and provides a**
9 **legal platform for foreign entities to deal with U.S. citizens and businesses.**

10 **(f) ULC Commissioners donate thousands of hours of their time and**
11 **legal and drafting expertise every year as a public service, and receive no**
12 **salary or compensation for their work.**

13 **(g) ULC’s deliberative and uniquely open drafting process draws on**
14 **the expertise of commissioners, but also utilizes input from legal experts, and**
15 **advisors and observers representing the views of other legal organizations or**
16 **interests that will be subject to the proposed laws.**

17 **§ 1626. Compiler of Laws: Duties and Responsibilities.**

18 **The duties and responsibilities of the Compiler of Laws regarding the UCC**
19 **Advisory Councils, include but are not limited to:**

20 **(a) Solicit interest from Guam barred attorneys to serve on UCC**
21 **Advisory Councils and make appointments accordingly,**

22 **(b) Provide for administrative support for the UCC Advisory**
23 **Councils,**

24 **(c) Compile the recommendations of the UCC Advisory Councils**
25 **and periodically submit such recommendations to *I Liheslaturan Guåhan*,**

26 **(d) Submit to *I Liheslaturan Guåhan*, at least once annually, requests**
27 **for appropriations to fund the provisions of this Article. Requests for**

1 appropriations for inclusion in the annual General Appropriations Act shall be
2 submitted by no later than Ninety (90) days prior the start of each fiscal year,
3 unless otherwise agreed to with the chairperson of *I Liheslaturan Guåhan*'s
4 committee responsible for appropriations.

5 (e) Submit to *I Liheslaturan Guåhan*, as may be necessary, requests
6 for statutory amendments to this Article.

7 **§ 1627. Establishment of a Five-Year Goal for Adoption of Prior**
8 **ULC Recommendations or Alternatives of Prior ULC Recommendations.**

9 *I Liheslaturan Guåhan* establishes a Five (5)-year goal for completion and
10 submission of UCC Advisory Councils' recommendations for amendments to Title
11 13 Guam Code Annotated (Uniform Commercial Code). The Five (5)-year period,
12 *supra*, shall commence One Hundred Eighty (180) following the enactment of this
13 Article.

14 **§ 1628. No Sunset of this Article.**

15 This Article shall not sunset. The Compiler of Laws, may *sua sponte*, convene
16 UCC Advisory Councils to review and make recommendations on future ULC
17 recommended updates or other recommendations amendments of the laws of Title
18 13 Guam Code Annotated.”