UNIFORM COMMERCIAL CODE

Legislative Developments

Rhode Island became the sixth state to adopt the Uniform Commercial Code on May 11, 1960, to become effective as of January 2, 1962.

In most of the forty-four states that have not yet enacted the Code, state bar associations and state bankers associations have endorsed the Code or are reported to be studying it. Code bills are now actually prepared or are in the course of preparation in Arkansas, California, Illinois, Maine, Missouri, Montana, New Mexico, New Jersey, North Dakota, Ohio, Oklahoma, Oregon, Washington and Wyoming.

Massachusetts Amendments

In Massachusetts several amendments were enacted to the Code.

Section 3-122(4) now provides that interest runs on any demand instrument (previously demand note) against a maker, acceptor, or other primary obligor (previously maker) from the date of demand. The subsection previously provided for interest liability, in the absence of a contrary provision, only against the maker.

Section 9-409 has been added. The new section provides that financing statements and other related instruments filed in the registries of deeds will be recorded and indexed in the same manner as that required for instruments affecting real estate. A provision for a security interest in goods which are, or are to become, fixtures may be included in a mortgage or other like instrument transferring security interest in the real estate concerned. If the instrument complies with the Code requirements for a financing statement and is recorded as an instrument affecting real estate, a separate recording of the security interest in the fixtures is not required.

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