

*MINA' BENTE OCHO NA LIHESLATURAN GUÅHAN*  
2006 (SECOND) Regular Session

Bill No. 338(EC)

Introduced by:

A. R. Unpingco

AN ACT TO REPEAL THE  
IMPLEMENTATION DATE OF REVISED  
ARTICLE 9 OF TITLE 13 GUAM CODE  
ANNOTATED AND TO CREATE A  
TASKFORCE TO RECOMMEND  
REVISIONS TO TITLE 13 OF THE  
GUAM CODE ANNOTATED KNOWN AS  
THE UNIFORMED COMMERCIAL CODE.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds  
3 previous attempts to update the Uniformed Commercial Code also referred  
4 to as "UCC" by adopting Revised Article Nine relative to Secured  
5 Transaction have failed and this process could only be done by bringing the  
6 entire "UCC" up to date. Adopting Revised Article Nine makes references  
7 to other Articles within the "UCC" which contains the following articles:  
8 Revised Article 1 General Provisions; Revised Article 2 Sales; Revised

1 Article 2A Leases; Revised Article 3 Negotiable Instruments; Revised  
2 Article 4 Bank Deposits and Collections; Revised Article 4A Fund Transfers;  
3 Revised Article 5 Letters of Credits; Revised Article 6 Bulk Sales; Revised  
4 Article 7 Documents of Title; Revised Article 8 Investment Securities.  
5 Article 2A dealing with personal property leases and Article 4A dealing  
6 with electronic fund transfers are currently not part of Guam's current  
7 Code. The other Articles have had numerous additions and deletions  
8 which are not reflected in Guam's Code. The Committee which has  
9 oversight on Insurance and Banking has been meeting with the Guam  
10 Bankers Association and such meetings not only produced an updated  
11 revised Article 9 but also a recommendation that a full and complete Article  
12 by Article revision be undertaken. Although this project appears to be  
13 monumental, it is the intent of *I Liheslaturan Guåhan* to assign the various  
14 Articles among the members impacted; this project should be completed by  
15 November, 2006. It is also the intent of *I Liheslaturan Guåhan* to repeal the  
16 respective Public Laws adopted to implement Revised Article 9 and the  
17 original Guam Code Annotated Article 9 remains the law to be followed.

18 **Section 2.** Public Law 26-172 is hereby repealed.

19 **Section 3.** Public Law 27-40 is hereby repealed.

20 **Section 4.** Section 36 of Chapter V of Public Law 26-106 is hereby repealed.

1        **Section 5.** Public Law 28-67 is hereby repealed.

2        **Section 6. Savings Provision.** Any security interest perfected under the  
3        UCC, Revised Article 9 as enacted by Public Law 26-172 between the date of  
4        its enactment and the effective date of Public Law 27-40 shall be deemed to  
5        have been perfected under Division 9 of Title 13 of the Guam code  
6        Annotated. Any security interest perfected between the date of enactment  
7        of Public Law 26-72 and the effective date of Public Law 27-40 in the  
8        manner provided by Division 9 of Title 13 of the Guam Code Annotated  
9        prior to its repeal by Public Law 26-172 shall likewise be deemed to have  
10       been perfected under Division 9 of Title 13 of the Guam Code Annotated as  
11       if Public Law 26-172 had never been enacted. Any security interest  
12       perfected during the time period between P.L. 26-172 and the enactment of  
13       this act shall be deemed valid if it was perfected correctly pursuant to the  
14       laws at that time. By mutual consent, parties to a security agreement may  
15       amend their security agreement to conform to the new law.

16       No contract, security agreement or security interest entered into between  
17       the enactment of P. L. 26-172 and the enactment hereof present shall be  
18       declared invalid or unenforceable because of minor defects therein caused  
19       by changes on Article 9 or a party's misunderstanding of the state of Article

1           9. The courts shall construe any agreement or related document containing  
2 such a defect so as to do substantial justice.

3           **Section 7. Reenactment.** Except as provided in Section 6 hereof, Division 9  
4 of Title 13 of the Guam Code Annotated as it existed immediately prior to  
5 the enactment of Public Law 26-172 is hereby reenacted effective as of the  
6 date of enactment of Public Law 26-172. The original Division 9 of Article  
7 13 of Guam Code Annotated is attached as exhibit A.

8           **Section 8. Creation of Taskforce.** A Taskforce comprising of the Chairman,  
9 Committee on Tourism, Maritime, Military and Veterans Affairs along with the  
10 Presiding Officer or his/her Designee from the Guam Bankers Association, Guam  
11 Auto Dealers Association, Guam Bar Association along with the Compiler of Law  
12 and a representative from the Chamber of Commerce who are impacted by Title  
13 13 is hereby created for the purpose of drafting a complete revision of Title 13  
14 Guam Code Annotated relative to the Uniform Commercial Code. The final draft  
15 of Revised Title 13 Guam Code Annotated shall be transmitted to *I Liheslaturan*  
16 *Guåhan* for adoption.

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