

est gives new value to enable the debtor to produce the production-money crops and the value is in fact used for the production of the production-money crops, the security interests rank according to priority in time of filing under Section 9-322(a).

(e) To the extent that a person holds both an agricultural lien and a production-money security interest in the same collateral securing the same obligations, the rules of priority applicable to agricultural liens govern priority.]

Legislative Note: This section is optional. States that enact this section should place it between Sections 9-324 and 9-325 and number it accordingly, e.g., as Section 9-324A or 9-324.1.

Official Comment

1. **Source.** New; replaces former Section 9-312(2).

2. **Priority of Production-Money Security Interests and Conflicting Security Interests.** This section replaces the limited priority in crops afforded by former Section 9-312(2). That priority generally has been thought to be of little value for its intended beneficiaries. This section attempts to balance the interests of the production-money secured party with those of a secured party who has previously filed a financing statement covering the crops that are to be produced. For example, to qualify for priority under this section, the production-money secured party must notify the earlier-filed secured party prior to extending the production-money credit. The notification affords the earlier secured party the opportunity to prevent subordination by extending the credit itself. Subsection (d) makes this explicit. If the holder of a security interest in production-money crops which conflicts with a production-money security interest gives

new value for the production of the crops, the security interests rank according to priority in time of filing under Section 9-322(a).

3. **Multiple Production-Money Security Interests.** In the case of multiple production-money security interests that qualify for priority under subsection (a), the first to file has priority. See subsection (c). Note that only a security interest perfected by filing is entitled to production-money priority. See subsection (b)(1). Consequently, subsection (c) does not adopt the first-to-file-or-perfect formulation.

4. **Holder of Agricultural Lien and Production-Money Security Interest.** Subsection (e) deals with a creditor who holds both an agricultural lien and an Article 9 production-money security interest in the same collateral. In these cases, the priority rules applicable to agricultural liens govern. The creditor can avoid this result by waiving its agricultural lien.

I MINA' BENTE SAIS NA LIHESLATURAN GUAHAN

2002 (SECOND) Regular Session

Date: 12/30/02

VOTING SHEET

Bill No. 265 (COR)

Resolution No. _____

Question: _____

NAME	YEAS	NAYS	NOT VOTING/ ABSTAINED	OUT DURING ROLL CALL	ABSENT
ADA, Joseph F.	✓				
ADA, Thomas C.	✓				
AGUON, Frank B., Jr.	✓				
BROWN, Joanne M. S.	✓				
CALVO, Eddie B.	✓				
CAMACHO, Felix P.					✓
CHARFAUROS, Mark C.	✓				
FORBES, Mark	✓				
KASPERBAUER, Lawrence F.	✓				
LEON GUERRERO, Lourdes A.	✓				
MOYLAN, Kaleo S.					✓
PANGELINAN, Vicente C.	✓				
SANTOS, Angel L.G.					✓
UNPINGCO, Antonio R.	✓				
WON PAT, Judith T.	✓				

TOTAL 12 0 0 0 3

CERTIFIED TRUE AND CORRECT:

Clerk of the Legislature

* 3 Passes = No vote
EA = Excused Absence

12/27/02 2/27/03

PL. 26-172

RECEIVED

FEB 19, 2003

MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN
2002 (SECOND) Regular Session

Bill No. 265 (COR)

Introduced by:

v.c. pangelinan

LFK #1

[Signature]
LFK

AN ACT TO ADOPT THE UNIFORM COMMERCIAL
CODE, REVISED ARTICLE 9, RELATIVE TO
DEALING WITH SECURED TRANSACTIONS.

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Legislative Intent. *I Liheslaturan Guåhan* finds that all
3 fifty (50) states and the District of Columbia have adopted the revised Article
4 9 to the Uniform Commercial Code dealing with secured transactions.

5 Such adoption of the Uniform Commercial Code, Revised Article 9 is
6 necessary in order to bring up to date the laws governing secured
7 transactions; detailing how to create, perfect, and enforce security interests, as
8 well as who among competing creditors has priority rights in the collateral.

9 Therefore, it is the intent of *I Liheslaturan Guåhan* to adopt Uniform
10 Commercial Code, Revised Article 9 to reflect modern lending practices and
11 new technological developments. Further, it is the intent of *I Liheslaturan*
12 *Guåhan* to streamline existing business rules, thus avoiding unnecessary
13 burden for interstate and foreign financing transactions.

1 Section 2. Division 9 of Title 13, Guam Code Annotated is hereby
2 repealed.

3 Section 3. Uniform Commercial Code, Revised Article 9, as published
4 by the American Law Institute and the National Conference of
5 Commissioners on Uniform State Laws, entitled Uniform Commercial Code
6 2001 Edition—2001 Official Text, attached herewith as Exhibit A, is hereby
7 enacted to replace the repealed Division 9 of Title 13, Guam Code Annotated.

8 The Compiler of Laws shall renumber the sections of the Uniform
9 Commercial Code, Revised Article 9 to conform with the Guam Code
10 Annotated numbering system, and shall further number the sections of the
11 Uniform Commercial Code, Revised Article 9 appropriately to correlate with
12 provisions of this Title not repealed by this Act.

13 Section 4. Severability. *If* any provision of this Law or its
14 application to any person or circumstance is found to be invalid or contrary to
15 law, such invalidity shall *not* affect other provisions or applications of this
16 Law which can be given effect without the invalid provisions or application,
17 and to this end the provisions of this Law are severable.

Passed FA No. _____
Date: _____ Time: _____

I MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN

FLOOR AMENDMENTS/CHANGES

Bill No. 265

LFK

Senator Proposing Amendment

(Below for Senator to complete)

Please describe proposed amendment, including where change to occur:

Please as 3rd Sponsor of Bill

(Below only for Clerk of Legislature's use and processing))

Date _____, 2002

Floor Amendment No. 1 of a total of _____ changes on above Bill.

Votes For Amendment: _____ Votes Against Amendment: _____

AMENDMENT PASSED: _____

Amendment Failed: _____

Amendment Withdrawn: _____

APPROVED AS TO FORM PASSED

AUTHOR OF AMENDMENT

Concur (initial)

Clerk of Legislature

Speaker

____ Ass't. Amend. Clerk

____ Engrossment Staff



THE OFFICE OF
Senator Felix P. Camacho
TWENTY-SIXTH GUAM LEGISLATURE

December 26, 2002

The Honorable Antonio R. Unpingco
Speaker
I Mina' Bente Sais Na Liheslaturan Guahan
155 Hessler Street
Hagatna, Guam 96910

Dear Mr. Speaker:

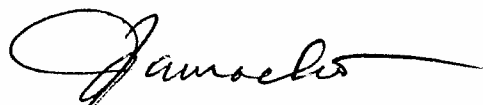
The Committee on Tourism, Transportation and Economic Development, to which was referred **Bill No. 265 (COR)**, "AN ACT TO *ADOPT* THE UNIFORM COMMERCIAL CODE, REVISED ARTICLE 9, RELATIVE TO DEALING WITH SECURED TRANSACTIONS" does hereby report back with the recommendation **TO DO PASS**.

The Committee votes are as follows:

 9 To Pass
 Not To Pass
 To The Inactive File
 Abstained
 Off-Island
 Not Available

A copy of the Committee Report and all pertinent documents are attached for your information and file.

Sincerely,


Felix P. Camacho

VOTING SHEET

BILL NO. 265 (COR))

RECOMMENDATION TO						
COMMITTEE MEMBERS	SIGNATURE	TO PASS	NOT TO PASS	TO REPORT OUT ONLY	ABSTAIN	INACTIVE FILE
Senator Felix Camacho	<i>F Camacho</i>	✓				
Senator Kaleo Moylan						
Speaker Antonio Unpingco	<i>A Unpingco</i>	✓				
Vice Speaker Larry Kasperbauer	<i>L Kasperbauer</i>	✓				
Senator Joseph Ada						
Senator Mark Forbes	<i>M Forbes</i>	✓				
Senator Eddie Baza Calvo	<i>E Baza Calvo</i>	✓				
Senator Mark Charfauros	<i>M Charfauros</i>	✓				
Senator Ben Pangelinan	<i>B Pangelinan</i>	✓				
Senator Tom Ada	<i>T Ada</i>	✓				
Senator Lou Leon Guerrero	<i>L Leon Guerrero</i>	✓				

**COMMITTEE REPORT
TOURISM, TRANSPORTATION AND ECONOMIC
DEVELOPMENT**

BILL NO. 265(COR)

“AN ACT TO ADOPT THE UNIFORM COMMERCIAL CODE, REVISED ARTICLE 9, RELATIVE TO DEALING WITH SECURED TRANSACTIONS.”

I. PUBLIC HEARING

The Committee on Tourism, Transportation and Economic Development held a public hearing on April 26, 2002, at 10 a.m. to hear testimony on Bill No. 265(COR), “AN ACT TO ADOPT THE UNIFORM COMMERCIAL CODE, REVISED ARTICLE 9, RELATIVE TO DEALING WITH SECURED TRANSACTIONS.”

The hearing was called to order by Senator Felix P. Camacho, Chairman of the Committee on Tourism, Transportation and Economic Development. Members present included Senators Ben Pangelinan, Lou Leon Guerrero and Frank Aguon.

Present to testify was Jackie Marati, President of the Guam Bankers Association.

II. TESTIMONY

Ms. Marati read her written testimony, a copy of which is attached.

Senator Camacho asked how much time would be needed to implement the changes in the bill. Ms. Marati said it would take between six months and 1 year to have the right forms available. She added that the Legislature might want to make sure that the right entities are notified and given to time have documents made.

Senator Pangelinan thanked Ms. Marati and the association for their responses.

III. FINDINGS

The Committee finds that Bill No. 265(COR) provides needed updates to the Uniform Commercial Code. The revisions reflect modern practices and new technological developments and will help streamline existing business rules.

IV. RECOMMENDATIONS

The Committee on Tourism, Transportation and Economic Development hereby reports out Bill No. 265(COR) with the recommendation ***TO DO PASS***.



*Senadot Mark Forbes,
Kabisiyon Me*

21 FEB 2002

MEMORANDUM

TO: Chairman
Committee on Tourism, Transportation and Economic Development

FROM: Chairman ~~Mark Forbes~~
Committee on Rules, General Governmental Operations, Reorganization and Reform, and Federal, Foreign and General Affairs

SUBJECT: Principal Referral - Bill No. 265 (COR)

The above bill is referred to your Committee as the Principal Committee, in accordance with Section 6.04.05.01. of the Standing Rules. Your Committee is the Committee authorized to perform the public hearing on this bill and to amend or substitute the bill, as well as report the bill out to the Body. It is recommended that you schedule a public hearing at your earliest convenience.

Thank you for your attention to this matter.

MARK FORBES

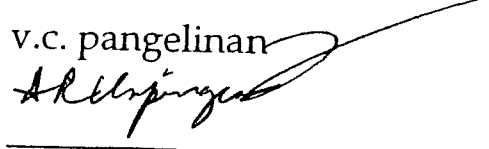
Attachment

FEB 19, 2002

MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN
2002 (SECOND) Regular Session

Bill No. 265 (COR)

Introduced by:

v.c. pangelinan


AN ACT TO ADOPT THE UNIFORM COMMERCIAL
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1 Section 2. Division 9 of Title 13, Guam Code Annotated is hereby
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14 application to any person or circumstance is found to be invalid or contrary to
15 law, such invalidity shall *not* affect other provisions or applications of this
16 Law which can be given effect without the invalid provisions or application,
17 and to this end the provisions of this Law are severable.



THE OFFICE OF
Senator Felix P. Camacho
TWENTY-SIXTH GUAM LEGISLATURE

Phones 1.671
472-3544 / 472-3545
Fax 1.671 472-3546

Public Hearing
10 a.m. April 26, 2002


AGENDA

- I. Call to Order
- II. Announcement and Introduction of Members
- III. Confirmation Hearings:
Michael Lin to the Port Authority of Guam
Mary S. Torres to the Port Authority of Guam
Lorenzo Aflague to the Guam International Airport Authority
- IV. Legislative Measure No. 252 relative to enforcement of patents and trademarks
- V. Legislative Measure No. 260 relative to the Guam Residential Hotel Industry Partnership
- VI. Legislative Measure No. 265 relative to adopting the uniform commercial code.
- VII. Remarks
- VIII. Adjournment

MINA'BENTE SAIS NA LIHESLATURAN GUÅHAN
2002 (SECOND) Regular Session

Bill No. 265 (COR)

Introduced by:

v.c. pangelinan 

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