

ACT 27

H.B. NO. 1825

A Bill for an Act Relating to the Revised Uniform Commercial Code Article 9 - Secured Transactions.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 490:9-102, Hawaii Revised Statutes, is amended as follows:

1. By amending the definition of “agricultural lien” to read:

““Agricultural lien” means an interest~~[-, other than a security interest,]~~ in farm products:

- (1) Which secures payment or performance of an obligation for:
 - (A) Goods or services furnished in connection with a debtor’s farming operation; or
 - (B) Rent on real property leased by a debtor in connection with its farming operation;
- (2) Which is created by statute in favor of a person that:
 - (A) In the ordinary course of its business furnished goods or services to a debtor in connection with a debtor’s farming operation; or
 - (B) Leased real property to a debtor in connection with the debtor’s farming operation; and
- (3) Whose effectiveness does not depend on the person’s possession of the personal property.”

2. By amending the definition of “health-care-insurance receivable” to read:

““Health-care-insurance receivable” means an interest in or claim under a policy of insurance [~~which~~] that is a right to payment of a monetary obligation for health-care goods or services provided~~[-]~~ or to be provided.”

SECTION 2. Section 490:9-304, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The following rules determine a bank’s jurisdiction for purposes of this part:

- (1) If an agreement between the bank and ~~[the debtor]~~ its customer governing the deposit account expressly provides that a particular jurisdiction is the bank's jurisdiction for purposes of this part, this article, or this chapter, that jurisdiction is the bank's jurisdiction.
- (2) If paragraph (1) does not apply and an agreement between the bank and its customer governing the deposit account expressly provides that the agreement is governed by the law of a particular jurisdiction, that jurisdiction is the bank's jurisdiction.
- (3) If neither paragraph (1) nor paragraph (2) applies and an agreement between the bank and its customer governing the deposit account expressly provides that the deposit account is maintained at an office in a particular jurisdiction, that jurisdiction is the bank's jurisdiction.
- (4) If none of the preceding paragraphs applies, the bank's jurisdiction is the jurisdiction in which the office identified in an account statement as the office serving the customer's account is located.
- (5) If none of the preceding paragraphs applies, the bank's jurisdiction is the jurisdiction in which the chief executive office of the bank is located."

SECTION 3. Section 490:9-309, Hawaii Revised Statutes, is amended to read as follows:

“§490:9-309 Security interest perfected upon attachment. The following security interests are perfected when they attach:

- (1) A purchase-money security interest in consumer goods, except as otherwise provided in section 490:9-311(b) with respect to consumer goods that are subject to a statute or treaty described in section 490:9-311(a);
- (2) An assignment of accounts or payment intangibles which does not by itself or in conjunction with other assignments to the same assignee transfer a significant part of the assignor's outstanding accounts or payment intangibles;
- (3) A sale of a payment intangible;
- (4) A sale of a promissory note;
- (5) A security interest created by the assignment of a health-care-insurance receivable to the provider of the health-care goods or services;
- (6) A security interest arising under section 490:2-401, 490:2-505, 490:2-711(3), or 490:2A-508(e), until the debtor obtains possession of the collateral;
- (7) A security interest of a collecting bank arising under section 490:4-210;
- (8) A security interest of an issuer or nominated person arising under section 490:5-118;
- (9) A security interest arising in the delivery of a financial asset under section 490:9-206(c);
- (10) A security interest in investment property created by a broker or securities intermediary;
- (11) A security interest in a commodity contract or a commodity account created by a commodity intermediary;
- (12) An assignment for the benefit of all creditors of the transferor and subsequent transfers by the assignee thereunder; ~~[and]~~
- (13) A security interest created by an assignment of a beneficial interest in a decedent's estate[-]; and
- (14) A sale by an individual of an account that is a right to payment of winnings in a lottery or other game of chance."

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SECTION 4. Statutory material to be repealed is bracketed and stricken.
New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.

(Approved April 23, 2002.)