

BILL SUMMARY

1st Session of the 59th Legislature

Bill No.:	HB 2776
Version:	CS
Request Number:	10426
Author:	Speaker McCall
Date:	3/6/2024
Impact:	Please see previous summary of this measure

Research Analysis

The committee substitute for HB 2776 amends the Uniform Commercial Code (UCC) to establish rules and procedures for transactions involving digital assets referred to as controllable electronic records, which may include cryptocurrency and non-fungible tokens (NFTs).

A person in control of a controllable electronic record may utilize all the benefits of the property as well as prevent other parties from utilizing it. This person must be positively identifiable by name, identifying number, cryptographic key, office, or account number.

The measure allows lenders with control of digital assets to perfect a prioritized security interest over the interests of any other lenders. Additional rules also provide protections for parties who unknowingly exchange digital assets subject to competing property claims. Should violations of UCC regulations occur, parties involved may choose the governing law jurisdiction that is most applicable to their transaction for commercial law purposes.

The measure also clarifies that money, by definition, must be a governmentally-authorized medium of exchange that is not in electric form.

Additionally, there are new guidelines on hybrid transactions involving both goods and services. UCC rules will apply to hybrid transactions if the sale and lease of goods is the predominant purpose of the transaction rather than the sale of services or provision of property. If the sale of services or provision of property does predominate, UCC rules will only apply to the portion of the transaction pertaining to the sale or lease of goods.

Lastly, the measure modifies terminology to account for electronic signatures and documents.

Prepared By: Autumn Mathews

Fiscal Analysis

The measure is currently under review and impact information will be completed.

Prepared By: House Fiscal Staff

Other Considerations

HB 2776 brings Oklahoma into the compliance with the UCC updates recommended by the Uniform Law Commission.

