

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 908
House Committee Substitute Favorable 7/1/99

Short Title: Revise UCC Warehouse Receipts.

(Public)

Sponsors:

Referred to:

April 14, 1999

A BILL TO BE ENTITLED

AN ACT TO REVISE THE UNIFORM COMMERCIAL CODE TO PROVIDE THAT
A WAREHOUSE RECEIPT ISSUED IN ELECTRONIC FORM IS EFFECTIVE TO
CREATE A LIEN.

The General Assembly of North Carolina enacts:

Section 1. G.S. 25-7-209 reads as rewritten:

"§ 25-7-209. Lien of warehouseman.

(1) A warehouseman has a lien against the bailor on the goods covered by a warehouse receipt or on the proceeds thereof in his possession for charges for storage or transportation (including demurrage and terminal charges), insurance, labor, or charges present or future in relation to the goods, and for expenses necessary for preservation of the goods or reasonably incurred in their sale pursuant to law. If the person on whose account the goods are held is liable for like charges or expenses in relation to other goods whenever deposited and it is stated in the receipt that a lien is claimed for charges and expenses in relation to other goods, the warehouseman also has a lien against him for such charges and expenses whether or not the other goods have been delivered by the warehouseman. But against a person to whom a negotiable warehouse receipt is duly negotiated a warehouseman's lien is limited to charges in an amount or at a rate specified

1 on the receipt or if no charges are so specified then to a reasonable charge for storage of
2 the goods covered by the receipt subsequent to the date of the receipt.

3 (2) The warehouseman may also reserve a security interest against the bailor for a
4 maximum amount specified on the receipt for charges other than those specified in
5 subsection (1), such as for money advanced and interest. Such a security interest is
6 governed by the article on secured transactions (article 9).

7 (3)(a) A warehouseman's lien for charges and expenses under subsection (1) or
8 a security interest under subsection (2) is also effective against any
9 person who so entrusted the bailor with possession of the goods that a
10 pledge of them by him to a good faith purchaser for value would have
11 been valid but is not effective against a person as to whom the document
12 confers no right in the goods covered by it under G.S. 25-7-503.

13 (b) A warehouseman's lien on household goods for charges and expenses in
14 relation to the goods under subsection (1) is also effective against all
15 persons if the depositor was the legal possessor of the goods at the time
16 of deposit. "Household goods" means furniture, furnishings and personal
17 effects used by the depositor in a dwelling.

18 (c) Where the holder of a security interest with respect to the property
19 stored, or any part thereof, has instituted appropriate legal proceedings
20 for the recovery of possession of property, such holder shall be entitled
21 to possession under the writ or other process upon payment of a fair
22 fractional portion of the total storage charges reasonably allocable to the
23 storage of the property described in the writ or other process.

24 (4) A warehouseman loses his lien on any goods which he voluntarily delivers or
25 which he unjustifiably refuses to deliver.

26 (5) A warehouseman's lien is effective under this section if the receipt is in written
27 or electronic form."

28 Section 2. This act becomes effective October 1, 1999.