

No. 687

AN ACT

Amending the act of April 6, 1953 (P. L. 3), entitled, as amended, "An act relating to certain commercial transactions and contracts and other documents concerning them, including sales, commercial paper, bank deposits and collections, documentary letters of credit, bulk transfers, warehouse receipts, bills of lading, other documents of title, investment securities, and secured transactions, including certain sales of accounts, chattel paper, and contract rights; providing for public notice to third parties in certain circumstances; regulating procedure, evidence and damages in certain court actions involving such transactions, contracts or documents, and to make uniform the law with respect thereto," correcting certain inadvertent errors which, if uncorrected, would render the act not uniform with the Uniform Commercial Code of other states.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Uniform Commercial Code.

Section 1. Subsection (1) of section 1-204, act of April 6, 1953 (P. L. 3), known as the "Uniform Commercial Code," reenacted, amended and revised October 2, 1959 (Act No. 426), is amended to read:

Subsection (1), section 1-204, act of April 6, 1953, P. L. 3, reenacted, amended and revised October 2, 1959, Act No. 426, further amended.

Section 1-204. Time: Reasonable Time; "Seasonably."—(1) *Whenever this Act requires any action to be taken within a reasonable time, [the agreement may fix] any time which is not manifestly unreasonable may be fixed by agreement.

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Section 2. Clause (d) of subsection (1) and clause (b) of subsection (3) of section 3-601 of the act, reenacted, amended and revised October 2, 1959 (Act No. 426), are amended to read:

Clause (d), subsection (1), and clause (b), subsection (3), section 3-601 of the act, reenacted, amended and revised October 2, 1959, Act No. 426, further amended.

Section 3-601. Discharge of Parties.—(1) The extent of the discharge of any party from liability on an instrument is governed by the sections on

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(d) impairment of right of recourse or of [security] collateral (Section 3-606); or

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(3) The liability of all parties is discharged when any party who has himself no right of action or recourse on the instrument.

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* "Wherever" in original.

(b) is discharged under any provision of this Article, except as otherwise provided with respect to discharge for impairment of recourse or of [security] collateral (Section 8-606).

Subsection (2), section 8-304 of the act, reenacted, amended and revised October 2, 1959, Act No. 426, further amended.

Section 3. Subsection (2) of section 8-304 of the act, reenacted, amended and revised October 2, 1959 (Act No. 426), is amended to read :

Section 8-304. Notice to Purchaser of Adverse Claims.—

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(2) The fact that the purchaser (including a broker for the seller or buyer) has notice that the security is held for a third person or is registered in the name of or indorsed by a fiduciary does not create a duty of inquiry into the rightfulness of the transfer or constitute notice of adverse claims. If, however, the purchaser (excluding an intermediary bank) has [reason to know] *knowledge* that the proceeds are being used or that the transaction is for the individual benefit of the fiduciary or otherwise in breach of duty, the purchaser is charged with notice of adverse claims.

Clause (a), subsection (1), section 9-401 of the act, reenacted, amended and revised October 2, 1959, Act No. 426, further amended.

Section 4. Clause (a) of subsection (1) of section 9-401 of the act, reenacted, amended and revised October 2, 1959 (Act No. 426), is amended to read :

Section 9-401. Place of Filing; Erroneous Filing; Removal of Collateral.—(1) The proper place to file in order to perfect a security interest is as follows:

(a) when the collateral is [consumer goods, contract rights or general intangibles,] equipment used in farming operations, or farm products, or accounts, *contract rights or general intangibles* arising from or relating to the sale of farm products by a farmer, or *consumer goods*, then in the office of the prothonotary in the county of the debtor's residence or if the debtor is not a resident of this State then in the office of the prothonotary in the county where the goods are kept, and in addition when the collateral is crops in the office of the prothonotary in the county where the land on which the crops are growing or to be grown is located;

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Clause (e), subsection (3), section 9-501 of the act, reenacted, amended and revised October 2, 1959, Act No. 426, further amended.

Section 5. Clause (e) of subsection (3) of section 9-501 of the act, reenacted, amended and revised October 2, 1959 (Act No. 426), is amended to read :

Section 9-501. Default; Procedure When Security Agreement Covers Both Real and Personal Property.—

* * * * *

(3) To the extent that they give rights to the debtor and impose duties on the secured party, the rules stated in the subsections referred to below may not be waived or varied except as provided with respect to compulsory disposition of collateral (subsection (1) of Section 9-505) and with respect to redemption of collateral (Section 9-506) but the parties may by agreement determine the standards by which the fulfillment of these rights and duties is to be measured if such standards are not manifestly unreasonable:

* * * * *

(e) subsection (1) of Section 9-507 which deals with the secured party's liability for failure to comply with this Part [, but the parties may by agreement determine the standards by which the fulfillment of these rights and duties is to be measured if such standards are not manifestly unreasonable].

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Section 6. This act shall take effect at 12:01 A.M. on January 1, 1960. Effective date.

APPROVED—The 16th day of December, A. D. 1959.

DAVID L. LAWRENCE

No. 688

AN ACT

Amending the act of May 23, 1945 (P. L. 913), entitled "An act relating to and regulating the practice of the profession of engineering; including civil engineering, mechanical engineering, electrical engineering, mining engineering, chemical engineering, surveying and constituent parts and combinations thereof as herein defined; providing for the licensing and registration of persons practicing said profession, and the certification of engineers in training, and the suspension and revocation of said licenses, registrations and certifications for violation of this act; prescribing the powers and duties of the State Registration Board for Professional Engineers, the Department of Public Instruction and the courts; prescribing penalties; and repealing existing laws," authorizing registration of certain qualified persons without examination, and providing for biennial registration.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Clause (1) of subsection (b) of section 4, act of May 23, 1945 (P. L. 913), known as the "Professional Engineers Registration Law," is amended to read:

Section 4. General Powers of Board.—The board shall have power—

* * * * *

Professional Engineers Registration Law.

Clause (1), subsection (b), section 4, act of May 23, 1945, P. L. 913, amended.