

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 908

Short Title: Revise UCC Warehouse Receipts.

(Public)

Sponsors: Senators Albertson; Carpenter, Clodfelter, Harris, Hoyle, Kerr, Metcalf, Warren, and Weinstein.

Referred to: Judiciary I.

April 14, 1999

A BILL TO BE ENTITLED

1 AN ACT TO REVISE THE UNIFORM COMMERCIAL CODE TO PROVIDE THAT
2 WAREHOUSEMEN DO NOT HAVE TO ISSUE WRITTEN RECEIPTS AS A
3 PRECONDITION TO CREATING A LIEN.
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5 The General Assembly of North Carolina enacts:

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

7 "**§ 25-7-209. Lien of warehouseman.**

8 (1) A warehouseman has a lien against the bailor on the goods covered by a
9 warehouse receipt or on the proceeds thereof in his possession for charges for storage or
10 transportation (including demurrage and terminal charges), insurance, labor, or charges
11 present or future in relation to the goods, and for expenses necessary for preservation of
12 the goods or reasonably incurred in their sale pursuant to law. If the person on whose
13 account the goods are held is liable for like charges or expenses in relation to other goods
14 whenever ~~deposited and it is stated in the receipt that a lien is claimed for charges and expenses~~
15 ~~in relation to other goods, deposited,~~ the warehouseman also has a lien against him for such
16 charges and expenses whether or not the other goods have been delivered by the
17 warehouseman. But against a person to whom a negotiable warehouse receipt is duly
18 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.~~ charges other than those
6 specified in subsection (1) of this section, such as for money advanced and interest, but if
7 a receipt is issued for the goods, such a security interest is not valid against third persons
8 without notice unless the maximum amount thereof is conspicuously stated on the
9 receipt. Such a security interest is governed by the article on secured transactions (article
10 9).

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

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

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

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

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