



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2009 Assembly Bill 687	Assembly Amendment 1
<i>Memo published: February 26, 2010</i>	<i>Contact: Scott Grosz, Staff Attorney (266-1307)</i>

2009 Assembly Bill 687 repeals and recreates ch. 401, Stats., relating to the general provisions chapter of the Uniform Commercial Code (UCC). Generally, the bill makes technical changes related to ordering and numbering, and makes a number of updates to reflect and accommodate changing business practices. With regard to substantive changes, the bill includes the following:

- Clarification that the general provisions chapter applies only to transactions governed by the UCC and not by other law.
- Clarifies when other principles of law may be used to supplement UCC provisions of law.
- Specifically provides that evidence of “course of performance” may be used to interpret a contract along with course of dealing and usage of trade.

Additionally, the bill defines “good faith” as follows:

“Good faith,” except as otherwise provided in ch. 405, means honesty in fact and the observance of reasonable commercial standards of fair dealing.

Assembly Amendment 1 replaces the definition of “good faith” in the bill with the following:

“Good faith” means honesty in fact in the conduct or transaction concerned.

The definition of “good faith” provided by the amendment is the same definition used under current law, s. 401.201 (19), Stats.

Legislative History

Assembly Amendment 1 was introduced by Representative Cullen. On February 24, 2010, the Assembly Committee on Financial Institutions recommended adoption of Assembly Amendment 1 and passage of Assembly Bill 687, as amended, by votes of Ayes, 10; Noes, 0.

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