

# REPORT OF THE CHIEF LEGISLATIVE ANALYST

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DATE: September 09, 2025

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations Committee

FROM: Sharon M. Tso  
Chief Legislative Analyst

Council File No. 25-0002-S75  
Assignment No. 25-08-0671

SUBJECT: Resolution (Rodriguez – Raman) relative to support reforms to the State Universal Commercial Code

CLA RECOMMENDATION: Adopt Resolution (Rodriguez – Raman) to include in the City's 2025-2026 State Legislative Program SUPPORT for reform to the Uniform Commercial Code system, including the notification of those filed against, to establish an appeal process that does not require court intervention and limiting the accessibility of sensitive personal information.

## SUMMARY

Resolution (Rodriguez – Raman) states that the Uniform Commercial Code (UCC) system, managed individually by each state, was designed to standardize business transactions across the country, and includes a public database to record credit and asset lien information, ensuring the proper accounting of financial debts for creditors.

The Resolution notes that anti-government actors are flooding states and counties with erroneous liens designed to punish public officials with which they disagree politically, a practice the Justice Department defines as "paper terrorism." These false debt claims can complicate a person's ability to pass a background check or qualify for a mortgage, or a business' chances to receive credit services, effectively weaponizing the UCC recording process.

Additionally, public UCC filings include sensitive personal information, such as addresses, which allows for the doxing of public officials. The assassination of Minnesota House Democratic leader Melissa Hortman and her husband at their home demonstrates the dangers inherent with the public nature of these filings.

The Resolution states that the UCC system requires serious reforms to prevent the spreading abuse of "paper terrorism" against our residents and public officials, including the notification of those filed against, a proper appeal process that does not require court intervention, and limiting the accessibility of sensitive personal information. Therefore, the Resolution recommends support for reform to the Uniform Commercial Code system including the notification of those filed against, to establish an appeal process that does not require court intervention and limiting the accessibility of sensitive personal information.

## BACKGROUND

The UCC system, instituted in 1952, is a comprehensive set of laws governing all commercial transactions in the United States. The UCC is managed individually by each state. While the UCC is not federal law, uniformity is achieved across all states in order to simplify interstate business and ensure consistent enforcement of requirements across the country. The UCC allows lenders to quickly investigate prior debts and liens to assess the credit-worthiness of a loan candidate.

In California, the UCC is managed by the Secretary of State. UCC filings require a five dollar fee, and the Secretary has the right to reject a UCC filing if the paperwork is not properly filled out or if there is a reasonable belief that the document is fraudulent or intended to harass a person or entity. The Secretary is not required to inform those who have liens placed against them. Removing a UCC filing requires a court process that can cost thousands of dollars to complete.

On August 3, 2025, the Los Angeles Times published a report relative to the UCC process and various abuses of the UCC filing system. The Times states that "these claims, which were designed to be straightforward and quick to file, are inherently vulnerable to abuse, inflicting financial harm and costly legal battles." Numerous public officials were contacted for the article because they were named in seemingly frivolous UCC filings, of which a number were completely unaware.

Fraudulent filings have included a \$3 million claim against Senator Alex Padilla and a \$999 quintillion filing against several Los Angeles County Superior Court judges.



Alex Whitehead  
Analyst

Attachments: Resolution (Rodriguez – Raman)

**RESOLUTION**

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations, or policies proposed to or pending before a local, State, or federal governmental body or agency must first have been adopted in the form of a Resolution by the City Council; and

WHEREAS, the Uniform Commercial Code (UCC) system, managed individually by each state, was designed to standardize business transactions across the country, and includes a public database to record credit and asset lien information, ensuring the proper accounting of financial debts for creditors; and

WHEREAS, debt claims include personal information such as home addresses of accused debtors, and the State does not provide notice to those who have liens placed against them; and

WHEREAS, UCC filings can be recorded by anyone willing to pay the five dollar fee, but cost thousands to remove through court filings; and

WHEREAS, across the country, anti-government actors are flooding states and counties with erroneous liens designed to punish public officials with which they disagree politically, a practice the Justice Department defines as "paper terrorism"; and

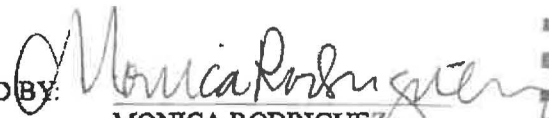
WHEREAS, false debt claims can complicate a person's ability to pass a background check or qualify for a mortgage, or a business' chances to receive credit services, effectively weaponizing the UCC recording process; and

WHEREAS, the publication of personal information allows for doxing of public officials, which is a growing concern after the assassination of Minnesota House Democratic leader Melissa Hortman and her husband at their home; and

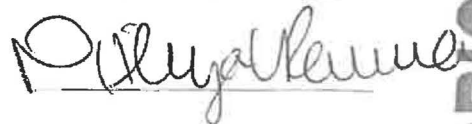
WHEREAS, the UCC system requires serious reforms to prevent the spreading abuse of "paper terrorism" against our residents and public officials, including the notification of those filed against, a proper appeal process that does not require court intervention, and limiting the accessibility of sensitive personal information.

NOW, THEREFORE, BE IT RESOLVED, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2025-2026 State Legislative Program SUPPORT for reform to the Uniform Commercial Code system including the notification of those filed against, to establish an appeal process that does not require court intervention and limiting the accessibility of sensitive personal information.

PRESENTED BY:

  
MONICA RODRIGUEZ  
Councilmember, 7th District

SECONDED BY:



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