RULES, ELECTIONS AND INTERGOVERNMENTAL RELATIONS COMMITTEE REPORT and RESOLUTION relative to establishing the City's position on reforming the Uniform Commercial Code (UCC) system.

Recommendation for Council action, pursuant to Resolution (Rodriguez – Raman), SUBJECT TO THE CONCURRENCE OF THE MAYOR:

RESOLVE to include in the City's 2025-26 State Legislative Program SUPPORT for reform to the UCC 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.

<u>Fiscal Impact Statement</u>: Neither the City Administrative Officer nor the Chief Legislative Analyst (CLA) has completed a financial analysis of this report.

Community Impact Statement: None submitted.

Summary:

On September 12, 2025, your Rules, Elections and Intergovernmental Relations Committee considered a CLA report dated September 9, 2025 and an August 8, 2025 Resolution (Rodriguez – Soto-Martinez, Jurado) relative to establishing the City's position on reforming the UCC system. According to the Resolution, the 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. UCC filings can be recorded by anyone willing to pay the five-dollar fee, but costs thousands to remove through court filings. This has led to anti-government actors are flooding states and counties with erroneous liens designed to punish public officials with which they disagree politically. After consideration and having provided an opportunity for public comment, the Committee moved to recommend approval of the Resolution. This matter is now submitted to Council for its consideration.

Respectfully Submitted,

Rules, Elections, and Intergovernmental Relations Committee

COUNCILMEMBER VOTE
HARRIS-DAWSON: YES
RAMAN: YES
YAROSLAVSKY: YES
SOTO-MARTINEZ: YES
LEE: YES

RM 09/12/25