



Ohio Revised Code

Section 1302.42 Passing of title - reservation for security - limited application of this section - UCC 2-401.

Effective: June 29, 2011

Legislation: House Bill 9 - 129th General Assembly

Each provision of sections 1302.01 to 1302.98 of the Revised Code with regard to the rights, obligations, and remedies of the seller, the buyer, purchasers, or other third parties applies irrespective of title to the goods except where the provision refers to that title. Insofar as situations are not covered by the other provisions of sections 1302.01 to 1302.98 of the Revised Code and matters concerning title become material, the following rules apply:

(A) Title to goods cannot pass under a contract for sale prior to their identification to the contract pursuant to section 1302.45 of the Revised Code, and unless otherwise explicitly agreed the buyer acquires by their identification a special property as limited by Chapters 1301., 1302., 1303., 1304., 1305., 1307., 1308., 1309., and 1310. of the Revised Code. Any retention or reservation by the seller of the title (property) in goods shipped or delivered to the buyer is limited in effect to a reservation of a security interest. Subject to these provisions and to the provisions of Chapter 1309. of the Revised Code, title to goods passes from the seller to the buyer in any manner and on any conditions explicitly agreed on by the parties.

(B) Unless otherwise explicitly agreed, title passes to the buyer at the time and place at which the seller completes performance with reference to the physical delivery of the goods, despite any reservation of a security interest and even though a document of title is to be delivered at a different time or place; and in particular and despite any reservation of a security interest by the bill of lading:

(1) If the contract requires or authorized the seller to send the goods to the buyer but does not require the seller to deliver them at destination, title passes to the buyer at the time and place of shipment; but

(2) If the contract requires delivery at destination, title passes on tender there.



(C) Unless otherwise explicitly agreed where delivery is to be made without moving the goods:

(1) If the seller is to deliver a tangible document of title, title passes at the time when and the place where the seller delivers the documents and if the seller is to deliver an electronic document of title, title passes when the seller delivers the document; or

(2) If the goods are at the time of contracting already identified and no documents of title are to be delivered, title passes at the time and place of contracting.

(D) A rejection or other refusal by the buyer to receive or retain the goods, whether or not justified, or a justified revocation of acceptance reverts title to the goods in the seller. The reversion occurs by operation of law and is not a "sale."