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SFA

BILL ANALYSIS

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House Bill 5644 (as passed by the House)
Sponsor: Representative Laura Baird
House Committee: Commerce
Senate Committee: Economic Development, International Trade and Regulatory Affairs

Date Completed: 11-17-98

CONTENT

The bill would repeal Article 6 (Bulk Transfers) and Section 9111 of the Uniform Commercial Code. The bill specifies that the rights and obligations that arose under Article 6 before it was repealed would remain valid and could be enforced.

Currently, Article 6 defines bulk transfers; excludes certain transfers; requires a list of creditors of the transferor; requires any governmental tax unit to be deemed a creditor; requires a notice to all creditors; specifies responsibilities for an auctioneer of bulk transfers; imposes strict liability for failure of an auctioneer to perform his or her specified duties; provides that the title of a transferee to property is subject to a defect if he or she does not comply with the article's provisions; and imposes a six-month limitation of actions and levies unless a transfer has been concealed. Section 9111 provides that the creation of a security interest is not a bulk transfer under Article 6.

The bill also would delete a provision that if a financing statement covers crops growing or to be grown, the statement must also contain a description and reasonable identification of the real estate.

MCL 440.1105 et. al

Legislative Analyst: N. Nagata

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: M. Tyszkiewicz

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.