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Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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House Bill 5708 (as reported without amendment)  
Sponsor: Representative Andrew Richner  
House Committee: Commerce  
Senate Committee: Economic Development, International Trade and Regulatory Affairs

### **CONTENT**

The bill would enact the "Uniform Fraudulent Transfer Act", which would repeal and replace the Uniform Fraudulent Conveyance Act (MCL 566.11-566.23). The bill specifies circumstances under which a transfer made or obligation incurred by a debtor would be fraudulent; describes when a transfer would be considered made; specifies the relief that a creditor could obtain; describes when a transfer would or would not be voidable; and prescribes the period of limitations for an action brought under the proposed Act.

A "creditor" would be a person who had a claim, and a "debtor" would be a person who was liable on a claim. "Claim" would mean a right to payment, whether or not the right was reduced to judgment, liquidated, fixed, contingent, matured, disputed, legal, equitable, or secured. "Transfer" would mean every mode, direct or indirect, absolute or conditional, voluntary or involuntary, of disposing of or parting with an asset or an interest in an asset, and would include payment of money, release, lease, and creation of a lien or other encumbrance.

The proposed Act would have to be applied and construed to effectuate its general purpose to make uniform the law of fraudulent conveyance among the states enacting it.

Legislative Analyst: N. Nagata

### **FISCAL IMPACT**

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

Date Completed: 11-19-98

Fiscal Analyst: M. Tyszkiewicz