

UNIFORM FOREIGN-COUNTRY MONEY JUDGMENTS RECOGNITION ACT

Mitchell Bean, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4650

Sponsor: Rep. Paul Condino

Committee: Judiciary

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A SUMMARY OF HOUSE BILL 4650 AS INTRODUCED 4-24-07

The Uniform Foreign Money-Judgments Recognition Act provides for enforcement of foreign country judgments in a state court in the United States. The act was promulgated by the Uniform Law Commissioners (ULC) in 1962 and has since been adopted by 32 states. Michigan adopted the model law in 1967.

According to the ULC, increased international trade has led to increases in litigation, which means that more judgments are being enforced between foreign countries. As courts have interpreted provisions of the act over the past four decades, some problems have also become apparent and need to be addressed. In 2005, the National Conference of Commissioners on Uniform State Laws (NCCUSL) approved an updated version of the act and urged states to adopt it.

House Bill 4650 would rescind the current act and replace it with the Uniform Foreign-Country Money Judgments Recognition Act. According to NCCUSL, the new act:

provides simple court procedures for the enforcement of foreign-country money judgments; updates and clarifies both the definitions and the scope section; sets out the procedure by which recognition of a foreign-country judgment must be sought under the act; revises the grounds for denying recognition of foreign-country money judgments; and establishes a statute of limitations for recognition actions.

Significant revisions included in the new act are as follows:

- Revise the definition of "foreign-country" to clarify that a judgment entitled to full faith and credit under the U.S. Constitution would not be enforceable under the act. (The enforcement of a sister state judgment from within the U.S. is provided under a different act, the Uniform Enforcement of Foreign Judgments Act.)
- Clarify that the act would not apply to a foreign-country judgment that was related to taxes; a fine or other penalty; or domestic relations (e.g., divorce).
- Place the burden of establishing applicability of the act to a foreign-country judgment on the party seeking recognition of a foreign-country judgment. A

party resisting recognition of a foreign-country judgment would bear the burden of establishing that a ground for nonrecognition exists.

- Clarify criteria under which a court of this state could not recognize a foreign-country judgment and add to the existing criteria a judgment rendered in circumstances that raise substantial doubt as to the integrity of the rendering court with respect to that judgment and a judgment for which the specific proceeding in the foreign court leading to that judgment was not compatible with the requirements of due process of law.
- Specify the procedure to follow to obtain recognition of a foreign-country judgment. For an original matter, an action seeking recognition would have to be filed and recognition sought in a pending matter could be raised by counterclaim, cross-claim, or affirmative defense.
- Establish a time limit for filing an action to recognize a foreign-country judgment. The action would have to be commenced within the earlier of the time during which the foreign-country judgment was effective in the foreign country or 15 years from the date that the judgment had become effective in the foreign country.
- Apply the bill to all actions that commenced on or after the bill's effective date in which the issue of recognition of a foreign-country judgment had been raised.

FISCAL IMPACT:

House Bill 4650 would have a minimal fiscal impact on the judiciary system. Any fiscal impact would be related to increased administrative workload that might arise based upon the number of foreign-country money judgement cases brought under the bill.

Legislative Analyst: Susan Stutzky
Fiscal Analyst: Viola Bay Wild

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.