



**Senate Fiscal Agency**  
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Senate Bills 547 and 548 (as reported without amendment)  
Sponsor: Senator Darwin L. Booher  
Committee: Banking and Financial Institutions

### **CONTENT**

Senate Bill 547 would amend Article 3 of the Uniform Commercial Code (UCC), which governs negotiable instruments, to do the following:

- Allow a person to enforce a lost instrument if he or she acquired ownership of the instrument from a person who was entitled to enforce it when loss of possession occurred, if certain conditions were met.
- Provide for a payment on an instrument to be discharged if a person made payment on an instrument to the person identified as the person with the power to enforce the instrument, even if the instrument had been transferred to another person with the power to enforce it, until the person required to pay was given notice of the transfer.
- Amend the rules of suretyship to specify rights of primary and secondary obligors with regard to enforcing instruments and discharging obligations.
- Provide that if an instrument in a consumer transaction did not include a statement that the rights of a holder or transferee were subject to a claim or defense that the issuer could assert against the original payee, the instrument would be regarded as if it included the statement.
- Provide a warranty for the transfer of a remotely created consumer item.
- Change various requirements for or references to "writing" and "written record" to "record".

Senate Bill 548 would amend the Uniform Electronic Transactions Act to revise citations to various sections of the UCC.

Senate Bill 548 is tie-barred to Senate Bill 547.

MCL 440.3103 et al. (S.B. 547)  
450.846 (S.B. 548)

Legislative Analyst: Glenn Steffens

### **FISCAL IMPACT**

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

Date Completed: 10-15-13

Fiscal Analyst: Josh Sefton