



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 550 (as reported without amendment)
Sponsor: Senator Darwin L. Booher
Committee: Banking and Financial Institutions

CONTENT

The bill would amend Article 4A of the Uniform Commercial Code, which governs funds transfers, to apply the article to a remittance transfer, and provide that if there were an inconsistency between the article and an applicable provision of the Federal Electronic Fund Transfer Act (EFTA), the Act would govern.

Article 4A states that it does not apply to a funds transfer that is governed by the EFTA.

Under the bill, Article 4A would apply to a funds transfer that was a remittance transfer, unless the remittance transfer was an electronic funds transfer.

"Remittance transfer" would mean that term as defined under the EFTA (i.e., an electronic transfer of funds requested by a sender located in any state to a designated recipient that is initiated by a remittance transfer provider, whether or not the sender holds an account with the remittance transfer provider or whether or not the remittance transfer is also an electronic fund transfer).

"Electronic fund transfer" also would mean that term as defined under the EFTA. (The Act defines the term as any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, that is initiated through an electronic terminal, telephonic instrument, or computer or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. The term includes, but is not limited to, point-of-sale transfers, ATM transactions, direct deposits or withdrawals of funds, and transfers initiated by telephone.)

MCL 440.4608

Legislative Analyst: Glenn Steffens

FISCAL IMPACT

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

Date Completed: 10-15-13

Fiscal Analyst: Josh Sefton