



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 982 (Substitute S-1 as reported)
Senate Bills 983, 984, and 985 (as reported without amendment)
Sponsor: Senator Tonya Schuitmaker
Committee: Judiciary

CONTENT

Senate Bill 982 (S-1) would amend the Uniform Fraudulent Transfer Act to do the following:

- Refer to transactions that can be avoided as "voidable" transactions, instead of "fraudulent" transactions.
- Specify that a creditor making a claim for relief to avoid a transaction would have the burden of proving the elements of the claim by a preponderance of the evidence.
- Provide that a claim for relief would be governed by the law of the jurisdiction where the debtor was located when the transfer was made, and prescribe rules for determining a debtor's location.
- Identify the party that would have the burden of proving certain matters, and establish a preponderance of the evidence standard.
- Make an exception to a provision under which a transfer is not voidable if it results from the enforcement of a security interest under the Uniform Commercial Code.
- Preclude the entry of a judgment against an immediate or mediate good-faith transferee of a good-faith transferee who took for value.
- Specify that a debtor that was not paying debts as they became due other than as a result of a bona fide dispute would be presumed to be insolvent.
- Delete a provision that specifies when a partnership is insolvent.
- Specify that a series organization and each of its protected series would be considered a separate person for purposes of the Act.

The bill also would rename the Act as the "Uniform Voidable Transactions Act".

Senate Bill 983, Senate Bill 984, and Senate Bill 985 would amend the Business Corporation Act, the Nonprofit Corporation Act, and the Support and Parenting Time Enforcement Act, respectively, to refer to the Uniform Voidable Transactions Act instead of the Uniform Fraudulent Transfer Act.

Senate Bill 982 (S-1) is tie-barred to Senate Bills 983, 984, and 985, which are tie-barred to Senate Bill 982.

MCL 566.31 et al. (S.B. 982)
450.1122 (S.B. 983)
450.2122 (S.B. 984)
552.624a (S.B. 985)

Legislative Analyst: Jeff Mann

FISCAL IMPACT

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

Date Completed: 9-19-16

Fiscal Analyst: Ryan Bergan

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Bill Analysis @ www.senate.michigan.gov/sfa

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.