

HB 904 -- BULK TRANSFERS

SPONSOR: Luetkemeyer

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Financial Services by a vote of 17 to 0.

This bill repeals Article 6 of the Uniform Commercial Code, regarding bulk transfers, as recommended by the National Conference of Commissioners on Uniform State Laws.

FISCAL NOTE: No impact on state funds in FY 2005, FY 2006, and FY 2007.

PROPONENTS: Supporters say that there is already strict liability if you don't notify creditors of loans against inventory. The protection afforded by the bulk transfers laws enacted 100 years ago is no longer needed, and the law is obsolete. Because it still requires some unnecessary paperwork, 41 states have already repealed it.

Testifying for the bill were Representative Luetkemeyer; and Missouri Bankers Association.

OPPONENTS: There was no opposition voiced to the committee.

Richard Smreker, Senior Legislative Analyst