

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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SENATE BILL 230*
Judiciary II Committee Substitute Adopted 3/25/03
House Committee Substitute Favorable 6/11/03

Short Title: Repeal UCC Article on Bulk Transfers. (Public)

Sponsors:

Referred to:

February 26, 2003

A BILL TO BE ENTITLED

AN ACT TO REPEAL ARTICLE 6 OF THE UNIFORM COMMERCIAL CODE
RELATING TO BULK TRANSFERS AND TO ENACT CONFORMING
AMENDMENTS TO THE UNIFORM COMMERCIAL CODE AND OTHER
SECTIONS OF THE GENERAL STATUTES.

The General Assembly of North Carolina enacts:

SECTION 1. Article 6 of Chapter 25 of the General Statutes is repealed.

SECTION 2. G.S. 25-1-105(2), reads as rewritten:

"(2) Where one of the following provisions of this Chapter specifies the applicable law, that provision governs and a contrary agreement is effective only to the extent permitted by the law (including the conflict of laws rules) so specified:

Rights of creditors against sold goods. (G.S. 25-2-402).

Applicability of the article on bank deposits and collections. (G.S. 25-4-102).

Governing law in the article on Funds Transfers. (G.S. 25-4A-507).

Letters of Credit. (G.S. 25-5-116).

~~Bulk transfers subject to the article on bulk transfers. (G.S. 25-6-102).~~

Applicability of the article on investment securities. (G.S. 25-8-110).

Law governing perfection, the effect of perfection or nonperfection, and the priority of security interests and agricultural liens. (G.S. 25-9-301 through G.S. 25-9-307)."

SECTION 3. G.S. 25-2-403(4) reads as rewritten:

"(4) The rights of other purchasers of goods and of lien creditors are governed by the articles on secured transactions (~~article 9~~), ~~bulk transfers (article 6)~~ (article 9) and documents of title (article 7)."

SECTION 4. G.S. 66-186 reads as rewritten:

"§ 66-186. Uniform commercial practice.

(a) This Article does not affect a security interest of the supplier in the inventory of the dealer.

1 ~~(b) A repurchase of inventory under this Article shall not be subject to the bulk~~
2 ~~sales provisions of Article 6 of Chapter 25 of the General Statutes.~~"

3 **SECTION 5.** G.S. 85B-2(a)(11) reads as rewritten:

4 "(11) Sales of collateral, sales conducted to enforce carriers' or
5 warehousemen's liens, ~~bulk sales,~~ sales of goods by a presenting bank
6 following dishonor of a documentary draft, resales of rightfully
7 rejected goods, resales of goods by an aggrieved seller, or other resales
8 conducted pursuant to authority in Articles 2, 4, ~~6, 7, 7,~~ and 9 of
9 Chapter 25 of the General Statutes (the Uniform Commercial Code)."

10 **SECTION 6.** This act becomes effective January 1, 2004. Rights and
11 obligations arising under Article 6 of Chapter 25 of the General Statutes and former
12 G.S. 25-9-111 before the effective date of this act remain valid and may be enforced as
13 though those statutes had not been repealed.