

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 114*

Short Title: Repeal UCC Article on Bulk Transfers.

(Public)

Sponsors: Representative Culpepper.

Referred to: Judiciary II.

February 12, 1997

A BILL TO BE ENTITLED

1 AN ACT TO REPEAL ARTICLE 6 OF THE UNIFORM COMMERCIAL CODE
2 RELATING TO BULK TRANSFERS AND TO ENACT CONFORMING
3 AMENDMENTS TO THE UNIFORM COMMERCIAL CODE AND OTHER
4 GENERAL STATUTES, AS RECOMMENDED BY THE GENERAL STATUTES
5 COMMISSION.
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7 The General Assembly of North Carolina enacts:

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 Article 6 of Chapter 25 of the General Statutes is repealed.

9 Section 2. G.S. 25-9-111 is repealed.

10 Section 3. G.S. 25-1-105(2) reads as rewritten:

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

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

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

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

17 Applicability of the article on investment securities. (G.S. 25-8-106).

18 Perfection provisions of the article on secured transactions. (G.S. 25-9-103).

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

20 Section 4. G.S. 25-2-403(4) reads as rewritten:

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

4 Section 5. G.S. 66-186 reads as rewritten:

5 **"§ 66-186. Uniform commercial practice.**

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

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

10 Section 6. G.S. 85B-2(a)(11) reads as rewritten:

11 "(11) Sales of collateral, sales conducted to enforce carriers' or
12 warehousemen's liens, ~~bulk sales~~, sales of goods by a presenting bank
13 following dishonor of a documentary draft, resales of rightfully rejected
14 goods, resales of goods by an aggrieved seller, or other resales
15 conducted pursuant to authority in Articles 2, 4, ~~6, 7, 7,~~ and 9 of Chapter
16 25 of the General Statutes (the Uniform Commercial Code)."

17 Section 7. This act becomes effective October 1, 1997. Rights and obligations
18 arising under Article 6 of Chapter 25 of the General Statutes and G.S. 25-9-111 before
19 the effective date of this act remain valid and may be enforced as though those statutes
20 had not been repealed.