

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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SENATE BILL 211

Short Title: Repeal UCC Article on Bulk Transfers.

(Public)

Sponsors: Senators Clodfelter; and Hartsell.

Referred to: Judiciary I.

February 22, 2001

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 SECTIONS OF THE GENERAL STATUTES.
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6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** Article 6 of Chapter 25 of the General Statutes is repealed.

8 **SECTION 2.** G.S. 25-1-105(2), as amended by S.L. 2000-169, reads as
9 rewritten:

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

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

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

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

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

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

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

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

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

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

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

26 "§ 66-186. **Uniform commercial practice.**

27 (a) This Article does not affect a security interest of the supplier in the inventory
28 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 following
6 dishonor of a documentary draft, resales of rightfully rejected goods, resales of goods
7 by an aggrieved seller, or other resales conducted pursuant to authority in Articles 2, 4,
8 ~~6, 7, 7,~~ and 9 of Chapter 25 of the General Statutes (the Uniform Commercial Code)."

9 **SECTION 6.** This act becomes effective October 1, 2001. Rights and
10 obligations arising under Article 6 of Chapter 25 of the General Statutes and former
11 G.S. 25-9-111 before the effective date of this act remain valid and may be enforced as
12 though those statutes had not been repealed.