

STATEMENT OF PURPOSE

RS23265C1

This legislation involves amendments to the Uniform Fraudulent Transfer Act. The act codifies a doctrine that has historically been known as the law of fraudulent conveyance. The doctrine is of very general applicability and is in general a prohibition against transfers hindering delaying or defrauding creditors. The amendments change the title of the act to: "Uniform Voidable Transactions Act." They add, for the first time, a choice of law rule for claims of the nature governed by the act and add uniform rules allocating the burden of proof and defining the standard of proof with respect to claims and defenses under the act. The main principle is that the party asserting a claim or defense bears the burden of proof. The burden of proof is by a preponderance of the evidence. The amendments refine in relatively minor respects several provisions relating to defenses available to a transferee or obligee. In order to accommodate modern technology, the amendments replace references in the act to a "writing" with "record" and make related changes.

FISCAL NOTE

There is no fiscal impact, either positive or negative, to the state or to local units of government.

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