



## 2003 ASSEMBLY BILL 521

September 18, 2003 - Introduced by Representatives MCCORMICK, NISCHKE, STASKUNAS, HAHN, HONADEL, KRAWCZYK, GRONEMUS, WEBER and GIELOW, cosponsored by Senators KANAVAS, STEPP, LASSA, REYNOLDS and ROESSLER. Referred to Committee on Economic Development.

1     **AN ACT** *to repeal* 401.105 (2) (c) and chapter 406; and *to amend* 402.403 (4),  
2           452.09 (3) (a), 480.08 (2m) (intro.) and 480.14 (4) of the statutes; **relating to:**  
3           bulk transfers of inventory.

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### *Analysis by the Legislative Reference Bureau*

Under current law, the bulk transfer provisions of the Uniform Commercial Code (UCC) generally require a business enterprise to give creditors notice before any transfer of a major part of the value of the business' inventory or a substantial part of the equipment of the business, if the equipment is included with a bulk transfer of inventory. These provisions apply to all business enterprises whose principal business is the sale of merchandise from stock, including retailers of alcohol beverages. This bill repeals the bulk transfer provisions of the UCC.

The National Conference of Commissioners on Uniform State Laws and the American Law Institute recommended repeal of the UCC bulk transfers law in 1989 and promulgated the official text. The American Bar Association approved the text in 1990.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

4           **SECTION 1.** 401.105 (2) (c) of the statutes is repealed.

5           **SECTION 2.** 402.403 (4) of the statutes is amended to read:

**ASSEMBLY BILL 521****SECTION 2**

1           402.403 (4) The rights of other purchasers of goods and of lien creditors are  
2 governed by chs. 406, 407 and 409.

3           **SECTION 3.** Chapter 406 of the statutes is repealed.

4           **SECTION 4.** 452.09 (3) (a) of the statutes is amended to read:

5           452.09 (3) (a) In determining competency, the department shall require proof  
6 that the applicant for a broker's or salesperson's license has a fair knowledge of the  
7 English language, a fair understanding of the general purposes and general legal  
8 effect of deeds, mortgages, land contracts of sale, leases, bills of sale, chattel  
9 mortgages, and conditional sales contracts, ~~the provisions of the bulk sales law and~~  
10 a general and fair understanding of the obligations between principal and agent, as  
11 well as of this chapter. An applicant receiving a failing grade, as established by rules  
12 of the department, on any examination given under this section shall be denied a  
13 license, but any applicant may review his or her examination results in a manner  
14 established by rules of the department.

15           **SECTION 5.** 480.08 (2m) (intro.) of the statutes is amended to read:

16           480.08 (2m) EXAMINATION NOT REQUIRED. (intro.) Notwithstanding sub. (2) (e),  
17 the department shall register as an auctioneer under sub. (2) an individual who, not  
18 later than December 1, 1997, satisfies the requirements under sub. (2) (intro.) and  
19 (a) to (d); submits to the department a statement, signed by the individual, verifying  
20 that he or she has knowledge of the requirements for auctioneers under ss. 29.501,  
21 and 402.328 ~~and 406.108~~, subch. III of ch. 77, subch. VIII of ch. 218, this chapter, and  
22 all other state laws that include requirements for auctioneers; and submits evidence  
23 satisfactory to the department that he or she has done any of the following:

24           **SECTION 6.** 480.14 (4) of the statutes is amended to read:

