

By Senators Bronson and Klein

18-580-98

See HB

1 A bill to be entitled
2 An act relating to bulk transfers; creating s.
3 726.202, F.S.; specifying certain bulk
4 transfers as fraudulent under certain
5 circumstances; providing criteria; providing
6 requirements; specifying liability; providing
7 an effective date.

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9 Be It Enacted by the Legislature of the State of Florida:

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11 Section 1. Section 726.202, Florida Statutes, is
12 created to read:
13 726.202 Bulk transfers; notice to unsecured
14 creditors.--For purposes of this section, the terms
15 "transfer," "transferor," and "transferee" include the terms
16 "sale," "seller," and "buyer," respectively. Any transfer in
17 bulk of a major part of the supplies, inventory, merchandise,
18 or other materials held by a transferor, not in the ordinary
19 course of the transferor's business, is fraudulent if the
20 transferee fails to secure from the transferor a list, under
21 oath, of the transferor's unsecured creditors and fails to
22 provide actual notice to such creditors of the proposed
23 transfer not less than 15 days prior to the consummation of
24 the transfer. Any unsecured creditor of the transferor which
25 provides notice to the transferee of the creditor's unsecured
26 claim within 15 days before the consummation of the transfer
27 shall be treated as a creditor which holds a security interest
28 in the supplies, inventory, merchandise, or other materials
29 subject to the transfer. A transferee's failure to secure a
30 list of the transferor's unsecured creditors and to notify
31 such creditors as required in this section obligates the

1 transferee to pay the claims of the transferor's unsecured
2 creditors to the same extent the transferor is obligated to
3 pay such claims. Nothing in this section shall be construed
4 to relieve the transferor of any obligations to any unsecured
5 creditor of the transferor.

6 Section 2. This act shall take effect October 1 of the
7 year in which enacted.

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HOUSE SUMMARY

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Provides that a bulk transfer of supplies, inventory, merchandise, or other materials is fraudulent if the transferee does not obtain a list of the transferor's unsecured creditors and notifies those creditors of the transfer before it occurs. See bill for details.