

# Legislature - First Session - 2019

## Introducer's Statement of Intent

### LB70

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**Chairperson: Senator Matt Williams**

**Committee: Banking, Commerce and Insurance**

**Date of Hearing: January 28, 2019**

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 70 adopts the Uniform Voidable Transactions Act (UVTA or Act) and eliminates the current law known as the Uniform Fraudulent Transfer Act (UFTA). The UVTA is a 2014 update to the UFTA and both are the product of the Uniform Law Commission (ULC).

The UVTA provides remedies for certain transactions by a debtor that are unfair to the debtor's creditors and are designed to keep debtor's property out of the creditor's reach. The UVTA addresses a few narrowly defined issues and is not a comprehensive revision of the UFTA.

Changes under the UVTA from the UFTA include:

- Updates the title of the Act to the "Uniform Voidable Transactions Act" to clarify the purpose and application of the Act.
- Adds a choice-of-law rule for claims governed by the Act.
- Includes uniform rules allocating the burden of proof and defining the standard of proof with respect to claims and defenses under the Act.
- Adds a new section (Sec. 12) on series organizations and provides that each "protected series" of a series organization is to be treated as a person for purposes of the Act, even if it is not treated as a person for other purposes.
- Removes the special definition of "insolvency" for partnerships. The UFTA set forth a special definition of "insolvency" applicable to partnerships, which adds to the sum of the partnership's assets the net worth of each of its general partners. The UVTA deletes that special definition, and thus, makes a partnership subject to the general definition. Under the general definition of "insolvency" in the Act, the debtor is insolvent if, at a fair valuation, the sum of the debtor's debts is greater than the sum of the debtor's assets.
- Clarifies several provisions relating to defenses available to a transferee or obligee.

**Principal Introducer:** \_\_\_\_\_

Senator Matt Hansen, M.