

HOUSE RESEARCH

Bill Summary

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Background

This highly technical short bill deals with the relationship between the federal Electronic Funds Transfer Act (“EFTA”) and Article 4A of the Uniform Commercial Code (“UCC”). The Uniform Commercial Code is not a federal law, but is one of many “uniform laws” drafted by the National Conference of Commissioners on Uniform State Laws and recommended for adoption in all states. Minnesota adopted Article 4A of the UCC in 1990 and has amended only one section in it since then.

Section

- 1 Relationship to Electronic Fund Transfer Act.** Makes Article 4A of Minnesota’s Uniform Commercial Code (“UCC”) apply to “remittance transfers” as defined in the federal Electronic Funds Transfer Act (“EFTA”), except for remittance transfers that are included in the definition of “electronic funds transfers” as defined in the EFTA. Provides that if Article 4A of the UCC and the EFTA both apply to a funds transfer, the EFTA applies to the extent of the inconsistency. Provides an immediate effective date.