

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1487 (Delegate McComas)
Economic Matters

Workgroup to Study Adopting the Uniform Voidable Transactions Act

This bill establishes the Workgroup to Study Adopting the Uniform Voidable Transactions Act in Maryland staffed by the Department of Legislative Services (DLS) to (1) evaluate and assess the impact of adopting the Uniform Voidable Transactions Act (UVTA) in Maryland and (2) make recommendations regarding whether the General Assembly should adopt legislation modeled on the UVTA. The workgroup must report its findings to the Governor and General Assembly by December 1, 2018. **The bill takes effect June 1, 2018, and terminates June 30, 2019.**

Fiscal Summary

State Effect: DLS can provide staff support to the commission with existing budgeted resources. Any expense reimbursements for commission members are presumed to be minimal and absorbable within existing budgeted resources. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: According to the [Uniform Law Commission](#), the UVTA, formerly named the Uniform Fraudulent Transfer Act, strengthens creditor protections by providing remedies for certain transactions by a debtor that are unfair to the debtor's creditors. For example, the UVTA provides a remedy to a creditor whose debtor transfers property to a relative or third party to keep the property out of the creditor's reach.

The Maryland Fraudulent Conveyance Act (Title 15, Subtitle 2 of the Commercial Law Article) contains provisions regarding fraudulent transfers. Specifically, every conveyance made and every obligation incurred with intent to hinder, delay, or defraud present or future creditors, is considered fraudulent and affords the creditor with specified rights, depending on whether the claim has matured or not.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Office of the Attorney General (Consumer Protection Division); Judiciary (Administrative Office of the Courts); Uniform Law Commission; Department of Legislative Services

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nb/kdm

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