



## 2013 SENATE BILL 116

April 1, 2013 – Introduced by Senators LASEE, L. TAYLOR and LEHMAN, cosponsored by Representatives SANFELIPPO, CRAIG, BROOKS and KAHL. Referred to Committee on Financial Institutions and Rural Issues.

1     **AN ACT to renumber and amend** 410.108; **to repeal and recreate** 410.108  
2           (title); and **to create** 410.108 (2) and (3) of the statutes; **relating to:** remittance  
3           transfers under the Uniform Commercial Code Article 4A, relating to funds  
4           transfers.

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### *Analysis by the Legislative Reference Bureau*

This state has adopted the Uniform Commercial Code (UCC) Article 4A, governing funds transfers, as chapter 410 of the Wisconsin Statutes. A “funds transfer” is defined as a series of transactions, beginning with the originator’s payment order, made for the purpose of making payment to the beneficiary of the order. A “payment order” is defined as an instruction of a sender to a bank to pay, or to cause another bank to pay, a specified amount of money to the beneficiary of the payment order. UCC Article 4A establishes comprehensive provisions to govern funds transfers, but these provisions do not apply to a funds transfer any part of which is governed by the federal Electronic Fund Transfer Act (EFTA).

The federal Dodd–Frank Wall Street Reform and Consumer Protection Act (P.L. 111–203), signed into law on July 21, 2010, included amendments to the EFTA that impact UCC Article 4A. Federal regulations implementing these changes become effective in February 2013. As a result of these changes, the Uniform Laws Committee of the National Conference of Commissioners on Uniform State Laws and the American Law Institute have approved an amendment to UCC Article 4A. This bill adopts this amendment.

**SENATE BILL 116**

Under the bill, provisions of UCC Article 4A, as adopted in this state in chapter 410 of the Wisconsin Statutes, apply to a funds transfer that is a remittance transfer as defined under the EFTA, unless the remittance transfer is an electronic fund transfer as defined under the EFTA. Under the EFTA, a “remittance transfer” means an electronic transfer of funds, requested by a consumer, to a recipient in a foreign country, made by the transfer provider in the normal course of its business, but does not include transfers of small value. Under the EFTA, “electronic fund transfer” means a transfer of funds initiated through an electronic terminal, telephonic instrument, or computer or magnetic tape that orders, instructs, or authorizes a financial institution to debit or credit an account. “Electronic fund transfer” includes point-of-sale transfers, automated teller machine transactions, direct deposits or withdrawals of funds, and transfers initiated by telephone, but does not include certain transactions such as transactions originated by check; Fedwire transfers; certain automatic transfers between a consumer’s savings and checking accounts; and certain nonrecurring transfers initiated by a consumer by telephone. If the provisions of UCC Article 4A apply with respect to a funds transfer and there is an inconsistency between these provisions and the EFTA, the provision of the EFTA governs to the extent of the inconsistency.

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

1           **SECTION 1.** 410.108 (title) of the statutes is repealed and recreated to read:

2           **410.108 (title) Relationship to Electronic Fund Transfer Act.**

3           **SECTION 2.** 410.108 of the statutes is renumbered 410.108 (1) and amended to  
4 read:

5           410.108 (1) ~~This~~ Except as provided in sub. (2), this chapter does not apply to  
6 a funds transfer any part of which is governed by the electronic fund transfer act, 15  
7 USC 1693 to 1693r.

8           **SECTION 3.** 410.108 (2) and (3) of the statutes are created to read:

9           410.108 (2) This chapter applies to a funds transfer that is a remittance  
10 transfer, as defined in 15 USC 1693o-1, unless the remittance transfer is an  
11 electronic fund transfer, as defined in 15 USC 1693a.

**SENATE BILL 116**

1           **(3)** In a funds transfer to which this chapter applies, in the event of an  
2 inconsistency between an applicable provision of this chapter and an applicable  
3 provision of the electronic fund transfer act, the provision of the electronic fund  
4 transfer act governs to the extent of the inconsistency.

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**(END)**