



114th MAINE LEGISLATURE

SECOND REGULAR SESSION - 1990

Legislative Document

No. 2219

H.P. 1606

House of Representatives, January 24, 1990

Approved by introduction by a majority of the Legislative Council pursuant to Joint Rule 26.

Reference to the Committee on Business Legislation suggested and ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative GWADOSKY of Fairfield. Cosponsored by Senator MATTHEWS of Kennebec, Representative GURNEY of Portland and Representative SHELTRA of Biddeford.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND NINETY

An Act Concerning the Bulk Transfer Provisions of the Uniform Commercial Code.

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Be it enacted by the People of the State of Maine as follows:

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11 MRSA §6-102, sub-§(3) is amended to read:

(3) The enterprises subject to this Article are all those whose principal business is the sale of merchandise from stock, including <u>hotels, restaurants and other enterprises that serve</u> <u>food and</u> those whe <u>enterprises that</u> manufacture what they sell.

STATEMENT OF FACT

Currently, wholesalers of food and other supplies to restaurants and hotels are not protected by the bulk transfer provisions of the Uniform Commercial Code. Hotel and restaurant owners are not required to notify wholesalers of the sale of their businesses. A number of wholesalers have lost money as a result of the sale of restaurants and hotels to new owners and the failure of the previous owners to pay money owed the wholesalers who have no recourse against the purchasers of the restaurants or hotels.

This bill includes hotels and restaurants under the bulk transfer provisions and is modeled after New Hampshire's bulk transfer law.