

By: Henry of the Senate  
and  
Toure of the House

An Act relating to bulk sales; amending 12A O.S. 1991, Sections 1-105, as last amended by Section 19, Chapter 56, O.S.L. 1996 and 2-403 (12A O.S. Supp. 1996, Section 1-105), which relate to commercial conflicts of law and rights of purchases of goods; amending 15 O.S. 1991, Section 250, which relates to security interests in certain inventories; deleting references and conforming language; repealing 12A O.S. 1991, Sections 6-201, 6-202, 6-203, 6-204, 6-205, 6-206, 6-207, 6-208, 6-209 and 6-210, which relate to bulk sales of inventories between commercial parties; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 12A O.S. 1991, Section 1-105, as last amended by Section 19, Chapter 56, O.S.L. 1996 (12A O.S. Supp. 1996, Section 1-105), is amended to read as follows:

Section 1-105. Territorial Application of the Act; Parties' Power to Choose Applicable Law.

(1) Except as provided hereafter in this section, when a transaction bears a reasonable relation to this state and also to another state or nation, the parties may agree that the law either of this state or of such other state or nation shall govern their rights and duties. Failing such agreement, this title applies to transactions bearing an appropriate relation to this state.

(2) Where one of the following provisions of this title specifies the applicable law, that provision governs and a contrary agreement is effective only to the extent permitted by the law, including the conflict of laws rules, so specified:

Rights of creditors against sold goods. Section 2-402 of this title.

Applicability of the article on Leases. Sections 2A-105 and 2A-106 of this title.

Applicability of the Article on Bank Deposits and Collections. Section 4-102 of this title.  
Governing law in the article on Funds Transfers. Section 4A-507 of this title.  
Letters of credit. Section 5-116 of this title.  
Applicability of the article on Investment Securities. Section 8-110 of this title.  
Perfection provisions of the article on Secured Transactions. Section 9-103.1 of this title.

SECTION 2. AMENDATORY 12A O.S. 1991, Section 2-403, is amended to read as follows:

Section 2-403.

(1) A purchaser of goods acquires all title which his transferor had or had power to transfer except that a purchaser of a limited interest acquires rights only to the extent of the interest purchased. A person with voidable title has power to transfer a good title to a good faith purchaser for value. When goods have been delivered under a transaction of purchase the purchaser has such power even though

- (a) the transferor was deceived as to the identity of the purchaser, or
- (b) the delivery was in exchange for a check which is later dishonored, or
- (c) it was agreed that the transaction was to be a "cash sale", or
- (d) the delivery was procured through fraud punishable as larcenous under the criminal law.

(2) Any entrusting of possession of goods to a merchant who deals in goods of that kind gives him power to transfer all rights of the entruster to a buyer in ordinary course of business.

(3) "Entrusting" includes any delivery and any acquiescence in retention of possession regardless of any condition expressed between the parties to the delivery or acquiescence and regardless of whether the procurement of the entrusting or the possessor's disposition of the goods have been such as to be larcenous under the criminal law.

(4) The rights of other purchasers of goods and of lien creditors are governed by the articles on Secured Transactions (Article 9) and Documents of Title (Article 7).

SECTION 3. AMENDATORY 15 O.S. 1991, Section 250, is amended to read as follows:

Section 250. The provisions of this act shall not be construed to affect in any way any security interest which the manufacturer, wholesaler or distributor may have in the inventory of the retailer. The retailer, manufacturer, wholesaler or distributor shall furnish a representative to inspect all parts and certify their acceptability when packed for shipment.

SECTION 4. REPEALER 12A O.S. 1991, Sections 6-201, 6-202, 6-203, 6-204, 6-205, 6-206, 6-207, 6-208, 6-209 and 6-210, are hereby repealed.

SECTION 5. This act shall become effective November 1, 1997.