

REPRINT
SUBSTITUTE FOR
HOUSE BILL NO. 5835
(As passed the House, June 24, 1998)

A bill to amend 1962 PA 174, entitled
"Uniform commercial code,"
(MCL 440.1101 to 440.11102) by adding section 1211.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 1211. (1) THE RIGHT TO TENDER PAYMENT IN A CURRENCY
2 DESCRIBED IN SECTION 1210(4)(B) IS NOT AFFECTED BY EITHER OF THE
3 FOLLOWING:

4 (A) THE CURRENCY HAS BEEN SUBSTITUTED OR REPLACED BY THE
5 EURO.

6 (B) THE CURRENCY IS CONSIDERED A DENOMINATION OF THE EURO
7 AND HAS A FIXED CONVERSION RATE WITH RESPECT TO THE EURO.

8 (2) NONE OF THE FOLLOWING DISCHARGE OR EXCUSE PERFORMANCE
9 UNDER A CONTRACT, SECURITY, OR INSTRUMENT OR GIVE A PARTY THE
10 RIGHT UNILATERALLY TO ALTER OR TERMINATE A CONTRACT, SECURITY, OR
11 INSTRUMENT:

HB 5835, As Passed Senate, December 1, 1998

House Bill No. 5835

2

1 (A) THE INTRODUCTION OF THE EURO.

2 (B) TENDERING EUROS UNDER SECTION 1210 IN CONNECTION WITH
3 ANY OBLIGATION.

4 (C) DETERMINING THE VALUE OF AN OBLIGATION IN COMPLIANCE
5 WITH SECTION 1210.

6 (D) CALCULATING OR DETERMINING THE SUBJECT OR MEDIUM OF PAY-
7 MENT OF A CONTRACT, SECURITY, OR INSTRUMENT UNDER SECTION 1210
8 WITH REFERENCE TO AN INTEREST RATE OR OTHER CALCULATION RATE THAT
9 HAS BEEN SUBSTITUTED OR REPLACED DUE TO THE INTRODUCTION OF THE
10 EURO AND THAT IS A COMMERCIALY REASONABLE SUBSTITUTE FOR AND
11 SUBSTANTIAL EQUIVALENT TO AN ORIGINAL INTEREST RATE.

12 (3) A REFERENCE TO ECU IN A CONTRACT, SECURITY, OR INSTRU-
13 MENT WITHOUT DEFINING ECU IS PRESUMED TO BE A REFERENCE TO THE
14 CURRENCY BASKET THAT IS FROM TIME TO TIME USED AS THE UNIT OF
15 ACCOUNT OF THE EUROPEAN COMMUNITY. THE PRESUMPTION IS REBUTTABLE
16 BY SHOWING THAT THE PRESUMPTION IS CONTRARY TO INTENTION OF THE
17 PARTIES.

18 (4) WHEN AN AGREEMENT BETWEEN PARTIES TO A CONTRACT SPECIFI-
19 CALLY RELATES TO THE INTRODUCTION OF THE EURO AND IS IN CONFLICT
20 WITH THIS SECTION OR SECTION 1210, THE AGREEMENT BETWEEN THE PAR-
21 TIES TO THE CONTRACT CONTROLS.

22 (5) THIS SECTION AND SECTION 1210 APPLY TO ALL CONTRACTS,
23 SECURITIES, AND INSTRUMENTS, INCLUDING CONTRACTS WITH RESPECT TO
24 COMMERCIAL TRANSACTIONS, AND ARE NOT DISPLACED BY ANY OTHER LAW
25 OF THIS STATE.

26 (6) IN A CIRCUMSTANCE OF CURRENCY ALTERATION OTHER THAN THE
27 INTRODUCTION OF THE EURO, THIS SECTION AND SECTION 1210 DO NOT

HB 5835, As Passed Senate, December 1, 1998

House Bill No. 5835

3

1 CREATE A NEGATIVE INFERENCE OR NEGATIVE PRESUMPTION REGARDING THE
2 VALIDITY OR ENFORCEABILITY OF A CONTRACT, SECURITY, OR INSTRUMENT
3 DENOMINATED IN WHOLE OR PART IN A CURRENCY AFFECTED BY THAT
4 ALTERATION.

5 (7) THIS SECTION AND SECTION 1210 APPLY TO A CONTRACT,
6 SECURITY, AND INSTRUMENT ENTERED INTO OR ISSUED BEFORE, ON, OR
7 AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS
8 SECTION.

9 Enacting section 1. This amendatory act does not take
10 effect unless House Bill No. 5800 of the 89th Legislature is
11 enacted into law.