

Act No. 394
Public Acts of 1998
Approved by the Governor
December 17, 1998
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STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1998

**Introduced by Reps. Richner, Birkholz, Horton, Kaza, Voorhees, Jellema, Brewer, Thomas, Baade,
Scranton and Raczkowski**

ENROLLED HOUSE BILL No. 5835

AN ACT to amend 1962 PA 174, entitled "An act to enact the uniform commercial code, relating to certain commercial transactions in or regarding personal property and contracts and other documents concerning them, including sales, commercial paper, bank deposits and collections, letters of credit, bulk transfers, warehouse receipts, bills of lading, other documents of title, investment securities, leases, and secured transactions, including certain sales of accounts, chattel paper and contract rights; to provide for public notice to third parties in certain circumstances; to regulate procedure, evidence and damages in certain court actions involving such transactions, contracts or documents; to make uniform the law with respect thereto; to make an appropriation; to provide penalties; and to repeal certain acts and parts of acts," (MCL 440.1101 to 440.11102) by adding section 1211.

The People of the State of Michigan enact:

Sec. 1211. (1) The right to tender payment in a currency described in section 1210(4)(b) is not affected by either of the following:

- (a) The currency has been substituted or replaced by the euro.
- (b) The currency is considered a denomination of the euro and has a fixed conversion rate with respect to the euro.
- (2) None of the following discharge or excuse performance under a contract, security, or instrument or give a party the right unilaterally to alter or terminate a contract, security, or instrument:
 - (a) The introduction of the euro.
 - (b) Tendering euros under section 1210 in connection with any obligation.
 - (c) Determining the value of an obligation in compliance with section 1210.
 - (d) Calculating or determining the subject or medium of payment of a contract, security, or instrument under section 1210 with reference to an interest rate or other calculation rate that has been substituted or replaced due to the introduction of the euro and that is a commercially reasonable substitute for and substantial equivalent to an original interest rate.
- (3) A reference to ECU in a contract, security, or instrument without defining ECU is presumed to be a reference to the currency basket that is from time to time used as the unit of account of the European community. The presumption is rebuttable by showing that the presumption is contrary to intention of the parties.
- (4) When an agreement between parties to a contract specifically relates to the introduction of the euro and is in conflict with this section or section 1210, the agreement between the parties to the contract controls.
- (5) This section and section 1210 apply to all contracts, securities, and instruments, including contracts with respect to commercial transactions, and are not displaced by any other law of this state.

(6) In a circumstance of currency alteration other than the introduction of the euro, this section and section 1210 do not create a negative inference or negative presumption regarding the validity or enforceability of a contract, security, or instrument denominated in whole or part in a currency affected by that alteration.

(7) This section and section 1210 apply to a contract, security, and instrument entered into or issued before, on, or after the effective date of the amendatory act that added this section.

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

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved -----

Governor.