
Wisconsin Legislative Council

ACT MEMO



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2023 Wisconsin Act 246
[2023 Senate Bill 450]

**Modifications to the Uniform
Fraudulent Transactions Act**

CURRENT LAW

The Uniform Fraudulent Transactions Act (UFTA), currently codified as ch. 242, Stats., permits a creditor to challenge certain transfers of assets by a debtor that are intended to deprive the creditor of assets that would otherwise be available if the debtor is or were to become insolvent. The UFTA was originally adopted in Wisconsin in 1988.

2023 WISCONSIN ACT 246

2023 Wisconsin Act 246 modifies the current UFTA as follows:

- The act renames the UFTA the *Uniform Voidable Transactions Law* (UVTL) and replaces the term *fraudulent* with *voidable* throughout.
- The act allocates the burden of proof for claims and defenses related to UVTL and defines the standard of proof as a preponderance of the evidence.
- The act creates a choice-of-law rule for courts to determine which state's voidable transactions law applies. Under the act, a court must apply the law of the state where the debtor is located at the time the transfer is made or obligation incurred.
- The act eliminates the special definition of insolvency for partnerships, making partnerships subject to the same general definition as any other party governed by the UVTL.

More information regarding the UVTL and its background is available on [the Uniform Law Commission website](#).

Effective date: March 28, 2023

For a full history of the bill, visit the Legislature's [bill history page](#) .

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