

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

440.2326 Transaction as "sale on approval" or "sale or return" if delivered goods returnable by buyer; claims of creditors; effect of "or return" term of contract for sale; work of fine art not subject to claims of art dealer's creditors; "art dealer," "commission," and "fine art" defined.

Sec. 2326.

(1) Unless otherwise agreed, if delivered goods may be returned by the buyer even though they conform to the contract, the transaction is:

- (a) A "sale on approval" if the goods are delivered primarily for use, and
- (b) A "sale or return" if the goods are delivered primarily for resale.

(2) Goods held on approval are not subject to the claims of the buyer's creditors until acceptance; goods held on sale or return are subject to such claims while in the buyer's possession.

(3) Any "or return" term of a contract for sale is to be treated as a separate contract for sale within the statute of frauds section of this article (section 2201) and as contradicting the sale aspect of the contract within the provisions of this article on parol or extrinsic evidence (section 2202).

(4) Whenever a person delivers or causes to be delivered a work of fine art to an art dealer for the purpose of sale, or exhibition and sale, to the public on a commission, the work of fine art is not subject to the claims of the art dealer's creditors. For the purposes of this subsection, the terms "art dealer", "commission", and "fine art" have the meanings ascribed to them in section 1 of 1979 PA 90, MCL 442.311.

History: 1962, Act 174, Eff. Jan. 1, 1964 ;-- Am. 1982, Act 397, Eff. Mar. 30, 1983 ;-- Am. 2000, Act 348, Eff. July 1, 2001