REPORT OF

Virginia Commissioners to the National Conference of Commissioners on Uniform State Laws

TO THE GOVERNOR AND
THE GENERAL ASSEMBLY OF VIRGINIA



HOUSE DOCUMENT NO. 29

COMMONWEALTH OF VIRGINIA RICHMOND 2003

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Report of the Virginia Commissioners to the National Conference of Commissioners on Uniform State Laws

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The Governor and the General Assembly of Virginia Richmond, Virginia

January 1, 2002 - December 31, 2002

HISTORY OF THE CONFERENCE

In 1889, the New York Bar Association appointed a special committee on uniformity of laws. The following year the New York legislature authorized the appointment of commissioners

. . . to examine certain subjects of national importance that seem to show conflict among the laws of the several commonwealths, to ascertain the best means to effect an assimilation or uniformity of the laws of the states, and especially whether it would be advisable for the State of New York to invite the other states of the Union to send representatives to a convention to draft uniform laws to be submitted for approval and adoption by the several states.

In the same year, the American Bar Association passed a resolution recommending that each state provide for commissioners to confer with the commissioners of other states regarding legislation on certain issues. In August of 1892, the first National Conference of Commissioners on Uniform State Laws (NCCUSL) convened in Saratoga, New York.

By 1912, every state was participating in the Conference. Since then, the Conference has steadily increased its contribution to state law and has attracted some of the most outstanding members of the legal profession. Prior to his more notable political prominence and service as president of the United States, Woodrow Wilson became a member in 1901. Supreme Court Justices Brandeis and Rutledge, current Chief Justice Rehnquist, and such legal scholars as Professors Wigmore, Williston, Pound and Bogart have all served as members of the Conference. This distinguished body has guaranteed that the products of the Conference are of the highest quality and are enormously influential upon the process of the law.

The Conference, also known as the Uniform Law Commissioners (ULC), began more than 100 years ago because of the interests of state governments in improvement of the law and interstate relationships. Its purposes remain to serve state governments and improve state law.

OPERATION OF THE CONFERENCE

The ULC convenes as a body once a year. The annual meeting lasts eight to 12 days and is usually held in late July or early August. Throughout the year drafting committees, composed of commissioners, work over several weekends on drafts of legislation to be considered at the annual meeting. The work of the drafting committees is read, line by line, and thoroughly debated at the annual meeting. Each act must be considered over a number of years; most are read and debated by the Conference two or more times. Those acts deemed by the ULC to be ready for consideration in the state legislatures are put to a vote of the states. Each state caucuses and votes as a unit.

The governing body of the ULC, the Executive Committee, is composed of officers elected by vote of the commissioners, and five members who are appointed annually by the president of the ULC. Certain activities are conducted by standing committees. For example, the Committee on Scope and Program considers all new subject areas for possible uniform acts. The Legislative Committee superintends the relationships of the Conference to the state legislatures.

The ULC maintains relations with several sister organizations. Official liaison is maintained with the American Bar Association. Additionally, liaison is continually maintained with the American Law Institute, the Council of State Governments, and the National Conference of State Legislatures. Other associations are frequently contacted and advised of Conference activities as interests and activities necessitate.

At the national office in Chicago, a small staff provides administrative and clerical assistance to the ULC and the individual members, as well as advice and coordinating assistance in securing the passage of uniform acts. The staff includes a legislative director/legal counsel, deputy legislative director/legal counsel, legislative counsel, chief administrative officer and communications officer and several administrative assistants. The position of executive director is part time and is traditionally occupied by a law school faculty member. In addition, the ULC contracts with "reporters" for professional services to aid in drafting. Reporters are engaged at a modest honoraria to work with drafting committees on specific acts. The Conference also employs professional independent contractors for work on part of its public information and educational materials. The annual budget and audit report of the Conference are available on request.

Members of the ULC contribute numerous hours each year to drafting acts for Conference consideration. Although the members volunteer their time and effort, they are reimbursed for expenses. The cumulative value of the time donated by the commissioners for the development of uniform and model acts conservatively averages \$6 million annually.

The work of the ULC strengthens the state and federal system of government. In many areas of the law, the states must solve problems through cooperative action or the issues are likely to be preempted by Congress. The ULC is one of the few institutions that pursues solutions to problems on a cooperative basis by the states. Without the ULC, more legislative activities would undoubtedly shift from the state capitals to Washington, D.C.

VALUE FOR VIRGINIA AND THE STATES

The process of drafting a uniform act is lengthy and deliberate, yet cost-efficient. A committee is appointed from the membership of the ULC. The American Bar Association is invited to appoint an advisor to each drafting committee. The by-laws of the ULC require at least two years for drafting and two readings of the draft at annual meetings of the ULC. Through this unique system--the only one like it in American political life--comprehensive legislation receives painstaking and balanced, non-partisan consideration.

The price tag for this process represents true value to the states. With 98 percent of the annual budget of the ULC coming from state government contributions, here is a look at some of the costs and benefits.

Let us assume that a drafting committee will meet twice a year and that a given act will receive about 16 hours of debate. The average committee meeting costs \$10,000. Four meetings over a two-year period will cost \$40,000. Sixteen hours of annual meeting debate translates into an additional \$66,000, figuring the amount budgeted for annual meeting expenses and hours devoted to a specific act. Based on these assumptions, the total cost to the states for a uniform act is \$106,000.

The states would have to come up with an additional \$1,014,000 to duplicate these same services on their own, estimating a \$250 hourly fee for professional services for a total cost of \$1,120,000. The main difference: Uniform Law Commissioners donate their professional services, spending hundreds of hours on uniform state laws as a public service because of their commitment to good law. The cumulative value of this donated time in the development of uniform and model acts averages about \$6,000,000 per year.

Of course, the hypothetical committee that meets twice a year over a period of two years is just that. The average revision of an article of the Uniform Commercial Code takes four years, with three to five committee meetings per year. The original Uniform Probate Code took a full decade to develop and promulgate. The Uniform Adoption Act (1994) required five years, with extensive committee meetings. Each of these comprehensive projects cost much more from the actual budget of the ULC, and represents much larger contributions--in terms of time--from the ULC membership.

The hypothetical example does not consider still other benefits to the state. Major committees of the ULC draw extensive advisory and observer groups into the drafting process. Meetings of the Uniform Commercial Code committees regularly draw advisors and observers in a ratio of two or three to one commissioner. These advisor and observer groups represent various interests, provide outside expertise and facilitate dissemination of the act. It is impossible to place a dollar value on their input, which state funds do not pay.

It is also not possible to measure the worth of the intellectual participation by all who are involved. There is no process at either the state or federal level of the United States government today that compares to the uniform law process--intense, non-partisan scrutiny of both policy and execution of the law.

STATE APPROPRIATIONS

The ULC is a state service organization that depends upon state appropriations for its continued operation. All states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands are asked to contribute a specific amount, based on population, for the maintenance of the ULC. In addition, each state delegation requests an amount to cover its commissioners' travel expenses for the Conference's annual meeting. The total requested contribution of all the states to the operation of the ULC is \$1,588,000 in fiscal year 2003. The smallest state contribution is \$10,300 and the largest is \$122,900. Virginia's contribution for FY 2003 was \$36,300. The annual budget of the ULC for FY 2003 was \$1,848,869. Of this amount, \$432,991 goes directly to drafting uniform and model acts, and includes travel expenses for drafting committee meetings, printing and publication costs, and editing and personnel costs. Three hundred seventy four thousand, six hundred dollars is spent in assisting state legislatures with bills based on uniform and model acts.

OTHER FINANCIAL CONTRIBUTORS

The American Bar Association makes a yearly contribution to the ULC. For FY 2003, it has contributed \$56,250. The ULC also seeks grants from the federal government and from foundations for specific drafting efforts. The last federal grant of \$60,000 funded the drafting effort for a Uniform Environmental Covenants Act.

The Uniform Commercial Code (UCC) is a joint venture between the ULC and the American Law Institute (ALI). The ALI holds Falk Foundation funds that are allocated to work on the UCC. The original Falk Foundation grant came in the late-1940s for the original development of the UCC. Proceeds from copyright licensing of UCC materials provide revenue to replenish the Falk Foundation corpus. At any time work on the UCC commences, a percentage of ULC and ALI costs are paid from the Falk Foundation income.

The Conference will not take money from any source except on the understanding that its drafting work is autonomous. No source may dictate the contents of any act because of a financial contribution.

PROCESS FOR CREATION OF UNIFORM AND MODEL ACTS

The procedures for drafting an act are the result of long experience with the creation of legislation. The Scope and Program Committee, which consists solely of commissioners, considers subject areas of state law for potential uniform or model acts. The Committee reviews suggestions for uniform or model acts from many sources, including organized bar groups, state governments and private persons. The recommendations of the Scope and Program Committee go to the Executive Committee and to the entire ULC for approval.

Once a subject receives approval for drafting, a drafting committee is selected, and a budget is established for the committee work. A reporter is usually engaged, although a few committees work without professional assistance.

Advisors and participating observers are solicited to assist the drafting committee. The American Bar Association appoints official advisors for every committee. Other advisors may come from state government or organizations with interest and expertise in a subject, and from the ranks of recognized experts in a subject. They must donate their time to the effort if they wish to participate. Advisors and participating observers are invited to work with drafting committees and to contribute comments. They do not make final decisions with respect to the final contents of an act. Only the commissioners who compose the drafting committee may do this.

A committee meets according to the needs of the project. Meetings ordinarily begin on Friday morning and finish by noon on Sunday, so as to minimize conflict with ordinary working hours. A short act may require one or two committee meetings. Major acts may require one meeting every month for a considerable period of time, several years, in some instances. A committee may produce a number of successive drafts as an act evolves.

At each annual meeting during its working life, the drafting committee must present its work to the whole body of the ULC. The most current draft is read and debated. This scrutiny continues from annual meeting to annual meeting until a draft satisfies the whole body of the commissioners. No act is promulgated without at least two years' consideration, meaning every act receives at least one interim reading at an annual meeting, and a final reading at a subsequent annual meeting. An act becomes official by a majority vote of the states. As mentioned earlier, each state commission caucuses to represent its state's position and each state receives one vote. The vote by states completes the drafting work, and the act is ready for consideration by the state legislatures.

ACTIVITIES OF THE VIRGINIA COMMISSIONERS

The Governor is authorized to appoint three members, each to serve a four-year term (§ 30-196, Code of Virginia). The three gubernatorial appointees are: Pamela Meade Sargent of Abingdon, Kimberly A. Taylor of Richmond and in May of 2002 H. Lane Kneedler of Charlottesville was appointed to replace Kenneth Lawrence Foran of Alexandria.

In addition to the Governor's appointments, the Constitution of the Conference authorizes the appointment of life members upon recommendation of the Executive Committee. To be eligible for life membership, a commissioner must have served as president of the Conference or as a commissioner for at least 20 years. Virginia's life members are Brockenbrough Lamb, Jr., a member since 1953, and Carlyle C. Ring, Jr., a member since 1970 and president of the Conference from 1983 to 1985.

The Constitution of the Conference also grants membership as an associate member to the principal administrative officer of the state agency "charged by law with the duty of drafting legislation, or his designee." Esson McKenzie Miller, Jr., director of the Division of Legislative Services since 1989, is an associate member. Jessica D. French, senior attorney with the Division, was designated an associate member in July 1999.

The Virginia commissioners have served on the following committees during the past year:

Kenneth L. Foran - Member, Drafting Committee to Revise Uniform Health-Care Information Act.

H. Lane Kneedler - Member, Study Committee on Uniform Certificate of Title Laws.

Carlyle C. Ring, Jr. - Chairman, Committee on Uniform Commercial Code; Enactment Plan Coordinator, Drafting Committee to Revise Uniform Commercial Code Article 1; Chairman, Standby Committee on Uniform Computer Information Transactions Act; Member, Permanent Editorial Board for Uniform Commercial Code; Member, Millennium Committee; Member, Committee on Federal Relations; Member, Standby Committee to Prepare Amendments to Uniform Commercial Code Article 3, Negotiable Instruments, and Article 4, Bank Deposits and Collections.

Pamela M. Sargent - Member, Standby Committee on Uniform Electronic Transactions Act.

Kimberly A. Taylor - Member, Drafting Committee on Entity Transactions Act and Drafting Committee for the Uniform Mergers and Conversions Act.

Esson McKenzie Miller, Jr. - Member, Study Committee on Uniform Certificate of Title Laws; Member, Committee on Liaison with Legislative Drafting Agencies; Member, Legislative Committee; Member, Committee on Parliamentary Practice.

ACTIVITIES OF THE 2002 VIRGINIA GENERAL ASSEMBLY

Based on recommendations made by the Virginia Commissioners in House Document No. 34, 2002, covering the period January 1, 2001, through December 31, 2001, and other initiatives, the following actions regarding uniform laws were taken by the 2002 Virginia General Assembly:

Revised Uniform Arbitration Act (RUAA)

Senate Bill 307, Patron: Senator John Edwards

The bill was introduced during the 2002 General Assembly Session and carried over to the 2003 General Assembly Session in the Senate Committee for Courts of Justice. The bill was introduced after discussions with the Virginia Alternative Dispute Resolution Joint Committee, which is a joint committee between the Virginia Bar Association and the Virginia State Bar.

The bill was carried over so that the Virginia Alternative Dispute Resolution (ADR) Joint Committee could study the bill. The ADR Committee formed an ad hoc committee to study the RUAA. As the December 2002 deadline for acting on carry over bills approached it was determined that the study was not complete enough to go forward with the bill and the bill was not acted upon.

Interstate Enforcement of <u>Domestic Violence Protection Orders Act</u>

Senate Bill 98, Senator Janet Howell

The bill was introduced and carried over to the 2003 General Assembly Session in the Senate Committee for Courts of Justice. It was referred to the Family Violence Subcommittee of the Virginia State Crime Commission for study. After a number of meetings and much discussion of the bill it was decided that the bill should not go forward at that time because of the sufficiency of Virginia's laws regarding full faith and credit and lingering questions on several issues, including immunity for state and local officials, place of registration, enforcement of provisions of foreign orders and guardianship. The bill was not acted upon prior to the December 2002 deadline for acting on carry over bills.

<u>Uniform Interstate Family Support Act (UIFSA)</u>

House Bill 610, Delegate Robert Bloxom

The bill was introduced and carried over to the 2003 General Assembly Session in the House Committee for Courts of Justice. The bill was carried over because a number of changes were made after the 2001 annual meeting and there was not sufficient time to review them during the legislative session. In addition, there was concern about compliance with the federal Welfare The Division of Child Support Enforcement (DCSE) within the Virginia Department of Social Services formed a group to study the revisions. The federal Welfare Reform Act of 1996 mandates that each state adopt the 1996 version of UIFSA. Some persons questioned whether a state that adopted the 2001 revisions would be technically out of compliance and in jeopardy of losing federal funding. That issue was addressed by the U.S. Office of Child Support Enforcement, which issued an action transmittal stating that states may be granted a waiver from UIFSA 1996 if the state has adopted or intends to adopt UIFSA 2001 and the state establishes that applying UIFSA 2001 would be as effective and efficient as UIFSA 1996. Representatives of the National Conference of Commissioners on Uniform State Laws have been working with Congress to amend the Welfare Reform Act to require states to adopt the 2001 UIFSA revisions of the 1996 version. It was decided that Virginia should not go forward with the act until the federal legislation was amended. The bill was not acted upon prior to the December 2002 deadline for carry over bills.

The following bills amended uniform acts that Virginia has already adopted:

Uniform Computer Information Transactions Act (UCITA)

House Bill 576, Delegate Joe T. May

The bill was introduced and passed. The bill amends provisions relating to transferability of a contractual interest in computer information and removes the prohibition on limiting the transferability in the case of a merger or acquisition or sale of a subsidiary or affiliate.

Uniform Commercial Code, Article 9, Secured Transactions

The following bills passed:

House Bill 781, Delegate Gary A. Reese

Authorizes any financing statement filing office to comply with its duty to communicate information regarding financing statement filings by providing the requestor with a list of persons who provide private record research services.

House Bill 880, Delegate Clarence E. Phillips Senate Bill 271, Senator Phillip P. Puckett

Requires an amendment or correction to a financing statement filed in a circuit court clerk's office to include the name and mailing address of the debtor.

Senate Bill 184, Senator Charles J. Colgan

Eliminates references to specific fees for filing financing statements relating to public financing and manufactured housing transactions. The revised UCC Article 9 as adopted in Virginia does not provide separate fees for these types of transactions.

Uniform Partnership Act

Senate Bill 244, Senator William C. Wampler, Jr.

Clarifies and corrects various provisions of the Virginia Revised Uniform Limited Partnership Act and the Virginia Uniform Partnership Act. An obsolete provision regarding the conversion of a general partnership to a limited partnership is repealed. The identity and capacity of persons executing statements is required to be included on the statement. Several requirements for registration of foreign limited partnerships are conformed to corresponding requirements imposed on other types of foreign business entities. The payment of outstanding penalties is made a condition to the filing of limited partnership documents, and payment of annual continuation report filing fees is made a condition to the filing of limited liability partnership documents.

REPORT OF PROCEEDINGS OF THE 2002 ANNUAL CONFERENCE

The 2002 annual meeting was held August 10-17, in Tucson, Arizona. Commissioners Lamb, Ring, Taylor, Kneedler, and French attended.

The following uniform acts or amendments to uniform acts were approved at the annual meeting:

- Uniform Apportionment of Tort Responsibility Act
- Uniform Child Witness Testimony by Alternative Methods Act
- Uniform Securities Act
- Amendments to Uniform Commercial Code Articles 3 Negotiable Instruments and 4 -- Bank Deposits and Collections
- Amendments to Uniform Commercial Code Articles 2 -- Sales and 2A -- Leases
- Uniform Computer Information Transactions Act
- Uniform Nonjudicial Foreclosure Act
- Uniform Interstate Enforcement of Domestic Violence Protection Orders Act

In addition to the approved acts listed above, the following uniform acts were considered by the Conference at its annual meeting:

- Uniform Environmental Covenants Act
- Uniform Conversion or Merger of Different Types of Business Organizations Act
- Amendments to Uniform Commercial Code Article 7 -- Warehouse Receipts, Bills of Lading and Other Documents of Title

2002 ADOPTIONS BY ANNUAL CONFERENCE

SUMMARIES

Summaries of the acts adopted or amended by the Conference are as follows:

Uniform Apportionment of Tort Responsibility Act

This Act provides for a modified form of comparative fault which compares the fault of an injured party with that of all contributing tortfeasors in an action for damages until the injured person's contribution reaches or exceeds 50 percent of his or her own injury. At the 50 percent mark contributory fault is an absolute bar to recovery. Joint and several liability of multiple tortfeasors is limited to certain instances, primarily the one in which multiple tortfeasors act in concert. Otherwise, joint and several liability is abolished. There is a reallocation procedure when there are multiple tortfeasors and it appears reasonably certain that a tortfeasor will not pay compensation to an entitled injured party.

<u>Uniform Child Witness Testimony by Alternative Methods Act</u>

This act authorizes a court to consider whether to allow a child to testify outside the presence of a party and outside a proceeding when so testifying would impair the testimony of the child witness or subject the child witness to distress. In a criminal proceeding, to obtain an alternative method, it must be proved by clear and convincing evidence that testimony will cause the child great emotional distress. In a civil proceeding, it must be shown that an alternative is in the best interests of the child by a preponderance of the evidence. Party rights to examination and cross-examination are preserved.

Uniform Securities Act

A major revision of the Uniform Securities Act was promulgated in 2002. There has been a uniform act on the issues of securities regulation since 1930. This Act replaces both the 1956 Uniform Act and the 1985/88 Uniform Act. It provides basic law for registration of securities issues, broker-dealers and investment advisors, along with enforcement powers for the securities administrator. Coordination with federal law, particularly after the 1996 National Securities Markets Improvement Act, is a primary goal. The 1996 federal act specifically preempted state securities regulation, making all existing state law out of compliance. The Act also accommodates electronic records and filing systems.

<u>Amendments to Uniform Commercial Code Articles 3 -- Negotiable</u> <u>Instruments and 4 -- Bank Deposits and Collections</u>

Very limited amendments to UCC Articles 3 and 4 were promulgated by the American Law Institute and the Uniform Law Conference in 2002. These articles govern negotiable instruments and bank deposits and collections. The most significant amendment deals with adding suretyship rules from the Restatement of Suretyship to replace the rules for indorsers and accommodation parties when an obligation is released without payment. There are new warranty rules for telephonically generated checks, a new phenomenon. Certain writing requirements are extended to include electronic records. The primary character of negotiable instruments and checks remains unchanged.

Amendments to Uniform Commercial Code Articles 2 -- Sales and 2A -- Leases

Article 2 of the UCC has governed the sale of goods since its promulgation in 1951 and has been amended to accommodate electronic commerce and to reflect current business practices and changes in other law. UCC Article 2A, originally promulgated in 1987 and adopted in every state except Louisiana, provides states with a legal framework for any transaction that creates a lease of personal property. Amendments to UCC2A update and modernize this article.

Uniform Computer Information Transactions Act

The Uniform Computer Information Transactions Act (UCITA) is the first comprehensive act governing the commercial licensing of computer information and network access contracts. It governs all aspects of licensing contracts, from formation to remedies, in the event there is breach of contract. A licensing contract is a contract to transfer the informational rights and copies of the information that the originator of computer information has to a transferee. Usually, the transferor of computer information reserves some of the informational rights - the right to copy being the most commonly withheld right. Computer information can be copied and disseminated instantly and infinitely, and the license contract protects the transferor's economic interest in computer information by limiting the transferee's subsequent transfer rights. There are special formation rules in UCITA for acquisition of licenses in the mass-market, warranty rules for transfer of information, including special compatibility rules, rules relating to the authentication of transfers of computer information, and rules for memorializing contracts using electronic records. Remedies for breach of an agreement are, generally, damages. 2002 amendments cut off electronic self-help as a remedy, limit the ability to prohibit reverse engineering and make licensing contracts non-binding until they are available for review either electronically or in a writing.

Uniform Nonjudicial Foreclosure Act

This act permits the foreclosure of real estate mortgages without a judicial proceeding. It allows traditional sale by auction, placing foreclosed property directly on the real estate market or strictly foreclosing on the property. Nonjudicial foreclosure of a residential mortgage eliminates deficiency judgments for good faith debtors. Post-sale redemption is eliminated. The premise for this act is that in the vast majority of cases, the right to foreclose is clear and unequivocal. Requiring a judicial proceeding in every case impedes the inevitable result, which is sale of the property to satisfy the debt. There is always recourse to a court if there is doubt about the right to foreclose.

<u>Uniform Interstate Enforcement of Domestic Violence</u> Protection Orders Act

This act implements the obligation of full faith and credit for domestic violence protection orders required by the federal Violence Against Women Act. There are two principal methods of enforcement, (i) direct enforcement by a court of the domestic violence protection orders of another state; or (ii) enforcement by law-enforcement officers upon a finding that there is probable cause to believe that a domestic violence protection order from another state has been violated. In addition, a domestic violence protection order from another state may be registered in advance of any possible violation of that order to expedite enforcement by courts or law enforcement officers. The 2002 amendments expressly add antistalking orders to the scope of this Act.

Uniform Parentage Act

The original Uniform Parentage Act (UpaA) was promulgated in 1973. It removed the legal status of illegitimacy from the law of the U.S. and provided the first modern civil paternity action. The 2002 UpaA augments and streamlines the 1973 UpaA. It includes the basic paternity or parentage action with expanded standing to bring such an action, but provides for a non-judicial acknowledgment of paternity procedure that is the equivalent of an adjudication of paternity in a court, providing that there is no presumed father of the child. The presumption of fatherhood is based on the relationship between a man and woman with respect to a child. The most common presumed father is the man married to the birth mother of the child at the time of conception. The acknowledgment proceeding is predicated on the availability of the precise genetic testing that has developed since 1973. A paternity registry is provided in the 2002 UpaA. There is a specific, separate judicial proceeding for ordering genetic testing. The 2002 UpaA provides specific standards for genetic testing. Only genetic tests that identify another man as a father or exclude the presumed father, may be used to rebut the presumption of fatherhood in a paternity action. Also included in the 2002 UpaA are rules for determining the parents of children whose conception is not the result of sexual intercourse. Assisted conception includes artificial insemination and in vitro fertilization. The 2002 UpaA incorporates sections on gestational agreements as optional sections because of state law differences on these kinds of contracts. The principal amendments in 2002 return some of the nonmarital presumptions of paternity from the 1973 Act that were eliminated in the 2000 Act.

RECOMMENDATIONS FOR ENACTMENT

The following uniform acts, which have been approved by the Conference, make significant contributions to important subjects. The Virginia commissioners recommended these acts for consideration and adoption by the 2003 General Assembly:

- Amendments to the Uniform Interstate Family Support Act
- Uniform Arbitration Act
- Uniform Interstate Enforcement of Domestic Violence Orders Act

The commissioners also decided to evaluate the following acts for possible introduction in Virginia:

- Uniform Athlete Agents Act
- Uniform Limited Partnership Act (2001)
- Uniform Unclaimed Property Act
- Uniform Trust Code
- Uniform Fraudulent Transfer Act

CURRENT DRAFTING PROJECTS

There are currently nine ULC drafting committees working on new and revised uniform acts. In addition, 12 study committees are considering subjects for possible future drafting.

CURRENT DRAFTING COMMITTEES

<u>Prafting Committee to Revise Uniform Commercial Code Article 7, Warehouse Receipts, Bills of Lading and Other Documents of Title.</u> This committee is revising Article 7 of the Uniform Commercial Code, the only article of the UCC that has had no extensive amendments or revisions since it was initially drafted more than 50 years ago. A revision is necessary in light of changes in federal law and the growing use of electronic transactions.

Drafting Committee on Entity Transactions Act. This committee will draft an act that allows conversion of one kind of business organization to another, or the merger of two or more different kinds of business organizations into one organization. When completed, this act will serve as a bridge between the Uniform Partnership Act, the Uniform Limited Partnership Act and the Uniform Limited Liability Company Act.

<u>Drafting Committee on Uniform Environmental Covenants Act.</u> This drafting committee will focus on environmental land use controls in the field of contaminated property.

<u>3-916 of the Uniform Probate Code.</u> This drafting committee will revise Section 3-916 of the Uniform Probate Code and the free-standing provision in the Uniform Estate Tax Apportionment Act in light of judicial decisions interpreting the Section and subsequent federal and state legislation.

<u>Drafting Committee to Revise the Uniform Management of Institutional Funds Act</u> (<u>UMIFA</u>). This committee will revise the 1972 UMIFA, which provides guidelines for management, investment and expenditures of the endowment funds of institutions. A revision is necessary to make the act more consistent with the Uniform Prudent Investor Act, the Uniform Principal and Income Act, and the Uniform Trust Code, and to address recent case law development.

<u>Mediation Act (UMA).</u> The United Nations Commission on International Trade Law (UNCITRAL) has completed a new Model Law on Conciliation. The model law provides basic rules for the use of mediation (called conciliation in international law) to resolve commercial disputes for parties to international transactions. The standby committee of the UMA will be activated as a drafting committee to draft amendments to the UMA consistent with the UNCITRAL model act.

<u>Drafting Committee to Certificate of Title Act.</u> This drafting committee will examine major elements of certificate of title laws, including centralized records of titling and transfer, medium neutrality to facilitate electronic records, and state-to-state recognition.

<u>Drafting Committee on Uniform Wage Withholding Procedure Act.</u> This committee will draft an act that will lead to a simpler and more efficient employment tax reporting system. The new act, when completed, should enable the states to harmonize their rules for withholding tax and unemployment contributions with the federal system.

<u>Drafting Committee on Uniform Real Property Electronic Recordation Act.</u> This committee will draft an act on the subject of electronic recordation of real estate transactions.

Study Committees:

Study Committee on Business Cooperatives Act

Study Committee on Electronic Payment Systems

Study Committee on Uniform Conflict of Laws-Limitations Act

Study Committee on Internet Private Law

Study Committee on Misuse of Genetic Information

Study Committee on Recognition of Foreign Judgments

Study Committee on Consumer Debt Counseling

Study Committee on Mortgagee Access to Rents from Income-Producing Property

Study Committee on Expansion/Revision of the Uniform Money Services Act

Study Committee on an Omnibus Business Organization Code

Study Committee on Public Health Emergency Response Authority

Study Committee on Real Property Title Clearance Methods and Procedures

REQUEST FOR TOPICS APPROPRIATE FOR CONSIDERATION AS UNIFORM ACTS

The Virginia Commissioners welcome suggestions from the Governor, the General Assembly, the Attorney General, the organized bar, state governmental entities, private interest groups and private citizens on ideas for new uniform or model acts. Appropriate topics are those where (i) uniformity in the law among the states will produce significant benefits to the public and (ii) it is anticipated that a majority of the states would adopt such an act.

Respectfully submitted,

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