

REPORT OF

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

**TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



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## TABLE OF CONTENTS

HISTORY OF THE CONFERENCE.....	1
OPERATION OF THE CONFERENCE .....	2
VALUE FOR VIRGINIA AND THE STATES .....	3
STATE APPROPRIATIONS.....	4
OTHER FINANCIAL CONTRIBUTORS.....	5
PROCESS FOR CREATION OF UNIFORM AND MODEL ACTS .....	5
ACTIVITIES OF THE VIRGINIA COMMISSIONERS .....	6
ACTIVITIES OF THE 2003 VIRGINIA GENERAL ASSEMBLY .....	7
REPORT OF PROCEEDINGS OF THE 2003 ANNUAL CONFERENCE.....	10
2003 ADOPTIONS BY ANNUAL CONFERENCE .....	11
SUMMARIES .....	11
Revised Article 7, Uniform Commercial Code.....	11
Uniform Environmental Covenants Act.....	12
2003 Revision of the Uniform Estate Tax Apportionment Act.....	12
2003 Amendments to Uniform Commercial Code Articles 2 - Sales and 2A - Leases .....	12
2003 Amendments to Uniform Mediation Act: UNCITRAL Model Act on Commercial Conciliation .....	13
2003 Amendments to the Uniform Trust Code.....	13
2003 Amendment to the Uniform Tort Apportionment Act .....	14
RECOMMENDATIONS FOR ENACTMENT .....	14
CURRENT DRAFTING PROJECTS .....	14
REQUEST FOR TOPICS APPROPRIATE FOR CONSIDERATION AS UNIFORM ACTS .....	18



**Report of the  
Virginia Commissioners to the  
National Conference of Commissioners  
on Uniform State Laws  
to  
The Governor and the General Assembly of Virginia  
Richmond, Virginia**

**January 1, 2003 - December 31, 2003**

**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 (Conference or 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 bylaws 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, nonpartisan 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, nonpartisan 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 was \$1,637,700 in fiscal year 2003. The smallest state contribution was \$10,300 and the largest was \$126,500. Virginia's contribution for FY 2003 was



\$37,400. The annual budget of the ULC for FY 2003 was \$1,852,873. Of this amount, \$380,650 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 thirty-three thousand, nine hundred and seventy-one 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: H. Lane Kneedler of Charlottesville, Ellen F. Dyke of Vienna who replaced Kimberly A. Taylor of Richmond and Thomas Edmonds of Richmond who replaced Pamela Meade Sargent of Abingdon.

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:

Ellen F. Dyke-Member, Drafting Committee on Uniform Residential Mortgage Satisfaction Act.

H. Lane Kneedler - Member, Scope and Program Committee; member, Drafting Committee on Uniform Certificate of Title Laws and member; Drafting Committee on the Model State Administrative Procedures Act.

Carlyle C. Ring, Jr. - Chairman, Committee on Uniform Commercial Code; Enactment Plan Coordinator, Member, Permanent Editorial Board for Uniform Commercial Code; Member, Committee on Federal Relations.

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 2003 VIRGINIA GENERAL ASSEMBLY**

Based on recommendations made by the Virginia Commissioners in House Document No. 34, 2003, covering the period January 1, 2002, through December 31, 2002, and other initiatives, the following actions regarding uniform laws were taken by the 2003 Virginia General Assembly:

**Uniform law related bills passed by the  
2003 General Assembly Session**

**Uniform Disclaimer of Property Interests Act**

**House Bill 1976 , Clifford L. Athey, Jr.**

Repeals Chapter 8 of Title 64.1, dealing with disclaimer of property passing under testamentary interests by descent or distribution and replaces it with the Uniform Disclaimer of Property Interests Act (UDPIA), which was adopted by the National Conference of Commissioners on Uniform State Laws in 1978 and revised in 1999. The current Virginia disclaimer statute focuses on estate and gift tax consequences. The UDPIA broadens the situations in which disclaimers can be used and details the exercise and effect of disclaimers, including that acceptance is the only bar to a valid disclaimer and specifying the effects of a disclaimer.

**Uniform Commercial Code; general provisions**

**House Bill 1778, Clifton A. Woodrum**

Replaces current Title 8.1 (Article 1-definitions and general provisions) of the Uniform Commercial Code with the revision approved by the National Conference of Commissioners on Uniform State Laws in 2001. The revisions are intended to update the law and are in recognition of changes in business practices, including the increased use of electronic media.

**Negotiable instruments; return of paid instruments**

**Senate Bill 999, William C. Mims**

Requires the holder of a negotiable instrument to return the instrument to its maker or his agent within 90 days following payment in full of the obligation. If the instrument is no longer in existence, the holder can satisfy this obligation by giving written confirmation to that effect within 90 days of the request.

**Uniform Partnership Act statements**

**Senate Bill 881, William C. Wampler, Jr.**

Establishes the requirements for renewing a statement of partnership authority filed with the State Corporation Commission, and clarifies other provisions of the Uniform Partnership Act regarding the filing of statements

of partnership authority, dissociation, dissolution, and merger. The filing of a renewal will restart the five-year effective life of a statement of partnership authority. A statement of partnership authority must be amended whenever the partnership changes its name. A statement of partnership authority must be filed prior to the filing of a statement of dissociation or dissolution. Statements of merger must be executed by each party to the merger, and are only effective as to a partnership that has a statement of partnership authority on file with the Commission. Finally, the measure provides that the term "statement," for purposes of the Uniform Partnership Act, includes a renewal of a statement of partnership authority.

### **Revised Uniform Arbitration Act (RUAA)**

#### **Senate Bill 307, 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 Domestic Violence Protection Orders Act**

#### **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.

## **Uniform Interstate Family Support Act (UIFSA)**

### **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 Reform Act. 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.

## **REPORT OF PROCEEDINGS OF THE 2003 ANNUAL CONFERENCE**

The 2003 annual meeting was held August 1-7, in Washington, D.C. Commissioners Dyke, Edmonds, French, Lamb, Kneedler, Miller and Ring attended.

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

- *Revision to Article 7 of the Uniform Commercial Code*
- *Uniform Environmental Covenants Act*
- *Revision to Uniform Estate Tax Apportionment Act*
- *Amendments to Article 2, Uniform Commercial Code*
- *Amendments to Article 2A, Uniform Commercial Code*
- *Amendments to Uniform Mediation Act; UNCITRAL Model Act on Commercial Conciliation*

- *Amendments to the Uniform Trust Code*
- *Amendments to the Uniform Tort Apportionment Act*

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

- *Uniform Conversion or Merger of Different Types of Business Organizations (Entity Transactions) Act*
- *Uniform Certificate of Title Act*
- *Revision of Uniform Management of Institutional Funds Act*
- *Uniform Real Property Electronic Recordation Act*
- *Uniform Mortgage Satisfaction Act*
- *Uniform Wage Withholding Act*
- *Revision of Uniform Durable Power of Attorney Act*
- *Revision of Uniform Limited Liability Company Act*

## 2003 ADOPTIONS BY ANNUAL CONFERENCE

### SUMMARIES

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

#### Revised Article 7, Uniform Commercial Code

Article 7 governs the transfer of bills of lading and warehouse receipts as documents of title. Generally, transfer of a document of title from one person to another transfers the rights in the goods represented by the document of title. Article 7 provides for negotiable documents of title, which transfer interests in goods represented in such documents free of any claims or defenses of the issuer or other transferor of the document. The revisions establish the rules for electronic documents of title. It authorizes them, incorporates electronic records and signatures for statute of fraud purposes, provides an analogous system for transfer of electronic documents to the system of negotiable paper documents of title, provides for conversion of electronic documents of title into tangible documents of title and vice versa, and prepares for the expected reliance upon electronic documents of title into the future. A key concept to transfer of electronic documents of title is that of "control." Control occurs when it is possible to identify every transfer of an authoritative copy of an electronic document with absolute certainty and when transfer can only occur when the party in control authorizes transfer.

## **Uniform Environmental Covenants Act**

This new uniform act in 2003 creates an interest in real estate called an "environmental covenant" that assures a plan of rehabilitation for contaminated real property (brownfields) and control of use that may be separately conveyed to and enforced by a relevant third person called a holder. An underlying plan between state or federal government and landowner for "remediation" of the property must be in place for an environmental covenant to be created and conveyed. The ultimate objective of this act is to allow contaminated property to be returned to those uses consistent with prescribed clean up, essentially making them marketable. The Act provides for the creation of such a covenant, its termination when appropriate, priority over other real estate interests and enforcement over the time the covenant is in place. An environmental covenant is perpetual unless a specific term is prescribed in the instrument creating it. The interest will be recorded in the real estate records.

## **2003 Revision of the Uniform Estate Tax Apportionment Act**

This is a revision of earlier acts, and part of the Uniform Probate Code, that provides for apportioning the burden of federal or state estate taxes between the respective interests of heirs or legatees of an estate, or beneficiaries of a revocable trust, when the fiduciary for an estate or trust is required to pay such taxes. Generally, the tax burden is allocated to the interests of estate or trust beneficiaries in proportion to their interests in the whole of the taxable estate. There are special rules for specific sorts of interests such as qualified terminable interest property trusts (a kind of marital trust) and when certain kinds of property are insulated from inclusion in the apportionable estate, though they are taxable property. This update takes into account all changes in tax rules arising since the last time this act was amended.

## **2003 Amendments to Uniform Commercial Code** **Articles 2 -- Sales and 2A -- Leases**

Article 2 of the Uniform Commercial Code governs sales of goods. It was promulgated as part of the Uniform Commercial Code in 1951. It has ancestry in the Uniform Sales Act, originally promulgated in 1906. The amendments incorporate electronic transactions so that sale contracts that are in an electronic format can be formed and enforced. Other areas of Article 2 are clarified in light of the experience with this article since 1951, the year it replaced the Uniform Sales Act and the year the Uniform Commercial Code was launched.



Article 2A governs leases of goods in a parallel fashion to the governance of sales of goods in Article 2. Article 2A was added to the Uniform Commercial Code in 1987, and was the first new article in the Uniform Commercial Code since its original promulgation in 1951. Article 2A was amended in 1990. The primary purpose of the 2003 amendments is to incorporate electronic transactions so that lease contracts that are in an electronic format can be formed and enforced. There are other clarifications based on the experience with Article 2A since 1987.

### **2003 Amendments to Uniform Mediation Act: UNCITRAL Model Act on Commercial Conciliation**

The 2003 Amendment to the Uniform Mediation Act provides for adoption of the UNCITRAL Model Act on Commercial Conciliation by incorporating it by reference in the Uniform Mediation Act. The Model Law was adopted by UNCITRAL in 2002, and provides for the appointment of conciliators (mediators) and the conduct of a conciliation between international commercial disputants. Conciliation and mediation are virtually synonymous for the purposes of these acts.

### **2003 Amendments to the Uniform Trust Code**

The 2003 amendments to the Uniform Trust Code (2000) follow a set of amendments approved in 2001. The changes consist of several clarifications and technical corrections, mostly nonsubstantive. An amendment to Section 105(b)(8) clarifies the mandatory rule requiring qualified beneficiaries over the age of 25 to be notified of the existence of an irrevocable trust, the identity of the trustee and of their right to request a trustee's report. An amendment to Section 411 adds the words "modification or" to correct an inadvertent technical glitch. The section relates to the modification or termination of a noncharitable irrevocable trust by consent. Amendments to Sections 602 and 603 deal with revocable trusts and who controls the rights of the beneficiaries while the trust is revocable. The objective is to make sure that, in cases of a trust with a joint interest, a settlor is notified if another settlor amends or revokes the trust. Since Section 603 is much broader in scope, the language has been stricken from it and added more precisely into Section 602. Another amendment to Section 802 deals with the trustee's duty of loyalty. The amendment to Section 802(f) clarifies the Uniform Trust Code provision on proprietary mutual funds. The amendment provides that Section 802(f) applies to institutional trustees in many other contexts other than proprietary mutual funds. The last amendment changes an "or" to an "and" in Section 815, relating to general powers of a trustee. While a

technical typographical glitch, its impact is substantive. This amendment clarifies the intent of the drafters that, to the extent the terms of the trust are silent, those in the Uniform Trust Code will supplement the trustee powers.

### **2003 Amendment to the Uniform Tort Apportionment Act**

This Act, which was promulgated originally in 2002 and which replaces the Uniform Comparative Fault Act of 1979, received some limited amendments in 2003. Language relating to "strict liability" in Section 3 has been deleted, since the defense of contributory fault has not ordinarily been available in strict liability cases. The Act applies in negligence and any other case in which a defense of contributory fault may have been a defense. Other amendments clarify the reallocation provisions, primarily providing for a more precise statement relating to any security position or subrogation rights considered in reallocating damages. A precise time of 90 days has been provided for filing for reallocation in the event a share of a party is uncollectible.

### **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 2004 General Assembly:

- *Revised Article 7, Uniform Commercial Code*
- *Uniform Securities Act*
- *Uniform Trust Code*

### **CURRENT DRAFTING PROJECTS**

There are currently 13 ULC drafting committees working on new and revised uniform acts. In addition, 14 study committees are considering subjects for possible future drafting.

## Current Drafting Committees

**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.

**Drafting Committee to Revise the Uniform Management of Institutional Funds Act (UMIFA).** 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.

**Drafting Committee on Certificate of Title Act.** Each year, close to 70 million motor vehicles and 17 million watercraft are titled in the United States. State law on the subject varies considerably. 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 of certificates of title.

**Drafting Committee on Uniform Wage Withholding Procedure Act.** 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.

**Drafting Committee on Agricultural and Agricultural Related Cooperatives Act.** Since the last Conference effort in this area (Uniform Agricultural Cooperative Association Act of 1936), there has been a tremendous amount of development and use of this form of business entity but with wide variation among the states. Initially, the committee will reexamine the use of this type of business form in light of nearly 70 years of legal development, the clear need for greater uniformity in interstate operations, and the growing use of cooperatives in providing value-added marketing approaches, among other issues.

**Drafting Committee on Business Trust Act.** The business trust format - often used in mutual funds, ERISA pension funds, and various types of regulatory compliance trusts - is increasingly used as an alternative to a

corporation. Although there are few business trusts compared to other types of business forms, trillions of dollars of assets are invested in this business format. The incompleteness of business trust statutes in most states and the absence of any applicable legislation in nearly one-third of the states makes this a timely project.

**Drafting Committee on Consumer Debt Counseling Act.** This committee will draft an act in the area of consumer credit counseling, and will address numerous issues such as whether to prohibit "for-profit" agencies from engaging in counseling, whether to draft licensing requirements for agencies or individual counselors, or both, and whether to require that certain information be disclosed to consumers.

**Drafting Committee to Amend the Uniform Durable Power of Attorney Act.** This committee is working on amendments to the Uniform Durable Power of Attorney Act, promulgated in 1969 and enacted in nearly every state, and parallel changes to the Uniform Probate Code. The drafting committee will update the uniform act and address new issues such as procedures for activating springing powers and fiduciary duties of agents.

**Drafting Committee to Amend the Uniform Limited Liability Company Act.** The ULLCA was promulgated in 1995 and amended in 1996. Although it has been enacted in only nine states, virtually all states have enacted some sort of LLC legislation, and LLCs are now a firmly entrenched business entity. The committee will seek a relationship with the appropriate committees in the ABA Business Law Section, which are also reconsidering LLC law, and the Joint Editorial Board for Uniform Unincorporated Nonprofit Organization Acts.

**Drafting Committee on Uniform Mortgage Satisfaction Act.** This committee will draft an act that would establish a reasonable grace period for a mortgagee to provide a recordable notice of satisfaction following the full payment of the mortgage debt. The act should also establish a nonjudicial procedure that would permit an authorized person to record notice of satisfaction in the event that the mortgagee failed to provide a notice within the grace period.

**Drafting Committee on Mortgagee Access to Rents From Income-Producing Property Act.** This drafting committee will address the problem of mortgagee access to rent from income property. A uniform solution to this problem would serve to ease securitization, lower transaction costs, and make mortgages more available.

**Drafting Committee on Uniform Real Property Electronic Recordation Act.** This committee will draft an act that will provide a recognized structure for recording, storing and protecting real estate transactions in electronic form, as well as providing access to them for title searching purposes. There is currently little or no legislation authorizing electronic recording, so a uniform law is especially timely.

**Drafting Committee to Revise Model State Administrative Procedures Act.** This committee will revise the 1980 Model State Administrative Procedures Act, which provided procedures for promulgating and for adjudicating disputes before administrative bodies. A revision is necessary to update the act to recognize electronic communications and other state procedural innovations since the act was originally promulgated.

### **Study Committees**

Study Committee on Amendments to the Uniform Anatomical Gift Act

Study Committee on Computer-Generated Demonstrative Evidence Act

Study Committee on Uniform Conflict of Laws-Limitations Act

Study Committee on Electronic Payments Systems

Study Committee on Amendments to the Uniform Guardianship and Protective Proceedings Act

Study Committee on Internet Private Law

Study Committee on Marine Insurance

Study Committee on Misuse of Genetic Information

Study Committee on Prevention of Child Abduction in International Child Custody Disputes

Study Committee on Representation of Children in Custody Disputes

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 Recognition of Foreign Judgments

**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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