REPORT OF THE

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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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, 2005 - December 31, 2005

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, the late 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 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 pursue 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 \$70,000, 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 \$120,000.

The states would have to come up with an additional \$1,010,000 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 million 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 \$1,769,800 in fiscal year 2005. The smallest state contribution was \$14,700 and the largest was \$129,700. Virginia's contribution for FY 2005 was

\$40,200. The annual budget of the ULC for FY 2005 was \$2,032,076. Of this amount, \$485,438 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. In addition, \$373,189 is spent in assisting state legislatures with bills based on uniform and model acts. This amount includes salaries and travel expenses. About \$212,564 is spent on the annual meeting. Public education for uniform and model acts costs about \$191,150 and includes contractual services, materials costs and travel expenses. The remainder of the budget pays general administrative costs.

OTHER FINANCIAL CONTRIBUTORS

The American Bar Association makes a yearly contribution to the ULC. For FY 2005, 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, and Thomas Edmonds of Richmond.

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:

Carlyle C. Ring, Jr. — Chairman, Committee on Uniform Commercial Code; Chairman, Drafting Committee to Revise Uniform Anatomical Gift Act; Member, Study Committee on Environmental Controls and Hazards Notice System; Member, Executive Subcommittee of the Permanent Editorial Board for Uniform Commercial Code; Member, Permanent Editorial Board for Uniform Commercial Code; Member, Standby Committee to Revise Uniform Commercial Code Article 1, General Provisions; Member, Committee on Federal Relations; and Liaison Member, Uniform Law Foundation Trustees.

- Ellen F. Dyke Member, Drafting Committee to Prepare Amendments to Uniform Common Interest Ownership Act and Member, Standby Committee on Uniform Residential Mortgage Satisfaction Act.
- H. Lane Kneedler Secretary, Executive Committee; Member, Drafting Committee on Uniform Collateral Sanctions and Disqualifications Act; Member, Study Committee on Administrative Procedures for Interstate Compact Entities; Member, Standby Committee on Uniform Certificate of Title Act; and Member, Drafting Committee to Revise Model State Administrative Procedures Act.

Esson McKenzie Miller, Jr. — Member, Standby Committee on Uniform Certificate of Title Act and Member, Legislative Committee.

Jessica D. French — Member, Drafting Committee on Collateral Sanctions and Disqualifications Act and Member, Legislative Committee.

ACTIVITIES OF THE 2005 VIRGINIA GENERAL ASSEMBLY

Based on recommendations made by the Virginia Commissioners in Report Document No. 70, 2005, covering the period January 1, 2004, through December 31, 2004, and other initiatives, the following actions regarding uniform laws were taken by the 2005 Virginia General Assembly.

Uniform Law-Related Bills Introduced by the 2005 General Assembly Session

Uniform Trust Code

Senate Bill 891, Senator Mims - Sets out the Uniform Trust Code, which was finalized by the Conference in 2000 and is the first national codification of the law of trusts. Much of the Code is a codification of the common law of trusts and consists of default rules that govern where the trust instrument is silent. Special rules on revocable trusts and features encourage non-judicial resolution of administrative matters. Existing Virginia statutes are modified to accommodate the Trust Code, and some uniform provisions are modified to retain current Virginia statutory treatment. The bill is effective July 1, 2006.

Uniform Interstate Family Support Act (UIFSA)

Senate Bill 1040, Senator Quayle - Updates the Act, which Virginia adopted in 1994 to replace the Uniform Reciprocal Enforcement of Support Act, by making most of the amendments proposed by the Conference in 2001 to clarify UIFSA and reflect changes in federal law The purpose of UIFSA is to limit modification of child support orders to a single state to reduce the number of interstate jurisdictional disputes. Except in narrowly defined circumstances, the only state able to modify a support order is the one that continues to have exclusive jurisdiction over the matter. The definition of "state" is expanded to allow other countries to have their orders enforced in the United States. An individual state can arrange with a foreign country for reciprocal enforcement of child support.

Real Property Electronic Recording Act

Senate Bill 992, Senator Devolites Davis - Establishes the Real Property Electronic Recording Act, which authorizes circuit court clerks to accept and record land records electronically. All provisions associated with the Act must be reenacted by the General Assembly except for a requirement that the Virginia Information Technology Agency develop standards for electronic recording of land records. A new article in Title 17.1 restores authority, which

had expired July 1, 2004, for court clerks to electronically file other court documents, including instruments and judgments.

Mortgage Satisfaction

Senate Bill 1005, Senator Devolites Davis - Imports into the Virginia Code provisions of the Uniform Residential Mortgage Satisfaction Act relating to definitions, notifications, rescinding erroneously recorded certificates of satisfaction, requirements on secured creditors, and the form and effect of satisfaction. Current Code provisions relating to payoff statements, mortgage satisfaction via settlement agents and court proceedings, and penalties for errors or omissions in satisfaction procedures are retained. The bill will not become effective unless reenacted by the General Assembly, except for one section which became effective July 1, 2005, which requires the Virginia Information Technology Agency to develop standards to implement electronic recording of real property documents.

REPORT OF PROCEEDINGS OF THE 2005 ANNUAL CONFERENCE

The 2005 annual meeting of the Conference was held July 22 - July 29, in Pittsburgh, Pennsylvania. Commissioners Dyke, French, Lamb, Kneedler, Miller and Ring attended.

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

- Uniform Debt-Management Services Act
- Uniform Certificate of Title Act
- Uniform Foreign Country Money Judgments Recognition Act
- Uniform Assignment of Rents Act
- Model Entity Transactions Act

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

- Amendments to Uniform Anatomical Gift Act
- Amendments to Uniform Common Interest Ownership Act
- Revision of Uniform Limited Liability Company Act
- Revision of Uniform Management of Institutional Funds Act
- Revision of Uniform Power of Attorney Act

- Standards for the Protection of Children from International Abduction Act
- Uniform Agricultural and Agricultural Related Cooperatives
 Act

2005 ADOPTIONS BY ANNUAL CONFERENCE

SUMMARIES

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

<u>Uniform Debt-Management Services Act</u>

The Uniform Debt-Management Services Act provides guidance and regulation to the debt counseling industry. Consumer debt counseling services have become a critical concern since Congress passed bankruptcy reform legislation this year. Many bankrupt consumers will be forced to seek consumer debt counseling as part of bankruptcy proceedings. The effect of bankruptcy reform is to privatize debt workouts. It is therefore important for the states to regulate the services for honest and responsible handling of consumer debt problems.

The Act applies to both consumer debt counseling services and debt management services (debt counseling services generally help a consumer repay all of his or her debt, while debt management services generally attempt to persuade creditors to settle for less than the full amount of the consumer's debt). The Act is a comprehensive statute that provides rules for, among other things, registration requirements, bond requirements, disclosure requirements (including a list of goods and services — and the charges for each — that the agency will provide to the consumer), and penalties for non-compliance.

Uniform Certificate of Title Act

The Uniform Certificate of Title Act provides rules for the transfers of interests in motor vehicles (the Act does not apply to mobile homes or water craft). Each year, close to 70 million motor vehicles are titled in the United States. The Act, by providing improved administrative rules and remedies governing title issues, creates a consistent legal structure to facilitate

efficient resolution of common titling issues and the efficient handling of titlerelated transactions.

Uniform Foreign Country Money Judgments Recognition Act

The Uniform Foreign Country Money Judgments Recognition Act is a revision of the Uniform Foreign Money Judgments Recognition Act of 1962, which simplified international business by recognizing money judgments obtained in other nations for the purpose of enforcement. This revision updates the 1962 Act, clarifying its provisions, and correcting problems created by the interpretation of provisions of that Act by the courts in the years since its promulgation.

<u>Uniform Assignment of Rents Act</u>

The Uniform Assignment of Rents Act will bring consistency to commercial real property transactions by establishing a comprehensive statutory model for the creation, perfection, and enforcement of a security interest in rents.

Model Entity Transactions Act

The Model Entity Transactions Act, drafted as a result of a collaborative effort of NCCUSL and the American Bar Association and approved in 2004, provides states with a single statute covering all types of mergers and conversions among different forms of entities. Amendments to the new statute were approved that add an article on division of business entities, such as corporations, to the statute as well.

RECOMMENDATIONS FOR ENACTMENT

The following uniform acts, which have been approved by the Conference, make significant contributions to important subjects. The Virginia commissioners recommend these acts for consideration and adoption by the 2006 General Assembly:

- Uniform Environmental Covenants Act
- Uniform Residential Mortgage Satisfaction Act
- Uniform Real Property Recording Act

CURRENT DRAFTING PROJECTS

There are currently 18 ULC drafting committees working on new and revised uniform acts. In addition, 13 study committees are considering subjects for possible future drafting.

Current Drafting Committees

Drafting Committee to Revise Uniform Anatomical Gift Act. The UAGA was originally promulgated in 1968 and adopted in every state and the District of Columbia. The Act was revised in 1987 and subsequently adopted in 26 states. This new committee is revising the Uniform Anatomical Gift Act of 1987, to update the act in light of changes in federal law and regulations and related developments in the field of organ donation. Appropriate revisions to the act may also assist in increasing the availability of organ donations.

<u>Act.</u> This committee is drafting a statute regarding the prevention of child abduction in international and domestic child custody disputes (and possibly other circumstances). The committee is considering a checklist of factors for the court to consider in assessing the risk of child abduction and the provision of suggested remedies where circumstances indicate an increased risk of abduction.

<u>Drafting Committee on Uniform Collateral Sanctions and Disqualifications Act.</u> This committee is drafting a statute addressing the various penalties and disqualifications that individuals face incidental to criminal sentencing, including disqualification from voting, prohibitions from running for office, exclusion from certain types of employment, etc. The act is intended to be narrow in scope, applying only to the procedures surrounding collateral sanctions, not defining or limiting what those sanctions are.

<u>Ownership Act.</u> UCIOA, first promulgated in 1982 and revised in 1994, is a comprehensive statute relating to condominiums, planned communities and cooperatives. This committee is revising UCIOA in light of intervening developments in this area of law and will study and recommend corresponding amendments to the Uniform Condominium, Planned Community, and Real Estate Cooperative Acts. The committee will consider a number of topics, including owner access to budget and financial records of the association, the establishments and funding of reserve accounts, and other issues meant to improve the usefulness of the act.

Drafting Committee on Uniform Cooperative Association Act. This committee is drafting an act addressing the cooperative business format. Since the last NCCUSL effort in this area (the 1936 Uniform Agricultural Cooperative Association Act), there has been a tremendous amount of development and use of this form of business entity but with wide variation among the states. The committee is reexamining the use of this 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 Discovery of Electronic Records Act. This committee is drafting an act to address a broad array of issues that arise in discovery requests for electronic records. With the emergence of electronic technology, the extent to which individuals and institutions store or maintain information in an electronic form has clearly increased since the adoption of rules governing discovery generally. The drafting committee will draft an act relating only to civil litigation.

<u>Drafting Committee on Uniform Guardianship Interstate</u> <u>Jurisdiction and Enforcement Act.</u> This committee is drafting an act that addresses the issue of jurisdiction with regard to guardianships and may also draft conforming amendments to the Uniform Guardianship and Protective Proceedings Act and other acts impacted by guardianship jurisdiction.

Drafting Committee on Interstate Depositions and Discovery Documents Act. This committee is drafting an act that would provide a procedure to enable a party to effectuate depositions and discover documents in other states and foreign jurisdictions. The drafting committee will draft an act that contains reciprocal provisions for taking the deposition testimony of a witness in one state for use in civil litigation pending in another state. When completed, the act should simplify the procedures for obtaining the testimony of out-of-state witnesses while minimizing the need for court involvement. The goal is to simplify and standardize the current patchwork of procedures across the various states for deposing witnesses for purposes of out-of-state litigation.

<u>Company Act.</u> The ULLCA was promulgated in 1995 and amended in 1996. Although it has only been enacted in nine states, virtually all states have enacted some sort of LLC legislation, and LLCs are now a firmly entrenched business entity. This committee is amending and updating the ULLCA, which permits the formation of limited liability companies, providing the owners with the advantages of both corporate-type limited liability and

partnership tax treatment. As part of the committee's charge, it is working with appropriate committees of the ABA Business Law Section and the Joint Editorial Board for Uniform Unincorporated Organization Acts.

Drafting Committee to Revise Uniform Management of Institutional Funds Act. This committee is revising the 1972 Uniform Management of Institutional Funds Act to bring the law governing charitable institutions in line with modern investment practice. The 1972 UMIFA provided statutory guidelines for management, investment, and expenditure of endowment funds of charitable institutions — institutions such as colleges, universities, and hospitals. The revised UMIFA will incorporate provisions of modern portfolio theory, permitting more efficient management of funds for charitable purposes.

<u>Drafting Committee on Misuse of Genetic Information in</u> <u>Employment and Insurance Act.</u> This committee will draft uniform or model legislation on the misuse of genetic information in the context of employment and health insurance discrimination.

<u>Procedures Act.</u> This committee is revising the 1980 Model State Administrative 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.

Drafting Committee on Uniform Power of Attorney Act. This committee is revising the Uniform Durable Power of Attorney Act and making conforming changes to the Uniform Probate Code. The UDPAA was originally promulgated in 1969 and was extremely successful, having been adopted in nearly every jurisdiction. However, numerous states have since amended their DPA statutes. The drafting committee is updating the uniform act and addressing new issues such as procedures for activating springing powers and fiduciary duties of agents.

Drafting Committee on Registered Agents and Annual Filing Requirements Act. This committee will draft two model acts on specific filing requirements for various business entities in conjunction with committees from the American Bar Association and the International Association of Commercial Administrators already working on these projects. These projects deal with aspects of entity law that are peculiarly within the purview of secretaries of state and apply to both corporations and unincorporated associations.

Drafting Committee on Uniform Representation of Children in Abuse and Neglect and Custody Proceedings Act. This committee is drafting an act concerning the role of the appointed counsel for children in custody disputes and abuse and neglect proceedings. As noted in the recently adopted American Bar Association Standards on this subject, in many states lawyers appointed as "ad litems" are expected to be both the personal lawyer of the child and also a special consultant to the court. The ABA Standards seek to separate and clarify these roles, and the drafting committee will extend this work into a Conference act designed to implement these policies in state law.

<u>Drafting Committee on Statutory Trust Act.</u> 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. Business trusts are special purpose vehicles, the closest equivalent being a limited partnership. Although there are few business trusts compared to other types of business forms, trillions of dollars of assets are invested in this business format. This committee is drafting an act that will apply to business trusts and other statutory trusts.

<u>Nonprofit Association Act.</u> This committee will review developments relative to the Uniform Unincorporated Nonprofit Association Act, last amended in 1995, and will draft updated amendments to promote the Act's national uniform adoption.

<u>Committee on Liaison with American Indian Tribes and Nations.</u> This committee, in addition to providing a general liaison function for the introduction of applicable Uniform Laws into tribal codes, has completed work on a version of Article 9 of the Uniform Commercial Code suitable for use by tribal governments and will continue to draft in other areas.

Study Committees

Study Committee on Administrative Procedure Act for Interstate Compact Entities

Study Committee on Bank Deposits Act

Study Committee on Regulation of Charities

Study Committee on Collaborative Law

Study Committee on Disposal of Electronic Products

Study Committee on E-Government Act

Study Committee on Electronic Payments Systems

Study Committee on Environmental Controls and Hazards Notice Systems

Study Committee on Faithless Presidential Electors

Study Committee on Health Care Information Interoperability

Study Committee on Implementation of International Conventions and Treaties

Study Committee on Internet Private Law

Study Committee on Regulation of Medical Examiners

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,

Carlyle C. Ring, Jr., Chairman Brockenbrough Lamb, Jr. H. Lane Kneedler Ellen F. Dyke Thomas Edmonds E. M. Miller, Jr. Jessica D. French