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**HOUSE JOINT RESOLUTION NO. 558**

Offered January 18, 1999

*Establishing a joint subcommittee to study revisions to Article 9 of the Uniform Commercial Code as proposed by the National Conference of Commissioners on Uniform State Laws (NCCUSL).*

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Patrons—Morgan, Keating and Woodrum

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Referred to Committee on Rules

WHEREAS, Article 9, Secured Transactions, one of the 11 substantive articles of the Uniform Commercial Code, was first proposed in 1951 and last updated in 1972; and

WHEREAS, the National Conference of Commissioners on Uniform State Laws (NCCUSL) completed major revisions to Article 9 in 1998 and advocates the adoption of the revised Article 9 in each state; and

WHEREAS, Article 9 governs transactions in which a creditor takes a security interest in specific property of a debtor, allowing the creditor to take the property in the event the debtor defaults on the debt; and

WHEREAS, trillions of dollars of commercial and consumer credit are granted each year in secured transactions under Article 9 of the Uniform Commercial Code; and

WHEREAS, manufacturers, retailers, and consumers all depend upon Article 9 of the Uniform Commercial Code to make it possible for them to obtain the credit they need; and

WHEREAS, Article 9 is absolutely necessary to economic function in the United States; and

WHEREAS, the revised Article 9 takes into account changes in technology, increases in volume of commerce and credit, new kinds of property and transactions, and the proliferation of statutory nonpossessory liens which have occurred since Article 9 was last updated in 1972; and

WHEREAS, uncertainties about where to perfect a security interest and ambiguities that resulted in conflicting court interpretations have been addressed in the revised Article 9; and

WHEREAS, Article 9 is lengthy and complex and should be thoroughly studied and considered before adoption by the Commonwealth as state law; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a joint subcommittee be established to study the revisions to Article 9 of the Uniform Commercial Code as proposed by NCCUSL.

The joint subcommittee shall be composed of 10 members, which shall include seven legislative members and three nonlegislative members as follows: four members of the House of Delegates to be appointed by the Speaker of the House; three members of the Senate to be appointed by the Senate Committee on Privileges and Elections; and three members of the Virginia Bar Association with expertise in Article 9 of the Uniform Commercial Code to be appointed by the President of the Virginia Bar Association.

The direct costs of this study shall not exceed \$ 4,050.

The Division of Legislative Services shall provide staff support for the study. All agencies of the Commonwealth shall provide assistance to the joint subcommittee, upon request.

The joint subcommittee shall complete its work in time to submit its findings and recommendations to the Governor and the 2000 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for processing legislative documents.

Implementation of this resolution is subject to subsequent approval and certification by the Joint Rules Committee. The Committee may withhold expenditures or delay the period for the conduct of the study.

INTRODUCED

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