

1999 SESSION

ENROLLED

HOUSE JOINT RESOLUTION NO. 558

Requesting the Virginia Commissioners of the National Conference of Commissioners on Uniform State Laws to conduct briefings for the House Committee on Corporations, Insurance and Banking and the Senate Committee on Commerce and Labor and other interested parties regarding the proposed revisions to Article 9 of the Uniform Commercial Code.

Agreed to by the House of Delegates, February 7, 1999

Agreed to by the Senate, February 18, 1999

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 completed major revisions to Article 9 in 1998 and recommends 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 the 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 the Virginia Commissioners of the National Conference of Commissioners on Uniform State Laws be requested to conduct briefings for the House Committee on Corporations, Insurance and Banking and the Senate Committee on Commerce and Labor and other interested parties regarding the proposed revisions to Article 9 of the Uniform Commercial Code. The Virginia Commissioners shall conduct such briefings for the committees sitting jointly to receive this information. The Chairmen of the House Committee on Corporations, Insurance and Banking and the Senate Committee on Commerce and Labor shall each invite members of the Virginia State Bar who are interested in the proposed revisions to attend the briefings.

The Division of Legislative Services shall provide staff support for the briefings.

The Commissioners shall complete the briefings prior to the 2000 Session of the General Assembly.

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