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HOUSE JOINT RESOLUTION NO. 281

Offered January 24, 2000

*Establishing a joint subcommittee to study the adequacy of rights and remedies available to purchasers under Article 2 of the Uniform Commercial Code.*

Patron—Griffith

Referred to Committee on Rules

WHEREAS, distributing companies rely on large manufacturing companies to provide them with product for sale; and

WHEREAS, many of these distributors are small, regional companies with a limited market area and limited product lines; and

WHEREAS, large manufacturers have the resources and financial ability to change their distribution channels frequently; and

WHEREAS, these changes can create massive reductions in a small distributor's revenue stream; and

WHEREAS, many small distributors rely on their rights and remedies under the Article 2 of the UCC to protect them from unfair contractual provisions and termination; and

WHEREAS, the UCC currently has limited remedies for cancellation of sales contracts; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a joint subcommittee be established to study the adequacy of rights and remedies available to purchasers under Article 2 of the Uniform Commercial Code. The joint subcommittee shall be composed of seven members, which shall include four members of the House of Delegates, to be appointed by the Speaker, and three members of the Senate, to be appointed by the Senate Committee on Privileges and Elections.

The direct costs of this study shall not exceed \$ 5,250.

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 2001 Session of the General Assembly as provided in the procedures of the Division of Legislative Automated Systems for the processing of 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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