

MEMORANDUM

**TO: CONNIE T. EYSTER, CHAIR
STATUTORY REVISIONS COMMITTEE**

FROM: STANLEY C. KENT

DATE: NOVEMBER 18, 2009

SUBJECT: UNIFORM LAW COMMISSION PROJECTS

NEWLY PROMULGATED ACTS

Uniform Business Organizations Act (The "hub")

This act contains common provisions of business organization law such as definitions; the mechanics of filings; names of entities, registered agents and registered offices; qualification of foreign entities and administrative powers of the Secretary of State; and incorporated Model Entity Transactions Act provisions on merger, interest exchanges, conversions, domestications and divisions.

Uniform Collaborative Law Act

This act on collaborative law, a new kind of alternative dispute resolution framework used in many states today, particularly in a family law context, i.e., divorce, custody, and support proceedings. The core idea is that lawyers (and parties) to a dispute agree in advance that the lawyers will withdraw if the dispute goes to trial.

Uniform Real Property Transfer on Death Act

This act will permit real property to be transferred outside of probate upon death by beneficiary designation, similar to current beneficiary designations now used on securities accounts.

Uniform Statutory Trust Entity 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 other business entities such as a corporation and limited partnership. Business trusts are special purpose vehicles, the closest equivalent being limited partnerships. 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 has drafted an act that will apply to business trusts and other analogous statutory trusts. It will not apply to the kind of trusts used in estate planning.

Harmonization of Unincorporated Business Entity Acts

This Committee will work to harmonize provisions of the various unincorporated business entity acts already promulgated by the ULC, such as the Uniform Partnership Act, the Uniform Limited Partnership Act, the Limited Liability Company Act, the Limited Cooperative Association Act, the Uniform Unincorporated Nonprofit Association Act, and the Uniform Statutory Trust Entity Act. The committee will present a draft for initial consideration at the July 2010 annual meeting and is expected to present its act for final approval in July 2011.

Uniform Insurable Interests Relating to Trust Act

This committee will draft an act to address concerns regarding the purchase of life insurance policies by trustees as it relates to insurable interest law. Life insurance trusts are a standard estate planning tool because proceeds of an irrevocable life insurance trust are not subject to estate taxes. Recent case law has raised the possible need for uniform law on insurable interests. The scope of the project is narrow and might be drafted within the Uniform Trust Code or as a free-standing act. The committee presented a draft for initial consideration at the July 2009 annual meeting and is expected to present its act for final approval in July 2010.

Oversight of Charitable Assets Act

This committee will draft an act to address state oversight of charitable assets. The committee will focus on state attorneys general authority with regard to the protection of charitable assets, notice requirements, remedies, and principles to guide attorneys general in interstate and multi-state cases. The committee will present a draft for initial consideration at the July 2010 annual meeting and is expected to present its act for final approval in July 2011.

Partition of Inherited Real Property Act

The purpose of this committee is to draft a uniform act that will address the issue of tenancy-in-common land ownership. Tenancy in common is a type of joint ownership without right of survivorship. When there is no right of survivorship, the death of a tenant in common can trigger an action to partition the land to satisfy the deceased tenant's heirs. In a partition, the land is sold to satisfy tenant in common interests, often in a sale that does not meet market value. This committee will draft a new law to protect vulnerable landowners by providing a buy-out option; balancing factors for judges on partition of real property; sale price minimums if dispossession occurs; and a waiting period of up to three years for strangers to title. The committee presented a draft for initial consideration at the July 2009 annual meeting and is expected to present its act for final approval in July 2010.

STUDY COMMITTEES

Marital and Premarital Agreements

This committee will study and make recommendations on the potential scope and feasibility of uniform or model legislation concerning the regulation of marital and premarital agreements.

Mental Health Advance Directives

Mental health advance directives are a special type of advance directive often used by persons who have been diagnosed with serious mental disorders. This committee will investigate the need for and feasibility of drafting and enacting uniform state legislation concerning the use and regulation of mental health advance directives.