WASHINGTON UNIFORM LAW COMMISSION REPORT TO GOVERNOR FERGUSON AND WASHINGTON STATE LEGISLATURE January 20, 2025

By Washington Uniform Law Commission

I. PREAMBLE

To the Honorable Bob Ferguson and members of the Washington State Legislature: The Washington Commissioners on Uniform State Laws respectfully submit this annual report.

II. OVERVIEW OF UNIFORM LAW COMMISSION

The Uniform Law Commission (ULC), also known as the National Conference of Commissioners on Uniform State Laws, has worked for the uniformity of state laws since 1892. It is composed of state commissions on uniform laws from each state, the District of Columbia, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands. Each jurisdiction determines the method of appointment and the number of commissioners appointed. The statutory authority governing Washington's uniform law commission can be found at chapter 43.56 RCW.

There is only one fundamental requirement for the more than 300 uniform law commissioners: that, when first appointed, they are members of the bar. While some commissioners serve as state legislators and other state officials, most are practitioners, judges, or law professors. Uniform law commissioners receive no salaries for their work with the Uniform Law Commission.

Commissioners study and review the law of the states to determine which areas of law should be uniform. The commissioners promote the principle of uniformity by drafting and proposing statutes in areas of the law where uniformity between the states is desirable. The ULC can only propose laws; no uniform law is effective until a state legislature adopts it.

The work of the ULC simplifies the legal life of businesses and individuals by providing rules and procedures that are consistent from state to state. Representing both state government and the legal profession, it is a genuine coalition of state interests. It has sought to bring uniformity to the divergent legal traditions of more than 50 jurisdictions and has done so with significant success.

III. HISTORY

On August 24, 1892, representatives from seven states – Delaware, Georgia, Massachusetts, Michigan, New York, New Jersey, and Pennsylvania – met in Saratoga Springs, New York, to form what is now known as the Uniform Law Commission. By 1912, every state was participating in the ULC. The U.S. Virgin Islands was the last jurisdiction to join, appointing its first commission in 1988.

Very early on, the ULC became known as a distinguished body of lawyers. The ULC has attracted some of the best of the profession. Woodrow Wilson became a member before his service as President of the United States. Several Justices of the Supreme Court of the United States have been members: former Justices Brandeis, Rutledge, and Souter, and former Chief Justice Rehnquist. Legal scholars have served in large numbers, including Professors Wigmore, Williston, Pound, and Bogert. Many more distinguished lawyers have served since 1892.

In each year of service, the ULC has steadily increased its contribution to state law. Since its founding, the ULC has drafted more than 300 uniform laws in various fields of law, setting patterns for uniformity across the nation. Uniform Acts include the Uniform Probate Code, the Uniform Partnership Act, the Uniform Limited Partnership Act, the Uniform Anatomical Gift Act, the Uniform Interstate Family Support Act, the Uniform Child Custody Jurisdiction and Enforcement Act, and the Uniform Prudent Management of Institutional Funds Act.

Most significant was the 1940 ULC decision to attack major commercial problems with comprehensive legal solutions – a decision that set in motion the project to produce the Uniform Commercial Code (UCC). Working with the American Law Institute, the UCC took ten years to draft and another 14 years before it was enacted across the country. It remains the signature product of the ULC.

Today the ULC is recognized primarily for its work in commercial law, family law, the law of probate and estates, the law of business organizations, health law, and conflicts of law, among other areas.

The Uniform Law Commission arose out of the concerns of state government for the improvement of the law and for better interstate relationships. Its sole purpose has been, and remains, service to state government and improvement of state law.

IV. DIVERSITY STATEMENT

Each member jurisdiction determines the number of uniform law commissioners it appoints to the Uniform Law Commission, the terms of uniform law commissioners and the individuals who are appointed from the legal profession of that jurisdiction. The Uniform Law Commission encourages the appointing authorities to consider, among other factors, diversity of membership in their uniform law commissions, including race, ethnicity and gender, in making appointments.

The Uniform Law Commission does its best work when the uniform law commissioners are drawn from diverse backgrounds and experiences.

V. PROCEDURES

The ULC is usually convened as a body once a year at its annual meeting, for a period of six or seven days in July. In the interim period between these annual meetings, drafting committees composed of Commissioners meet to supply the working drafts that are considered at the annual meeting. At each annual meeting, the work of the drafting committees is read and debated. Each Act must be considered over a substantial period of two years. No Act becomes officially recognized as a Uniform Act until the Uniform Law Commission is satisfied that it is ready for consideration in the state legislatures. It is then put to a vote of the states, during which each state caucuses and votes as a unit.

The governing body is the ULC Executive Committee. Other standing committees include the Committee on Scope and Program, which considers new subject areas for possible Uniform Acts, and the Legislative Committee, which superintends the relationships of the ULC to the state legislatures.

The ULC's small staff, headquartered in Chicago, handles meeting arrangements, publications, legislative liaison, and general administration for the ULC.

The ULC maintains relations with several sister organizations. The American Bar Association provides advisors to ULC drafting committees and ULC study committees. Liaison is also maintained with the American Law Institute, the Council of State Governments, the National Conference of State Legislatures, the National Association of Secretaries of State, the National Association of Attorneys General, the Conference of Chief Justices, and the National Center for State Courts, and other organizations.

VI. ACTIVITIES OF THE WASHINGTON COMMISSIONERS

A. The Washington Commissioners are:

Michele Radosevich (Appointed 2015) is the Chair for the Washington Uniform Law Commission. She is a former member of the Wisconsin State Senate and current partner at Davis Wright Tremaine.

Marlin J. Appelwick (Appointed as a life member 2005) is a former judge on the Court of Appeals and a former member of the Washington State House of Representatives.

Karen Boxx (Appointed 2022) is a faculty member at the University of Washington and a Fellow of the American College of Trust and Estate Counsel.

Kathleen Buchli (Appointed 2018) is the Secretary for the Washington Uniform Law Commission and the Washington State Code Reviser.

Dennis W. Cooper (Appointed as a life member 2002) is a former Washington State Code Reviser.

Jamie Pedersen (Appointed 2010) is the majority leader in the Washington State Senate and is executive vice president and general counsel at McKinstry in Seattle.

Anita Ramasastry (Appointed as a life member 2022) is the Henry M. Jackson Professor of Law and the Director of the Sustainable International Development Graduate Program at the University of Washington School of Law. She served as president of the Uniform Law Commission from 2017-2019 and was the first Asian American president and person of color to hold this position.

B. The ULC activities for Commissioners from Washington are:

Karen Boxx

- Member, Drafting Committee on Nonconsensual Pornographic Deepfakes
- Member, Study Committee on Probate and Non-Probate Transfer Integration

Kathleen Buchli

- Member, Legislative Attorneys Committee
- Member, Study Committee on Use of AI by State Government

Dennis Cooper

• Chair, Parliamentary Practice Committee

Jamie Pedersen

- Member, Legislative Council
- Member, Scope and Program Committee
- Co-Chair, Study Committee on Revisions to Article V
- Chair, Standby Committee on Uniform Parentage Act

Michele Radosevich

- Division Chair
- Member, Study Committee on Election Law
- Chair, Standby Committee on Uniform Telehealth Act

Anita Ramasastry

- Member, International Legal Developments Committee
- Member, Committee on the Uniform Commercial Code
- Member, Study Committee on International Litigation Procedures
- Vice Chair, Standby Committee on Uniform Act on Prevention of and Remedies for Human Trafficking
- C. Meetings held by the Washington Commissioners in the year 2024 were:

February 14, 2024 (Zoom video conference) May 1, 2024 (Zoom video conference) October 3, 2024 (In person and on Zoom video conference)

D. The Uniform Law Commission 2024 Annual meeting took place in Boston, Massachusetts from July 19, 2024, to July 24, 2024, and all Washington commissioners were in attendance.

For a listing of Acts approved during the 2024 annual meeting, please see part VII.

- E. Legislative appearances by the Washington Commissioners in 2024 were led by Senator Jamie Pedersen. Senator Pedersen directs legislative activities, sponsors, and advocates for the Uniform Acts in Washington state.
- F. More information on the Washington Uniform Law Commission can be found at its <u>webpage</u>. The Commission's webpage includes meeting dates, places, times, and minutes of past meetings.

VII. A SUMMARY OF NEW ACTS (approved during the ULC 2024 annual meeting)

Uniform Antitrust Pre-Merger Notification Act

Companies proposing to engage in most significant mergers or acquisitions must comply with the federal Hart-Scott-Rodino Act ("HSR"). This federal law requires filing a notice of the proposed transaction with the Federal Trade Commission and Department of Justice at least 30 days prior to closing. The HSR filing includes both a basic form detailing information like the corporate structure of the parties, and additional documentary material, such as presentations about the merger to the company's board of directors. The HSR filing allows the federal antitrust agencies to scrutinize mergers before they are completed. State Attorneys General also have a legal right to challenge anticompetitive mergers, but AGs do not have access to HSR filings. This puts the AGs at a significant disadvantage in the process of merger review. It also creates additional costs and uncertainties for the merging parties. The Uniform Antitrust Pre-Merger Notification Act is intended to address the concerns of both the AG and business communities by

creating a simple, non-burdensome mechanism for AGs to receive access to HSR filings at the same time as the federal agencies, and subject to the same confidentiality obligations. Under the Act, covered entities must provide their HSR filing to the AG contemporaneously with their federal filing. The material filed with the AG is subject to essentially the same confidentiality protections as applicable to the federal agencies, except that an AG that receives HSR materials may share them with any other AG whose state has also adopted this Act. The anticipated effect is to facilitate early information sharing and coordination among state AGs and the federal agencies. The Act will balance the needs of state enforcers for information with the burdens and risks to filers.

Uniform Mortgage Modification Act

The parties to a mortgage often agree to modify the terms of the mortgage loan or other obligation secured by the mortgage after the initial transaction is completed. However, the common law is not clear on the issue of whether the modification of a mortgage loan or other obligation secured by a mortgage affects the priority of the mortgage against junior interest holders. This lack of clarity in the law causes delay and unnecessary expense for borrowers and in some cases may mean that a loan is foreclosed rather than modified. The Uniform Mortgage Modification Act is meant to resolve problems and reduce uncertainty by establishing several categories of safe harbor modifications that can be made to recorded mortgages and secured obligations, and outlines the implications of each type of modification. Permissible modifications under the Act include changes to maturity dates, interest rates, capitalization or payment schedules, escrow or reserve requirements, and other changes that do not affect the priority of junior interest holders or are not materially prejudicial. This Act aims to reduce costs and create straightforward alternatives to foreclosure when possible.

Updates to Unincorporated Organization Acts

The 2024 updates to the Uniform Unincorporated Organization Acts make comprehensive amendments to nine existing Unincorporated Organization Acts. These modifications address issues raised by the Joint Editorial Board for Uniform Unincorporated Organization Acts, as well as similar issues arising from the consideration of evolving case law, disparate judicial interpretations, and other concerns raised in connection with the various states' consideration of the Unincorporated Organization Acts. Some of the updates include: resolving issues surrounding the definition of "partnership" and the definition and use of the terminology relating to "jurisdiction of formation"; distinguishing between domestic and foreign entities in various contexts in the Uniform Partnership Act, Uniform Limited Partnership Act and Uniform Limited Liability Company Act; synthesizing differing terms in the fundamental change articles of the various entity acts; clarifying when a partner or LLC member is required to refrain from competition; settling matters surrounding "series entities"; addressing issues arising from the enactment of the federal Corporate Transparency Act; and resolving various issues brought to the Drafting Committee's attention by the ABA's Corporate Laws Committee.

VIII. RECOMMENDATIONS FOR ENACTMENT 2024

The Washington Commissioners have recommended that these Uniform Acts be considered in the 2025 legislative session:

Uniform Custodial Trust Act

The Uniform Custodial Trust Act enables a person to establish a commonly desired form of living trust by simply registering assets in the name of one individual as "custodial trustee for (beneficiary's name)." It functions similarly to the Uniform Transfers to Minors Act but allows for an adult beneficiary.

Uniform Military and Overseas Voters Act

The Uniform Military and Overseas Voters Act simplifies the process of absentee voting for United States military and overseas civilians by making the process more uniform, convenient, secure, and efficient. The Act covers all military personnel or their dependents, as well as U.S. citizens residing outside the United States who are unable to vote in-person. This latter category includes a class of voters not covered by the federal law in this area: U.S. citizens born overseas who have reached voting age without having resided in the United States. The Act applies to all statewide and local elections, as well as to federal elections, both primary and general (and also special and run-off elections).

Uniform Antitrust Premerger Notification Act

The Uniform Antitrust Premerger Notification Act creates a simple, nonburdensome mechanism for a state attorney general to receive access to Hart-Scott-Rodino filings at the same time as the federal agencies, and subject to the same confidentiality obligations.

Uniform Consumer Debt Default Judgments Act

The Uniform Consumer Debt Default Judgments Act provides consumer debtors and courts with the information necessary to evaluate debt collection actions.

IX. ENACTMENT RECORD

The Washington Legislature enacted the following Acts during the 2024 Legislative Session:

- ESSB 5481, Chapter 212, Laws of 2024. Uniform Telehealth Act.
- SSB 5787, <u>Chapter 188, Laws of 2024</u>. Uniform Electronic Estate Planning Documents Act.
- ESSB 5796, <u>Chapter 321</u>, <u>Laws of 2024</u>. Unlawful Restrictions in Land Records Act, Uniform Common Interest Ownership Act.
- ESSB 5801, Chapter 23, Laws of 2024. Uniform Special Deposits Act.

According to the records of the ULC, Washington state has enacted 167 Uniform and Model Acts.

X. UNIFORM LAW COMMISSION DUES

The ULC receives the major portion of its financial support from population-based state appropriations. Every jurisdiction is also asked to fund its commissioners' participation at the ULC's Annual Meeting, where acts are debated, amended, and voted upon for approval.

Fiscal Year 2025 State Dues

State	Amount Billed	State	Amount Billed
Alabama	70,115	Nevada	41,835
Alaska	41,835	New Hampshire	41,835
Arizona	70,115	New Jersey	70,115
Arkansas	41,835	New Mexico	41,835
California	197,180	New York	197,180
Colorado	70,115	North Carolina	70,115
Connecticut	41,835	North Dakota	41,835
Delaware	41,835	Ohio	98,395
District of Columbia	41,835	Oklahoma	41,835
Florida	140,565	Oregon	41,835
Georgia	70,115	Pennsylvania	98,395
Hawaii	41,835	Puerto Rico	34,395
Idaho	41,835	Rhode Island	41,835
Illinois	98,395	South Carolina	70,115

70,115	South Dakota	41,835
41,835	Tennessee	70,115
41,835	Texas	140,565
70,115	US Virgin Islands	22,380
70,115	Utah	41,835
41,835	Vermont	41,835
70,115	Virginia	70,115
70,115	Washington	70,115
70,115	West Virginia	41,835
70,115	Wisconsin	70,115
41,835	Wyoming	41,835
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