

## **REPORT OF THE DEPUTY DIRECTOR**

Innovation and skill were on full display in the yeoman work of the members of the Alabama State Bar that engaged in the important work of the Institute in 2023. Such remarkable service has become a hallmark of the Alabama lawyers, judges, and professors that work on our many committees.

In Fiscal Year 2023, more than 100 lawyers from all parts of our great state have donated more than 2,500 hours of time working on Alabama Law Institute matters. Of course, this does not even include the critical review by the Law Institute's Council and Membership of the bill drafts prior to their consideration by the Legislature.

In addition to its usual code revision duties, we updated the Alabama Election Handbook in conjunction with the Alabama Election Conference, which was held in October. We also published Alabama's Response to the COVID-19 Pandemic.

It is in the wake of such significant effort and achievement of all the great professionals referenced hereinabove that I submit this report on the significant progress of the Alabama Law Institute.

### **2023 Legislation**

The 2023 session was another busy one for the Law Institute. A total of four ALI bills became acts during the session, making it an extremely productive year for the Institute. Important advances in the state's jurisprudence were made in several areas:

- 1) Nonprofit Entities Code Revisions. This act passed in 2023 as Act 2023-503. The Business Entities Committee reviewed the Alabama Nonprofit Corporation Law. In doing so, the Committee recognized that, except for the first steps taken in 2021, the Alabama Nonprofit Corporation Law had become outdated and out of step with the other states and with the Model Nonprofit Corporation Act. The Committee purposefully included the leading nonprofit lawyers in the State of Alabama and consulted

the drafters of the Model Business Nonprofit Act as well as leading lawyers in Delaware regarding their Act.

- 2) Uniform Commercial Code 2022 Amendments. This act passed in 2023 as Act 2023-492. The Uniform Commercial Code (the “UCC”) has long provided reliable commercial law rules for broad categories of transactions such as the sale or lease of goods, secured transactions, and transactions involving negotiable instruments, bank deposits and collections, funds transfers, letters of credit, documents of title, and securities. As the backbone of United States commerce, its adoption in every state (Alabama’s version of the UCC is Title 7 of the Code of Alabama) has allowed the development of strong interstate markets, reducing transaction costs and giving Alabamians confidence in their everyday commercial transactions.
- 3) Uneconomic Trust Statute Revisions. This act passed in 2023 as Act 2023-176. Under previous law (Ala. Code §19-3B-414) the trustee of trust property, after notice to the qualified beneficiaries, had been able to terminate a trust having a value of less than \$50,000 without the expense of a judicial termination proceeding if the value of the trust property was insufficient to justify the ongoing cost of trust administration. The trust property was then distributed by the trustee in a manner consistent with the purposes of the trust. Therefore, the Standing Trust Committee of the Alabama Law Institute (ALI) proposed what has already been undertaken in several other states – the raising of the threshold amount to the more workable figure of \$100,000. Additionally, to ensure no further need to adjust this figure with additional amendments, the act ties any future adjustments to the Federal Consumer Price Index (CPI).
- 4) Alabama Adoption Code. This act passed in 2023 as Act 2023-92. With concern for enhancing the integrity of the system while also modernizing it, the ALI Adoption Committee proposed the first major change to the Alabama Adoption Code in over 30 years. The act takes into account the need to streamline the process while still maintaining safety and confidentiality. One particular innovation to facilitate the process is the ability of multiple courts

handling an adoption matter to communicate and coordinate with one another. The new Code also takes into account technological advances in communications, service/notification procedures, and document transfers. This act establishes prompt deadlines for action. It also clarifies and specifies expectations upon petitioners regarding qualifications for adoption along with the documentation to be completed and provided to the court.

### **Legislative Services**

During the 2023 legislative session, the Institute again provided research, drafting, and other services to legislative committees and individual legislators. In addition to the Institute staff, lawyers were retained to assist with legislative judiciary committees on a regular basis.

The Legislative Intern Program educates student interns about the legislative process and provides valuable assistance to legislative office staff. Typically, these student interns work thirty-two hours per week at the State House during a legislative session. These student interns earn academic credit and a stipend for their efforts.

The Legislative Law Clerk program continues its success by upper-level students providing the Institute and its committees with research assistance on legislative and publishing matters.

### **Task Force Participation**

The Law Institute participated in three task forces. These task forces consisted of Rule Changes for Criminal Warrant Procedure, Confidentiality and Privacy in Court Records, and the Uniform Law Commission's Uniform Unlawful Restriction in Land Records Act.

### **2024 Legislation**

The Institute anticipates offering the following bills to the Alabama Legislature this session: 2024 Amendments to the

Alabama Business and Nonprofit Entities Code and Alabama Uniform Commercial Real Estate Receivership Act. Extensive information on these bills is provided in Chapter III of this Report.

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