

UTAH REVISED BUSINESS CORPORATION ACT

AMENDMENTS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Curtis S. Bramble

House Sponsor: Daniel McCay

LONG TITLE

General Description:

This bill modifies the Utah Revised Business Corporation Act to address the purposes and powers of a corporation.

Highlighted Provisions:

This bill:

- ▶ amends the purposes for which a corporation may be formed under the act;
- ▶ amends the general powers of a corporation under the act; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

16-10a-301, as enacted by Laws of Utah 1992, Chapter 277

16-10a-302, as enacted by Laws of Utah 1992, Chapter 277

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **16-10a-301** is amended to read:



28 **16-10a-301. Purposes.**

29 (1) [~~Every~~] A corporation incorporated under this chapter and including in [~~its~~] the
30 corporation's articles of incorporation a statement [~~meeting~~] that meets the requirements of
31 Subsection 16-10a-202(3) may engage in any lawful business or activity except for express
32 limitations set forth in the articles of incorporation.

33 (2) A corporation engaging in a business or an activity that is subject to regulation
34 under another statute of this state may incorporate under this chapter only if permitted by, and
35 subject to all limitations of, the other statute.

36 Section 2. Section **16-10a-302** is amended to read:

37 **16-10a-302. General powers.**

38 Unless its articles of incorporation provide otherwise, and except as restricted by the
39 Utah Constitution, every corporation has perpetual duration and succession in its corporate
40 name and has the same powers as an individual to do all things necessary or convenient to carry
41 out its permitted [~~business~~] and lawful purposes, activities, and affairs, including without
42 limitation the power:

43 (1) to sue and be sued, complain and defend in [~~its~~] the corporation's corporate name;

44 (2) to have a corporate seal, which may be altered at will, and to use [~~it~~] the corporate
45 seal, or a facsimile of [~~it~~] the corporate seal, by impressing or affixing [~~it~~] the corporate seal or
46 in any other manner reproducing [~~it~~] the corporate seal;

47 (3) to make and amend bylaws, not inconsistent with [~~its~~] the corporation's articles of
48 incorporation or with the laws of this state, for managing the business and regulating the affairs
49 of the corporation;

50 (4) to purchase, receive, lease, or otherwise acquire, and own, hold, improve, use, and
51 otherwise deal with, real or personal property, or any legal or equitable interest in property,
52 wherever located;

53 (5) to sell, convey, mortgage, pledge, lease, exchange, and otherwise dispose of all or
54 any part of [~~its~~] the corporation's property and assets;

55 (6) to purchase, receive, subscribe for, or otherwise acquire, own, hold, vote, use, sell,
56 mortgage, lend, pledge, or otherwise dispose of, and deal in and with shares or other interests
57 in, or obligations of, any other entity;

58 (7) to make contracts and guarantees, incur liabilities, borrow money, issue [~~its~~] the

59 corporation's notes, bonds, and other obligations that may or may not be convertible into or
60 include the option to purchase other securities of the corporation, and secure any of [its] the
61 corporation's obligations by mortgage or pledge of any of [its] the corporation's property,
62 assets, franchises, or income;

63 (8) to lend money, invest and reinvest [its] the corporation's funds, and receive and
64 hold real and personal property as security for repayment;

65 (9) to be a promoter, partner, member, associate, or manager of any partnership, joint
66 venture, trust, or other entity;

67 (10) to conduct [its] the corporation's business and activities, locate offices, and
68 exercise the powers granted by this chapter within or without this state;

69 (11) to elect directors and appoint officers, employees, and agents of the corporation,
70 define their duties, fix their compensation, and lend them money and credit;

71 (12) to pay pensions and establish pension plans, pension trusts, profit sharing plans,
72 share bonus plans, share option plans, and benefit or incentive plans for any or all of [its] the
73 corporation's current or former directors, officers, employees, and agents;

74 (13) to operate, and to make donations, for the public welfare or for charitable,
75 religious, scientific, or educational purposes;

76 (14) to transact any lawful business that will aid governmental policy;

77 (15) to make payments or donations, or do any other act, not inconsistent with law, that
78 furthers the business and affairs of the corporation; and

79 (16) to establish rules governing the conduct of the business and affairs of the
80 corporation in the event of an emergency.

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Office of Legislative Research and General Counsel