

BUSINESS ENTITIES AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lyle W. Hillyard

House Sponsor: R. Curt Webb

LONG TITLE

General Description:

This bill modifies provisions related to reinstatement of a corporation or nonprofit corporation.

Highlighted Provisions:

This bill:

- ▶ provides that the division may reinstate a dissolved corporation or a dissolved nonprofit corporation that owes taxes, fees, or penalties to the State Tax Commission if the corporation or nonprofit corporation is current on a payment plan with the State Tax Commission; and

- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

16-6a-1412, as last amended by Laws of Utah 2009, Chapter 386

16-10a-1422, as last amended by Laws of Utah 2009, Chapter 386

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



28 Section 1. Section **16-6a-1412** is amended to read:

29 **16-6a-1412. Reinstatement following administrative dissolution -- Reinstatement**
30 **after voluntary dissolution.**

31 (1) A nonprofit corporation administratively dissolved under Section **16-6a-1411** may
32 apply to the division for reinstatement within two years after the effective date of dissolution by
33 delivering to the division for filing an application for reinstatement that states:

34 (a) the effective date of its administrative dissolution and its corporate name on the
35 effective date of dissolution;

36 (b) that the ground or grounds for dissolution:

37 (i) did not exist; or

38 (ii) have been eliminated;

39 (c) (i) the corporate name under which the nonprofit corporation is being reinstated;

40 and

41 (ii) the corporate name that satisfies the requirements of Section **16-6a-401**;

42 (d) that the nonprofit corporation has paid all [~~taxes;~~] fees[;] or penalties imposed
43 [~~pursuant to~~] under this chapter[; ~~otherwise owed by the nonprofit corporation to the State Tax~~
44 ~~Commission, or otherwise imposed by the applicable laws of this state have been paid~~] or other
45 applicable state law;

46 (e) that the nonprofit corporation:

47 (i) has paid any taxes, fees, or penalties owed to the State Tax Commission; or

48 (ii) is current on a payment plan with the State Tax Commission for any taxes, fees, or
49 penalties owed to the State Tax Commission;

50 [~~(f)~~] (f) the address of [~~its~~] the nonprofit corporation's registered office;

51 [~~(g)~~] (g) the name of [~~its~~] the nonprofit corporation's registered agent at the office stated
52 in Subsection (1)[~~(f)~~](f); and

53 [~~(h)~~] (h) [~~the~~] any additional information [~~as~~] the division determines is necessary or
54 appropriate.

55 (2) The nonprofit corporation shall include in or with the application for reinstatement:

56 (a) the written consent to appointment by the designated registered agent; and

57 (b) a certificate from the State Tax Commission [~~reciting that all taxes owed by the~~
58 ~~nonprofit corporation have been paid.~~] that states that the nonprofit corporation:

59 (i) has paid any taxes, fees, or penalties owed to the State Tax Commission; or
60 (ii) is current on a payment plan with the State Tax Commission for any taxes, fees, or
61 penalties owed to the State Tax Commission.

62 (3) (a) The division shall revoke the administrative dissolution if:

63 (i) the division determines that the application for reinstatement contains the
64 information required by Subsections (1) and (2); and

65 (ii) that the information is correct.

66 (b) The division shall mail written notice of the revocation to the nonprofit corporation
67 in the manner provided in Subsection 16-6a-1411(5) stating the effective date of the
68 dissolution.

69 (4) When the reinstatement is effective:

70 (a) the reinstatement relates back to and takes effect as of the effective date of the
71 administrative dissolution;

72 (b) the nonprofit corporation may carry on its activities, under the name stated pursuant
73 to Subsection (1)(c), as if the administrative dissolution had never occurred; and

74 (c) an act of the nonprofit corporation during the period of dissolution is effective and
75 enforceable as if the administrative dissolution had never occurred.

76 (5) (a) The division may make rules for the reinstatement of a nonprofit corporation
77 voluntarily dissolved.

78 (b) The rules made under Subsection (5)(a) shall be substantially similar to the
79 requirements of this section for reinstatement of a nonprofit corporation that is administratively
80 dissolved.

81 Section 2. Section **16-10a-1422** is amended to read:

82 **16-10a-1422. Reinstatement following dissolution.**

83 (1) A corporation dissolved under Section 16-10a-1403 or 16-10a-1421 may apply to
84 the division for reinstatement within two years after the effective date of dissolution by
85 delivering to the division for filing an application for reinstatement that states:

86 (a) the effective date of the corporation's dissolution;

87 (b) the corporation's corporate name as of the effective date of dissolution;

88 (c) that the grounds for dissolution either did not exist or have been eliminated;

89 (d) the corporate name under which the corporation is being reinstated;

90 (e) that the name stated in Subsection (1)(d) satisfies the requirements of Section
91 16-10a-401;

92 (f) that the corporation has paid all [~~taxes;~~] fees[;] or penalties imposed [~~pursuant to~~]
93 under this chapter[~~, otherwise owed by the corporation to the State Tax Commission, or~~
94 ~~otherwise imposed by applicable laws of this state have been paid~~] or other applicable state
95 law;

96 (g) that the corporation:

97 (i) has paid any taxes, fees, or penalties owed to the State Tax Commission; or

98 (ii) is current on a payment plan with the State Tax Commission for any taxes, fees, or
99 penalties owed to the State Tax Commission;

100 [~~g~~] (h) the address of [~~its~~] the corporation's registered office in this state;

101 [~~h~~] (i) the name of [~~its~~] the corporation's registered agent at the office stated in
102 Subsection (1)[~~g~~](h); and

103 [~~i~~] (j) any additional information the division determines to be necessary or
104 appropriate.

105 (2) The corporation shall include in or with the application for reinstatement:

106 (a) the written consent to appointment by the designated registered agent; and

107 (b) a certificate from the State Tax Commission [~~reciting that all taxes owed by the~~
108 ~~corporation have been paid.~~] that states that the corporation:

109 (i) has paid any taxes, fees, or penalties owed to the State Tax Commission; or

110 (ii) is current on a payment plan with the State Tax Commission for any taxes, fees, or
111 penalties owed to the State Tax Commission.

112 (3) If the division determines that the application for reinstatement contains the
113 information required by Subsections (1) and (2) and that the information is correct, the division
114 shall revoke the administrative dissolution. The division shall mail to the corporation in the
115 manner provided in Subsection 16-10a-1421(5) written notice of:

116 (a) the revocation; and

117 (b) the effective date of the revocation.

118 (4) When the reinstatement is effective, it relates back to the effective date of the
119 administrative dissolution. Upon reinstatement:

120 (a) an act of the corporation during the period of dissolution is effective and

121 enforceable as if the administrative dissolution had never occurred; and
122 (b) the corporation may carry on its business, under the name stated pursuant to
123 Subsection (1)(d), as if the administrative dissolution had never occurred.

Legislative Review Note
Office of Legislative Research and General Counsel