

Representative Adam Robertson proposes the following substitute bill:

CORPORATION REINSTATEMENT AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Adam Robertson

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions of Title 16, Corporations, regarding requirements for reinstatement following dissolution.

Highlighted Provisions:

This bill:

- ▶ amends application requirements for a nonprofit corporation or a corporation applying for reinstatement after dissolution;
- ▶ requires the Division of Corporations and Commercial Code to request that the State Tax Commission certify that the nonprofit corporation or corporation is in good standing;
- ▶ requires the State Tax Commission to notify the Division of Corporations and Commercial Code and the nonprofit corporation or corporation if a nonprofit corporation or corporation is not in good standing; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None



26 **Utah Code Sections Affected:**

27 AMENDS:

28 **16-6a-1412**, as last amended by Laws of Utah 2017, Chapter 122

29 **16-10a-1422**, as last amended by Laws of Utah 2017, Chapter 122

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

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

33 **16-6a-1412. Reinstatement following administrative dissolution -- Reinstatement**
34 **after voluntary dissolution.**

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

38 (a) the effective date of ~~[its]~~ the nonprofit corporation's administrative dissolution and
39 ~~[its]~~ the nonprofit corporation's corporate name on the effective date of dissolution;

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

41 (i) did not exist; or

42 (ii) have been eliminated;

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

44 and

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

46 (d) that the nonprofit corporation has paid all fees or penalties imposed under this
47 chapter or other applicable state law;

48 (e) that the nonprofit corporation:

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

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

52 (f) the address of the nonprofit corporation's registered office;

53 (g) the name of the nonprofit corporation's registered agent at the office stated in

54 Subsection (1)(f);

55 (h) the federal employer identification number of the nonprofit corporation; and

56 ~~[(h)]~~ (i) any additional information the division determines is necessary or appropriate.

57 (2) The nonprofit corporation shall include in or with the application for
58 reinstatement[~~-(a)~~] the written consent to appointment by the designated registered agent[;
59 and].

60 [~~(b) a certificate from the State Tax Commission that states that the nonprofit~~
61 ~~corporation:~~]

62 [~~(i) has paid any taxes, fees, or penalties owed to the State Tax Commission; or]~~

63 [~~(ii) is current on a payment plan with the State Tax Commission for any taxes, fees, or~~
64 ~~penalties owed to the State Tax Commission.~~]

65 (3) (a) After receiving a nonprofit corporation's application for reinstatement, the
66 division shall:

67 (i) provide the State Tax Commission with the nonprofit corporation's federal employer
68 identification number; and

69 (ii) request that the State Tax Commission certify that the nonprofit corporation is in
70 good standing.

71 (b) The State Tax Commission shall certify that a nonprofit corporation is in good
72 standing if the nonprofit corporation:

73 (i) has paid all taxes, fees, and penalties the nonprofit corporation owed to the State
74 Tax Commission; or

75 (ii) is current on a payment plan with the State Tax Commission for all taxes, fees, and
76 penalties the nonprofit corporation owes to the State Tax Commission.

77 (c) If a nonprofit corporation is not in good standing as described in Subsection (3)(b),
78 the State Tax Commission shall:

79 (i) notify the division, stating that the nonprofit corporation is not in good standing;
80 and

81 (ii) notify the nonprofit corporation, explaining in detail why the nonprofit corporation
82 is not in good standing.

83 [~~(3)~~] (4) (a) The division shall revoke the administrative dissolution if:

84 (i) the division determines that the application for reinstatement contains the
85 information required by Subsections (1) and (2); [and]

86 (ii) the division determines that the information in the application is correct[-]; and

87 (iii) the State Tax Commission certifies that the nonprofit corporation is in good

88 standing as described in Subsection (3)(b).

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

92 [~~(4)~~] (5) When the reinstatement is effective:

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

95 (b) the nonprofit corporation may carry on [~~its~~] the nonprofit corporation's activities,
96 under the name stated pursuant to Subsection (1)(c), as if the administrative dissolution had
97 never occurred; and

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

100 [~~(5)~~] (6) (a) The division may make rules for the reinstatement of a nonprofit
101 corporation voluntarily dissolved.

102 (b) The rules made under Subsection [~~(5)~~] (6)(a) shall be substantially similar to the
103 requirements of this section for reinstatement of a nonprofit corporation that is administratively
104 dissolved.

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

106 **16-10a-1422. Reinstatement following dissolution.**

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

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

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

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

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

114 (e) that the name stated in Subsection (1)(d) satisfies the requirements of Section
115 16-10a-401;

116 (f) that the corporation has paid all fees or penalties imposed under this chapter or
117 other applicable state law;

118 (g) that the corporation:

- 119 (i) has paid any taxes, fees, or penalties owed to the State Tax Commission; or
120 (ii) is current on a payment plan with the State Tax Commission for any taxes, fees, or
121 penalties owed to the State Tax Commission;
- 122 (h) the address of the corporation's registered office in this state;
123 (i) the name of the corporation's registered agent at the office stated in Subsection
124 (1)(h);
- 125 (j) the federal employer identification number of the corporation; and
126 ~~[(j)]~~ (k) any additional information the division determines to be necessary or
127 appropriate.
- 128 (2) The corporation shall include in or with the application for reinstatement~~[(a)]~~ the
129 written consent to appointment by the designated registered agent~~[(a)]~~ and
130 ~~[(b) a certificate from the State Tax Commission that states that the corporation:]~~
131 ~~[(i) has paid any taxes, fees, or penalties owed to the State Tax Commission; or]~~
132 ~~[(ii) is current on a payment plan with the State Tax Commission for any taxes, fees, or~~
133 ~~penalties owed to the State Tax Commission.]~~
- 134 (3) (a) After receiving a corporation's application for reinstatement, the division shall:
135 (i) provide the State Tax Commission with the corporation's federal employer
136 identification number; and
137 (ii) request that the State Tax Commission certify that the corporation is in good
138 standing.
- 139 (b) The State Tax Commission shall certify that a corporation is in good standing if the
140 corporation:
141 (i) has paid all taxes, fees, and penalties the corporation owed to the State Tax
142 Commission; or
143 (ii) is currently on a payment plan with the State Tax Commission for all taxes, fees,
144 and penalties the corporation owes to the State Tax Commission.
- 145 (c) If a corporation is not in good standing as described in Subsection (3)(b), the State
146 Tax Commission shall:
147 (i) notify the division, stating that the corporation is not in good standing; and
148 (ii) notify the corporation, explaining in detail why the corporation is not in good
149 standing.

150 ~~[(3)–H]~~ (4) (a) The division shall revoke the administrative dissolution if:
151 (i) the division determines that the application for reinstatement contains the
152 information required by Subsections (1) and (2) [and];
153 (ii) the division determines that the information in the application is correct~~[, the~~
154 ~~division shall revoke the administrative dissolution.]; and~~
155 (iii) the State Tax Commission certifies that the corporation is in good standing as
156 described in Subsection (3)(b).
157 (b) The division shall mail to the corporation in the manner provided in Subsection
158 16-10a-1421(5) written notice of:
159 ~~[(a)]~~ (i) the revocation; and
160 ~~[(b)]~~ (ii) the effective date of the revocation.
161 ~~[(4)]~~ (5) (a) When the reinstatement is effective, [it] the reinstatement relates back to
162 the effective date of the administrative dissolution.
163 (b) Upon reinstatement:
164 ~~[(a)]~~ (i) an act of the corporation during the period of dissolution is effective and
165 enforceable as if the administrative dissolution had never occurred; and
166 ~~[(b)]~~ (ii) the corporation may carry on [its] the corporation's business, under the name
167 stated pursuant to Subsection (1)(d), as if the administrative dissolution had never occurred.