

Representative Anthony E. Loubet proposes the following substitute bill:

CORPORATION REINSTATEMENT AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Anthony E. Loubet

Senate Sponsor: Daniel McCay

LONG TITLE

General Description:

This bill addresses corporate application requirements for reinstatement and withdrawal.

Highlighted Provisions:

This bill:

▶ amends application requirements for:

- a nonprofit corporation or a corporation applying for reinstatement after dissolution; and
- a foreign nonprofit corporation or foreign corporation applying for withdrawal;

▶ requires the Division of Corporations and Commercial Code to request that the

State Tax Commission certify that:

- a nonprofit corporation or corporation applying for reinstatement after dissolution is in good standing; and
- a foreign nonprofit corporation or foreign corporation applying for withdrawal is in good standing;

▶ requires the State Tax Commission to notify the Division of Corporations and

Commercial Code and the corporation if the corporation is not in good standing;

▶ requires the Division of Corporations and Commercial Code to approve a



26 corporation's application for withdrawal under certain circumstances; and
27 ▶ makes technical and conforming changes.

28 **Money Appropriated in this Bill:**

29 None

30 **Other Special Clauses:**

31 This bill provides a special effective date.

32 **Utah Code Sections Affected:**

33 AMENDS:

34 **16-6a-1412**, as last amended by Laws of Utah 2017, Chapter 122

35 **16-6a-1513**, as enacted by Laws of Utah 2000, Chapter 300

36 **16-10a-1422**, as last amended by Laws of Utah 2017, Chapter 122

37 **16-10a-1520**, as enacted by Laws of Utah 1992, Chapter 277



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

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

41 **16-6a-1412. Reinstatement following administrative dissolution -- Reinstatement**
42 **after voluntary dissolution.**

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

46 (a) states:

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

49 ~~(b)~~ (ii) that the ground or grounds for dissolution:

50 ~~(i)~~ (A) did not exist; or

51 ~~(i)~~ (B) have been eliminated;

52 ~~(c)~~ (iii) ~~(i)~~ the corporate name under which the nonprofit corporation is being
53 reinstated; ~~[and]~~

54 ~~(i)~~ (iv) the corporate name that satisfies the requirements of Section **16-6a-401**;

55 ~~(d)~~ (v) that the nonprofit corporation has paid all fees or penalties imposed under this
56 chapter or other applicable state law;

57 ~~[(e)]~~ (vi) that the nonprofit corporation:

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

59 ~~[(g)]~~ (B) is current on a payment plan with the State Tax Commission for any taxes,

60 fees, or penalties owed to the State Tax Commission;

61 ~~[(h)]~~ (vii) the address of the nonprofit corporation's registered office;

62 ~~[(i)]~~ (viii) the name of the nonprofit corporation's registered agent at the office stated

63 in Subsection (1)(f);

64 (ix) the federal employer identification number of the nonprofit corporation; and

65 ~~[(j)]~~ (x) any additional information the division determines is necessary or

66 appropriate~~[-]; and~~

67 ~~[(2)]~~ (b) ~~[The nonprofit corporation shall include in or with the application for~~

68 ~~reinstatement:]~~

69 ~~[(a)]~~ includes the written consent to appointment by the designated registered agent~~;~~

70 ~~and].~~

71 ~~[(b) a certificate from the State Tax Commission that states that the nonprofit~~

72 ~~corporation:]~~

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

74 ~~[(ii) is current on a payment plan with the State Tax Commission for any taxes, fees, or~~

75 ~~penalties owed to the State Tax Commission.]~~

76 (2) (a) After receiving a nonprofit corporation's application for reinstatement, the

77 division shall:

78 (i) provide the State Tax Commission with the nonprofit corporation's federal employer

79 identification number; and

80 (ii) request that the State Tax Commission certify that the nonprofit corporation is in

81 good standing.

82 (b) The State Tax Commission shall certify that a nonprofit corporation is in good

83 standing if the nonprofit corporation:

84 (i) has paid all taxes, fees, and penalties the nonprofit corporation owed to the State

85 Tax Commission; or

86 (ii) is current on a payment plan with the State Tax Commission for all taxes, fees, and

87 penalties the nonprofit corporation owes to the State Tax Commission.

88 (c) If a nonprofit corporation is not in good standing as described in Subsection (2)(b),
89 the State Tax Commission shall:

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

91 and

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

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

95 (i) the division determines that the application for reinstatement contains the

96 information required [by] [~~Subsections (1) and (2)~~] under Subsection (1); [~~and~~]

97 (ii) the division determines that the information in the application is correct; and

98 (iii) the State Tax Commission certifies that the nonprofit corporation is in good
99 standing as described in Subsection (2)(b).

100 (b) The division shall mail written notice of the revocation to the nonprofit corporation
101 in the manner provided in Subsection [16-6a-1411\(5\)](#) stating the effective date of the
102 dissolution.

103 (4) When the reinstatement is effective:

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

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

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

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

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

116 Section 2. Section **16-6a-1513** is amended to read:

117 **16-6a-1513. Withdrawal of foreign nonprofit corporation.**

118 (1) A foreign nonprofit corporation authorized to conduct affairs in this state may not

119 withdraw from this state until [its] the foreign nonprofit corporation's application for
120 withdrawal has been filed by the division.

121 (2) A foreign nonprofit corporation authorized to conduct affairs in this state may apply
122 for withdrawal by delivering to the division for filing an application for withdrawal ~~[setting~~
123 ~~forth]~~ that states:

124 (a) [its] the foreign nonprofit corporation's corporate name and [its] assumed name, if
125 any;

126 (b) the name of the state or country under whose law [it] the foreign nonprofit
127 corporation is incorporated;

128 (c) (i) (A) the address of [its] the foreign nonprofit corporation's principal office; or

129 (B) if a principal office is not to be maintained, a statement that the foreign nonprofit
130 corporation will not maintain a principal office; and

131 (ii) if different from the address of the principal office or if no principal office is to be
132 maintained, the address to which service of process may be mailed pursuant to Section
133 [16-6a-1514](#);

134 (d) that the foreign nonprofit corporation is not conducting affairs in this state;

135 (e) that [it] the foreign nonprofit corporation surrenders [its] the foreign nonprofit
136 corporation's authority to conduct affairs in this state;

137 (f) whether [its] the foreign nonprofit corporation's registered agent will continue to be
138 authorized to accept service on [its] the foreign nonprofit corporation's behalf in any
139 proceeding based on a cause of action arising during the time [it] the foreign nonprofit
140 corporation was authorized to conduct affairs in this state; ~~[and]~~

141 [g] the federal employer identification number of the foreign nonprofit corporation; and

142 ~~[g]~~ [h] any additional information that the division determines is necessary or
143 appropriate to:

144 (i) determine whether the foreign nonprofit corporation is entitled to withdraw; and

145 (ii) determine and assess any unpaid taxes, fees, and penalties payable by the foreign
146 nonprofit corporation as prescribed by this chapter.

147 ~~[(3) A foreign nonprofit corporation's application for withdrawal may not be filed by~~
148 ~~the division until:]~~

149 ~~[(a) all outstanding fees and state tax obligations have been paid; and]~~

150 ~~[(b) the division has received a certificate from the State Tax Commission reciting that~~
151 ~~all taxes owed by the foreign nonprofit corporation have been paid.]~~

152 (3) (a) After receiving a foreign nonprofit corporation's application for withdrawal, the
153 division shall:

154 (i) provide the State Tax Commission with the foreign nonprofit corporation's federal
155 employer identification number; and

156 (ii) request that the State Tax Commission certify that the foreign nonprofit corporation
157 is in good standing.

158 (b) The State Tax Commission shall certify that a foreign nonprofit corporation is in
159 good standing if the foreign nonprofit corporation has paid all taxes, fees, and penalties the
160 foreign nonprofit corporation owed to the State Tax Commission.

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

163 (i) notify the division, stating that the foreign nonprofit corporation is not in good
164 standing; and

165 (ii) notify the foreign nonprofit corporation, explaining in detail why the foreign
166 nonprofit corporation is not in good standing.

167 (4) (a) The division shall approve a foreign nonprofit corporation's application for
168 withdrawal if:

169 (i) the division determines that the application for withdrawal contains the information
170 required under Subsection (2);

171 (ii) the division determines the information in the application is correct; and

172 (iii) the State Tax Commission certifies that the foreign nonprofit corporation is in
173 good standing as described in Subsection (3)(b).

174 (b) The division shall mail written notice of the withdrawal stating the effective date of
175 the withdrawal to the foreign nonprofit corporation.

176 Section 3. Section **16-10a-1422** is amended to read:

177 **16-10a-1422. Reinstatement following dissolution.**

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

181 (a) states:

182 ~~[(a)]~~ (i) the effective date of the corporation's dissolution;

183 ~~[(b)]~~ (ii) the corporation's corporate name as of the effective date of dissolution;

184 ~~[(c)]~~ (iii) that the grounds for dissolution either did not exist or have been eliminated;

185 ~~[(d)]~~ (iv) the corporate name under which the corporation is being reinstated;

186 ~~[(e)]~~ (v) that the name stated in Subsection ~~[(+)(d)]~~ (1)(a)(iv) satisfies the requirements

187 of Section 16-10a-401;

188 ~~[(f)]~~ (vi) that the corporation has paid all fees or penalties imposed under this chapter

189 or other applicable state law;

190 ~~[(g)]~~ (vii) that the corporation:

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

192 ~~[(i)]~~ (B) is current on a payment plan with the State Tax Commission for any taxes,

193 fees, or penalties owed to the State Tax Commission;

194 ~~[(j)]~~ (viii) the address of the corporation's registered office in this state;

195 ~~[(k)]~~ (ix) the name of the corporation's registered agent at the office stated in

196 Subsection (1)(h);

197 (x) the federal employer identification number of the corporation; and

198 ~~[(l)]~~ (xi) any additional information the division determines to be necessary or

199 appropriate~~[-]; and~~

200 ~~[(2)]~~ (b) ~~[The corporation shall include in or with the application for reinstatement:]~~

201 ~~[(a)]~~ includes the written consent to appointment by the designated registered agent~~[-~~

202 and].

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

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

205 ~~[(ii) is current on a payment plan with the State Tax Commission for any taxes, fees, or~~

206 ~~penalties owed to the State Tax Commission.]~~

207 (2) (a) After receiving a corporation's application for reinstatement, the division shall:

208 (i) provide the State Tax Commission with the corporation's federal employer

209 identification number; and

210 (ii) request that the State Tax Commission certify that the corporation is in good

211 standing.

212 (b) The State Tax Commission shall certify that a corporation is in good standing if the
213 corporation:

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

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

218 (c) If a corporation is not in good standing as described in Subsection (2)(b), the State
219 Tax Commission shall:

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

221 (ii) notify the corporation, explaining in detail why the corporation is not in good
222 standing.

223 (3) [H]

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

225 (i) the division determines that the application for reinstatement contains the
226 information required [by Subsections (1) and (2) and] under Subsection (1);

227 (ii) the division determines that the information in the application is correct[; the
228 division shall revoke the administrative dissolution.]; and

229 (iii) the State Tax Commission certifies that the corporation is in good standing as
230 described in Subsection (2)(b).

231 (b) The division shall mail to the corporation in the manner provided in Subsection
232 16-10a-1421(5) written notice of:

233 ~~[(a)]~~ (i) the revocation; and

234 ~~[(b)]~~ (ii) the effective date of the revocation.

235 (4) (a) When the reinstatement is effective, [it] the reinstatement relates back to the
236 effective date of the administrative dissolution.

237 (b) Upon reinstatement:

238 ~~[(a)]~~ (i) an act of the corporation during the period of dissolution is effective and
239 enforceable as if the administrative dissolution had never occurred; and

240 ~~[(b)]~~ (ii) the corporation may carry on [its] the corporation's business, under the name
241 stated pursuant to Subsection [~~(1)(d)~~] (1)(a)(iv), as if the administrative dissolution had never
242 occurred.

243 Section 4. Section **16-10a-1520** is amended to read:

244 **16-10a-1520. Withdrawal of foreign corporation.**

245 (1) A foreign corporation authorized to transact business in this state may not withdraw
246 from this state until [its] the foreign corporation's application for withdrawal has been filed by
247 the division.

248 (2) A foreign corporation authorized to transact business in this state may apply for
249 withdrawal by delivering to the division for filing an application for withdrawal ~~[setting forth]~~
250 that states:

251 (a) [its] the foreign corporation's corporate name and [its] assumed name, if any;

252 (b) the name of the state or country under whose law ~~[it]~~ the foreign corporation is
253 incorporated;

254 (c) the address of [its] the foreign corporation's principal office, or if none is to be
255 maintained, a statement that the corporation will not maintain a principal office, and if different
256 from the address of the principal office or if no principal office is to be maintained, the address
257 to which service of process may be mailed pursuant to Section [16-10a-1521](#);

258 (d) that the corporation is not transacting business in this state and that ~~[it]~~ the foreign
259 corporation surrenders [its] the foreign corporation's authority to transact business in this state;

260 (e) whether [its] the foreign corporation's registered agent will continue to be
261 authorized to accept service on [its] the foreign corporation's behalf in any proceeding based on
262 a cause of action arising during the time ~~[it]~~ the foreign corporation was authorized to transact
263 business in this state; ~~[and]~~

264 (f) the federal employer identification number of the foreign corporation; and

265 ~~[(f)]~~ (g) any additional information that the division determines is necessary or
266 appropriate to determine whether the corporation is entitled to withdraw, and to determine and
267 assess any unpaid taxes, fees, and penalties payable by [it] the foreign corporation as prescribed
268 by this chapter.

269 ~~[(3) A foreign corporation's application for withdrawal may not be filed by the division~~
270 ~~until all outstanding fees and state tax obligations have been paid and the division has received~~
271 ~~a tax clearance certificate from the State Tax Commission.]~~

272 (3) (a) After receiving a foreign corporation's application for withdrawal, the division
273 shall:

274 (i) provide the State Tax Commission with the foreign corporation's federal employer
275 identification number; and

276 (ii) request that the State Tax Commission certify that the foreign corporation is in
277 good standing.

278 (b) The State Tax Commission shall certify that a foreign corporation is in good
279 standing if the foreign corporation has paid all taxes, fees, and penalties the foreign nonprofit
280 corporation owed to the State Tax Commission.

281 (c) If a foreign corporation is not in good standing as described in Subsection (3)(b),
282 the State Tax Commission shall:

283 (i) notify the division, stating that the foreign corporation is not in good standing; and

284 (ii) notify the foreign corporation, explaining in detail why the foreign corporation is
285 not in good standing.

286 (4) (a) The division shall approve a foreign corporation's application for withdrawal if:

287 (i) the division determines that the application for withdrawal contains the information
288 required under Subsection (2);

289 (ii) the division determines the information in the application is correct; and

290 (iii) the State Tax Commission certifies that the foreign corporation is in good standing
291 as described in Subsection (3)(b).

292 (b) The division shall mail written notice of the withdrawal stating the effective date of
293 the withdrawal to the foreign corporation.

294 **Section 5. Effective date.**

295 This bill takes effect on July 1, 2023.