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H.724

Introduced by Representatives Clarkson of Woodstock, Botzow of Pownal,
Lorber of Burlington, Masland of Thetford and Pugh of South
Burlington

Referred to Committee on

Date:

Subject: Commerce and trade; nonprofit corporations; digital nonprofits

Statement of purpose: This bill proposes to authorize digital nonprofit
corporations.

An act relating to digital nonprofit corporations

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 11B V.S.A. § 1.20 is amended to read:

§ 1.20 FILING REQUIREMENTS

* * *

(c) The document must be typewritten or printed or, if electronically
transmitted, it must be in a format that can be retrieved or reproduced in
typewritten or printed form or in an electronic format prescribed by the
secretary of state.

* * *

1 (g) If the secretary of state has prescribed a mandatory form or electronic
2 format for a document under section 1.21 of this title, the document must be in
3 or on the prescribed form.

4 * * *

5 Sec. 2. 11B V.S.A. § 1.21(a) is amended to read:

6 (a) The secretary of state may prescribe the form or electronic format of
7 and furnish on request, forms or specifications for formats for:

8 (1) an application for a certificate of existence;

9 (2) a foreign corporation's application for a certificate of authority to
10 transact business in this state;

11 (3) a foreign corporation's application for a certificate of withdrawal;
12 and

13 (4) the biennial report.

14 Sec. 3. 11B V.S.A. § 1.23 is amended to read:

15 § 1.23. EFFECTIVE DATE OF DOCUMENT

16 (a) Except as provided in subsection (b) of this section, ~~section~~ subsection
17 1.24(c) of this title, and section 2.03 of this title, a document is effective:

18 (1) at the time of filing on the date it is filed, as evidenced by ~~the~~
19 ~~secretary of state's endorsement on the original document~~ any means the
20 secretary of state may use for the purpose of recording the date and time of
21 filing; or

1 Sec. 6. 11B V.S.A. § 1.27 is amended to read:

2 § 1.27. EVIDENTIARY EFFECT OF COPY OF FILED DOCUMENT

3 ~~(a) A certificate attached to a copy of a document bearing the secretary of~~
4 ~~state's signature (which may be in facsimile) and the seal of this state or a~~
5 ~~certificate as to the nonexistence of records relating to a corporation is~~
6 ~~conclusive evidence as to whether or not the original is on file with the~~
7 ~~secretary of state.~~

8 ~~(b) A certificate by the secretary of state that a diligent search has failed to~~
9 ~~locate documents claimed to be filed with the secretary of state shall be taken~~
10 ~~and received in all courts, public offices, and official bodies as prima facie~~
11 ~~evidence of the existence or nonexistence of the records in the custody of the~~
12 ~~secretary of state.~~

13 ~~(c) The secretary of state's filing of the articles of incorporation is~~
14 ~~conclusive proof that the incorporators satisfied all conditions precedent to~~
15 ~~incorporation except in a proceeding by the state to cancel or revoke the~~
16 ~~incorporation or involuntarily dissolve the corporation.~~

17 A certificate from the secretary of state delivered with a copy of a document
18 filed by the secretary of state is conclusive evidence that the document is on
19 file with the secretary of state.

1 Sec. 7. 11B V.S.A. § 1.40 is amended to read:

2 § 1.40. DEFINITIONS

3 * * *

4 (8) “Deliver” ~~includes mail~~ or “delivery” means any method of delivery
5 used in conventional commercial practice, including delivery by hand, mail,
6 commercial delivery, and electronic transmission.

7 * * *

8 (35) “Electronic transmission” or “electronically transmitted” means a
9 process of communication not directly involving the physical transfer of paper
10 that is suitable for the retention, retrieval, and reproduction of information by
11 the recipient.

12 (36) “Meeting” means any structured communications conducted by
13 participants in person or through the use of an electronic or
14 telecommunications medium permitting simultaneous or sequentially
15 structured communications.

16 (37) “Sign” or “signature” includes any manual, facsimile, conformed,
17 or electronic signature.

18 Sec. 8. 11B V.S.A. § 1.41(b) and (c) are amended to read:

19 (b) Notice may be communicated in person; by telephone, voice mail,
20 telegraph, teletype, facsimile, or other form of wire or wireless, or electronic
21 communication; or by mail or private carrier, or other method of delivery. If

1 these forms of personal notice are impracticable, notice may be communicated
2 by a newspaper of general circulation in the area where published; or by radio,
3 television, or other form of public broadcast communication.

4 (c) Notice to members. Written notice by a domestic or foreign
5 corporation to its members, if in a comprehensible form, is effective when:

6 (1) mailed first class postpaid and correctly addressed to the members
7 address as shown in the corporation's current record of members; or

8 (2) electronically transmitted to the shareholder in a manner authorized
9 by the member.

10 Sec. 9. 11B V.S.A. § 7.01(f) is amended to read:

11 (f) An annual or regular meeting may be conducted by means of any
12 electronic or telecommunications mechanism, including video-conferencing
13 telecommunication.

14 Sec. 10. 11B V.S.A. § 7.02(f) is amended to read:

15 (f) A special meeting may be conducted by means of any electronic or
16 telecommunications mechanism, including video-conferencing
17 telecommunication.

18 Sec. 11. 11B V.S.A. § 7.04(e) is added to read:

19 (e) For purposes of this section, written consent may be evidenced by an
20 electronic communication or an electronic record.

- 1 Sec. 14. EFFECTIVE DATE
- 2 This act shall take effect upon passage.