

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred House Bill No. 243
3 entitled “An act relating to the regulation of business organizations”
4 respectfully reports that it has considered the same and recommends that the
5 Senate propose to the House that the bill be amended as follows:

6 First: In Sec. 4, 11 V.S.A. chapter 15, in section 1656, by striking out the
7 section heading in its entirety and inserting in lieu thereof a new section
8 heading to read as follows:

9 § 1656. SERVICE OF PROCESS; SECRETARY OF STATE AS AGENT

10 Second: By adding a new section to be Sec. 4a to read as follows:

11 Sec. 4a. 11 V.S.A. chapter 15, subchapter 2 is amended to read:

12 Subchapter 2. Administrative Authority

13 * * *

14 § 1657. CERTIFICATE OF GOOD STANDING

15 Upon request of any person and payment of the applicable fee, the Secretary
16 of State shall issue a certificate of good standing for a business organization
17 that is authorized to do business in this State, and that is currently active and in
18 good standing as of the date the certificate is issued, as reflected in the records
19 of the Secretary.

20 Third: By adding a new section to be Sec. 7a to read as follows:

21 Sec. 7a. 11 V.S.A. § 4028 is amended to read:

§ 4028. ~~CERTIFICATE OF EXISTENCE OR AUTHORIZATION~~

CERTIFICATE OF GOOD STANDING

(a) ~~A person may request the Secretary of State to furnish a certificate of existence for a limited liability company or a certificate of authorization for a foreign limited liability company.~~

(b) ~~A certificate of existence for a limited liability company shall set forth:~~

~~(1) the company's name;~~

~~(2) that it is duly organized under the laws of this State and the date of organization; and~~

~~(3) that articles of termination have not been filed.~~

(c) ~~A certificate of authorization for a foreign limited liability company shall set forth:~~

~~(1) the company's name used in this State;~~

~~(2) that it is authorized to transact business in this State; and~~

~~(3) that a certificate of cancellation has not been filed.~~

(d) ~~Subject to any qualification stated in the certificate, a certificate of existence or authorization issued by the Secretary of State may be relied upon as conclusive evidence that the domestic or foreign limited liability company is in existence or is authorized to transact business in this State~~ A person may request the Secretary of State to issue a certificate of good standing for a

1 domestic or foreign limited liability company pursuant to section 1657 of this
2 title.

3 Fourth: By adding a new section to be Sec. 8a to read as follows:

4 Sec. 8a. 11A V.S.A. § 1.28 is amended to read:

5 § 1.28. CERTIFICATE OF GOOD STANDING

6 ~~(a) Anyone may apply to the Secretary of State to furnish a certificate of~~
7 ~~good standing for a domestic corporation or a certificate of authorization for a~~
8 ~~foreign corporation.~~

9 ~~(b) A certificate of good standing or authorization sets forth:~~

10 ~~(1) the domestic corporation's corporate name or the foreign~~
11 ~~corporation's corporate name used in this State;~~

12 ~~(2) that:~~

13 ~~(A) the domestic corporation is duly incorporated under the law of~~
14 ~~this state, the date of its incorporation, and the period of its duration if less than~~
15 ~~perpetual; or~~

16 ~~(B) the foreign corporation is authorized to transact business in this~~
17 ~~State;~~

18 ~~(3) that all fees and penalties owed to this state under section 1.22 of this~~
19 ~~title have been paid if:~~

20 ~~(A) payment is reflected in the records of the Secretary of State; and~~

1 ~~(B) nonpayment affects the existence or authorization of the domestic~~
2 ~~or foreign corporations;~~

3 ~~(4) that its most recent annual report required by section 16.22 of this~~
4 ~~title has been delivered to the Secretary of State;~~

5 ~~(5) that articles of dissolution have not been filed; and~~

6 ~~(6) other facts of records in the office of the Secretary of State that may~~
7 ~~be requested by the applicant.~~

8 ~~(c) Subject to any qualification stated in the certificate, a certificate of good~~
9 ~~standing or authorization issued by the Secretary of State may be relied upon~~
10 ~~as conclusive evidence that the domestic or foreign corporation is in existence~~
11 ~~or is authorized to transact business in this State~~ A person may request the
12 Secretary of State to issue a certificate of good standing for a domestic or
13 foreign corporation pursuant to 11 V.S.A. § 1657.

14 Fifth: By adding a new section to be Sec. 15a to read as follows:

15 Sec. 15a. 11B V.S.A. § 1.28 is amended to read:

16 § 1.28. CERTIFICATE OF GOOD STANDING

17 ~~(a) Any person may apply to the Secretary of State to furnish a certificate of~~
18 ~~good standing for a domestic or foreign corporation.~~

19 ~~(b) The certificate of good standing sets forth:~~

20 ~~(1) the domestic corporation's corporate name or the foreign~~
21 ~~corporation's corporate name used in this State;~~

1 ~~(2) that:~~

2 ~~(A) the domestic corporation is duly incorporated under the law of~~
3 ~~this State, the date of its incorporation, and the period of its duration if less~~
4 ~~than perpetual; or~~

5 ~~(B) the foreign corporation is authorized to transact business in this~~
6 ~~State;~~

7 ~~(3) that all fees and penalties owed to this State under section 1.22 of this~~
8 ~~title have been paid if:~~

9 ~~(A) payment is reflected in the records of the Secretary of State; and~~

10 ~~(B) nonpayment affects the good standing of the domestic or foreign~~
11 ~~corporation;~~

12 ~~(4) that its most recent biennial report required by section 16.22 of this~~
13 ~~title has been delivered to the Secretary of State; and~~

14 ~~(5) that articles of dissolution have not been filed.~~

15 ~~(c) Subject to any qualification stated in the certificate, a certificate of good~~
16 ~~standing issued by the Secretary of State may be relied upon as conclusive~~
17 ~~evidence that the domestic or foreign corporation is in existence or is~~
18 ~~authorized to transact business in this State.~~

19 ~~(d) Subject to any qualification stated in the certificate, a certificate of good~~
20 ~~standing issued by the Secretary of State may be taken as prima facie evidence~~
21 ~~of the facts stated therein~~ A person may request the Secretary of State to issue

1 a certificate of good standing for a domestic or foreign corporation pursuant to
2 11 V.S.A. § 1657.

3 Sixth: In Sec. 23, 11C V.S.A. chapter 2, by striking out section 206 in its
4 entirety and inserting in lieu thereof a new section 206 to read as follows:

5 § 206. CERTIFICATE OF GOOD STANDING ~~OR AUTHORIZATION~~

6 (a) ~~The Secretary of State, upon request and payment of the required fee,~~
7 ~~shall furnish any person that requests it a certificate of good standing for a~~
8 ~~mutual benefit enterprise if the records filed in the Office of the Secretary of~~
9 ~~State show that the Secretary of State has filed the enterprise's articles of~~
10 ~~organization, that the enterprise is in good standing, and that the Secretary of~~
11 ~~State has not filed a statement of termination.~~

12 (b) ~~The Secretary of State, upon request and payment of the required fee,~~
13 ~~shall furnish to any person that requests it a certificate of authority for a~~
14 ~~foreign enterprise if the records filed in the Office of the Secretary of State~~
15 ~~show that the Secretary of State has filed the foreign enterprise's certificate of~~
16 ~~authority, has not revoked nor has reason to revoke the certificate of authority,~~
17 ~~and has not filed a notice of cancellation.~~

18 (c) ~~Subject to any exceptions stated in the certificate, a certificate of good~~
19 ~~standing or authority issued by the Secretary of State establishes conclusively~~
20 ~~that the mutual benefit enterprise or foreign enterprise is in good standing or is~~
21 ~~authorized to transact business in this State~~ A person may request the Secretary

1 of State to issue a certificate of good standing for a domestic or foreign
2 enterprise pursuant to 11 V.S.A. § 1657.

3 Seventh: In Sec. 27, business services and business organizations; study, by
4 striking out subsection (b) in its entirety and inserting in lieu thereof a new
5 subsection (b) to read as follows:

6 (b) Reporting. The Secretary of State shall, based on the task set forth in
7 subsection (a) of this section, submit to the House Committee on Commerce
8 and Economic Development, the House Committee on Ways and Means, and
9 the Senate Committee on Finance an interim report on or before November 15,
10 2025 and a final report on or before December 1, 2026 including its findings
11 and any proposed legislation for the General Assembly's consideration. The
12 interim report shall provide the General Assembly with any recommended
13 actions to pursue in the 2026 legislative session.

14
15 (Committee vote: _____)

16 _____

17 Senator _____

18 FOR THE COMMITTEE