

Senate Commerce Committee

Angela Leach 271-3077

SB 29, relative to persons authorized to sign corporate documents.

Hearing Date: January 17, 2017

Members of the Committee Present: Senators Innis, French, Sanborn, Soucy and Lasky

Members of the Committee Absent : None

Bill Analysis: This bill clarifies the execution of documents under the New Hampshire business corporation act.

Sponsors:
Sen. Birdsell

Who supports the bill: Sponsors

Who opposes the bill: N/A

Who is neutral on the bill: Adam Schroadter, Assistant Secretary of State

Summary of testimony presented:

Senator Sanborn stated because he owns a business and is a taxpayer he may or may not have a conflict but will be participating in the discussion and vote.

Josh Elliott- Trafficante Majority Policy Director introduced the bill on behalf of Senator Birdsell.

Adam Schroadter- Assistant Secretary of State- This bill establishes consistency within the law. Last year the legislature amended the Limited Liabilities Company Act, in regards to an authorized person to sign documents and the legislature did not include corporations as part of that legislation. Suggested a small change in the bill “operating agreement should be changed to “articles of incorporations and bylaws”. Many times a law firm or filing company will submit paperwork for an LLC and if they are not an authorized signer, you would have that law firm or filer turned away. The intent of the legislation last year was to make things easier for the business.

Senator Innis- Is this a risk to anyone?

Adam Schroadter- The change was made last year, but in practice this is not much different. It is considered a crime to file paperwork illegally.

Senator Lasky- In line 4 the “Or” has been taken out, does that mean 2 and 3 has to be met?

Adam Schroadter - Only previously 1, 2, and 3, this legislation adds a number 4.

Senator Sanborn - if we are going to empower someone to be able to sign a legal document to transfer membership, etc, and they don't need this to be in writing, sworn to or acknowledged which means anyone can walk in and sign any document. Multiple employees could act as an agent, dissolve any acknowledgment from the state. This is a fraud issues. We are empowering people to sign documents without any verifiable backup.

Adam Schroadter - They are stating they are legally authorized to do so. Language is in the act.

Future Action: Inexpedient to Legislate

AJL

Date Hearing Report completed: January 18, 2017