

**Senate Commerce Committee**  
*Angela Leach 271-3077*

**SB 42**, eliminating the hearing requirement for late reinstatement of corporations.

**Hearing Date:** January 24, 2017

**Time Opened:** 2:34 p.m.

**Time Closed:** 2:48 p.m.

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

**Members of the Committee Absent :** None

**Bill Analysis:** This bill deletes the hearing requirement for late reinstatements by certain corporations which were administratively dissolved. This bill also changes late reinstatement notice requirements.

**Sponsors:**  
Sen. Birdsell

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**Who supports the bill:** Sponsors

**Who opposes the bill:** None

**Who is neutral on the bill:** Adam Schroadter, Assistant Secretary of State: Tom Donovan, Director of Charitable Trusts

**Summary of testimony presented:**

Senator Sanborn stated that under the current ethics law, he may or may not have a conflict with this bill but will be participating.

**Senator Birdsell- PRIME-** This bill was requested by the Secretary of State. Corporations can only be reinstated two times a year during the months of April and September. Allows a broader reinstatement process, 30 businesses every six months that are allowed to reinstate. Rather than have them wait and have a backlog they are going to open it up.

**Adam Schroadter- Assistant Secretary of State-** Doing away with the hearing portion for late reinstatements, pro-business bill. Every year a business files their annual report in the case of nonprofits, every 5 years. If you are late, then there is a 50 dollar late fee, the following year, a \$100 late fee, after that point you will receive a notice from SOS office, 60 day notice to reinstate, after that your business will be administratively dissolved. After your second late fee, you need to file a reinstatement form which requires a \$135 fee for that form, after 5 years, that becomes a late reinstatement, at which point \$100 for every year, a late reinstatement form \$500, for a minimum of \$1100 you can reinstate, along with the original reinstatement form, a letter from the Department of Revenue and the Department of Employment Security, and you need to provide a reason why you are seeking to requalify as well as submit a statement that you are not under pending litigation or bankruptcy. Would like to remove the hearing portion of that, if you are willing to pay \$1100 dollars and go through additional processes, and then file your paperwork 300 days in advance, of April 1<sup>st</sup> and September 1<sup>st</sup>.

Twice a year, you go into the hearing, to state that everything in the application is true and correct, the aim is to eliminate the hearing process, does not appear to include LLC's and Charitable Trusts, part of the bill references nonprofits. After 8 years, without filing a nonprofit, bill should reference their portion of the law.

**Senator Soucy**- in regards to the requirement on line 3, publish in the newspaper, can't we publish on the website.

**Adam Schroadter**- That is added in the bill, can be published on the website but also notice can be given in the newspaper.

**Senator Sanborn**- in regards to new filings for businesses, website hasn't been updated since September, a notice should be posted.

**Adam Schroadter**- We are working with the software company.

**Senator Sanborn**- By what date will we see a statement about new businesses on the website and to make sure to verify with the Secretary of State's office. Very bad reputation, can't find them, this is a big priority.

**Adam Schroadter**- We will do that.

**Senator Innis**- I own an LLC, and I stop filing my annual report and I want to get back into business, why can't I just start a new LLC.

**Adam Schroadter**- You can. Related to the legislation discussed last week and the reinstatement of foreign business. It was allowed at one point for requalification of foreign businesses, the reason it is not in the law now, they didn't want to pay these missing annual report fees. Be consistent across the board.

**Tom Donovan- Director of Charitable Trusts in Attorney General's Office**- 10,000 charitable organizations in the state from Dartmouth College to local youth sports teams, probably 90% of them are corporations, they have to be registered with the secretary of state's office, nonprofit corporations RSA 292 corporation, nonprofits that are not charities, chambers of commerce's, pleased that the Secretary of State is working on the hearing requirement. One section which needs to be tweaked is charitable organizations are required to file every 5 years. Section 2 of the bill, under voluntary corporations, cross out the RSA section of that sentence. The Secretary of State already has the authority under RSA 292:30 to determine the completeness of the application.

**Future Action:** Pending

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Date Hearing Report completed: January 25, 2017