HOUSE DOCKET, NO. 3226 FILED ON: 1/21/2011

HOUSE . . . . . No. 2773

The Commonwealth of Massachusetts

PRESENTED BY:

Angelo M. Scaccia

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying:

An Act relative to business entity.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Angelo M. Scaccia	*14th Suffolk*
William F. Galvin	*Secretary of the Commonwealth*

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HOUSE . . . . . No. 2773

By Mr. Scaccia of Boston, a petition (accompanied by bill, House, No. 2773) of Angelo M. Scaccia and William F. Galvin relative to certain business entity procedures. Financial Services.

The Commonwealth of Massachusetts

An Act relative to business entity.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1.

Section 45 of chapter 108A of the General Laws, as appearing in the 2008 Official Edition, is hereby amended by striking subsection (6) and inserting in place thereof the following subsection:-

(6) If a partnership fails to file an annual report when due, pay the required fee, or the payment of any fee due the commonwealth was dishonored when presented for payment and the partnership has failed to correct the failure within 20 days after written notice of such failure was mailed to the partnership, the state secretary may revoke the registration of the partnership. If the state secretary determines that one or more grounds exist for revoking the registration of a partnership, he shall notify the partnership of his determination. The notice shall be sent in writing and mailed postage prepaid to the office of the partnership's resident agent, or if the resident agent consents, sent by electronic mail to an electronic mail address furnished by the agent for such purpose. If the partnership has not appointed a resident agent, notice shall be given by mail to the partnership at the address of its principal office as shown in the records of the state secretary, or if the partnership consents, sent by electronic mail to an electronic mail address furnished by the partnership for such purpose. The notice shall specify the annual reports which have not been filed, the fees which have not been paid and the payment which has been dishonored. If the partnership does not correct each ground for revocation or demonstrate to the reasonable satisfaction of the state secretary that each ground determined by the secretary of state does not exist within 60 days after notice is given, the state secretary shall administratively revoke the registration of the partnership.

SECTION 2.

Chapter 108A of the General Laws, as so appearing, is hereby further amended by adding the following new sections:-

25 Section 50. Electronic Filings

26 Electronic documents or transmissions may be filed with the secretary of state if, and to
27 the extent, permitted by the secretary. The secretary of state may promulgate regulations
28 regarding the procedures for electronic filings which supersede any inconsistent provisions of
29 this chapter with respect to such filings.

30 Section 51. Correcting a Filed Certificate

31 (a) A limited liability partnership may correct a document filed with the state
32 secretary if the document:

33 (1) contains a typographical error or an incorrect statement; or

34 (2) was defectively executed, attested, sealed, verified or acknowledged.

35 (b) A document is corrected:

36 (1) by preparing a certificate of correction that (i) describes the document, including
37 its filing date, (ii) specifies the typographical error, the incorrect statement and the reason it is
38 incorrect or the manner in which the execution was defective and (iii) corrects the typographical
39 error, incorrect statement or defective executions; and

40 (2) by delivering the certificate of correction to the secretary of state for filing.

41 (c) A certificate of correction is effective on the effective date of the document it
42 corrects except as to persons relying on the uncorrected document and adversely affected by the
43 correction. As to those persons, the certificate of correction is effective when filed.

44 (d) If the secretary of state permits electronic filings, defects in the electronic
45 recording or transmission of documents may be corrected under this section to the extent
46 permitted by regulations promulgated by the secretary.

47 (e) The fee for filing a certificate of correction is $100.00.

48 Section 52. Pre-clearance of Filings

49 The fee for examining and provisionally approving any record at any time before the
50 record is presented for filing is $100.00.

51 SECTION 3.

52 Section 13 of chapter 109 of the General Laws, as appearing in the 2008 Official Edition,
53 is hereby amended by striking subsection (a) and inserting in place thereof the following
54 subsection:-

55 (a) A signed copy of the certificate of limited partnership and of any certificate of
56 amendment or cancellation, or any judicial decree of amendment or cancellation, shall be
57 delivered to the secretary of state. A person who executes a certificate as an agent or fiduciary
58 need not exhibit evidence of his authority as a prerequisite to filing. Unless the secretary of state
59 finds that the certificate does not conform to law, upon receipt of all filing fees required by law,
60 he shall evidence his approval on or with the document. Upon such approval and payment of all
61 filing fees required by law, the filing shall be deemed to be filed with the secretary of state.

62 SECTION 4.

63 Section 13 of chapter 109 of the General Laws, as so appearing, is further amended by
64 adding the following new subsection:-

65 (c) Electronic documents or transmissions may be filed with the secretary of state if, and
66 to the extent, permitted by the secretary. The secretary of state may promulgate regulations
67 regarding the procedures for electronic filings which supercede any inconsistent provisions of
68 this chapter with respect to such filings.

69 SECTION 5.

70 Chapter 109 of the General Laws, as so appearing, is further amended by adding, after
71 section 13, the following new section:-

72 13A. Correcting a Filed Certificate

73 (a) A domestic or foreign limited partnership may correct a document filed with the
74 state secretary if the document:

75 (1) contains a typographical error or an incorrect statement; or

76 (2) was defectively executed, attested, sealed, verified or acknowledged.

77 (b) A document is corrected:

78 (1) by preparing a certificate of correction that (i) describes the document, including
79 its filing date, (ii) specifies the typographical error, the incorrect statement and the reason it is
80 incorrect or the manner in which the execution was defective and (iii) corrects the typographical
81 error, incorrect statement or defective executions; and

82 (2) by delivering the certificate of correction to the secretary of state for filing.

83 (c) A certificate of correction is effective on the effective date of the document it
84 corrects except as to persons relying on the uncorrected document and adversely affected by the
85 correction. As to those persons, the certificate of correction is effective when filed.

86 (d) A certificate of correction cannot be used to change the effective date of a filed
87 document; provided, however, that if a document has been filed with a delayed effective date, a
88 certificate of correction may be filed prior to said date:

89 (1) to accelerate the effective date to a date not earlier than the date of the certificate of
90 correction; or

91 (2) to abandon a merger or amendment if the authority to do so is granted by the merger
92 agreement or the persons approving the amendment.

93 (e) If the secretary of state permits electronic filings, defects in the electronic
94 recording or transmission of documents may be corrected under this section to the extent
95 permitted by regulations promulgated by the secretary.

96 SECTION 6.

97 Chapter 109 of the General Laws is hereby further amended by striking Section 16 in its
98 entirety.

99 SECTION 7.

100 Chapter 109 of the General Laws, as so appearing, is hereby amended by adding after
101 section 43, the following new section:-

102 43A. Conversions

103 (a) As used in this section, an "other entity" means a corporation organized under chapter
104 156D, a corporation organized under chapter 180, a foreign business corporation, a foreign
105 nonprofit corporation and any association or entity other than a governmental or quasi-
106 governmental organization. The term includes, without limitation, limited liability companies,
107 general partnerships, limited liability partnerships, joint ventures, joint stock companies, business
108 trusts and profit and not-for-profit unincorporated associations.

109 (b) A limited partnership may convert into an other entity and an other entity may convert
110 into a limited partnership, provided in each case that if an other entity exists pursuant to the
111 authority of a chapter of the General Laws, that chapter permits the conversion, and if an other
112 entity is organized under the laws of a foreign jurisdiction, the laws of that jurisdiction permit the
113 conversion.

114 (c) A limited partnership converting into an other entity shall comply with the terms of
115 this section and of its certificate of limited partnership and its partnership agreement, to the
116 extent they are applicable. An other entity converting into a limited partnership shall comply
117 with the terms of any laws applicable to it and of its organic documents, to the extent they are
118 applicable.

119 (d) A limited partnership or an other entity converting pursuant to the authority of this
120 section (herein the "converting entity") shall adopt a plan of entity conversion that contains
121 substantially the information required by section 9.51 of chapter 156D to be contained in a plan
122 of entity conversion of a business corporation, modified to account for the nature of the
123 converting entity, as well as any information required by any laws applicable to the converting
124 entity. The plan shall be approved by the converting entity in the manner an amendment of its
125 organic documents must be approved.

126 (e) The converting entity shall file with the state secretary, and with any other
127 governmental agency with which the converting entity or the surviving entity is required to make
128 public filings, articles of entity conversion that contain substantially the information required by
129 section 9.53 of chapter 156D to be contained in articles of entity conversion of a business
130 corporation or a domestic or foreign other entity, modified to account for the nature of the
131 converting entity and the surviving entity.

132 (f) The effect of a conversion authorized by this section shall be the same as is provided
133 in section 9.55 of chapter 156D.

134 SECTION 8.

135 Section 55 of chapter 109, as so appearing, is hereby amended by adding the following
136 new subsection:-

137 (c) A foreign limited partnership is liable to the commonwealth for the years or parts of
138 years during which it transacted business in the commonwealth without delivering to the
139 secretary of state for filing the certificate required by section 49, an amount equal to:

140 (1) all fees which would have been imposed by law had it duly delivered the certificate;
141 and

142 (2) all interest and penalties imposed by law for failure to pay the fees. A foreign limited
143 partnership is further liable to the commonwealth, for each month or part thereof during which it
144 transacted business without delivering the certificate, an amount determined by the secretary of
145 state, which shall in no event exceed the amount established by the Commissioner of
146 Administration under section 3B of Chapter 7, except that a foreign limited partnership which
147 has delivered such certificate shall not be liable for such monthly penalty for the first ten (10)
148 days during which it transacted business without delivering such certificate. Such fees and
149 penalties may be levied by the secretary of state. The attorney general may bring an action
150 necessary to recover amounts due to the commonwealth under this subsection including an
151 action to restrain a foreign limited partnership against which fees and penalties have been
152 imposed pursuant to this subsection from transacting business in the commonwealth until the
153 fees and penalties have been paid.

154 SECTION 9.

155 Chapter 109 is hereby amended by striking out section 61, as so appearing, and inserting
156 in place thereof the following section:-

157 Section 61. Fees

158 The fee for filing in the office of the secretary of state any original certificate of limited
159 partnership or application for registration as a foreign limited partnership shall be $500.00. The
160 fee for filing a certificate of amendment, correction, cancellation or withdrawal shall be $100.00.
161 The fee for reservation of a name shall be $30.00.

162 SECTION 10.

163 Section 64 of chapter 109, as added by section 51 of chapter 182 of the Acts of 2008, is
164 hereby amended by striking out subsections (a) and (b) inserting in place thereof the following
165 subsections:-

166 (a) the state secretary may commence a proceeding to dissolve a limited partnership if:

167 (1) the limited partnership has failed for 2 or more consecutive years to comply with
168 the laws requiring the filing of annual reports;

169 (2) payment of any fee due the commonwealth was dishonored when presented for
170 payment and the limited partnership has failed to correct the failure within 20 days after written
171 notice of such failure was mailed to the limited partnership; or

172 (3) he is satisfied that the limited partnership has become inactive and its dissolution
173 would be in the public interest.

174 (b) If the state secretary determines that one or more grounds exist for dissolving a
175 limited partnership, he shall notify the partnership's resident agent of his determination. The
176 notice shall be sent in writing and mailed postage prepaid to the resident agent's office, or if the
177 resident agent consents, sent by electronic mail to an electronic mail address furnished by the
178 agent for such purpose. The notice shall specify the annual reports which have not been filed,
179 the fees which have not been paid and the payment which has been dishonored. If the
180 partnership does not correct each ground for dissolution or demonstrate to the reasonable
181 satisfaction of the state secretary that each ground determined by the secretary of state does not
182 exist within 90 days after notice is given, the state secretary shall administratively dissolve the
183 limited partnership.

184 SECTION 11.

185 Section 65 of chapter 109, as added by section 51 of chapter 182 of the Acts of 2008, is
186 hereby amended by striking out subsections (a) and (b) and inserting in place thereof the
187 following subsection:-

188 (a) The state secretary may commence a proceeding to revoke the authority of a foreign
189 limited partnership to transact business in the commonwealth if:

190 (1) the foreign limited partnership has failed for 2 consecutive years to comply with
191 the laws requiring the filing of annual reports;

192 (2) payment of any fee due the commonwealth was dishonored when presented for
193 payment and the foreign limited partnership has failed to correct the failure within 20 days after
194 written notice of such failure was mailed to the foreign limited partnership; or

195 (3) he is satisfied that the revocation of the foreign limited liability partnership's
196 authority to transact business in the commonwealth would be in the public interest.

197 (b) If the state secretary determines that one or more grounds exist to revoke the authority
198 of the foreign limited partnership to transact business in the commonwealth, he shall notify the
199 foreign limited partnership's resident agent of his determination. The notice shall be sent in
200 writing and mailed postage prepaid to the resident agent's office, or if the resident agent
201 consents, sent by electronic mail to an electronic mail address furnished by the agent for such
202 purpose. The notice shall specify the annual reports which have not been filed, the fees which
203 have not been paid and the payment which has been dishonored. If the partnership does not
204 correct each ground for revocation or demonstrate to the reasonable satisfaction of the state
205 secretary that each ground determined by the secretary of state does not exist within 90 days after
206 notice is given, the state secretary shall administratively dissolve the limited partnership.

207 SECTION 12.

208 Chapter 109, as so appearing, is hereby further amended by adding the following new
209 sections:-

210 Section 67. Good Standing

211 A limited partnership shall be deemed to be in good standing with the secretary of state if
212 such limited partnership appears, from the records of said secretary, to exist and has paid all fees
213 due to the secretary, and no certificate of cancellation has been filed by or with respect to the
214 limited partnership. Upon the request of any person and payment of such fee as may be
215 prescribed by law, the state secretary shall issue a certificate stating, in substance, as to any
216 limited partnership meeting the requirements of this section, that such limited partnership
217 appears, from the records in his office, to exist and to be in good standing, and stating the
218 identity of any and all general partners who are named in the most recent document filed with the
219 state secretary.

220 Section 68. Pre-clearance of Filings

221 The fee for examining and provisionally approving any record at any time before the
222 record is presented for filing is $100.00.

223 SECTION 13.

224 Section 17 of chapter 156A of the General Laws as appearing in the 1996 Official
225 Edition, is hereby amended by striking out paragraph (a) and inserting in place thereof the
226 following paragraph:-

227 (a) A foreign professional corporation shall register under the provisions of this section if
228 the corporation would be required to incorporate under this chapter if organized in the
229 commonwealth and

230 (1) it maintains an office in the commonwealth; or

231 (2) any of its shareholders, officers, or directors conducts activity on behalf of the
232 corporation in the commonwealth as to require licensing under the provisions of chapter one
233 hundred and twelve or chapter two hundred and twenty-one.

234 SECTION 14.

235 Section 17 of chapter 156C of the General Laws, as appearing in the 2008 Official
236 Edition, is hereby amended by striking subsection (a) and inserting in place thereof the following
237 subsection:-

238 (a) The original signed copy of the certificate of organization and of any certificates of
239 amendment or cancellation or any judicial decree of amendment or cancellation, of any
240 certificate of consolidation, merger or conversion and of any restated certificate shall be
241 delivered to the state secretary. A person who executes a certificate as an attorney-in-fact or
242 fiduciary shall not be required to exhibit evidence of his authority as a prerequisite to filing. Any
243 certificate authorized to be filed with the state secretary shall be originally signed except as
244 otherwise required by this chapter or permitted from time to time by the state secretary. Unless
245 the state secretary finds that any certificate does not conform to law, upon receipt of all filing
246 fees required by law, he shall evidence his approval on or with the document. Upon said
247 approval and payment of all filing fees required by law, the filing shall be deemed filed with the
248 secretary of state. Said endorsement shall be conclusive of the date and time of its filing in the
249 absence of actual fraud.

250 SECTION 15.

251 Section 17 of said chapter 156C, as so appearing, is hereby further amended by adding to
252 section 17 the following new paragraph:-

253 (c) Electronic documents or transmissions may be filed with the secretary of state if, and
254 to the extent, permitted by the secretary. The secretary of state may promulgate regulations
255 regarding the procedures for electronic filings which supercede any inconsistent provisions of
256 this chapter with respect to such filings.

257 SECTION 16.

258 Chapter 156C of the General Laws, as so appearing, is further amended by adding, after
259 section 17, the following new section:-

260 17A. Correcting a Filed Certificate

261 (a) A domestic or foreign limited liability company may correct a document filed with the
262 state secretary if the document:

263 (1) contains a typographical error or an incorrect statement; or

264 (2) was defectively executed, attested, sealed, verified or acknowledged.

265 (b) A document is corrected:

266 (1) by preparing a certificate of correction that (i) describes the document, including
267 its filing date, (ii) specifies the typographical error, the incorrect statement and the reason it is
268 incorrect or the manner in which the execution was defective and (iii) corrects the typographical
269 error, incorrect statement or defective execution; and

270 (2) by delivering the certificate of correction to the secretary of state for filing.

271 (c) A certificate of correction is effective on the effective date of the document it corrects
272 except as to persons relying on the uncorrected document and adversely affected by the
273 correction. As to those persons, the certificate of correction is effective when filed.

274 (d) A certificate of correction cannot be used to change the effective date of a filed
275 document; provided, however, that if a document has been filed with a delayed effective date, a
276 certificate of correction may be filed prior to said date:

277 (1) to accelerate the effective date to a date not earlier than the date of the certificate of
278 correction, or

279 (2) to abandon a merger or amendment if the authority to do so is granted by the merger
280 agreement or the persons approving the amendment.

281 (e) If the secretary of state permits electronic filings, defects in the electronic
282 recording or transmission of documents may be corrected under this section to the extent
283 permitted by regulations promulgated by the secretary."

284 (f) The fee for filing a certificate of correction with the state secretary is $100.00.

285 SECTION 17.

286 Section 48 of chapter 156C of the General Laws, as so appearing, is hereby amended by
287 adding, after clause 5, the following new clause:-

288 (5A) the name of any other person in addition to any manager who is authorized to
289 execute documents to be filed with the office of the state secretary, and at least one shall be
290 named if there are no managers.

291 SECTION 18.

292 Section 54 of chapter 156C, as so appearing, is amended by striking paragraph (a) and
293 inserting in place thereof:

294 (a) A foreign limited liability company is liable to the commonwealth for the years or
295 parts of years during which it transacted business in the commonwealth without delivering to the
296 secretary of state for filing the certificate required by section 48, an amount equal to: -

297 (1) all fees which would have been imposed by law had it duly delivered the certificate;
298 and

299 (2) all interest and penalties imposed by law for failure to pay the fees. A foreign limited
300 liability company is further liable to the commonwealth, for each year or part thereof during
301 which it transacted business without delivering the certificate, an amount not to exceed $500.00
302 except that a foreign limited liability company which has delivered such certificate shall not be
303 liable for such penalty for the first 10 days during which it transacted business without delivering
304 such certificate. Such fees and penalties may be levied by the secretary of state. The attorney
305 general may bring an action necessary to recover amounts due to the commonwealth under this
306 subsection including an action to restrain a foreign limited liability company against which fees
307 and penalties have been imposed pursuant to this subsection from transacting business in the
308 commonwealth until the fees and penalties have been paid. No such failure shall affect the
309 validity of any contract involving the foreign limited liability company, nor is a member or
310 manager of a foreign limited liability company liable for the obligations of the foreign limited
311 liability company solely by reason of such failure, but no action shall be maintained or recovery
312 had by the foreign limited liability company in any of the courts of the commonwealth as long as
313 such failure continues. The failure of a foreign limited liability company to register with the
314 state secretary shall not prevent the foreign limited liability company from defending any action,
315 suit or proceeding in any of the courts of the commonwealth.

316 SECTION 19.

317 Chapter 156C of the General Laws, as appearing in the 2008 Official Edition, is hereby
318 amended by striking section 69 and inserting in place thereof:-

319 Section 69. Conversions

320 (a) As used in this section, an "other entity" means a corporation organized under chapter
321 156D, a corporation organized under chapter 180, a foreign business corporation, a foreign
322 nonprofit corporation and any association or entity other than a governmental or quasi-
323 governmental organization. The term includes, without limitation, limited partnerships, general
324 partnerships, limited liability partnerships, joint ventures, joint stock companies, business trusts
325 and profit and not-for-profit unincorporated associations.

326 (b) A limited liability company may convert into an other entity and an other entity may
327 convert into a limited liability company, provided in each case that if an other entity exists
328 pursuant to the authority of a chapter of the General Laws, that chapter permits the conversion,
329 and if an other entity is organized under the laws of a foreign jurisdiction, the laws of that
330 jurisdiction permit the conversion.

331 (c) A limited liability company converting into an other entity shall comply with the
332 terms of this section and of its certificate of organization and its operating agreement, to the
333 extent they are applicable. An other entity converting into a limited liability company shall
334 comply with the terms of any laws applicable to it and of its organic documents, to the extent
335 they are applicable.

336 (d) A limited liability company or an other entity converting pursuant to the authority of
337 this section (herein the "converting entity") shall adopt a plan of entity conversion that contains
338 substantially the information required by section 9.51 of chapter 156D to be contained in a plan
339 of entity conversion of a business corporation, modified to account for the nature of the
340 converting entity, as well as any information required by any laws applicable to the converting
341 entity. The plan shall be approved by the converting entity in the manner an amendment of its
342 organic documents must be approved.

343 (e) the converting entity shall file with the secretary of state, and with any other
344 governmental agency with which the converting entity or the surviving entity is required to make
345 public filings, articles of entity conversion that contain substantially the information required by
346 section 9.53 of chapter 156D to be contained in articles of entity conversion of a business
347 corporation or a domestic or foreign other entity, modified to account for the nature of the
348 converting entity and the surviving entity.

349 (f) The effect of a conversion authorized by this section shall be the same as is provided
350 in section 9.55 of chapter 156D.

351 SECTION 20.

352 Chapter 156C, as most recently amended by chapter 182 of the Acts of 2008, is hereby
353 further amended by adding, after section 72, the following new section:-

354 Section 73. Pre-clearance of Filings

355 The fee for examining and provisionally approving any record at any time before the
356 record is presented for filing is $100.00.

357 SECTION 21.

358 Section 1.20 of chapter 156D, as so appearing, is hereby amended by striking paragraph
359 (h) and inserting in place thereof the following:-

360 (h) The document shall be delivered to the office of the secretary of state for filing and
361 shall be accompanied by the correct filing fee and any payment or penalty required by this
362 chapter or other law.

363 SECTION 22.

364 General Laws chapter 156D, as so appearing, is hereby further amended by striking
365 section 1.22 and inserting in place thereof the following:-

366 Section 1.22. Filing Service and Copying Fees

367 (a) The commissioner of administration shall issue regulations prescribing fees for
368 the filing and copying of documents, the issuance of certificates and the handling of service of
369 process under this Act.

370 (b) The fee for examining and provisionally approving any record at any time before
371 the record is presented for filing is $100.000.

372 SECTION 23.

373 Section 9.50 of chapter 156D is hereby amended by striking clause (a) and inserting in
374 place thereof:-

375 (a) A domestic business corporation may become a domestic other entity, provided that in
376 the case of an other entity that exists pursuant to the authority of a chapter of the General Laws,
377 that chapter permits. The conversion shall be effected pursuant to a plan of entity conversion.
378 Section 9.55 governs the effect of converting to that form of a domestic other entity.

379 SECTION 24.

380 Section 9.50 of chapter 156D is hereby further amended by striking clause (c) and
381 inserting in place thereof:-

382 (c) A domestic other entity may become a domestic business corporation, provided that in
383 the case of a domestic other entity that exists pursuant to the authority of a chapter of the General
384 Laws, that chapter permits. Section 9.55 governs the effect of converting to a domestic business
385 corporation. If the organic law of a domestic other entity, including the chapter of the General
386 Laws pursuant to which the other entity exists, does not provide procedures for the approval of
387 an entity conversion, the conversion shall be adopted and approved, and the entity conversion
388 effectuated, in the same manner as a merger of the other entity and its interest holders shall be
389 entitled to appraisal rights if appraisal rights are available upon any type of merger under the
390 organic law of the other entity. If the organic law of a domestic other entity does not provide
391 procedures for the approval of either an entity conversion or a merger, a plan of entity
392 conversion shall be adopted and approved, the entity conversion effectuated, and appraisal rights
393 exercised, in accordance with the procedures in this subdivision and PART 13 of this chapter.
394 Without limiting the provisions of this subsection, a domestic other entity whose organic law
395 does not provide procedures for the approval of an entity conversion shall be subject to
396 subsection (e) of this section and clause (7) of section 9.52. For purposes of applying this
397 subdivision and PART 13 of this chapter:

398 (1) the other entity, its interest holders, interests and organic documents taken together,
399 shall be deemed to be a domestic business corporation, shareholders, shares and articles of
400 organization, respectively, and vice versa, as the context may require; and

401 (2) if the business affairs of the other entity are managed by a group of persons that is not
402 identical to the interest holders, that group shall be deemed to be the board of directors.

403 SECTION 25.

404 Section 14.20 of chapter 156D, as so appearing, is hereby amended by adding the
405 following new clause at the end thereof:-

406 (c) payment of any fee due the commonwealth was dishonored when presented for
407 payment and the corporation has failed to correct the failure within twenty (20) days after written
408 notice of such failure was mailed to the corporation.

409 SECTION 26.

410 Section 14.23 of chapter 156D, as appearing, is hereby amended by striking subsection
411 (a) and inserting in place thereof the following subsection:-

412 (a) If the secretary of state denies a corporation's application for reinstatement following
413 administrative dissolution, he shall provide the corporation with a written notice that explains the
414 reason or reasons for denial.

415 SECTION 27.

416 Section 15.30 of chapter 156D, as so appearing, is hereby further amended by striking
417 said section and inserting in place thereof:-

418 Section 15.30. Grounds for Revocation

419 The secretary of state may commence a proceeding under section 15.31 to revoke the
420 authority of a foreign corporation to transact business in the commonwealth if:

421 (a) the foreign corporation has failed for 2 or more consecutive years to comply with
422 the law regarding the filing of reports with the secr4etary of state or the filing of tax returns or
423 the payment of any taxes under chapter 62C or Chapter 63 for 2 or more consecutive years;

424 (b) the payment of any fee due the commonwealth was dishonored when presented
425 for payment and the corporation has failed to correct the failure within 20 days after written
426 notice of such failure was mailed to the corporation; or

427 (c) he is satisfied that the revocation of the foreign corporation's authority to transact
428 business in the commonwealth would be in the public interest.