

HOUSE No. 02773

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 bill:

An Act relative to business entity.

PETITION OF:

NAME:

DISTRICT/ADDRESS:

Angelo M. Scaccia

14th Suffolk

William F. Galvin

Secretary of the Commonwealth

HOUSE No. 02773

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

In the Year Two Thousand Eleven

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:

1 SECTION 1.

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

5 (6) If a partnership fails to file an annual report when due, pay the required fee, or the payment
6 of any fee due the commonwealth was dishonored when presented for payment and the
7 partnership has failed to correct the failure within 20 days after written notice of such failure was
8 mailed to the partnership, the state secretary may revoke the registration of the partnership. If
9 the state secretary determines that one or more grounds exist for revoking the registration of a
10 partnership, he shall notify the partnership of his determination. The notice shall be sent in
11 writing and mailed postage prepaid to the office of the partnership's resident agent, or if the

12 resident agent consents, sent by electronic mail to an electronic mail address furnished by the
13 agent for such purpose. If the partnership has not appointed a resident agent, notice shall be
14 given by mail to the partnership at the address of its principal office as shown in the records of
15 the state secretary, or if the partnership consents, sent by electronic mail to an electronic mail
16 address furnished by the partnership for such purpose. The notice shall specify the annual
17 reports which have not been filed, the fees which have not been paid and the payment which has
18 been dishonored. If the partnership does not correct each ground for revocation or demonstrate
19 to the reasonable satisfaction of the state secretary that each ground determined by the secretary
20 of state does not exist within 60 days after notice is given, the state secretary shall
21 administratively revoke the registration of the partnership.

22 SECTION 2.

23 Chapter 108A of the General Laws, as so appearing, is hereby further amended by adding
24 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 secretary if the
32 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 its filing
37 date, (ii) specifies the typographical error, the incorrect statement and the reason it is incorrect or
38 the manner in which the execution was defective and (iii) corrects the typographical error,
39 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 corrects
42 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 recording or
45 transmission of documents may be corrected under this section to the extent permitted by
46 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 amendment or
56 cancellation, or any judicial decree of amendment or cancellation, shall be delivered to the
57 secretary of state. A person who executes a certificate as an agent or fiduciary need not exhibit
58 evidence of his authority as a prerequisite to filing. Unless the secretary of state finds that the
59 certificate does not conform to law, upon receipt of all filing fees required by law, he shall
60 evidence his approval on or with the document. Upon such approval and payment of all filing
61 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 to the
66 extent, permitted by the secretary. The secretary of state may promulgate regulations regarding
67 the procedures for electronic filings which supercede any inconsistent provisions of this chapter
68 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 state
74 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 its

79 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 corrects

84 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 recording or
94 transmission of documents may be corrected under this section to the extent permitted by
95 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 156D,
104 a corporation organized under chapter 180, a foreign business corporation, a foreign nonprofit
105 corporation and any association or entity other than a governmental or quasi-governmental
106 organization. The term includes, without limitation, limited liability companies, general
107 partnerships, limited liability partnerships, joint ventures, joint stock companies, business trusts
108 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 into a
110 limited partnership, provided in each case that if an other entity exists pursuant to the authority
111 of a chapter of the General Laws, that chapter permits the conversion, and if an other entity is
112 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 this
115 section and of its certificate of limited partnership and its partnership agreement, to the extent
116 they are applicable. An other entity converting into a limited partnership shall comply with the
117 terms of any laws applicable to it and of its organic documents, to the extent they are applicable.

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

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

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

133 SECTION 8.

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

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

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

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

152 SECTION 9.

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

155 Section 61. Fees

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

160 SECTION 10.

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

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

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

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

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

172 (b) If the state secretary determines that one or more grounds exist for dissolving a limited
173 partnership, he shall notify the partnership's resident agent of his determination. The notice shall
174 be sent in writing and mailed postage prepaid to the resident agent's office, or if the resident
175 agent consents, sent by electronic mail to an electronic mail address furnished by the agent for
176 such purpose. The notice shall specify the annual reports which have not been filed, the fees

177 which have not been paid and the payment which has been dishonored. If the partnership does
178 not correct each ground for dissolution or demonstrate to the reasonable satisfaction of the state
179 secretary that each ground determined by the secretary of state does not exist within 90 days after
180 notice is given, the state secretary shall administratively dissolve the limited partnership.

181 SECTION 11.

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

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

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

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

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

194 (b) If the state secretary determines that one or more grounds exist to revoke the authority of the
195 foreign limited partnership to transact business in the commonwealth, he shall notify the foreign
196 limited partnership's resident agent of his determination. The notice shall be sent in writing and
197 mailed postage prepaid to the resident agent's office, or if the resident agent consents, sent by

198 electronic mail to an electronic mail address furnished by the agent for such purpose. The notice
199 shall specify the annual reports which have not been filed, the fees which have not been paid and
200 the payment which has been dishonored. If the partnership does not correct each ground for
201 revocation or demonstrate to the reasonable satisfaction of the state secretary that each ground
202 determined by the secretary of state does not exist within 90 days after notice is given, the state
203 secretary shall administratively dissolve the limited partnership.

204 SECTION 12.

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

207 Section 67. Good Standing

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

217 Section 68. Pre-clearance of Filings

218 The fee for examining and provisionally approving any record at any time before the
219 record is presented for filing is \$100.00.

220 SECTION 13.

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

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

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

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

231 SECTION 14.

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

235 (a) The original signed copy of the certificate of organization and of any certificates of
236 amendment or cancellation or any judicial decree of amendment or cancellation, of any
237 certificate of consolidation, merger or conversion and of any restated certificate shall be
238 delivered to the state secretary. A person who executes a certificate as an attorney-in-fact or

239 fiduciary shall not be required to exhibit evidence of his authority as a prerequisite to filing. Any
240 certificate authorized to be filed with the state secretary shall be originally signed except as
241 otherwise required by this chapter or permitted from time to time by the state secretary. Unless
242 the state secretary finds that any certificate does not conform to law, upon receipt of all filing
243 fees required by law, he shall evidence his approval on or with the document. Upon said
244 approval and payment of all filing fees required by law, the filing shall be deemed filed with the
245 secretary of state. Said endorsement shall be conclusive of the date and time of its filing in the
246 absence of actual fraud.

247 SECTION 15.

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

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

254 SECTION 16.

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

257 17A. Correcting a Filed Certificate

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

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

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

262 (b) A document is corrected:

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

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

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

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

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

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

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

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

282 SECTION 17.

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

285 (5A) the name of any other person in addition to any manager who is authorized to execute
286 documents to be filed with the office of the state secretary, and at least one shall be named if
287 there are no managers.

288 SECTION 18.

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

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

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

295 (2) all interest and penalties imposed by law for failure to pay the fees. A foreign limited
296 liability company is further liable to the commonwealth, for each year or part thereof during
297 which it transacted business without delivering the certificate, an amount not to exceed \$500.00

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

312 SECTION 19.

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

315 Section 69. Conversions

316 (a) As used in this section, an “other entity” means a corporation organized under chapter 156D,
317 a corporation organized under chapter 180, a foreign business corporation, a foreign nonprofit
318 corporation and any association or entity other than a governmental or quasi-governmental
319 organization. The term includes, without limitation, limited partnerships, general partnerships,

320 limited liability partnerships, joint ventures, joint stock companies, business trusts and profit and
321 not-for-profit unincorporated associations.

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

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

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

338 (e) the converting entity shall file with the secretary of state, and with any other governmental
339 agency with which the converting entity or the surviving entity is required to make public filings,
340 articles of entity conversion that contain substantially the information required by section 9.53 of
341 chapter 156D to be contained in articles of entity conversion of a business corporation or a

342 domestic or foreign other entity, modified to account for the nature of the converting entity and
343 the surviving entity.

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

346 SECTION 20.

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

349 Section 73. Pre-clearance of Filings

350 The fee for examining and provisionally approving any record at any time before the record is
351 presented for filing is \$100.00.

352 SECTION 21.

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

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

358 SECTION 22.

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

361 Section 1.22. Filing Service and Copying Fees

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

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

367 SECTION 23.

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

370 (a) A domestic business corporation may become a domestic other entity, provided that in the
371 case of an other entity that exists pursuant to the authority of a chapter of the General Laws, that
372 chapter permits. The conversion shall be effected pursuant to a plan of entity conversion.

373 Section 9.55 governs the effect of converting to that form of a domestic other entity.

374 SECTION 24.

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

377 (c) A domestic other entity may become a domestic business corporation, provided that in the
378 case of a domestic other entity that exists pursuant to the authority of a chapter of the General
379 Laws, that chapter permits. Section 9.55 governs the effect of converting to a domestic business
380 corporation. If the organic law of a domestic other entity, including the chapter of the General
381 Laws pursuant to which the other entity exists, does not provide procedures for the approval of

382 an entity conversion, the conversion shall be adopted and approved, and the entity conversion
383 effectuated, in the same manner as a merger of the other entity and its interest holders shall be
384 entitled to appraisal rights if appraisal rights are available upon any type of merger under the
385 organic law of the other entity. If the organic law of a domestic other entity does not provide
386 procedures for the approval of either an entity conversion or a merger, a plan of entity
387 conversion shall be adopted and approved, the entity conversion effectuated, and appraisal rights
388 exercised, in accordance with the procedures in this subdivision and PART 13 of this chapter.
389 Without limiting the provisions of this subsection, a domestic other entity whose organic law
390 does not provide procedures for the approval of an entity conversion shall be subject to
391 subsection (e) of this section and clause (7) of section 9.52. For purposes of applying this
392 subdivision and PART 13 of this chapter:

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

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

398 SECTION 25.

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

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

404 SECTION 26.

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

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

410 SECTION 27.

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

413 Section 15.30. Grounds for Revocation

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

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

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

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