

**HOUSE . . . . . No. 3365**

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The Commonwealth of Massachusetts

PRESENTED BY:

*Thomas A. Golden, Jr.*

*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 improving the safety and standards of organizing a business.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>Thomas A. Golden, Jr.</i>	<i>16th Middlesex</i>
<i>Kevin J. Murphy</i>	<i>18th Middlesex</i>
<i>Colleen M. Garry</i>	<i>36th Middlesex</i>

**HOUSE . . . . . No. 3365**

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By Mr. Golden of Lowell, a petition (accompanied by bill, House, No. 3365) of Thomas A. Golden, Jr., Kevin J. Murphy and Colleen M. Garry relative to further regulating the issuance of certificates of organization to corporations and limited liability companies. State Administration and Regulatory Oversight.

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The Commonwealth of Massachusetts

An Act relative to improving the safety and standards of organizing a business.

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

1 An Act Relative to Improving the Safety and Standards of Organizing a Business

2 Chapter 9 of the General Laws is hereby amended by adding the following chapter:-

3 Section 32.

4 The state secretary, before approving a certificate of organization in connection with a  
5 corporation or limited liability company shall require all documents necessary for licensure, in  
6 the area that applies to the prospective corporation or limited liability company, be provided to  
7 his office. These documents shall include criminal offender record information for all people  
8 employed by the corporation or limited liability company.

9 The state secretary shall appoint a council within his office to immediately make an  
10 investigation as to the applicants for incorporation of such an institution and as to the purposes  
11 thereof and any other material facts relative thereto. Said council may approve such certificate.  
12 In acting upon any such certificate, said council shall give a public hearing, notice of which  
13 shall, at the expense of the applicants, be published once a week for 3 successive weeks in 2  
14 newspapers, 1 of which is published in the county where the institution has or is to have its  
15 principal office or place of business, the last publication to be at least 3 days before the date set  
16 for the hearing. Said council after making its investigation hereunder and subject to licensure  
17 provisions, shall make a determination approving or disapproving the certificate of organization  
18 hereunder and shall forthwith report its findings to the state secretary.

19 If the council disapproves a certificate of organization, it shall submit with its report a  
20 written statement setting forth in detail the reasons for its disapproval of such certificate. If it  
21 appears from the report so submitted to the secretary that the council does not approve of such

22 certificate, he shall refuse to endorse his approval thereon, otherwise he shall endorse his  
23 approval thereon unless he finds that the provisions of law relative to the organization of the  
24 corporation or limited liability company have not been complied with. If such certificate or  
25 articles are not approved hereunder, the applicant or applicants may appeal to the superior court,  
26 which shall hear the case and determine whether or not the certificate shall be approved.

27           The state secretary is permitted to raise the application fees for certificates of  
28 organization to offset the additional costs of the administrative process proscribed by this section