

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Enrolled
Committee Substitute
for

Senate Bill 670

BY SENATORS MARTIN, TARR, DEEDS, TAYLOR, AND

WILLIS

[Passed March 14, 2026; in effect 90 days from
passage (June 12, 2026)]

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1 AN ACT to amend and reenact §46-1-201, §59-1-2, and §59-1-2a of the Code of West Virginia,
2 1931, as amended; to amend the code by adding a new article, designated §31B-14-101,
3 §31B-14-102, §31B-14-103, §31B-14-104, §31B-14-105, §31B-14-106, §31B-14-107,
4 §31B-14-108, §31B-14-201, §31B-14-202, §31B-14-203, §31B-14-204, §31B-14-205,
5 §31B-14-206, §31B-14-301, §31B-14-302, §31B-14-303, §31B-14-304, §31B-14-305,
6 §31B-14-401, §31B-14-402, §31B-14-403, §31B-14-404, §31B-14-501, §31B-14-502,
7 §31B-14-503, §31B-14-601, §31B-14-602, §31B-14-603, §31B-14-604, §31B-14-605,
8 §31B-14-606, §31B-14-607, §31B-14-608, §31B-14-701, §31B-14-702, §31B-14-703,
9 and §31B-14-704; and to amend the code by adding a new article, designated §36-13-1,
10 §36-13-2, §36-13-3, §36-13-4, §36-13-5, §36-13-6, §36-13-7, §36-13-8, §36-13-9, §36-
11 13-10, §36-13-11, §36-13-12, §36-13-13, §36-13-14, §36-13-15, §36-13-16, §36-13-17,
12 §36-13-18, §36-13-19, §36-13-20, §36-13-21, §36-13-22, §36-13-23, §36-13-24, §36-13-
13 25, §36-13-26, §36-13-27, §36-13-28, §36-13-29, §36-13-30, and §36-13-31, relating to
14 the creation and recognition of new forms of business entities in this state; creating the
15 Uniform Protected Series Act; providing citation; defining terms; creating series limited
16 liability companies and protected series of series limited liability companies; detailing the
17 powers, duties, responsibilities, and duration of protected series; specifying governing law
18 and operating agreement limitations; providing procedures for establishing and naming
19 protected series; providing for registered agents, service of process, certificates of good
20 standing, and annual reporting; providing rules for associating assets and members with
21 protected series; establishing management and information rights; limiting liability of
22 protected series and related persons; providing for enforcement of judgments; providing
23 for dissolution, winding up, and reinstatement; establishing merger restrictions and
24 procedures; providing for treatment of foreign series limited liability companies and foreign
25 protected series; establishing fees associated with series limited liability companies and
26 protected series; expanding the Uniform Commercial Code definition of person to include

27 a protected series; recognizing unincorporated nonprofit associations as a legal entity in
28 the state; creating the Decentralized Unincorporated Nonprofit Association Act; providing
29 a short title; defining terms; providing for governing law; authorizing the use of distributed
30 ledger technology and digital assets; providing for property ownership, liability, standing,
31 and service of process; establishing governance, membership rights, and record
32 inspection; providing for dissolution, winding up, mergers, and conversion of entities;
33 granting rulemaking authority to the Secretary of State; and establishing an effective date.

Be it enacted by the Legislature of West Virginia:

CHAPTER 31B. UNIFORM LIMITED LIABILITY COMPANY ACT.

ARTICLE 14. UNIFORM PROTECTED SERIES ACT.

§31B-14-101. Short title.

1 This act may be cited as the Uniform Protected Series Act.

§31B-14-102. Definitions.

1 In this chapter:

2 "Asset" means property in which a series limited liability company or protected series has
3 rights; or as to which the company or protected series has the power to transfer rights.

4 "Associated asset" means an asset that meets the requirements of §31B-14-301 of this
5 code.

6 "Associated member" means a member that meets the requirements of §31B-14-302.

7 "Foreign protected series" means an arrangement, configuration, or other structure
8 established by a foreign limited liability company which has attributes comparable to a protected
9 series established under this chapter. The term applies whether or not the law under which the
10 foreign company is organized refers to "protected series".

11 "Foreign series limited liability company" means a foreign limited liability company that has
12 at least one foreign protected series.

"Jurisdiction of formation" means the jurisdiction whose law governs the internal affairs of an entity.

"Non-associated asset" means:

An asset of a series limited liability company which is not an associated asset of the company; or an asset of a protected series of the company which is not an associated asset of the protected series.

"Person" includes a protected series.

"Protected series", except in the phrase "foreign protected series", means a protected series established under §31B-14-201.

"Protected-series manager" means a person under whose authority the powers of a protected series are exercised and under whose direction the activities and affairs of the protected series are managed under the operating agreement and this chapter.

"Protected-series distributional interest" means a right to receive a distribution from a protected series.

"Protected-series transferee" means a person to which all or part of a protected-series distributional interest of a protected series of a series limited liability company has been transferred, other than the company. The term includes a person that owns a protected-series distributional interest as a result of ceasing to be an associated member of a protected series.

"Series limited liability company" or "company", except in the phrase "foreign series limited liability company", means a limited liability company that has at least one protected series.

§31B-14-103. Nature of protected series.

A protected series of a series limited liability company is a person distinct from:

(1) The company, subject to §31B-14-104(c), §31B-14-501(1), and §31B-14-502(d);

(2) Another protected series of the company;

(3) A member of the company, whether or not the member is an associated member of the protected series;

6 (4) A protected-series transferee of a protected series of the company; and

7 (5) A transferee of a distributional interest of the company.

§31B-14-104. Powers and duration of protected series.

1 (a) A protected series of a series limited liability company has the capacity to sue and be
2 sued in its own name.

3 (b) Except as otherwise provided in subsections (c) and (d) of this section, a protected
4 series of a series limited liability company has the same powers and purposes as the company.

5 (c) A protected series of a series limited liability company ceases to exist not later than
6 when the company completes its winding up.

7 (d) A protected series of a series limited liability company may not:

8 (1) Be a member of the company;

9 (2) Establish a protected series; or

10 (3) Except as permitted by law of this state other than this chapter, have a purpose or
11 power that the law of this state other than this chapter prohibits a limited liability company from
12 doing or having.

§31B-14-105. Governing law.

1 The law of this state governs:

2 (1) The internal affairs of a protected series of a series limited liability company, including:

3 (A) Relations among any associated members of the protected series;

4 (B) Relations among the protected series and:

5 (i) Any associated member;

6 (ii) The protected-series manager; or

7 (iii) Any protected-series transferee;

8 (C) Relations between any associated member and:

9 (i) The protected-series manager; or

10 (ii) Any protected-series transferee;

(D) The rights and duties of a protected-series manager;

(E) Governance decisions affecting the activities and affairs of the protected series and the conduct of those activities and affairs; and

(F) Procedures and conditions for becoming an associated member or protected-series transferee;

(2) The relations between a protected series of a series limited liability company and each of the following:

(A) The company;

(B) Another protected series of the company;

(C) A member of the company which is not an associated member of the protected series;

(D) A protected-series manager that is not a protected-series manager of the protected series; and

(E) A protected-series transferee that is not a protected-series transferee of the protected series;

(3) The liability of a person for a debt, obligation, or other liability of a protected series of a series limited liability company if the debt, obligation, or liability is asserted solely by reason of the person being or acting as:

(A) An associated member, protected-series transferee, or protected-series manager of the protected series;

(B) A member of the company which is not an associated member of the protected series;

(C) A protected-series manager that is not a protected-series manager of the protected series;

(D) A protected-series transferee that is not a protected-series transferee of the protected series;

(E) A manager of the company; or

(F) A transferee of a distributional interest of the company;

(4) The liability of a series limited liability company for a debt, obligation, or other liability of a protected series of the company if the debt, obligation, or liability is asserted solely by reason of the company:

(A) Having delivered to the Secretary of State for filing under §31B-14-201(b) a protected series designation pertaining to the protected series or under §31B-14-201(d) or §31B-14-202(c) a statement of designation change pertaining to the protected series;

(B) Being or acting as a protected-series manager of the protected series;

(C) Having the protected series be or act as a manager of the company; or

(D) Owning a protected-series distributional interest of the protected series; and

(5) The liability of a protected series of a series limited liability company for a debt, obligation, or other liability of the company or of another protected series of the company if the debt, obligation, or liability is asserted solely by reason of:

(A) The protected series:

(i) Being a protected series of the company or having as a protected-series manager the company or another protected series of the company; or

(ii) Being or acting as a protected-series manager of another protected series of the company or a manager of the company; or

(B) The company owning a protected-series distributional interest of the protected series.

§31B-14-106. Effect of operating agreement.

(a) Except as otherwise provided in this section and subject to §31B-14-107 and §31B-14-108, the operating agreement of a series limited liability company governs:

(1) The internal affairs of a protected series, including:

(A) Relations among any associated members of the protected series;

(B) Relations among the protected series and:

(i) Any associated member;

(ii) The protected-series manager; or

(iii) Any protected-series transferee;

(C) Relations between any associated member and:

(i) The protected-series manager; or

(ii) Any protected-series transferee;

(D) The rights and duties of a protected-series manager;

(E) Governance decisions affecting the activities and affairs of the protected series and the conduct of those activities and affairs; and

(F) Procedures and conditions for becoming an associated member or protected-series transferee;

(2) Relations among the protected series, the company, and any other protected series of the company;

(3) Relations between:

(A) The protected series, its protected-series manager, any associated member of the protected series, or any protected-series transferee of the protected series; and

(B) A person in the person's capacity as:

(i) A member of the company which is not an associated member of the protected series;

(ii) A protected-series transferee or protected-series manager of another protected series;

or

(iii) A transferee of the company.

(b) If chapter 31B of this code restricts the power of an operating agreement to affect a matter, the restriction applies to a matter under §31B-14-108.

(c) If law of this state other than this article imposes a prohibition, limitation, requirement, condition, obligation, liability, or other restriction on a limited liability company, a member, manager, or other agent of the company, or a transferee of the company, except as otherwise provided in law of this state other than this article, the restriction applies in accordance with §31B-14-108.

(d) Except as otherwise provided in §31B-14-107, if the operating agreement of a series limited liability company does not provide for a matter described in subsection (a) of this section in a manner permitted by this article, the matter is determined in accordance with the following rules:

(1) To the extent this article addresses the matter, this article governs.

(2) To the extent this article does not address the matter, chapter 31B of this code governs the matter in accordance with §31B-14-108.

§31B-14-107. Additional limitations on operating agreement.

An operating agreement may not vary the effect of:

(1) §31B-14-107;

(2) §31B-14-103;

(3) §31B-14-104(a);

(4) §31B-14-104(b) to provide a protected series a power beyond the powers chapter 31B of this code provides a limited liability company;

(5) §31B-14-104(c) or (d);

(6) §31B-14-105;

(7) §31B-14-106;

(8) §31B-14-108;

(9) §31B-14-201, except to vary the manner in which a limited liability company approves establishing a protected series;

(10) §31B-14-202;

(11) §31B-14-203;

(12) §31B-14-302;

(13) §31B-14-303(a) or (b);

(14) §31B-14-304(c), (f), or (g);

(15) §31B-14-401, except to decrease or eliminate a limitation of liability stated in §31B-14-401;

(16) §31B-14-402;

(17) §31B-14-403;

(18) §31B-14-404;

(19) §31B-14-501(1), (4), and (5);

(20) §31B-14-502, except to designate a different person to manage winding up;

(21) §31B-14-503;

(22) §31B-14-601 *et seq.*;

(23) §31B-14-701 *et seq.*;

(A) The manner in which a series limited liability company may elect under §31B-14-803(a)(2) to be subject to this article; or

(B) The person that has the right to sign and deliver to the Secretary of State for filing a record under §31B-14-803(b)(2); or

(25) A provision of this article pertaining to:

(A) Registered agents; or

(B) The Secretary of State, including provisions pertaining to records authorized or required to be delivered to the Secretary of State for filing under this article.

§31B-14-108. Rules for applying limited liability company act.

(a) Except as otherwise provided in subsection (b) of this section and §31B-14-107, the following rules apply in applying §31B-14-106, §31B-14-304(c) and (f), §31B-14-501(4)(A), §31B-14-502(a), and §31B-14-503(2):

(1) A protected series of a series limited liability company is deemed to be a limited liability company that is formed separately from the series limited liability company and is distinct from the series limited liability company and any other protected series of the series limited liability company.

8 (2) An associated member of the protected series is deemed to be a member of the
9 company deemed to exist under §31B-14-108(a)(1) of this code.

10 (3) A protected-series transferee of the protected series is deemed to be a transferee of
11 the company deemed to exist under §31B-14-108(a)(1) of this code.

12 (4) A protected-series distributional interest of the protected series is deemed to be a
13 distributional interest of the company deemed to exist under §31B-14-108(a)(1) of this code.

14 (5) A protected-series manager is deemed to be a manager of the company deemed to
15 exist under §31B-14-108(a)(1).

16 (6) An asset of the protected series is deemed to be an asset of the company deemed to
17 exist under §31B-14-108(a)(1) of this code, whether or not the asset is an associated asset of the
18 protected series.

19 (7) Any creditor or other obligee of the protected series is deemed to be a creditor or
20 obligee of the company deemed to exist under §31B-14-108(a)(1) of this code.

21 (b) Subsection (a) of this section does not apply if its application would:

22 (1) Contravene §31B-1-103 of this code; or

23 (2) Authorize or require the Secretary of State to:

24 (A) Accept for filing a type of record that neither this article nor chapter 31B of this code
25 authorizes or requires a person to deliver to the Secretary of State for filing; or

26 (B) Make or deliver a record that neither this article nor chapter 31B of this code authorizes
27 or requires the Secretary of State to make or deliver.

§31B-14-201. Protected series designation; amendment.

1 (a) With the affirmative vote or consent of all members of a limited liability company, the
2 company may establish a protected series.

3 (b) To establish a protected series, a limited liability company shall deliver to the Secretary
4 of State for filing a protected series designation, signed by the company, stating the name of the
5 company and the name of the protected series to be established.

6 (c) A protected series is established when the protected series designation takes effect
7 under §31B-2-206 of this code.

8 (d) To amend a protected series designation, a series limited liability company shall deliver
9 to the Secretary of State for filing a statement of designation change, signed by the company, that
10 changes the name of the company, the name of the protected series to which the designation
11 applies, or both. The change takes effect when the statement of designation change takes effect
12 under §31B-2-206 of this code.

§31B-14-202. Name.

1 (a) Except as otherwise provided in subsection (b) of this section, the name of a protected
2 series must comply with §31B-1-105 of this code.

3 (b) The name of a protected series of a series limited liability company must:

4 (1) Begin with the name of the company, including any word or abbreviation required by
5 §31B-1-105(a) of this code; and

6 (2) Contain the phrase "Protected Series" or "protected series" or the abbreviation "P.S."
7 or "PS".

8 (c) If a series limited liability company changes its name, the company shall deliver to the
9 Secretary of State for filing a statement of designation change for each of the company's protected
10 series, changing the name of each protected series to comply with §31B-14-202 of this code.

§31B-14-203. Registered agent.

1 (a) The registered agent in this state for a series limited liability company is the registered
2 agent in this state for each protected series of the company.

3 (b) Before delivering a protected series designation to the Secretary of State for filing, a
4 limited liability company shall agree with a registered agent that the agent will serve as the
5 registered agent in this state for both the company and the protected series.

6 (c) A person that signs a protected series designation delivered to the Secretary of State
7 for filing affirms as a fact that the limited liability company on whose behalf the designation is
8 delivered has complied with subsection (b) of this section.

9 (d) A person that ceases to be the registered agent for a series limited liability company
10 ceases to be the registered agent for each protected series of the company.

11 (e) A person that ceases to be the registered agent for a protected series of a series limited
12 liability company, other than as a result of the termination of the protected series, ceases to be
13 the registered agent of the company and any other protected series of the company.

14 (f) Except as otherwise agreed by a series limited liability company and its registered
15 agent, the agent is not obligated to distinguish between a process, notice, demand, or other record
16 concerning the company and a process, notice, demand, or other record concerning a protected
17 series of the company.

§31B-14-204. Service of process, notice, demand, or other record.

1 (a) A protected series of a series limited liability company may be served with a process,
2 notice, demand, or other record required or permitted by law by:

3 (1) Serving the company;

4 (2) Serving the registered agent of the protected series; or

5 (3) Other means authorized by law of this state other than chapter 31B of this code of this
6 code.

7 (b) Service of a summons and complaint on a series limited liability company is notice to
8 each protected series of the company of service of the summons and complaint and the contents
9 of the complaint.

10 (c) Service of a summons and complaint on a protected series of a series limited liability
11 company is notice to the company and any other protected series of the company of service of
12 the summons and complaint and the contents of the complaint.

(d) Service of a summons and complaint on a foreign series limited liability company is notice to each foreign protected series of the foreign company of service of the summons and complaint and the contents of the complaint.

(e) Service of a summons and complaint on a foreign protected series of a foreign series limited liability company is notice to the foreign company and any other foreign protected series of the company of service of the summons and complaint and the contents of the complaint.

(f) Notice to a person under subsection (b), (c), (d), or (e) of this section is effective whether or not the summons and complaint identify the person if the summons and complaint name as a party and identify:

(1) The series limited liability company or a protected series of the company; or

(2) The foreign series limited liability company or a foreign protected series of the foreign company.

§31B-14-205. Certificate of good standing for protected series.

(a) On request of any person, the Secretary of State shall issue a certificate of good standing for a protected series of a series limited liability company or a certificate of registration for a foreign protected series if:

(1) In the case of a protected series:

(A) No statement of dissolution, termination, or relocation pertaining to the protected series has been filed; and

(B) The company has delivered to the Secretary of State for filing the most recent annual report required by §31B-2-211 of this code and the report includes the name of the protected series, unless:

(i) When the company delivered the report for filing, the protected series designation pertaining to the protected series had not yet taken effect; or

(ii) After the company delivered the report for filing, the company delivered to the Secretary of State for filing a statement of designation change changing the name of the protected series;

or

(2) In the case of a foreign protected series, it is registered to do business in this state.

(b) A certificate issued under subsection (a) of this section must state:

(1) In the case of a protected series:

(A) The name of the protected series of the series limited liability company and the name of the company;

(B) That the requirements of subsection (a) of this section are met;

(C) The date the protected series designation pertaining to the protected series took effect; and

(D) If a statement of designation change pertaining to the protected series has been filed, the effective date and contents of the statement;

(2) In the case of a foreign protected series, that it is registered to do business in this state;

(3) That the fees, taxes, interest, and penalties owed to this state by the protected series or foreign protected series and collected through the Secretary of State have been paid, if:

(A) Payment is reflected in the records of the Secretary of State; and

(B) Nonpayment affects the good standing of the protected series; and

(4) Other facts reflected in the records of the Secretary of State pertaining to the protected series or foreign protected series which the person requesting the certificate reasonably requests.

(c) Subject to any qualification stated by the Secretary of State in a certificate issued under subsection (a) of this section, the certificate may be relied on as conclusive evidence of the facts stated in the certificate.

§31B-14-206. Information required in annual report; effect of failure to provide.

(a) In the annual report required by §31B-2-211 of this code, a series limited liability company shall include the name of each protected series of the company:

(1) For which the company has previously delivered to the Secretary of State for filing a protected series designation; and

(2) Which has not dissolved and completed winding up.

(b) A failure by a series limited liability company to comply with subsection (a) of this section with regard to a protected series prevents issuance of a certificate of good standing pertaining to the protected series but does not otherwise affect the protected series.

§31B-14-301. Associated asset.

(a) Only an asset of a protected series may be an associated asset of the protected series. Only an asset of a series limited liability company may be an associated asset of the company.

(b) An asset of a protected series of a series limited liability company is an associated asset of the protected series only if the protected series creates and maintains records that state the name of the protected series and describe the asset with sufficient specificity to permit a disinterested, reasonable individual to:

(1) Identify the asset and distinguish it from any other asset of the protected series, any asset of the company, and any asset of any other protected series of the company;

(2) Determine when and from what person the protected series acquired the asset or how the asset otherwise became an asset of the protected series; and

(3) If the protected series acquired the asset from the company or another protected series of the company, determine any consideration paid, the payor, and the payee.

(c) An asset of a series limited liability company is an associated asset of the company only if the company creates and maintains records that state the name of the company and describe the asset with sufficient specificity to permit a disinterested, reasonable individual to:

(1) Identify the asset and distinguish it from any other asset of the company and any asset of any protected series of the company;

(2) Determine when and from what person the company acquired the asset or how the asset otherwise became an asset of the company; and

20 (3) If the company acquired the asset from a protected series of the company, determine
21 any consideration paid, the payor, and the payee.

22 (d) The records and recordkeeping required by subsections (b) and (c) of this section may
23 be organized by specific listing, category, type, quantity, or computational or allocational formula
24 or procedure, including a percentage or share of any asset, or in any other reasonable manner.

25 (e) To the extent permitted by this section and law of this state other than this article, a
26 series limited liability company or protected series of the company may hold an associated asset
27 directly or indirectly, through a representative, nominee, or similar arrangement, except that:

28 (1) A protected series may not hold an associated asset in the name of the company or
29 another protected series of the company; and

30 (2) The company may not hold an associated asset in the name of a protected series of
31 the company.

§31B-14-302. Associated member.

1 (a) Only a member of a series limited liability company may be an associated member of
2 a protected series of the company.

3 (b) A member of a series limited liability company becomes an associated member of a
4 protected series of the company if the operating agreement or a procedure established by the
5 agreement states:

6 (1) That the member is an associated member of the protected series;

7 (2) The date on which the member became an associated member; and

8 (3) Any protected-series distributional interest the associated member has in connection
9 with becoming or being an associated member.

10 (c) If a person that is an associated member of a protected series of a series limited liability
11 company is dissociated from the company, the person ceases to be an associated member of the
12 protected series.

§31B-14-303. Protected-series distributional interest.

1 (a) A protected-series distributional interest of a protected series of a series limited liability
2 company must be owned initially by an associated member of the protected series or the
3 company.

4 (b) If a protected series of a series limited liability company has no associated members
5 when established, the company owns the protected-series distributional interests in the protected
6 series.

7 (c) In addition to acquiring a protected series transferable series interest under subsection
8 (b) of this section, a series limited liability company may acquire a protected-series distributional
9 interest through a transfer from another person or as provided in the operating agreement.

10 (d) Except for §31B-14-108(a)(3), a provision of this article which applies to a protected-
11 series transferee of a protected series of a series limited liability company applies to the company
12 in its capacity as an owner of a protected-series distributional interest of the protected series. A
13 provision of the operating agreement of a series limited liability company which applies to a
14 protected-series transferee of a protected series of the company applies to the company in its
15 capacity as an owner of a protected-series distributional interest of the protected series.

§31B-14-304. Management.

1 (a) A protected series may have more than one protected-series manager.

2 (b) If a protected series has no associated members, the series limited liability company
3 is the protected-series manager.

4 (c) §31B-14-108 applies to determine any duties of a protected-series manager of a
5 protected series of a series limited liability company to:

6 (1) The protected series;

7 (2) Any associated member of the protected series; and

8 (3) Any protected-series transferee of the protected series.

9 (d) Solely by reason of being or acting as a protected-series manager of a protected series
10 of a series limited liability company, a person owes no duty to:

- 11 (1) The company;
- 12 (2) Another protected series of the company; or
- 13 (3) Another person in that person's capacity as:
- 14 (A) A member of the company which is not an associated member of the protected series;
- 15 (B) A protected-series transferee or protected-series manager of another protected series;
- 16 or
- 17 (C) A transferee of the company.
- 18 (e) An associated member of a protected series of a series limited liability company has
- 19 the same rights as any other member of the company to vote on or consent to an amendment to
- 20 the company's operating agreement or any other matter being decided by the members, whether
- 21 or not the amendment or matter affects the interests of the protected series or the associated
- 22 member.
- 23 (f) §31B-11-1101 *et seq.* of this code applies to a protected series in accordance with
- 24 §31B-14-108.
- 25 (g) An associated member of a protected series is an agent for the protected series with
- 26 power to bind the protected series to the same extent that a member of a limited liability company
- 27 is an agent for the company with power to bind the company under §31B-3-301 of this code.

§31B-14-305. Right to information concerning protected series.

- 1 (a) A member of a series limited liability company which is not an associated member of
- 2 a protected series of the company has a right to information concerning the protected series to
- 3 the same extent, in the same manner, and under the same conditions that a member that is not
- 4 a manager of a manager-managed limited liability company has a right to information concerning
- 5 the company under §31B-4-408 of this code.
- 6 (b) A person formerly an associated member of a protected series has a right to
- 7 information concerning the protected series to the same extent, in the same manner, and under
- 8 the same conditions that a person dissociated as a member of a manager-managed limited

liability company has a right to information concerning the company under §31B-4-408 of this code.

(c) If an associated member of a protected series dies, the legal representative of the deceased associated member has a right to information concerning the protected series to the same extent, in the same manner, and under the same conditions that the legal representative of a deceased member of a limited liability company has a right to information concerning the company under §31B-4-408 of this code.

§31B-14-401. Limitations on liability.

(a) A person is not liable, directly or indirectly, by way of contribution or otherwise, for a debt, obligation, or other liability of:

(1) A protected series of a series limited liability company solely by reason of being or acting as:

(A) An associated member, protected-series manager, or protected series transferee of the protected series; or

(B) A member, manager, or a transferee of the company; or

(2) A series limited liability company solely by reason of being or acting as an associated member, protected-series manager, or protected-series transferee of a protected series of the company.

(b) Subject to §31B-14-404, the following rules apply:

(1) A debt, obligation, or other liability of a series limited liability company is solely the debt, obligation, or liability of the company.

(2) A debt, obligation, or other liability of a protected series is solely the debt, obligation, or liability of the protected series.

(3) A series limited liability company is not liable, directly or indirectly, by way of contribution or otherwise, for a debt, obligation, or other liability of a protected series of the

18 company solely by reason of the protected series being a protected series of the company or the
19 company:

20 (A) Being or acting as a protected-series manager of the protected series;

21 (B) Having the protected series manage the company; or

22 (C) Owning a protected-series distributional interest of the protected series.

23 (4) A protected series of a series limited liability company is not liable, directly or indirectly,
24 by way of contribution or otherwise, for a debt, obligation, or other liability of the company or
25 another protected series of the company solely by reason of:

26 (A) Being a protected series of the company;

27 (B) Being or acting as a manager of the company or a protected-series manager of another
28 protected series of the company; or

29 (C) Having the company or another protected series of the company be or act as a
30 protected-series manager of the protected series.

§31B-14-402. Claim seeking to disregard limitation of liability.

1 (a) Except as otherwise provided in subsection (b) of this section, a claim seeking to
2 disregard a limitation in §31B-14-401 is governed by the principles of law and equity, including a
3 principle providing a right to a creditor or holding a person liable for a debt, obligation, or other
4 liability of another person, which would apply if each protected series of a series limited liability
5 company were a limited liability company formed separately from the series limited liability
6 company and distinct from the series limited liability company and any other protected series of
7 the series limited liability company.

8 (b) The failure of a limited liability company or a protected series to observe the usual
9 company formalities or requirements relating to the exercise of its company powers or
10 management of its business is not a ground to disregard a limitation in §31B-14-401(a) but may
11 be a ground to disregard a limitation in §31B-14-401(b).

12 (c) This section applies to a claim seeking to disregard a limitation of liability applicable to
13 a foreign series limited liability company or foreign protected series and comparable to a limitation
14 stated in §31B-14-401, if:

15 (1) The claimant is a resident of this state or doing business or registered to do business
16 in this state; or

17 (2) The claim is to establish or enforce a liability arising under law of this state other than
18 this article or from an act or omission in this state.

§31B-14-403. Remedies of judgment creditor of associated member or protected-series transferee.

1 §31B-5-504 of this code applies to a judgment creditor of:

2 (1) An associated member or protected-series transferee of a protected series; or

3 (2) A series limited liability company, to the extent the company owns a protected-series
4 distributional interest of a protected series.

§31B-14-404. Enforcement against non-associated asset.

1 (a) In this section:

2 (1) "Enforcement date" means 12:01 a.m. on the date on which a claimant first serves
3 process on a series limited liability company or protected series in an action seeking to enforce
4 under this section a claim against an asset of the company or protected series by attachment,
5 levy, or the like.

6 (2) Subject to §31B-14-608(b), "incurrence date" means the date on which a series limited
7 liability company or protected series incurred the liability giving rise to a claim that a claimant
8 seeks to enforce under this section.

9 (b) If a claim against a series limited liability company or a protected series of the company
10 has been reduced to judgment, in addition to any other remedy provided by law or equity, the
11 judgment may be enforced in accordance with the following rules:

12 (1) A judgment against the company may be enforced against an asset of a protected
13 series of the company if the asset:

14 (A) Was a non-associated asset of the protected series on the incurrence date; or

15 (B) Is a non-associated asset of the protected series on the enforcement date.

16 (2) A judgment against a protected series may be enforced against an asset of the
17 company if the asset:

18 (A) Was a non-associated asset of the company on the incurrence date; or

19 (B) Is a non-associated asset of the company on the enforcement date.

20 (3) A judgment against a protected series may be enforced against an asset of another
21 protected series of the company if the asset:

22 (A) Was a non-associated asset of the other protected series on the incurrence date; or

23 (B) Is a non-associated asset of the other protected series on the enforcement date.

24 (c) In addition to any other remedy provided by law or equity, if a claim against a series
25 limited liability company or a protected series has not been reduced to a judgment and law other
26 than this article permits a prejudgment remedy by attachment, levy, or the like, the court may
27 apply subsection (b) of this section as a prejudgment remedy.

28 (d) In a proceeding under this section, the party asserting that an asset is or was an
29 associated asset of a series limited liability company or a protected series of the company has
30 the burden of proof on the issue.

31 (e) This section applies to an asset of a foreign series limited liability company or foreign
32 protected series if:

33 (1) The asset is real or tangible property located in this state;

34 (2) The claimant is a resident of this state or doing business or registered to do business
35 in this state, or the claim under §31B-14-404 is to enforce a judgment, or to seek a pre-judgment
36 remedy, pertaining to a liability arising from law of this state other than this article or an act or
37 omission in this state; and

38 (3) The asset is not identified in the records of the foreign series limited liability company
39 or foreign protected series in a manner comparable to the manner required by §31B-14-301.

§31B-14-501. Events causing dissolution of protected series.

1 A protected series of a series limited liability company is dissolved, and its activities and
2 affairs must be wound up on the:

3 (1) Dissolution of the company;

4 (2) Occurrence of an event or circumstance the operating agreement states causes
5 dissolution of the protected series;

6 (3) Affirmative vote or consent of all members; or

7 (4) Entry by the court of an order dissolving the protected series on application by an
8 associated member or protected-series manager of the protected series:

9 (A) In accordance with §31B-14-108 of this code; and

10 (B) To the same extent, in the same manner, and on the same grounds the court would
11 enter an order dissolving a limited liability company on application by a member or manager of
12 the company; or

13 (5) Entry by the court of an order dissolving the protected series on application by the
14 company or a member of the company on the ground that the conduct of all or substantially all
15 the activities and affairs of the protected series is illegal.

§31B-14-502. Winding up dissolved protected series.

1 (a) Subject to subsections (b) and (c) of this section and in accordance with §31B-14-108
2 of this code:

3 (1) A dissolved protected series shall wind up its activities and affairs in the same manner
4 that a limited liability company winds up its activities and affairs under §31B-8-801 *et seq.* of this
5 code subject to the same requirements and conditions and with the same effects; and

6 (2) Judicial supervision or another judicial remedy is available in the winding up of the
7 protected series to the same extent, in the same manner, under the same conditions, and with
8 the same effects that apply under §31B-8-803(a) of this code.

9 (b) A dissolved protected series or series limited liability company may publish notice of
10 its dissolution and request persons having claims against the company to present them in
11 accordance with the notice under §31B-8-808 of this code.

12 (c) At any time after dissolution and winding up, the company may terminate a series by
13 filing with the Secretary of State a statement of designation cancellation stating the name of the
14 company and the protected series and that the protected series is terminated. The filing of the
15 statement with the Secretary of State has the same effect as the filing by the Secretary of State
16 of articles of termination under §31B-8-805 of this code.

17 (d) A series limited liability company has not completed its winding up until each of the
18 protected series of the company has completed its winding up.

**§31B-14-503. Effect of reinstatement of series limited company or revocation of voluntary
dissolution.**

1 (a) If a series limited liability company that has been administratively dissolved applies for
2 reinstatement, §31B-8-811 and §31B-8-812 of this code apply to each protected series of the
3 company in accordance with §31B-14-108 of this code.

4 (b) If, at any time after the dissolution of a series limited liability company and before the
5 winding up of its business is completed, the members, including a dissociated member whose
6 dissociation caused the dissolution, unanimously waive the right to have the company's business
7 wound up and the company terminated, §31B-8-802(b) of this code applies to each protected
8 series of the company in accordance with §31B-14-108 of this code.

§31B-14-601. Definitions.

1 In this article:

2 "After a merger" or "after the merger" means when a merger under §31B-14-604 of this
3 code becomes effective and afterwards.

4 "Before a merger" or "before the merger" means before a merger under §31B-14-604 of
5 this code becomes effective.

6 "Continuing protected series" means a protected series of a surviving company which
7 continues in uninterrupted existence after a merger under §31B-14-604 of this code.

8 "Merging company" means a limited liability company that is party to a merger under
9 §31B-14-604 of this code.

10 "Non-surviving company" means a merging company that does not continue in existence
11 after a merger under §31B-14-604 of this code.

12 "Relocated protected series" means a protected series of a non-surviving company which,
13 after a merger under §31B-14-604 of this code, continues in uninterrupted existence as a
14 protected series of the surviving company.

15 "Surviving company" means a merging company that continues in existence after a
16 merger under §31B-14-604 of this code.

§31B-14-602. Protected series may not be party to entity transaction.

1 A protected series may not:

2 (1) Acquire, be acquired, convert, merge, or survive a merger; or

3 (2) Be a party to or be formed, organized, established, or created in a transaction
4 substantially like a merger, interest exchange, or conversion.

§31B-14-603. Restriction on entity transaction involving protected series.

1 A series limited liability company may not:

2 (1) Acquire, be acquired, convert, or be converted; or

3 (2) Except as otherwise provided in §31B-14-604 of this code, be a party to or the surviving
4 company of a merger.

§31B-14-604. Merger authorized; parties restricted.

1 A series limited liability company may be party to a merger in accordance with §31B-9-
2 904, §31B-9-905, §31B-9-906, §31B-14-604, and §31B-14-605 through §31B-14-608 of this code
3 only if:

- 4 (1) Each other party to the merger is a limited liability company; and
5 (2) The surviving company is not created in the merger.

§31B-14-605. Plan of merger.

1 In a merger under §31B-14-604 of this code, the plan of merger must:

2 (1) Comply with §31B-9-904 of this code; and

3 (2) State in a record:

4 (A) For any protected series of a non-surviving company, whether after the merger the
5 protected series will be a relocated protected series or be dissolved, wound up, and terminated;

6 (B) For any protected series of the surviving company which exists before the merger,
7 whether after the merger the protected series will be a continuing protected series or be dissolved,
8 wound up, and terminated;

9 (C) For each relocated protected series or continuing protected series:

10 (i) The name of any person that becomes an associated member or protected-series
11 transferee of the protected series after the merger, any consideration to be paid by, on behalf of,
12 or in respect of the person, the name of the payor, and the name of the payee;

13 (ii) The name of any person whose rights or obligations in the person's capacity as an
14 associated member or protected-series transferee will change after the merger;

15 (iii) Any consideration to be paid to a person who before the merger was an associated
16 member or protected-series transferee of the protected series and the name of the payor; and

17 (iv) If after the merger the protected series will be a relocated protected series, its new
18 name;

19 (D) For any protected series to be established by the surviving company as a result of the
20 merger:

- 21 (i) The name of the protected series;
- 22 (ii) Any protected-series distributional interest to be owned by the surviving company when
- 23 the protected series is established; and
- 24 (iii) The name of and any protected-series distributional interest owned by any person that
- 25 will be an associated member of the protected series when the protected series is established;
- 26 and
- 27 (E) For any person that is an associated member of a relocated protected series and will
- 28 remain a member after the merger, any amendment to the operating agreement of the surviving
- 29 company which:
- 30 (i) Is or is proposed to be in a record; and
- 31 (ii) Is necessary or appropriate to state the rights and obligations of the person as a
- 32 member of the surviving company.

§31B-14-606. Articles of merger.

- 1 In a merger under §31B-14-604 of this code, the articles of merger must:
- 2 (1) Comply §31B-9-905 of this code; and
- 3 (2) Include as an attachment the following records, each to become effective when the
- 4 merger becomes effective:
- 5 (A) For a protected series of a merging company being terminated as a result of the
- 6 merger, a statement of termination signed by the company;
- 7 (B) For a protected series of a non-surviving company which after the merger will be a
- 8 relocated protected series:
- 9 (i) A statement of relocation signed by the non-surviving company which contains the
- 10 name of the company and the name of the protected series before and after the merger; and
- 11 (ii) A statement of protected series designation signed by the surviving company; and
- 12 (C) For a protected series being established by the surviving company as a result of the
- 13 merger, a protected series designation signed by the company.

§31B-14-607. Effect of merger.

1 When a merger under §31B-14-604 becomes effective, in addition to the effects stated in
2 §31B-9-906 of this code:

3 (1) As provided in the plan of merger, each protected series of each merging company
4 which was established before the merger:

5 (A) Is a relocated protected series or continuing protected series; or

6 (B) Is dissolved, wound up, and terminated;

7 (2) Any protected series to be established as a result of the merger is established;

8 (3) Any relocated protected series or continuing protected series is the same person
9 without interruption as it was before the merger;

10 (4) All property of a relocated protected series or continuing protected series continues to
11 be vested in the protected series without transfer, reversion, or impairment;

12 (5) All debts, obligations, and other liabilities of a relocated protected series or continuing
13 protected series continue as debts, obligations, and other liabilities of the protected series;

14 (6) Except as otherwise provided by law or the plan of merger, all the rights, privileges,
15 immunities, powers, and purposes of a relocated protected series or continuing protected series
16 remain in the protected series;

17 (7) The new name of a relocated protected series may be substituted for the former name
18 of the protected series in any pending action or proceeding;

19 (8) If provided in the plan of merger:

20 (A) A person becomes an associated member or protected-series transferee of a relocated
21 protected series or continuing protected series;

22 (B) A person becomes an associated member of a protected series established by the
23 surviving company as a result of the merger;

(C) Any change in the rights or obligations of a person in the person's capacity as an associated member or protected-series transferee of a relocated protected series or continuing protected series take effect; and

(D) Any consideration to be paid to a person that before the merger was an associated member or protected-series transferee of a relocated protected series or continuing protected series is due; and

(9) Any person that is a member of a relocated protected series becomes a member of the surviving company, if not already a member.

§31B-14-608. Application of §31B-14-404 after merger.

(a) A creditor's right that existed under §31B-14-404 of this code immediately before a merger under §31B-14-604 of this code may be enforced after the merger in accordance with the following rules:

(1) A creditor's right that existed immediately before the merger against the surviving company, a continuing protected series, or a relocated protected series continues without change after the merger.

(2) A creditor's right that existed immediately before the merger against a non-surviving company:

(A) May be asserted against an asset of the non-surviving company which vested in the surviving company as a result of the merger; and

(B) Does not otherwise change.

(3) Subject to subsection (b), the following rules apply:

(A) In addition to the remedy stated in paragraph (1) of this section, a creditor with a right under §31B-14-404 which existed immediately before the merger against a non-surviving company or a relocated protected series may assert the right against:

(i) An asset of the surviving company, other than an asset of the non-surviving company which vested in the surviving company as a result of the merger;

18 (ii) An asset of a continuing protected series; or

19 (iii) An asset of a protected series established by the surviving company as a result of the
20 merger;

21 (iv) If the creditor's right was against an asset of the non-surviving company, an asset of
22 a relocated series; or

23 (v) If the creditor's right was against an asset of a relocated protected series, an asset of
24 another relocated protected series.

25 (B) In addition to the remedy stated in paragraph (2) of this section, a creditor with a right
26 that existed immediately before the merger against the surviving company or a continuing
27 protected series may assert the right against:

28 (i) An asset of a relocated protected series; or

29 (ii) An asset of a non-surviving company which vested in the surviving company as a result
30 of the merger.

31 (b) For the purposes of subsection (a)(3) of this section and §31B-14-404(b)(1)(A), (2)(A),
32 and (3)(A) of this code, the incurrence date is deemed to be the date on which the merger
33 becomes effective.

34 (c) A merger under §31B-14-604 of this code does not affect the manner in which §31B-
35 14-404 of this code applies to a liability incurred after the merger.

§31B-14-701. Governing law.

1 The law of the jurisdiction of formation of a foreign series limited liability company governs:

2 (1) The internal affairs of a foreign protected series of the company, including:

3 (A) Relations among any associated members of the foreign protected series;

4 (B) Relations between the foreign protected series and:

5 (i) Any associated member;

6 (ii) The protected-series manager; or

7 (iii) Any protected-series transferee;

8 (C) Relations between any associated member and:

9 (i) The protected-series manager:

10 (ii) Any protected-series transferee;

11 (D) The rights and duties of a protected-series manager;

12 (E) Governance decisions affecting the activities and affairs of the foreign protected series
13 and the conduct of those activities and affairs; and

14 (F) Procedures and conditions for becoming an associated member or protected-series
15 transferee;

16 (2) Relations between the foreign protected series and:

17 (A) The company;

18 (B) Another foreign protected series of the company;

19 (C) A member of the company which is not an associated member of the foreign protected
20 series;

21 (D) A foreign protected-series manager that is not a protected-series manager of the
22 protected series;

23 (E) A foreign protected-series transferee that is not a foreign protected-series transferee
24 of the protected series; and

25 (F) A transferee of a distributional interest of the company;

26 (3) Except as otherwise provided in §31B-14-402 of this code and §31B-14-404 of this
27 code, the liability of a person for a debt, obligation, or other liability of a foreign protected series
28 of a foreign series limited liability company if the debt, obligation, or liability is asserted solely by
29 reason of the person being or acting as:

30 (A) An associated member, protected-series transferee, or protected-series manager of
31 the foreign protected series;

32 (B) A member of the company which is not an associated member of the foreign protected
33 series;

- 34 (C) A protected-series manager of another foreign protected series of the company;
35 (D) A protected-series transferee of another foreign protected series of the company;
36 (E) A manager of the company; or
37 (F) A transferee of a distributional interest of the company; and
38 (4) Except as otherwise provided in §31B-14-402 and §31B-14-404 of this code:
39 (A) The liability of the foreign series limited liability company for a debt, obligation, or other
40 liability of a foreign protected series of the company if the debt, obligation, or liability is asserted
41 solely by reason of the foreign protected series being a foreign protected series of the company
42 or the company:
43 (i) Being or acting as a foreign protected-series manager of the foreign protected series;
44 (ii) Having the foreign protected series manage the company; or
45 (iii) Owning a protected-series distributional interest of the foreign protected series; and
46 (B) The liability of a foreign protected series for a debt, obligation, or other liability of the
47 company or another foreign protected series of the company if the debt, obligation, or liability is
48 asserted solely by reason of the foreign protected series:
49 (i) Being a foreign protected series of the company or having the company or another
50 foreign protected series of the company be or act as foreign protected-series manager of the
51 foreign protected series; or
52 (ii) Managing the company or being or acting as a foreign protected-series manager of
53 another foreign protected series of the company.

§31B-14-702. No attribution of activities constituting doing business or for establishing jurisdiction.

- 1 In determining whether a foreign series limited liability company or foreign protected series
2 of the company does business in this state or is subject to the personal jurisdiction of the courts
3 of this state:

4 (1) The activities and affairs of the company are not attributable to a foreign protected
5 series of the company solely by reason of the foreign protected series being a foreign protected
6 series of the company; and

7 (2) The activities and affairs of a foreign protected series are not attributable to the
8 company or another foreign protected series of the company solely by reason of the foreign
9 protected series being a foreign protected series of the company.

§31B-14-703. Registration of foreign protected series.

1 (a) Except as otherwise provided in this section and subject to §31B-14-402 and §31B-
2 14-404 of this code, the law of this state governing the registration of a foreign limited liability
3 company to do business in this state, including the consequences of not complying with that law,
4 applies to a foreign protected series of a foreign series limited liability company as if the foreign
5 protected series were a foreign limited liability company formed separately from the foreign series
6 limited liability company and distinct from the foreign series limited liability company and any other
7 foreign protected series of the foreign series limited liability company.

8 (b) An application by a foreign protected series of a foreign series limited liability company
9 for registration to do business in this state must include:

10 (1) The name and jurisdiction of formation of the foreign series limited liability company;
11 and

12 (2) If the company has other foreign protected series, the name and street and mailing
13 address of an individual who knows the name and street and mailing address of:

14 (A) Each other foreign protected series of the foreign series limited liability company; and

15 (B) The foreign protected-series manager of and agent for service of process for each
16 other foreign protected series of the foreign series limited liability company; and

17 (3) Any other information required under §31B-10-1002 of this code for a foreign limited
18 liability company's certificate of authority, including a certificate of existence or a record of similar
19 import.

20 (c) The name of a foreign protected series applying for registration or registered to do
21 business in this state must comply with §31B-14-202 of this code and may do so using a trade
22 name under §47-8-4 of this code if the trade name complies with §31B-14-202 of this code.

23 (d) The requirement in §31B-2-207 of this code to amend a statement of registration to
24 update information applies to the information required by subsection (b) of this section.

**§31B-14-704. Disclosure required when foreign series limited liability company or foreign
protected series party to proceeding.**

1 (a) Not later than 30 days after becoming a party to a proceeding before a civil,
2 administrative, or other adjudicative tribunal of or located in this state or a tribunal of the United
3 States located in this state:

4 (1) A foreign series limited liability company shall disclose to each other party the name
5 and street and mailing address of:

6 (A) Each foreign protected series of the company; and

7 (B) Each foreign protected-series manager of and a registered agent for service of process
8 for each foreign protected series of the company; and

9 (2) A foreign protected series of a foreign series limited liability company shall disclose to
10 each other party the name and street and mailing address of:

11 (A) The company and each manager of the company and an agent for service of process
12 for the company; and

13 (B) Any other foreign protected series of the company and each foreign protected-series
14 manager of and an agent for service of process for the other foreign protected series.

15 (b) If a foreign series limited liability company or foreign protected series challenges the
16 personal jurisdiction of the tribunal, the requirement that the foreign company or foreign protected
17 series make disclosure under subsection (a) of this section is tolled until the tribunal determines
18 whether it has personal jurisdiction.

(c) If a foreign series limited liability company or foreign protected series does not comply with subsection (a) of this section, a party to the proceeding may:

(1) Request the tribunal to treat the noncompliance as a failure to comply with the tribunal's discovery rules; or

(2) Bring a separate proceeding in the court to enforce subsection (a) of this section.

CHAPTER 36. ESTATES AND PROPERTY.

ARTICLE 13. DECENTRALIZED UNINCORPORATED NONPROFIT ASSOCIATION ACT.

§36-13-1. Short title.

This article may be cited as the "Decentralized Unincorporated Nonprofit Association Act."

§36-13-2. Definitions.

As used in this article:

"Administrator" means a person authorized by the members of a decentralized unincorporated nonprofit association to fulfill administrative or operational tasks at the direction of the membership.

"Decentralized unincorporated nonprofit association" means an unincorporated nonprofit association that meets the following requirements:

(1) Consists of at least 100 members joined by mutual consent under an agreement, that may be in writing or inferred from conduct, for a common nonprofit purpose;

(2) Has elected to be formed under this act; and

(3) Is not formed under any other law governing the nonprofit association's organization or operation.

"Digital asset" means a representation of economic, proprietary or access rights that is stored in a computer readable format and is either a digital consumer asset, digital security or virtual currency.

15 "Distributed ledger technology" means a distributed ledger protocol and supporting
16 infrastructure, including blockchain, that uses a distributed, shared and replicated ledger, whether
17 it be public or private, permissioned or permissionless, and that may include the use of digital
18 assets as a medium of electronic exchange.

19 "Established practices" means the practices used by a decentralized unincorporated
20 nonprofit association without material change during the most recent five years of the
21 association's existence, or if the association has existed for less than five years, during the
22 nonprofit association's entire existence.

23 "Governing principles" means all agreements and any amendment or restatement of those
24 agreements, including any decentralized unincorporated nonprofit association agreements,
25 consensus formation algorithms, smart contracts or enacted governance proposals, that govern
26 the purpose or operation of a decentralized unincorporated nonprofit association and the rights
27 and obligations of the nonprofit association's members and administrators, whether contained in
28 a record, implied from the nonprofit association's established practices or both.

29 "Member" means a person who, under the governing principles of a decentralized
30 unincorporated nonprofit association, may participate in the selection of the nonprofit
31 association's administrators or the development of the policies and activities of the nonprofit
32 association.

33 "Membership interest" means a member's voting right in a decentralized unincorporated
34 nonprofit association determined by the nonprofit association's governing principles, including as
35 ascertained from decentralized ledger technology on which the nonprofit association relies to
36 determine a member's voting right.

37 "Person" means an individual, corporation, business trust, estate, trust, partnership,
38 association, agency, joint venture, government, governmental subdivision or instrumentality or
39 any other legal commercial entity.

40 "Record" means information that is inscribed on a tangible medium or that is stored in an
41 electronic or other medium and is retrievable in perceivable form.

42 "Smart contract" means an automated transaction, as defined in any substantially similar
43 analogue or code, script or programming language relying on distributed ledger technology,
44 including blockchain, which may include facilitating and instructing transfers of an asset,
45 administering membership interest votes with respect to a decentralized unincorporated nonprofit
46 association or issuing executable instructions for these actions based on the occurrence or
47 nonoccurrence of specified conditions.

48 "State" means a state of the United States, the District of Columbia, the commonwealth of
49 Puerto Rico or any territory or insular possession subject to the jurisdiction of the United States.

§36-13-3. Governing law; territorial application.

1 (a) The law of this state governs any decentralized unincorporated nonprofit association
2 that is formed in this state.

3 (b) A decentralized unincorporated nonprofit association's governing principles shall
4 identify the jurisdiction in which the decentralized unincorporated nonprofit association is formed.

§36-13-4. Profits; prohibitions on distributions and dividends; compensation and other permitted payments.

1 (a) A decentralized unincorporated nonprofit association may engage in profit-making
2 activities, but profits from any activities shall be used in furtherance of, or set aside for, the
3 nonprofit association's common nonprofit purpose.

4 (b) Except as provided in subsection (c) of this section, a decentralized unincorporated
5 nonprofit association may not make distributions to its members or administrators.

6 (c) A decentralized unincorporated nonprofit association may:

7 (1) Pay reasonable compensation or reimburse reasonable expenses to its members,
8 administrators and persons outside the nonprofit association for services rendered, including with
9 respect to the administration and operation of the nonprofit association, which may include the

provisions of collateral for the self-insurance of the nonprofit association, voting or participation in the nonprofit association's operations and activities;

(2) Confer benefits on its members and administrators in conformity with its common nonprofit purpose;

(3) Repurchase membership interests to the extent authorized by the nonprofit association's governing principles; and

(4) Make distributions of property to members upon winding up and termination of the decentralized unincorporated nonprofit association to the extent permitted by §36-13-26 of this code.

§36-13-5. Real and personal property; decentralized unincorporated nonprofit association as beneficiary, legatee, or devisee.

(a) A decentralized unincorporated nonprofit association in its name may acquire, hold, encumber or transfer an estate or interest in real or personal property.

(b) A decentralized unincorporated nonprofit association may be a legatee, devisee, or beneficiary of a trust or contract.

§36-13-6. Statement of authority as to real property.

(a) A decentralized unincorporated nonprofit association may execute and record a statement of authority to transfer an estate or interest in real property in the name of the nonprofit association.

(b) An estate or interest in real property in the name of a decentralized unincorporated nonprofit association may be transferred by a person so authorized in a statement of authority recorded in the office of the county clerk in which a transfer of the property will be recorded.

(c) A statement of authority shall set forth:

(1) The name of the decentralized unincorporated nonprofit association;

9 (2) The address in this state, including the street address, if any, of the nonprofit
10 association, or if the nonprofit association does not have an address in this state, its out of state
11 address;

12 (3) The name or title of a person authorized to transfer an estate or interest in real property
13 held in the name of the nonprofit association; and

14 (4) The action, procedure or vote of the decentralized unincorporated nonprofit association
15 which authorizes the person to transfer the real property of the nonprofit association and which
16 authorizes the person to execute the statement of authority.

17 (d) A statement of authority shall be executed in the same manner as a deed by a person
18 who is not the person authorized to transfer the estate or interest.

19 (e) A filing officer may collect a fee for recording the statement of authority in the amount
20 authorized for recording a transfer of real property.

21 (f) An amendment, including cancellation, of a statement of authority shall meet the
22 requirements for execution and recording of an original statement. Unless canceled earlier, a
23 recorded statement of authority or its most recent amendment is canceled by operation of law five
24 years after the date of the most recent recording.

25 (g) If the record title to the real property is in the name of a decentralized unincorporated
26 nonprofit association and the statement of authority is recorded in the office of the county in which
27 a transfer of real property would be recorded, the authority of the person named in a statement of
28 authority is conclusive in favor of a person who gives value without notice that the person lacks
29 authority.

§36-13-7. Liability in tort or contract.

1 (a) A decentralized unincorporated nonprofit association is a legal entity separate from its
2 members for the purposes of determining and enforcing rights, duties and liabilities in contract
3 and tort.

4 (b) A person is not liable for a breach of a decentralized unincorporated nonprofit
5 association's contract merely because the person is a member, administrator, authorized to
6 participate in the management of the affairs of the nonprofit association or considered as a
7 member by the nonprofit association.

8 (c) A person is not liable for a tortious act or omission for which a decentralized
9 unincorporated nonprofit association is liable merely because the person is a member or
10 administrator of the nonprofit association, or is a person authorized to participate in the
11 management of the affairs of the nonprofit association or considered as a member by the nonprofit
12 association.

13 (d) A tortious act or omission of a member, administrator or other person for which a
14 decentralized unincorporated nonprofit association is liable is not imputed to a person merely
15 because the person is a member or administrator of the nonprofit association, or is a person
16 authorized to participate in the management of the affairs of the nonprofit association or
17 considered as a member by the nonprofit association.

18 (e) A member, administrator, person authorized to participate in the management of the
19 affairs of the nonprofit association, or person considered as a member by the nonprofit association
20 may assert a claim against the decentralized unincorporated nonprofit association. A
21 decentralized unincorporated nonprofit association may assert a claim against a member,
22 administrator, person authorized to participate in the management of the affairs of the nonprofit
23 association or person considered as a member by the nonprofit association.

§36-13-8. Capacity to assert and defend; standing.

1 (a) A decentralized unincorporated nonprofit association, in its name, may institute,
2 defend, intervene or participate in a judicial, administrative or other governmental proceeding or
3 in an arbitration, mediation or any other form of alternative dispute resolution.

4 (b) A decentralized unincorporated nonprofit association may assert a claim on behalf of
5 its members if:

6 (1) One or more members of the nonprofit association have standing to assert a claim in
7 their own right;

8 (2) The interests the nonprofit association seeks to protect are germane to its purposes;
9 and

10 (3) Neither the claim asserted, nor the relief requested requires the participation of a
11 member.

§36-13-9. Effect of judgment or order.

1 A judgment or order against a decentralized unincorporated nonprofit association is not
2 by itself a judgment or order against a member or administrator of the nonprofit association.

§36-13-10. Appointment of agent to receive service of process.

1 (a) A decentralized unincorporated nonprofit association shall file in the Office of the
2 Secretary of State a statement appointing an agent authorized to receive service of process.

3 (b) A statement appointing an agent shall set forth:

4 (1) The name of the decentralized unincorporated nonprofit association;

5 (2) The address in this state, including the street address, if any, of the nonprofit
6 association, or if the nonprofit association does not have an address in this state, its out of state
7 address; and

8 (3) The name of the person in this state authorized to receive service of process and the
9 person's address, including the state address in this state.

10 (c) A statement appointing an agent shall be signed and acknowledged by a person
11 authorized to administer the affairs of the decentralized unincorporated nonprofit association. The
12 statement shall also be signed and acknowledged by the person appointed agent, who thereby
13 accepts the appointment. The appointed agent may resign by filing a resignation in the office of
14 the Secretary of State and giving notice to the nonprofit association. Within 10 business days of
15 the resignation, the decentralized unincorporated nonprofit association shall appoint and file a
16 statement appointing a new agent authorized to receive service of process.

17 (d) A filing officer may collect a fee for filing a statement appointing an agent to receive
18 service of process, an amendment or a resignation in an amount as prescribed by the Secretary
19 of State.

20 (e) An amendment to a statement appointing an agent to receive service of process shall
21 meet the requirements for execution of an original statement.

22 (f) If the Secretary of State refuses to file a statement appointing an agent, the Secretary
23 of State shall return the statement to the decentralized unincorporated nonprofit association or its
24 representative within 15 days after the statement was received by the Secretary of State, together
25 with a brief, written explanation of the reason for the refusal.

§36-13-11. Summons and complaint; service on whom.

1 In an action or proceeding against a decentralized unincorporated nonprofit association a
2 summons and complaint shall be served on an agent authorized by appointment to receive
3 service of process, an officer, managing or general agent, or a person authorized to administer
4 the affairs of the nonprofit association. If none of them can be served, service may be made on a
5 member of the nonprofit association.

§36-13-12. Claim not abated by change of members, administrators or persons authorized.

1 A claim for relief against a decentralized unincorporated nonprofit association shall not
2 abate merely because of a change in its members or persons authorized to administer the affairs
3 of the nonprofit association.

§36-13-13. Venue.

1 (a) For purposes of venue, a decentralized unincorporated nonprofit association is a
2 resident of a county in which:

3 (1) The decentralized unincorporated nonprofit association has an office;

4 (2) The decentralized unincorporated nonprofit association conducts its business or
5 activities; or

6 (3) The agent authorized to receive service of process under §36-13-10 of this code
7 resides.

§36-13-14. Perpetual existence, dissolution, continuation of existence.

1 (a) A decentralized unincorporated nonprofit association shall have perpetual existence
2 unless its governing principles otherwise specify.

3 (b) A decentralized unincorporated nonprofit association may be dissolved by any of the
4 following methods:

5 (1) If the governing principles of the nonprofit association provide a time or method for
6 dissolution, by that method;

7 (2) If the governing principles of the nonprofit association do not provide a method for
8 dissolution, by approval of its members in accordance with §36-13-20 of this code;

9 (3) If membership in the decentralized unincorporated nonprofit association falls below
10 100 members and the decentralized unincorporated nonprofit association does not meet the
11 requirements of a West Virginia unincorporated nonprofit association under this article; or

12 (4) By court order.

13 (c) After dissolution, a decentralized unincorporated nonprofit association continues in
14 existence until its activities have been wound up and terminated pursuant to §36-13-26 of this
15 code.

§36-13-15. Admission, suspension, dismissal or expulsion of members.

1 (a) A person becomes a member in accordance with the governing principles of the
2 decentralized unincorporated nonprofit association. If there are no applicable governing
3 principles, a person shall be considered a member upon purchase or assumption of ownership of
4 a membership interest and the person shall continue as a member absent the person's
5 suspension, dismissal or expulsion pursuant to subsection (b) of this section, resignation pursuant
6 to §36-13-26 of this code or the nonprofit association's dissolution and wind-up pursuant to §36-
7 13-14 to §36-13-26 of this code.

8 (b) Subject to the governing principles, a member may be suspended, dismissed or
9 expelled from a decentralized unincorporated nonprofit association. If there are no applicable
10 governing principles, a member may be suspended, dismissed or expelled by approval of its
11 members in accordance with §36-13-20 of this code.

12 (c) Unless otherwise provided for in the governing principles, suspension, dismissal or
13 expulsion of a member does not relieve the member of any obligation incurred, or commitment
14 made by the member, before the suspension, dismissal or expulsion.

§36-13-16. Member resignation.

1 (a) A member may resign as a member of a decentralized unincorporated nonprofit
2 association in accordance with the governing principles of the nonprofit association. If there are
3 no applicable governing principles, a member shall be deemed to have resigned as a member
4 upon the disposal, whether voluntary or involuntary, of all membership interests or other property
5 or instruments that confer upon the person a voting right within the nonprofit association.

6 (b) Unless otherwise provided for in the governing principles, resignation of a member
7 does not relieve the member of any obligation incurred, or commitment made by the member,
8 before the resignation.

§36-13-17. Duties of members.

1 (a) Unless otherwise provided for in the governing principles, a member shall not have
2 any fiduciary duty to a decentralized unincorporated nonprofit association or to any other member
3 of the nonprofit association merely by reason of being a member.

4 (b) A member acting on behalf of the association shall discharge his or her duties in the
5 best interest of the association.

§36-13-18. Member has no agency powers.

1 (a) A member is not an agent of a decentralized unincorporated nonprofit association
2 merely by reason of being a member.

3 (b) A person's status as a member does not prevent or restrict laws other than this act
4 from imposing liability on a decentralized unincorporated nonprofit association because of the
5 member's conduct.

§36-13-19. Member interests transferable.

1 Except as otherwise provided in the decentralized unincorporated nonprofit association's
2 governing principles, a member interest or any right thereunder is freely transferable to another
3 person through conveyance of the membership interest.

§36-13-20. Approval by members.

1 (a) Except as otherwise provided in the governing principles, a decentralized
2 unincorporated nonprofit association shall have the approval of the majority of membership
3 interests participating in a vote to:

4 (1) Suspend, dismiss or expel a member;

5 (2) Select or dismiss an administrator;

6 (3) Adopt, amend, or repeal the governing principles;

7 (4) Sell, lease, exchange or otherwise dispose of the decentralized unincorporated
8 nonprofit association's property;

9 (5) Dissolve the decentralized unincorporated nonprofit association under §36-13-14 of
10 this code;

11 (6) Undertake any other act outside the ordinary course of the decentralized
12 unincorporated nonprofit association's activities;

13 (7) Determine the policy and purpose of the decentralized unincorporated nonprofit
14 association.

15 (b) A decentralized unincorporated nonprofit association shall have the approval of its
16 members in accordance with its governing principles to perform any acts or exercise a right that
17 the governing principles require to be approved by members.

18 (c) Unless otherwise provided for in the governing principles, membership interest in a
19 decentralized unincorporated nonprofit association shall be calculated in proportion to a member's
20 voting rights within the nonprofit association.

§36-13-21. Utilization of distributed ledger technology.

1 (a) A decentralized unincorporated nonprofit association may provide for its governance,
2 in whole or in part, through distributed ledger technology, including smart contracts.

3 (b) The governing principles for a decentralized unincorporated nonprofit association may:

4 (1) Specify whether any distributed ledger technology utilized or enabled by the
5 decentralized unincorporated nonprofit association will be fully immutable or subject to change by
6 the nonprofit association and whether any distributed ledger will be fully or partially public or
7 private, including the extent of a member's access to information;

8 (2) Adopt voting procedures, which may include smart contracts deployed to distributed
9 ledger technology that provide for the following:

10 (A) Proposals from members or administrators in the decentralized unincorporated
11 nonprofit association for upgrades, modifications or additions to software systems or protocols;

12 (B) Other proposed changes to the decentralized unincorporated nonprofit association's
13 governing principles; and

14 (C) Any other matters of governance or activities within the purpose of the decentralized
15 unincorporated nonprofit association.

§36-13-22. Consensus formation algorithms and governance process.

1 In accordance with its governing principles, a decentralized unincorporated nonprofit
2 association may:

3 (1) Adopt any reasonable algorithmic means for establishing consensus for the validation
4 of records, as well as for establishing requirements, processes and procedures for conducting
5 operations or making organizational decisions with respect to the distributed ledger technology
6 used by the decentralized unincorporated nonprofit association; and

7 (2) In accordance with any procedure specified pursuant to §36-13-21 of this code, modify
8 the consensus mechanism, as well as the requirements, processes and procedures or substitute
9 a new consensus mechanism, requirements, processes or procedures that comply with this
10 state's law and the governing principles of the nonprofit association.

§36-13-23. Selection of administrators; rights and duties of administrators.

1 (a) Unless otherwise provided for in the decentralized unincorporated nonprofit
2 association's governing principles, the members of a nonprofit association may select the
3 nonprofit association's administrators in accordance with §36-13-20 of this code.

4 (b) If no administrators are selected, none of the members shall be considered
5 administrators for the decentralized unincorporated nonprofit association.

6 (c) No decentralized unincorporated nonprofit association shall be required to have an
7 administrator, and the rights and duties of all administrators shall be established as part of the
8 authorization of authority to act as an administrator.

9 (d) If in a record, the governing principles of a decentralized unincorporated nonprofit
10 association may limit or eliminate the liability of an administrator to the nonprofit association or its
11 members for money damages for any action taken, or failure to take any action, as an
12 administrator except liability for:

13 (1) The amount of financial benefit improperly received by an administrator;

14 (2) An intentional infliction of harm on the nonprofit association or its members;

15 (3) An intentional violation of criminal law;

16 (4) Breach of the duty of loyalty should one exist, unless, following full disclosure of all
17 material facts to the nonprofit association members, the specific act or transaction that would
18 otherwise breach the duty of loyalty is authorized or ratified by approval of the disinterested
19 members pursuant to §36-13-20 of this code; or

20 (5) Improper distributions.

§36-13-24. Right to inspect records.

1 (a) Except as provided by subsection (b), on reasonable notice, a member or administrator
2 of a decentralized unincorporated nonprofit association is entitled to an electronic record of any
3 record maintained by the nonprofit association regarding the nonprofit association's activities,
4 financial condition, and other circumstances, to the extent the information is material to the
5 member's or administrator's rights and duties under the decentralized unincorporated nonprofit
6 association's governing principles or this act.

7 (b) A decentralized unincorporated nonprofit association is not obligated to provide
8 records requested from a member or administrator if access to the information is contained in a
9 record available to the member or administrator in a medium available to the member, including
10 distributed ledger technology.

11 (c) A decentralized unincorporated nonprofit association may impose reasonable
12 restrictions on access to and use of information that may be provided under this section, including
13 by designating the information confidential and imposing nondisclosure or other safeguarding
14 obligations on the recipient of the information. In a dispute concerning the reasonableness of a
15 restriction under this subsection, the nonprofit association shall have the burden of proving
16 reasonableness.

17 (d) A former member or administrator may have access to information to which the former
18 member or administrator was entitled to as a member or administrator if:

19 (1) The information relates to the period of time during which the former member or
20 administrator was a member or administrator;

21 (2) The former member or administrator seeks the information in good faith; and

22 (3) The former member or administrator satisfies the requirements of subsection (a)
23 through (c) of this section with respect to the information.

24 (e) A decentralized unincorporated nonprofit association shall not be obligated to collect
25 and maintain a list of members or individual member information, including the names or
26 addresses of its members.

§36-13-25. Indemnification; advancement of expenses.

1 (a) Unless otherwise provided in its governing principles, a decentralized unincorporated
2 nonprofit association may reimburse a member or administrator for authorized expenses
3 reasonably incurred on behalf of the nonprofit association.

4 (b) A decentralized unincorporated nonprofit association may indemnify a member or
5 administrator for any debt, obligation or other liability incurred in the course of the member or
6 administrator's activities on behalf of the nonprofit association. To be eligible for indemnification,
7 an administrator shall have complied with the duties stated in §36-13-23 of this code. If in a record,
8 a nonprofit association's governing principles may broaden or limit this right of indemnification.

9 (c) If a person is made, or threatened to be made, a party in a proceeding based on that
10 person's conduct in the affairs of a decentralized unincorporated nonprofit association, that
11 person is entitled, upon written request to the nonprofit association, including through
12 decentralized ledger technology, to receive payment of or reimbursement by the nonprofit
13 association, of reasonable expenses, including attorney's fees and disbursements, incurred by
14 that person in advance of the final disposition of the proceeding. To be entitled to these payments
15 or advances the person making the request shall make a written affirmation that the person has
16 a good faith belief that the criteria for indemnification in subsection (a) of this section have been
17 satisfied and that the person will repay the amounts paid or reimbursed if it is determined that the
18 criteria for reimbursement have not been satisfied. No payment or reimbursement under this
19 subsection shall be made without prior approval, in a record, of the disinterested members under
20 §36-13-2 of this code.

21 (d) A decentralized unincorporated nonprofit association may purchase and maintain
22 insurance on behalf of a member or administrator for liability asserted against or incurred by the
23 member or administrator in that capacity, whether or not the nonprofit association would have the
24 power to indemnify or advance expenses to the member or administrator against the same liability
25 under this section.

26 (e) These rights of reimbursement, indemnification and advancement of expense apply to
27 former members or administrators for activities undertaken on behalf of the decentralized
28 unincorporated nonprofit association while they were members or administrators.

§36-13-26. Winding up; termination.

1 (a) A dissolved decentralized unincorporated nonprofit association shall wind up its
2 operations and the nonprofit association shall continue after dissolution only for the purpose of
3 winding up.

4 (b) In winding up a decentralized unincorporated nonprofit association, the members:

5 (1) Shall discharge the nonprofit association's debts, obligations and other liabilities, settle
6 and close the nonprofit association's business and distribute any remaining property:

7 (A) To another entity or person with similar nonprofit purposes, if required by law other
8 than this article;

9 (B) In accordance with the nonprofit association's governing principles. In the absence of
10 applicable governing principles, to the current members of the nonprofit association in proportion
11 to their membership interests; or

12 (C) If neither subdivision (A) or (B) of this paragraph applies, in accordance with the law
13 of unclaimed property contained in §36-8-1 *et seq.* of this code.

14 (2) May:

15 (A) Authorize an administrator to wind up the nonprofit association in accordance with
16 §36-13-20 of this code. Any administrator so authorized shall owe the nonprofit association a duty
17 of care in the conduct or winding up of the nonprofit to refrain from grossly negligent or reckless
18 conduct, willful or intentional misconduct or a knowing violation of the law;

19 (B) Preserve the nonprofit association's operations and property as a going concern for a
20 reasonable time;

21 (C) Prosecute and defend actions and proceedings, whether civil, criminal or
22 administrative;

(D) Transfer the nonprofit association's property;

(E) Settle disputes by mediation or arbitration;

(F) Perform other acts necessary or appropriate to the winding up.

(3) If the members of a nonprofit association do not appoint an administrator or administrators to wind up the nonprofit association, the members shall owe the nonprofit association a duty of care in the conduct or winding up of the nonprofit association's operations to refrain from engaging in grossly negligent or reckless conduct, willful or intentional misconduct or a knowing violation of the law.

§36-13-27. Mergers.

(a) As used in this section:

(1) "Constituent organization" means an organization that is merged with one or more other organizations and includes the surviving organization;

(2) "Charitable purpose" means any purpose of an organization that has attained exemption under section 501(c)(3) of the Internal Revenue Code or any successor section, or that upon dissolution shall distribute its assets to a public benefit corporation, the United States, a state or a person that is recognized as exempt under section 501(c)(3) of the Internal Revenue Code or any successor section;

(3) "Disappearing organization" means a constituent organization that is not the surviving organization;

(4) "Governing statute" means the statute that governs an organization's internal affairs;

(5) "Organization" means a decentralized unincorporated nonprofit association, an unincorporated nonprofit association, a general partnership, including a limited liability partnership, a limited partnership, including a limited liability limited partnership, a limited liability company, a business or statutory trust, a corporation or any other legal or commercial person having a governing statute. The term includes a domestic or foreign organization regardless of whether the organization is organized for profit;

(6) "Organizational document" means the basic records that create the organization and determine its internal governance and the relations among the persons that own it, have an interest in it or are members of it;

(7) "Surviving organization" means an organization into which one or more other organizations are merged.

(b) A decentralized unincorporated nonprofit association may merge with any organization that is not expressly prohibited by the law.

(c) A merger involving a decentralized unincorporated nonprofit association is subject to the following requirements:

(1) Each of the constituent merging organizations shall comply with its governing law;

(2) Each party to the merger shall approve a plan of merger in accordance with its governing principles. The plan shall be in a record and shall include the following provisions:

(A) The name and form of each organization that is party to the merger;

(B) The name and form of the surviving organization and, if the surviving organization is to be created by the merger, a statement to that effect;

(C) The terms and conditions of the merger, including the manner and basis for converting the interests in each constituent organization into any combination of money, interests in the surviving organization or other considerations;

(D) If the surviving organization is to be created by the merger, the surviving organization's organizational documents that are proposed to be in a record; and

(E) If the surviving organization is not to be created by the merger, any amendments to be made by the merger to the surviving organization's organizational documents that are, or are proposed to be, in a record.

(3) The plan of merger shall be approved by the members of each decentralized unincorporated nonprofit association that is a constituent organization in the merger, subject to §36-13-20 of this code. If a member of a nonprofit association that is party to a merger will have

44 personal liability with respect to an obligation of a constituent or surviving organization, the
45 consent in a record of that member to the plan of merger shall also be obtained;

46 (4) Subject to the contractual rights of third parties, after a plan of merger is approved and
47 at any time before the merger is effective, a constituent organization may amend the plan or
48 abandon the merger as provided in the plan, or except as otherwise prohibited in the plan, with
49 the same consent as was required to approve the plan;

50 (5) Following approval of the plan, a merger under this section shall be effective if:

51 (A) A constituent organization is required to give notice to or obtain the approval of a
52 governmental agency or officer in order to be a party to a merger, the notice has been given and
53 the approval has been obtained; and

54 (B) The surviving organization is a decentralized unincorporated nonprofit association, as
55 specified in the plan of merger and upon compliance by any constituent organization that is not a
56 nonprofit association with any requirements, including any required filings in the office of the
57 Secretary of State, of the organization's governing statute; or

58 (C) The surviving organization is not a decentralized unincorporated nonprofit association
59 under the state law governing the surviving organization.

60 (d) When a merger becomes effective:

61 (1) The surviving organization continues or comes into existence;

62 (2) Each constituent organization that merges into the surviving organization ceases to
63 exist as a separate entity;

64 (3) All property owned by each constituent organization that ceases to exist vests in the
65 surviving organization;

66 (4) All debts, obligations or other liabilities of each constituent organization that ceases to
67 exist continue as debts, obligations or other liabilities of the surviving organization;

68 (5) An action or proceeding pending by or against any constituent organization that ceases
69 to exist may be continued as if the merger had not occurred;

70 (6) Except as prohibited by other law, all of the rights, privileges, immunities, powers and
71 purposes of each constituent organization that ceases to exist vest in the surviving organization;

72 (7) Except as otherwise provided in the plan of merger, the terms and conditions of the
73 plan of merger take effect;

74 (8) The merger shall not affect the personal liability, if any, of a member, administrator or
75 manager of a constituent association for a debt, liability or obligation of the nonprofit association
76 incurred before the merger is effective; and

77 (9) A surviving organization that is a foreign organization consents to the jurisdiction of the
78 courts of this state to enforce any debt, obligation or other liability owed by a constituent
79 organization, if before the merger the constituent organization was subject to suit in this state on
80 the debt, obligation or other liability. A surviving organization that is a foreign organization and not
81 authorized to transact business in this state appoints the Secretary of State as agent for service
82 of process for the purpose of enforcing a debt, obligation or other liability under this subsection.

83 (e) Property held for a charitable purpose under the law of this state by a domestic or
84 foreign organization immediately before a merger under this section becomes effective shall not,
85 as a result of the merger, be diverted from the objects for which it was donated, granted or
86 devised, unless, to the extent required by or pursuant to the law of this state concerning
87 nondiversion of charitable assets, the organization obtains an appropriate order of the attorney
88 general or of the district court in a proceeding for which the attorney general has been given notice
89 specifying the disposition of the property.

90 (f) A bequest, devise, gift, grant or promise contained in a will or other instrument of
91 donation, subscription or conveyance that is made to a disappearing organization and that takes
92 effect or remains payable after the merger inures to the benefit of the surviving organization. A
93 trust obligation that would govern property if transferred to the disappearing entity applies to
94 property that is instead transferred to the surviving organization under this section.

§36-13-28. Conversion of entities.

1 (a) An unincorporated nonprofit association formed under §36-11-1 *et seq.* of this code
2 that meets the requirements of §36-13-2 of this code may elect to be governed by this act by
3 approval of its members. If the unincorporated nonprofit association's governing principles provide
4 a method for approving the election, the election shall be approved by that method. If the
5 governing principles do not provide a method for approving the election, the election shall be
6 approved by a majority of the members of the unincorporated nonprofit association.

7 (b) An election under subsection (a) of this section takes effect upon approval by the
8 members of the unincorporated nonprofit association. Upon the effective date of the election, the
9 unincorporated nonprofit association shall be governed by this act and shall be a decentralized
10 unincorporated nonprofit association for all purposes of the laws of this state.

11 (c) A decentralized unincorporated nonprofit association may elect to cease being
12 governed by this act by approval of its members in accordance with §36-13-20 of this code. Upon
13 the effective date of the cessation, the entity shall continue as an unincorporated nonprofit
14 association under §36-11-1 *et seq.* of this code.

15 (d) A decentralized unincorporated nonprofit association that transitions to an
16 unincorporated nonprofit association under §36-13-14 of this code by reason of its membership
17 falling below one hundred members shall be governed by §36-11-1 *et seq.* of this code from the
18 date of the transition.

19 (e) An unincorporated nonprofit association that elects to be governed by this act under
20 subsection (a) of this section, or a decentralized unincorporated nonprofit association that ceases
21 to be governed by this act under subsection (c) or (d) of this section, is for all purposes the same
22 entity that existed before the election, cessation or transition. All property owned by, all debts,
23 obligations and other liabilities of, and all actions and proceedings pending by or against the entity
24 shall continue unaffected by the election, cessation or transition. The election, cessation or
25 transition shall not constitute a dissolution of the entity and shall not require the entity to wind up
26 its affairs.

27 (f) The governing principles of an entity that makes an election under subsection (a) of this
28 section or that ceases to be governed by this act under subsection (c) or (d) of this section shall
29 continue in effect to the extent they are not inconsistent with the law governing the entity after the
30 election, cessation or transition.

§36-13-29. Supplemental principles of law.

1 Principles of law and equity supplement this article unless displaced by a specific provision
2 of this article.

§36-13-30. Rulemaking authority.

1 The Secretary of State may propose rules for legislative approval in accordance with
2 §29A-3-1 *et seq.* of this code as may be necessary to implement and administer the provisions of
3 this article.

§36-13-31. Effective Date.

1 This article is effective July 1, 2026.

CHAPTER 46. UNIFORM COMMERCIAL CODE.

ARTICLE 1. GENERAL PROVISIONS.

PART 2. GENERAL DEFINITIONS AND PRINCIPLES OF INTERPRETATION.

§46-1-201. General definitions.

1 (a) Unless the context otherwise requires, words or phrases defined in this section, or in
2 the additional definitions contained in other articles of this chapter that apply to particular articles
3 or parts thereof, have the meanings stated.

4 (b) Subject to definitions contained in other articles of this chapter that apply to particular
5 articles or parts thereof:

6 (1) "Action", in the sense of a judicial proceeding, includes recoupment, counterclaim, set-
7 off, suit in equity, and any other proceeding in which rights are determined.

8 (2) "Aggrieved party" means a party entitled to pursue a remedy.

9 (3) "Agreement", as distinguished from contract, means the bargain of the parties in fact,
10 as found in their language or inferred from other circumstances, including course of performance,
11 course of dealing, or usage of trade as provided in section 1-303.

12 (4) "Bank" means a person engaged in the business of banking and includes a savings
13 bank, savings and loan association, credit union, and trust company.

14 (5) "Bearer" means a person in control of a negotiable electronic document of title or a
15 person in possession of a negotiable instrument, document of title, or certificated security that is
16 payable to bearer or indorsed in blank.

17 (6) "Bill of lading" means a document of title evidencing the receipt of goods for shipment
18 issued by a person engaged in the business of directly or indirectly transporting or forwarding
19 goods. The term does not include a warehouse receipt.

20 (7) "Branch" includes a separately incorporated foreign branch of a bank.

21 (8) "Burden of establishing" a fact means the burden of persuading the trier of fact that the
22 existence of the fact is more probable than its nonexistence.

23 (9) "Buyer in ordinary course of business" means a person that buys goods in good faith,
24 without knowledge that the sale violates the rights of another person in the goods, and in the
25 ordinary course from a person, other than a pawnbroker, in the business of selling goods of that
26 kind. A person buys goods in the ordinary course if the sale to the person comports with the usual
27 or customary practices in the kind of business in which the seller is engaged or with the sellers
28 own usual or customary practices. A person that sells oil, gas, or other minerals at the wellhead
29 or minehead is a person in the business of selling goods of that kind. A buyer in ordinary course
30 of business may buy for cash, by exchange of other property, or on secured or unsecured credit,
31 and may acquire goods or documents of title under a preexisting contract for sale. Only a buyer
32 that takes possession of the goods or has a right to recover the goods from the seller under article
33 two may be a buyer in ordinary course of business. "Buyer in ordinary course of business" does

not include a person that acquires goods in a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

(10) "Conspicuous", with reference to a term, means so written, displayed, or presented that a reasonable person against which it is to operate ought to have noticed it. Whether a term is "conspicuous" or not is a decision for the court. Conspicuous terms include the following:

(A) A heading in capitals equal to or greater in size than the surrounding text, or in contrasting type, font or color to the surrounding text of the same or lesser size; and

(B) Language in the body of a record or display in larger type than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same size, or set off from surrounding text of the same size by symbols or other marks that call attention to the language.

(11) "Consumer" means an individual who enters into a transaction primarily for personal, family or household purposes.

(12) "Contract", as distinguished from "agreement", means the total legal obligation that results from the parties' agreement as determined by this chapter as supplemented by any other applicable laws.

(13) "Creditor" includes a general creditor, a secured creditor, a lien creditor and any representative of creditors, including an assignee for the benefit of creditors, a trustee in bankruptcy, a receiver in equity, and an executor or administrator of an insolvent debtors or assignor's estate.

(14) "Defendant" includes a person in the position of defendant in a counterclaim, cross-claim or third-party claim.

(15) "Delivery", with respect to an electronic document of title means voluntary transfer of control and with respect to an instrument, document of title or chattel paper, means voluntary transfer of possession.

(16) "Document of title" means a record: (i) That in the regular course of business or financing is treated as adequately evidencing that the person in possession or control of the record

60 is entitled to receive, control, hold, and dispose of the record and the goods the record covers;
61 and (ii) that purports to be issued by or addressed to a bailee and to cover goods in the bailees
62 possession which are either identified or are fungible portions of an identified mass. The term
63 includes a bill of lading, transport document, dock warrant, dock receipt, warehouse receipt, and
64 order for delivery of goods. An electronic document of title means a document of title evidenced
65 by a record consisting of information stored in an electronic medium. A tangible document of title
66 means a document of title evidenced by a record consisting of information that is inscribed on a
67 tangible medium.

68 (17) "Fault" means a default, breach or wrongful act or omission.

69 (18) "Fungible goods" means:

70 (A) Goods of which any unit, by nature or usage of trade, is the equivalent of any other
71 like unit; or

72 (B) Goods that by agreement are treated as equivalent.

73 (19) "Genuine" means free of forgery or counterfeiting.

74 (20) "Good faith", except as otherwise provided in article 5, means honesty in fact and the
75 observance of reasonable commercial standards of fair dealing.

76 (21) "Holder" means:

77 (A) The person in possession of a negotiable instrument that is payable either to bearer
78 or to an identified person that is the person in possession; or

79 (B) The person in possession of a negotiable tangible document of title if the goods are
80 deliverable either to bearer or to the order of the person in possession; or

81 (C) The person in control of the negotiable electronic document of title.

82 (22) "Insolvency proceeding" includes an assignment for the benefit of creditors or other
83 proceeding intended to liquidate or rehabilitate the estate of the person involved.

84 (23) "Insolvent" means:

85 (A) Having generally ceased to pay debts in the ordinary course of business other than as
86 a result of bona fide dispute;

87 (B) Being unable to pay debts as they become due; or

88 (C) Being insolvent within the meaning of federal bankruptcy law.

89 (24) "Money" means a medium of exchange currently authorized or adopted by a domestic
90 or foreign government. The term includes a monetary unit of account established by an
91 intergovernmental organization or by agreement between two or more countries.

92 (25) "Organization" means a person other than an individual.

93 (26) "Party", as distinguished from third party, means a person that has engaged in a
94 transaction or made an agreement subject to this chapter.

95 (27) "Person" means an individual, corporation, business trust, estate, trust, partnership,
96 limited liability company, series limited liability company, protected series, association, joint
97 venture, government, governmental subdivision, agency, instrumentality, public corporation, or
98 any other legal or commercial entity.

99 (28) "Present value" means the amount as of a date certain of one or more sums payable
100 in the future, discounted to the date certain by use of either an interest rate specified by the parties
101 if that rate is not manifestly unreasonable at the time the transaction is entered into or, if an interest
102 rate is not so specified, a commercially reasonable rate that takes into account the facts and
103 circumstances at the time the transaction is entered into.

104 (29) "Purchase" means taking by sale, lease, discount, negotiation, mortgage, pledge,
105 lien, security interest, issue or reissue, gift or any other voluntary transaction creating an interest
106 in property.

107 (30) "Purchaser" means a person that takes by purchase.

108 (31) "Record" means information that is inscribed on a tangible medium or that is stored
109 in an electronic or other medium and is retrievable in perceivable form.

110 (32) "Remedy" means any remedial right to which an aggrieved party is entitled with or
111 without resort to a tribunal.

112 (33) "Representative" means a person empowered to act for another, including an agent,
113 an officer of a corporation or association, and a trustee, executor or administrator of an estate.

114 (34) "Right" includes remedy.

115 (35) "Security interest" means an interest in personal property or fixtures which secures
116 payment or performance of an obligation. "Security interest" includes any interest of a consignor
117 and a buyer of accounts, chattel paper, a payment intangible or a promissory note in a transaction
118 that is subject to article 9. "Security interest" does not include the special property interest of a
119 buyer of goods on identification of those goods to a contract for sale under section 2-401, but a
120 buyer may also acquire a "security interest" by complying with article 9. Except as otherwise
121 provided in section 2-505, the right of a seller or lessor of goods under article 2 or 2A to retain or
122 acquire possession of the goods is not a "security interest", but a seller or lessor may also acquire
123 a "security interest" by complying with article 9. The retention or reservation of title by a seller of
124 goods notwithstanding shipment or delivery to the buyer under section 2-401 is limited in effect to
125 a reservation of a "security interest". Whether a transaction in the form of a lease creates a
126 "security interest" is determined pursuant to section 1-203.

127 (36) "Send" in connection with a writing, record, or notice means:

128 (A) To deposit in the mail or deliver for transmission by any other usual means of
129 communication with postage or cost of transmission provided for and properly addressed and, in
130 the case of an instrument, to an address specified thereon or otherwise agreed, or if there be
131 none to any address reasonable under the circumstances; or

132 (B) In any other way to cause to be received any record or notice within the time it would
133 have arrived if properly sent.

134 (37) "Signed" includes using any symbol executed or adopted with present intention to
135 adopt or accept a writing.

136 (38) "State" means a state of the United States, the District of Columbia, Puerto Rico, the
137 United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the
138 United States.

139 (39) "Surety" includes a guarantor or other secondary obligor.

140 (40) "Term" means a portion of an agreement that relates to a particular matter.

141 (41) "Unauthorized signature" means a signature made without actual, implied or apparent
142 authority. The term includes a forgery.

143 (42) "Warehouse receipt" means a document of title issued by a person engaged in the
144 business of storing goods for hire.

145 (43) "Writing" includes printing, typewriting, or any other intentional reduction to tangible
146 form. "Written" has a corresponding meaning.

CHAPTER 59. FEES, ALLOWANCES AND COSTS; NEWSPAPERS; LEGAL ADVERTISEMENTS.

ARTICLE 1. FEES AND ALLOWANCES.

§59-1-2. Fees to be charged by Secretary of State.

1 (a) Except as may be otherwise provided in this code, the Secretary of State shall charge
2 for services rendered in his or her office the following fees to be paid by the person to whom the
3 service is rendered at the time it is done:

4 (1) For filing, recording, indexing, preserving a record of, and issuing a certificate relating
5 to, the formation, amendment, change of name, registration of trade name, merger, consolidation,
6 conversion, renewal, dissolution, termination, cancellation, withdrawal, revocation, and
7 reinstatement of business entities organized within the state, as follows:

8 (A) Articles of incorporation of for-profit corporation, \$100;

(B) Articles of incorporation of nonprofit corporation, \$25;

(C) Articles of organization of limited liability company, \$100;

(D) Agreement of a general partnership, \$50;

(E) Certificate of a limited partnership, \$100;

(F) Agreement of a voluntary association, \$50;

(G) Articles of organization of a business trust, \$50;

(H) Amendment or correction of articles of incorporation, including change of name or increase of capital stock, in addition to any applicable license tax, \$25;

(I) Amendment or correction, including change of name, of articles of organization of business trust, limited liability partnership, limited liability company, professional limited liability company, series limited liability company, or protected series; or of certificate of limited partnership; or of agreement of voluntary association, \$25;

(J) Amendment and restatement of articles of incorporation, certificate of limited partnership, agreement of voluntary association or articles of organization of limited liability partnership, limited liability company, professional limited liability company, series limited liability company, protected series, or business trust, \$25;

(K) Registration of trade name, otherwise designated as a true name, fictitious name or D. B. A. (doing business as) name for any domestic business entity as permitted by law, \$25;

(L) Articles of merger of two corporations, limited partnerships, limited liability partnerships, limited liability companies, professional limited liability companies, series limited liability companies, protected series, voluntary associations, or business trusts, \$25;

(M) Plus for each additional party to the merger in excess of two, \$15;

(N) Statement of conversion, when permitted, from one business entity into another business entity, in addition to the cost of filing the appropriate documents to organize the surviving entity, \$25;

(O) Articles of dissolution of a corporation, voluntary association or business trust, or statement of dissolution of a general partnership, \$25;

(P) Revocation of voluntary dissolution of a corporation, voluntary association or business trust, \$15;

(Q) Articles of termination of a limited liability company, cancellation of a limited partnership or statement of withdrawal of limited liability partnership, \$25;

(R) Reinstatement of a limited liability company, professional limited liability company, a series limited liability company, or protected series after administrative dissolution, \$25.

(2) For filing, recording, indexing, preserving a record of and issuing a certificate relating to the registration, amendment, change of name, merger, consolidation, conversion, renewal, withdrawal or termination within this state of business entities organized in other states or countries, as follows:

(A) Certificate of authority of for-profit corporation, \$100;

(B) Certificate of authority of nonprofit corporation, \$50;

(C) Certificate of authority of foreign limited liability companies or foreign protected series limited liability company, \$150;

(D) Certificate of exemption from certificate of authority, \$25;

(E) Registration of a general partnership, \$50;

(F) Registration of a limited partnership, \$150;

(G) Registration of a limited liability partnership, \$500;

(H) Registration of a voluntary association, \$50;

(I) Registration of a trust or business trust, \$50;

(J) Registration of a series limited liability company, \$25;

(K) Amendment or correction of certificate of authority of a foreign corporation, including change of name or increase of capital stock, in addition to any applicable license tax, \$25;

(L) Amendment or correction of certificate of limited partnership, limited liability partnership, limited liability company or professional limited liability company, voluntary association or business trust, \$25;

(M) Registration of trade name, otherwise designated as a true name, fictitious name or D. B. A. (doing business as) name for any foreign business entity as permitted by law, \$25;

(N) Amendment and restatement of certificate of authority or of registration of a corporation, limited partnership, limited liability partnership, limited liability company, professional limited liability company, series limited liability company, protected series, voluntary association, or business trust, \$25;

(O) Articles of merger of two corporations, limited partnerships, limited liability partnerships, limited liability companies, professional limited liability companies, series limited liability companies, voluntary associations or business trusts, \$25;

(P) Plus, for each additional party to the merger in excess of two, \$5;

(Q) Statement of conversion, when permitted, from one business entity into another business entity, in addition to the cost of filing the appropriate articles or certificate to organize the surviving entity, \$25;

(R) Certificate of withdrawal or cancellation of a corporation, limited partnership, limited liability partnership, limited liability company, voluntary association or business trust, \$25;

Notwithstanding any other provision of this section to the contrary, after June 30, 2008, the fees described in this subdivision that are collected for the issuance of a certificate relating to the initial registration of a corporation, limited partnership, domestic limited liability company or foreign limited liability company shall be deposited in the general administrative fees account established by this section.

(3) For receiving, filing and recording a change of the principal or designated office, change of the agent of process and/or change of officers, directors, partners, members or

84 managers, as the case may be, of a corporation, limited partnership, limited liability partnership,
85 limited liability company or other business entity as provided by law, \$15.

86 (4) For receiving, filing and preserving a reservation of a name for each 120 days or for
87 any other period in excess of seven days prescribed by law for a corporation, limited partnership,
88 limited liability partnership or limited liability company, \$15.

89 (5) For issuing a certificate relating to a corporation or other business entity, as follows:

90 (A) Certificate of good standing of a domestic or foreign corporation, \$10;

91 (B) Certificate of existence of a domestic limited liability company, certificate of
92 authorization foreign limited liability company, certificate of a good standing of domestic or foreign
93 protected series limited liability company, \$10;

94 (C) Certificate of existence of any business entity, trademark or service mark registered
95 with the Secretary of State, \$10;

96 (D) Certified copy of corporate charter or comparable organizing documents for other
97 business entities, \$15;

98 (E) Plus, for each additional amendment, restatement or other additional document, \$5;

99 (F) Certificate of registration of the name of a foreign corporation, limited liability company,
100 limited partnership or limited liability partnership, \$25;

101 (G) And for the annual renewal of the name registration, \$10;

102 (H) Any other certificate not specified in this subdivision, \$10.

103 (6) For issuing a certificate other than those relating to business entities, as provided in
104 this subsection, as follows:

105 (A) Certificate or apostille relating to the authority of certain public officers, including the
106 membership of boards and commissions, \$10;

107 (B) Plus, for each additional certificate pertaining to the same transaction, \$5;

108 (C) Any other certificate not specified in this subdivision, \$10;

109 (D) For acceptance, indexing and recordation of service of process for any corporation,
110 limited partnership, limited liability partnership, limited liability company, voluntary association,
111 business trust, insurance company, person or other entity as permitted by law, \$15;

112 (E) For shipping and handling expenses for execution of service of process by certified
113 mail upon any defendant within the United States, which fee is to be deposited to the special
114 revenue account established in this section for the operation of the office of the Secretary of State,
115 \$5;

116 (F) For shipping and handling expenses for execution of service of process upon any
117 defendant outside the United States by registered mail, which fee is to be deposited to the special
118 revenue account established in this section for the operation of the office of the Secretary of State,
119 \$15;

120 (7) For a search of records of the office conducted by employees of or at the expense of
121 the Secretary of State upon request, as follows:

122 (A) For any search of archival records maintained at sites other than the office of the
123 Secretary of State no less than, \$10;

124 (B) For searches of archival records maintained at sites other than the office of the
125 Secretary of State which require more than one hour, for each hour or fraction of an hour
126 consumed in making a search, \$10;

127 (C) For any search of records maintained on site for the purpose of obtaining copies of
128 documents or printouts of data, \$5;

129 (D) For any search of records maintained in electronic format which requires special
130 programming to be performed by the state information services agency or other vendor any actual
131 cost, but not less than, \$25;

132 (E) The cost of the search is in addition to the cost of any copies or printouts prepared or
133 any certificate issued pursuant to or based on the search;

134 (F) For recording any paper for which no specific fee is prescribed, \$5.

(8) For producing and providing photocopies or printouts of electronic data of specific records upon request, as follows:

(A) For a copy of any paper or printout of electronic data, if one sheet, \$1;

(B) For each sheet after the first, 50 cents;

(C) For sending the copies or lists by fax transmission, \$5;

(D) For producing and providing photocopies of lists, reports, guidelines and other documents produced in multiple copies for general public use, a publication price to be established by the Secretary of State at a rate approximating \$2 plus 10 cents per page and rounded to the nearest dollar;

(E) For electronic copies of records obtained in data format on disk, the cost of the record in the least expensive available printed format, plus, for each required disk, which shall be provided by the Secretary of State, \$5.

(b) The Secretary of State may propose rules for legislative approval, in accordance with the provisions of §29A-3-1 *et seq.* of this code, for charges for online electronic access to database information or other information maintained by the Secretary of State.

(c) For any other work or service not enumerated in this section, the fee prescribed elsewhere in this code or a rule promulgated under the authority of this code.

(d) The records maintained by the Secretary of State are prepared and indexed at the expense of the state and those records shall not be obtained for commercial resale without the written agreement of the state to a contract including reimbursement to the state for each instance of resale.

(e) The Secretary of State may provide printed or electronic information free of charge as he or she considers necessary and efficient for the purpose of informing the general public or the news media.

(f) There is hereby continued in the State Treasury a special revenue account to be known as the Service Fees and Collections Account. Expenditures from the account shall be used for

the operation of the office of the Secretary of State and are not authorized from collections, but are to be made only in accordance with appropriation by the Legislature and in accordance with the provisions of §12-3-1 *et seq.* of this code and upon the fulfillment of the provisions set forth in §5A-2-1 *et seq.* of this code. Notwithstanding any other provision of this code to the contrary, except as provided in subsection (h) of this section and §59-1-2a of this code, one half of all the fees and service charges established in the following sections and for the following purposes shall be deposited by the Secretary of State or other collecting agency to that special revenue account and used for the operation of the office of the Secretary of State:

(1) The annual and biennial attorney-in-fact fee for corporations and limited partnerships established in §11-12C-5 of this code;

(2) The fees received for the sale of the State Register, Code of State Rules, and other copies established by rule and authorized by §29A-2-7 of this code;

(3) The registration fees, late fees, and legal settlements charged for registration and enforcement of the charitable organizations and professional solicitations established in §29-19-5, §29-19-9, and §29-19-15b this code;

(4) The annual and biennial attorney-in-fact fee for limited liability companies as designated in §31B-1-108 of this code and the annual and biennial report fee established in §31B-2-211 of this code: *Provided*, That after July 1, 2026, the annual and biennial report fees designated in §31B-1-108 of this code shall upon collection, be deposited in the General Administrative Fees Account described in subsection (h) of this section;

(5) The filing fees and search and copying fees for uniform commercial code transactions established by §46-9-525 of this code;

(6) The annual attorney-in-fact fee for licensed insurers established in §33-4-12 of this code;

(7) The fees for the application and record maintenance of all notaries public established by §39-4-20 of this code;

187 (8) The fees for registering credit service organizations as established by §46A-6C-5 of
188 this code;

189 (9) The fees for registering and renewing a West Virginia limited liability partnership as
190 established by §47B-10-1 of this code;

191 (10) The filing fees for the registration and renewal of trademarks and service marks
192 established in §47-2-17 of this code;

193 (11) All fees for services, the sale of photocopies and data maintained at the expense of
194 the Secretary of State as provided in this section; and

195 (12) All registration, license and other fees collected by the Secretary of State not specified
196 in this section.

197 (g) Any balance in the service fees and collections account established by this section
198 which exceeds \$500,000 as of June 30, 2003, and each year thereafter, shall be expired to the
199 state fund, General Revenue Fund.

200 (h)(1) Effective July 1, 2008, there is hereby created in the State Treasury a special
201 revenue account to be known as the General Administrative Fees Account. Expenditures from
202 the account shall be used for the operation of the office of the Secretary of State and are not
203 authorized from collections, but are to be made only in accordance with appropriation by the
204 Legislature and in accordance with the provisions of §12-3-1 *et seq.* of this code and upon the
205 fulfillment of the provisions set forth in §11B-2-1 *et seq.* of this code: *Provided*, That for the fiscal
206 year ending June 30, 2009, expenditures are authorized from collections rather than pursuant to
207 an appropriation by the Legislature. Any balance in the account at the end of each fiscal year
208 shall not revert to the General Revenue Fund but shall remain in the fund and be expended as
209 provided by this subsection.

210 (2) After June 30, 2008, all the fees and service charges established in §59-1-2a of this
211 code for the following purposes shall be collected and deposited by the Secretary of State or other

collecting agency in the general administrative fees account and used for the operation of the office of the Secretary of State:

(A) The annual and biennial report fees paid to the Secretary of State by corporations, limited partnerships, domestic limited liability companies, and foreign limited liability companies;

(B) The fees for the issuance of a certificate relating to the initial registration of a corporation, limited partnership, domestic limited liability company, or foreign limited liability company described in subdivision (a)(2) of this section; and

(C) The fees for the purchase of data and updates related to the state's Business Organizations Database described in §59-1-2a of this code.

(i) There is continued in the office of the Secretary of State a noninterest-bearing, escrow account to be known as the Prepaid Fees and Services Account. This account shall be for the purpose of allowing customers of the Secretary of State to prepay for services, with payment to be held in escrow until services are rendered. Payments deposited in the account shall remain in the account until services are rendered by the Secretary of State and at that time the fees will be reallocated to the appropriate general or special revenue accounts. There shall be no fee charged by the Secretary of State to the customer for the use of this account and the customer may request the return of any moneys maintained in the account at any time without penalty. The assets of the prepaid fees and services account do not constitute public funds of the state and are available solely for carrying out the purposes of this section.

(j) A veteran-owned business, as defined in §59-1-2a(a)(13), commenced on or after July 1, 2015, or an active-duty member business, as defined in §59-1-2a(a)(13), commenced on or after July 1, 2021, is exempt from paying the fees prescribed in paragraphs (a)(1)(A), (a)(1)(B), (a)(1)(C), (a)(1)(D), (a)(1)(E), (a)(1)(F), and (a)(1)(G) of this section.

(k) Notwithstanding any other provisions of this article, after July 1, 2017, the Secretary of State may offer a fee for expedited services which shall not exceed \$500.

237 (l) The fees provided for in this section shall remain in effect until such time as the
238 Legislature has approved rules promulgated by the Secretary of State, in accordance with the
239 provisions of §29A-3-1 *et seq.* of this code, establishing a schedule of fees for services.

**§59-1-2a. Annual and biennial business fees to be paid to the Secretary of State; filing of
annual and biennial reports; purchase of data.**

1 (a) *Definitions.* — As used in this section:

2 "Annual report fee" means the fee described in subsection (c) of this section that is to be
3 paid to the Secretary of State each year by corporations, limited partnerships, domestic limited
4 liability companies, and foreign limited liability companies. Any reference in this code to a fee paid
5 to the Secretary of State for services as a statutory attorney in fact shall mean the annual report
6 fee described in this section.

7 "Biennial report fee" means the biennial fee described in subsection (c) of this section that
8 is to be paid to the Secretary of State every two years by corporations, limited partnerships,
9 domestic limited liability companies, and foreign limited liability companies.

10 "Business activity" means all activities engaged in or caused to be engaged in with the
11 object of gain or economic benefit, direct or indirect, but does not mean any of the activities of
12 foreign corporations enumerated in §31D-15-1501(b) of this code, except for the activity of
13 conducting affairs in interstate commerce when activity occurs in this state, nor does it mean any
14 of the activities of foreign limited liability companies enumerated in §31B-10-1003(a) of this code,
15 except for the activity of conducting affairs in interstate commerce when activity occurs in this
16 state.

17 "Corporation" means a "domestic corporation", a "foreign corporation", or a "nonprofit
18 corporation".

19 "Deliver or delivery" means any method of delivery used in conventional commercial
20 practice, including, but not limited to, delivery by hand, mail, commercial delivery, and electronic
21 transmission.

"Domestic corporation" means a corporation for profit, which is not a foreign corporation, incorporated under or subject to Chapter 31D of this code.

"Domestic limited liability company" means a limited liability company, which is not a foreign limited liability company, under or subject to Chapter 31B of this code.

"Foreign corporation" means a for-profit corporation incorporated under a law other than the laws of this state.

"Foreign limited liability company" means a limited liability company organized under a law other than the laws of this state.

"Foreign protected series" has the same meaning assigned in §31B-14-102 of this code.

"Foreign series limited liability" has the same meaning assigned in §31B-14-102 of this code.

"Limited partnership" means a partnership as defined by §47-9-1 of this code.

"Nonprofit corporation" means a nonprofit corporation as defined by §31E-1-150 of this code.

"Protected series" has the same meaning assigned in §31B-14-102 of this code.

"Registration fee" means the fee for the issuance of a certificate relating to the initial registration of a corporation, limited partnership, domestic limited liability company, or foreign limited liability company, domestic protected series, or foreign protected series described in §59-1-2(a)(2) of this code. The term "initial registration" also means the date upon which the registration fee is paid.

"Series limited liability company" has the same meaning assigned in §31B-14-102 of this code.

"Veteran" means any person who has served as an active member of the armed forces of the United States, the National Guard, or a reserve component as described in 38 U.S.C. § 101. Notwithstanding any provision in this code to the contrary, a veteran must be honorably discharged or under honorable conditions as described in 38 U.S.C. § 101.

48 "Veteran-owned business" or "active-duty member-owned business" means a business
49 that:

50 (A) Is at least 51 percent unconditionally owned by one or more veterans, active-duty
51 members of any branch of the United States military, or their respective spouses; or

52 (B) In the case of a publicly owned business, at least 51 percent of the stock is
53 unconditionally owned by one or more veterans, active-duty members of any branch of the United
54 States military, or their respective spouses.

55 (b) *Required payment of annual or biennial report fee and filing of annual or biennial report.*

56 — After, July 1, 2026, a corporation, limited partnership, domestic limited liability company, or
57 foreign limited liability company may not engage in any business activity in this state without
58 paying the annual or biennial report fee and filing the annual or biennial report as required by this
59 section.

60 (c) *Annual or biennial report fee.* — After July 1, 2026, each corporation, limited
61 partnership, domestic limited liability company, and foreign limited liability company engaged in
62 or authorized to do business in this state shall pay an annual report fee of \$25 for the services of
63 the Secretary of State as attorney-in-fact for the corporation, limited partnership, domestic limited
64 liability company, or foreign limited liability company and for any other administrative services
65 imposed by law upon the Secretary of State. If a corporation, limited partnership, domestic limited
66 liability company, or foreign limited liability company elects for biennial reporting under subdivision
67 (d)(3) of this section, then the corporation, limited partnership, domestic limited liability company,
68 or foreign limited liability company shall pay a biennial report fee of \$50 for the services of the
69 Secretary of State as attorney-in-fact for the corporation, limited partnership, domestic limited
70 liability company, or foreign limited liability company and for any other administrative services
71 imposed by law upon the Secretary of State. The fee is due and payable with the annual or
72 biennial report described in subsection (d) of this section on or before the dates specified in
73 subsection (e) of this section. The annual and biennial report fees received by the Secretary of

74 State pursuant to this subsection shall be deposited by the Secretary of State in the general
75 administrative fees account established by §59-1-2 of this code.

76 (d) *Annual or biennial report.* —

77 (1) After July 1, 2026, each corporation, limited partnership, domestic limited liability
78 company, and foreign limited liability company engaged in or authorized to do business in this
79 state shall file an annual or biennial report. The report is due annually or biennially, subject to the
80 other provisions of this code, after the initial registration of the corporation, limited partnership,
81 domestic limited liability company, or foreign limited liability company with the annual or biennial
82 report fee described in subsection (c) of this section on or before the dates specified in subsection
83 (e) of this section.

84 (2) The annual or biennial report shall be filed with the Secretary of State on forms
85 provided by the Secretary of State for that purpose.

86 (A) The annual or biennial report shall, in the case of corporations, contain:

87 (i) The address of the corporation's principal office;

88 (ii) the names and mailing addresses of its officers and directors;

89 (iii) the name and mailing address of the person on whom notice of process may be
90 served;

91 (iv) the name and address of the corporation's parent corporation and of each subsidiary
92 of the corporation licensed to do business in this state;

93 (v) the county or county code in which the principal office address or mailing address of
94 the company is located;

95 (vi) business class code;

96 (vii) an e-mail address where informational notices and reminders of annual or biennial
97 filings may be sent, unless there is a technical inability to comply; and

98 (viii) any other information the Secretary of State considers appropriate.

99 Limited partnerships, domestic limited liability companies, and foreign limited liability
100 companies shall provide similar information with respect to their principal or controlling interests
101 as determined by the Secretary of State or otherwise required by law to be reported to the
102 Secretary of State.

103 (B) Notwithstanding any other provision of law to the contrary, the Secretary of State shall,
104 upon request of any person, disclose, with respect to corporations:

105 (i) The address of the corporation's principal office;

106 (ii) the names and addresses of its officers and directors;

107 (iii) the name and mailing address of the person on whom notice of process may be
108 served;

109 (iv) the name and address of each subsidiary of the corporation and the corporation's
110 parent corporation;

111 (v) the county or county code in which the principal office address or mailing address of
112 the company is located; and

113 (vi) the business class code.

114 The Secretary of State shall provide similar information with respect to information in its
115 possession relating to limited partnerships, domestic limited liability companies, and foreign
116 limited liability companies, similar information with respect to their principal or controlling interests.

117 (3) Notwithstanding any provision of this section to the contrary, any corporation, limited
118 partnership, domestic limited liability company, or foreign limited liability company authorized to
119 do business in this state may elect to file a biennial report in lieu of an annual report if the
120 corporation, limited partnership, domestic limited liability company, or foreign limited liability
121 company has timely filed all required annual reports under this section for five consecutive
122 calendar years and is in good standing with the Secretary of State at the time of election. The
123 election shall meet the following requirements:

124 (A) The election shall be made at the time of filing the fifth consecutive timely annual
125 report, or, for any corporation, limited partnership, domestic limited liability company, or foreign
126 limited liability company that has already satisfied the five-year timely filing requirement as of the
127 effective date of this subsection, at any time between January 1 and July 1 of the next calendar
128 year following the effective date of this subsection in a form and manner prescribed by the
129 Secretary of State;

130 (B) Upon making the biennial reporting election, the corporation, limited partnership,
131 domestic limited liability company, or foreign limited liability company is not required to file an
132 annual report for the next calendar year. The first biennial report shall be delivered to the
133 Secretary of State between January 1 and July 1 of the second calendar year following the
134 calendar year in which the election is made, and every two years thereafter;

135 (C) Biennial reports shall include the same information as the annual reports outlined in
136 subdivision (2) of this subsection and shall be delivered in a form and manner prescribed by the
137 Secretary of State. If a biennial report does not contain the information required in subdivision (2)
138 of this subsection, the Secretary of State shall promptly notify the reporting corporation, limited
139 partnership, domestic limited liability company, or foreign limited liability company and return the
140 report to it for correction. If the report is corrected to contain the information required in subdivision
141 (2) of this subsection and delivered to the Secretary of State within 60 days after the effective
142 date of the notice, it is timely filed;

143 (D) After election of biennial reporting, if a corporation, limited partnership, domestic
144 limited liability company, or foreign limited liability company fails to timely file a biennial report or
145 loses good standing with the Secretary of State's office, the option to file biennially may be
146 revoked by the Secretary of State, and the corporation, limited partnership, domestic limited
147 liability company, or foreign limited liability company must timely file annual reports for another
148 five consecutive calendar years before making the election again; and

(E) Amendments to this section concerning the election of biennial reporting enacted into law during the Regular Legislative Session of the year 2026, shall take effect on July 1, 2026, and shall not forgive prior failures to file annual reports or pay annual fees previously due.

(e) *Annual or biennial reports and fees due by June 30.* — Each domestic and foreign corporation, limited partnership, limited liability company, and foreign limited liability company shall file with the Secretary of State the annual or biennial report and pay the annual or biennial report fee on or before 11:59 PM on June 30 of each year or every two years if an election for biennial reporting under subdivision (d)(3) of this section is properly made.

(f) *Deposit of fees.* — The annual and biennial report fees received by the Secretary of State pursuant to this section shall be deposited by the Secretary of State in the general administrative fees account established by §59-1-2 of this code.

(g)(1) *Duty to pay.* — Each corporation, limited partnership, limited liability company, and foreign limited liability company shall pay the annual or biennial report fees imposed under this article to remit them with a properly completed annual or biennial report to the Secretary of State, and if it fails to do so it is subject to the late fees prescribed in subsection (h) of this section and dissolution or revocation, pursuant to this code: *Provided*, That before dissolution or revocation for failure to pay fees may occur, the Secretary of State shall notify the entity by certified mail, return receipt requested, of its failure to pay, all late fees or bad check fees associated with the failure to pay, and the date upon which dissolution or revocation will occur if all fees are not paid in full. The certified mail required by this subdivision shall be postmarked at least 30 days before the dissolution or revocation date listed in the notice.

(2) *Bad check fee.* — If any corporation, limited partnership, limited liability company, or foreign limited liability company submits payment by check or money order for the annual or biennial report fee imposed under this article and the check, money order, or automatic bank transfer is rejected or declined because there are insufficient funds in the account, an invalid account number is provided, the account is closed, or for any other reason, the Secretary of State

shall assess a bad check fee to the corporation, limited partnership, limited liability company, or foreign limited liability company not exceeding an amount equal to \$5 plus any amount passed on from a financial institution on a drawer or endorser. The bad check fee assessed under this subdivision shall be deposited into the account or accounts from which the Secretary of State paid the service charge.

(h) Late fees. —

(1) The following late fees are in addition to any other penalties and remedies available elsewhere in this code:

(A) Administrative late fee. — The Secretary of State shall assess upon each corporation, limited partnership, limited liability company, and foreign limited liability company delinquent in the payment of an annual or biennial report fee or the filing of an annual or biennial report an administrative late fee in the amount of \$50 for an annual delinquency and \$100 for a biennial delinquency.

(B) Administrative late fees for nonprofit corporations. — The Secretary of State shall assess each nonprofit corporation delinquent in the payment of an annual or biennial report fee or the filing of an annual or biennial report an administrative late fee in the amount of \$25 for an annual delinquency and \$50 for a biennial delinquency.

(2) The Secretary of State shall deposit the first \$25,000 of fees collected under this subsection into the General Administrative Fees Account established in §59-1-2(h) of this code and shall deposit any additional fees collected under this section into the General Revenue Fund of the state.

(3) With respect to any fees collected under this section, the Secretary of State may waive or reduce an administrative late fee if the delinquency in the payment of an annual or biennial report fee or the filing of an annual or biennial report is determined by the Secretary of State to have been caused by circumstances beyond the control of the filer or the filer's agent. In determining whether to waive or reduce the late fee, the Secretary of State may consider:

201 (A) The history of compliance and timely payment and filing including, but not limited to,
202 previous waiver requests, late filings, and late payments;

203 (B) The weight and sufficiency of the evidence supporting the request to waive or reduce
204 the late fee for the late filing or payment;

205 (C) Any evidence which shows that the late payment or late filing was caused by
206 circumstances that were not directly related to the actions of the filer or the filer's agent; and

207 (D) Any other factor considered by the Secretary of State.

208 (i) *Reports to Tax Commissioner; suspension, cancellation, or withholding of business*
209 *registration certificate. —*

210 (1) The Secretary of State shall, within 20 days after the close of each month, make a
211 report to the Tax Commissioner for the preceding month, in which he or she shall set out the
212 name of every business entity to which he or she issued a certificate to conduct business in the
213 State of West Virginia during that month. The report shall set out the names and addresses of all
214 corporations, limited partnerships, limited liability companies, and foreign limited liability
215 companies to which he or she issued certificates of change of name or of change of location of
216 principal office, dissolution, withdrawal, or merger. If the Secretary of State fails to make the
217 report, the Tax Commissioner shall report the failure to the Governor. A writ of mandamus lies for
218 correction of the failure.

219 (2) Notwithstanding any other provision of this code to the contrary, upon receipt of notice
220 from the Secretary of State that a corporation, limited partnership, limited liability company, and
221 foreign limited liability company is more than 30 days delinquent in the payment of annual or
222 biennial report fees or in the filing of an annual or biennial report required by this section, or if a
223 corporation, limited partnership, limited liability company, or foreign limited liability company which
224 elected for biennial reporting under subdivision (d)(3) of this section is more than 60 days
225 delinquent in the payment of biennial report fees or in the filing of a biennial report required by
226 this section, the Tax Commissioner may suspend, cancel, or withhold a business registration

227 certificate issued to or applied for by the delinquent corporation, limited partnership, limited liability
228 company, or foreign limited liability company until the same is paid and filed in the manner
229 provided for the suspension, cancellation, or withholding of business registration certificates for
230 other reasons under §11-12-1 *et seq.* of this code.

231 (j) *Purchase of data.* — The Secretary of State shall provide electronically, for purchase,
232 any data maintained in the Secretary of State's Business Organizations Database. For the
233 electronic purchase of the entire Business Organizations Database, the cost is \$12,000. For the
234 purchase of the monthly updates of the Business Organizations Database, the cost is \$1,000 per
235 month. The fees received by the Secretary of State pursuant to this subsection shall be deposited
236 by the Secretary of State in the General Administrative Fees Account established by §59-1-2 of
237 this code.

238 (k) The Secretary of State may collect the service fee per transaction, if any, charged for
239 an online service from any customer who purchases data or conducts transactions through an
240 online service.

241 (l) *Rules.* — The Secretary of State may propose rules for legislative approval, in
242 accordance with the provisions of §29A-3-1 *et seq.* of this code, to implement this article.

243 (m) A veteran-owned business, as defined in this section, commenced on or after July 1,
244 2015, or an active-duty member-owned business, as defined in this section, commenced on or
245 after July 1, 2021, is exempt from paying the annual report fee, required by this section, for the
246 first four years after its initial registration: *Provided*, That a veteran-owned business or an active-
247 duty member-owned business is not exempt from any filing deadlines or other fees required by
248 this section. No later than July 1, 2026, the Secretary of State shall develop and design an official
249 veteran-owned business logotype to be used by a veteran-owned business.

250 (1) The logotype shall not include any language that may be construed as an endorsement
251 by the State and shall only indicate that the business is a veteran-owned business.

(2) No later than 90 days after the effective date of this subsection, the Secretary of State shall develop an application for which a veteran-owned business may apply to use the logotype.

(3) The Secretary of State shall develop guidelines with the criteria to establish veteran-owned status of businesses applying for the logotype.

(4) The Secretary of State may provide a space on the application where an applicant may voluntarily make a contribution of any amount to be deposited into the West Virginia Veterans' Home Loan Mortgage Fund.

(5) No later than 60 days after the creation of a logotype under this subsection, the Secretary of State shall post a notice that:

(A) The logotype under this subsection is available for use by an approved veteran-owned business; and

(B) Includes instructions on how to complete and submit an application.

(n) The Secretary of State may waive new business registration fees at up to three entrepreneurship events or conferences within the state of West Virginia.

(o) Any person, firm, corporation, or association that is a nongovernmental entity who solicits the purchase of or payment for a product or service from businesses with which they do not have a pre-existing commercial relationship for annual report filing under subsection (d) of this section by means of a mailing, electronic mail, or facsimile, shall include all of the following requirements on each solicitation:

(1) Conspicuously display in the heading of the solicitation a disclosure on the front and back of each page, the following statement in 16-point bold Helvetica font and in all capital letters: "THIS PRODUCT OR SERVICE HAS NOT BEEN APPROVED OR ENDORSED BY ANY GOVERNMENTAL AGENCY, AND THIS OFFER IS NOT BEING MADE BY AN AGENCY OF THE GOVERNMENT";

(2) In the case of a mailed solicitation, the envelope or outside cover or wrapper in which the solicitation is mailed, conspicuously display in 16-point bold Helvetica font and in all capital

278 letters on the front of the envelope, outside cover, or wrapper, the following disclosure: "THIS IS
279 NOT A GOVERNMENT DOCUMENT"; and

280 (3) On each fee schedule page, the following disclosure in 12-point bold font: "Annual
281 Report filings may be filed directly with the Secretary of State for the statutory \$25 fee". If a
282 biennial report election has been made under subdivision (d)(3) of this section, then the following
283 disclosure in 12-point bold font: "Biennial Report filings may be filed directly with the Secretary of
284 State for the statutory \$50 fee".

285 (p) Any person who violates subsection (o) of this section is guilty of a misdemeanor and,
286 upon conviction thereof, shall be fined up to \$1,000 for each noncompliant solicitation, or confined
287 in jail for a period of up to one year, or both fined and confined.

288 (q) Any person harmed as a result of a violation of subsection (o) of this section may
289 recover damages in an amount equal to three times the amount solicited, any associated court
290 costs and attorneys' fees, and any other damages, at the discretion of the court.

291 (r) Amendments to this section enacted into law during the Regular Legislative Session of
292 the year 2026, shall take effect on July 1, 2026, and shall not forgive prior failures to file annual
293 reports or pay annual fees previously due.

The Clerk of the Senate and the Clerk of the House of Delegates hereby certify that the foregoing bill is correctly enrolled.

Joe Miri
Clerk of the Senate

Michael
Clerk of the House of Delegates

2026 APR - 1 P 10:35
OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

FILED

Originated in the Senate.

In effect 90 days from passage.

Rory Smith
President of the Senate

Les Vander
Speaker of the House of Delegates

The within is *approved* this the *1st*
Day of *April* 2026.

PATRICK MORISSEY
Governor

PRESENTED TO THE GOVERNOR

SEP 10 1926

Time 1:20 pm