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HOUSE BILL NO. 917

Offered January 13, 2010

Prefiled January 13, 2010

A *BILL to amend and reenact §§ 13.1-615.1, 13.1-775.1, 13.1-815.1, 13.1-1005, and 13.1-1062 of the Code of Virginia, relating to fees for corporations and limited liability companies; reductions for veterans.*

 Patron—Bell, Robert B.

 Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That §§ 13.1-615.1, 13.1-775.1, 13.1-815.1, 13.1-1005, and 13.1-1062 of the Code of Virginia are amended and reenacted as follows:

§ 13.1-615.1. Charter and entrance fees for corporations.

A. Every domestic corporation, upon the granting of its charter or upon domestication, shall pay a charter fee into the state treasury, and every foreign corporation, when it obtains from the State Corporation Commission a certificate of authority to transact business in the Commonwealth, shall pay an entrance fee into the state treasury. The fee in each case is to be ascertained and fixed as follows:

For any domestic or foreign corporation whose number of authorized shares is 1,000,000 or fewer shares - \$50 for each 25,000 shares or fraction thereof;

For any domestic or foreign corporation whose number of authorized shares is more than 1,000,000 shares - \$2,500.

Notwithstanding the foregoing, the entrance fee for a domestic corporation shall be \$25, regardless of the number of shares, if the incorporator certifies that each initial director and shareholder is a veteran as defined in § 2.2-2001.

B. For any foreign corporation that files articles of domestication and that had authority to transact business in the Commonwealth at the time of such filing, the charter fee to be charged upon domestication shall be an amount equal to the difference between the amount that would be required by this section and the amount already paid as an entrance fee by such corporation. For any foreign corporation that files an application for a certificate of authority to transact business in the Commonwealth and that had previously surrendered its articles of incorporation as a domestic corporation, the entrance fee to be charged upon obtaining a certificate of authority to transact business in the Commonwealth shall be an amount equal to the difference between the amount that would be required by this section and the amount already paid as a charter fee by such corporation. Whenever by articles of amendment or articles of merger, the number of authorized shares of any domestic or foreign corporation or of the surviving corporation is increased, the charter or entrance fee to be charged shall be an amount equal to the difference between the amount already paid as a charter or entrance fee by such corporation and the amount that would be required by this section to be paid if the increased number of authorized shares were being stated at that time in the original articles of incorporation. If no charter or entrance fee has been heretofore paid to the Commonwealth, the amount to be paid shall be the same as would have to be paid on original incorporation or application for authority to transact business.

§ 13.1-775.1. Annual registration fees for domestic and foreign corporations.

A. Every domestic corporation and every foreign corporation authorized to do business in the Commonwealth, whose number of authorized shares is 5,000 shares or less, shall pay into the state treasury by its due date each calendar year an annual registration fee of \$50.

Any such corporation whose number of authorized shares is more than 5,000 shall pay an annual registration fee of \$50 plus \$15 for each 5,000 shares or fraction thereof in excess of 5,000 shares up to a maximum of \$850.

Notwithstanding the foregoing, the annual registration fee for a domestic corporation shall be \$25 for the first two years of the corporation's existence, regardless of the number of shares, if each director and shareholder during the term of the corporation's existence is a veteran as defined in § 2.2-2001.

The annual registration fee shall be irrespective of any specific license tax or other tax or fee imposed by law upon the corporation for the privilege of carrying on its business in the Commonwealth or upon its franchise, property or receipts.

B. The Commission shall ascertain from its records the number of authorized shares of each corporation authorized to do business in the Commonwealth, as of the first day of the second month next preceding the month of the corporation's annual registration fee due date each year, and shall assess

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59 against each corporation the registration fee herein imposed. In any year in which a corporation's due
60 date is extended pursuant to this chapter the registration fee assessment shall be increased by a prorated
61 amount to cover the period of extension. A statement of the assessment, when made, shall be forwarded
62 by the clerk of the Commission to the Comptroller and to each corporation.

63 C. Any corporation which fails to pay the registration fee herein imposed within the time prescribed
64 shall incur a penalty as provided in subdivision B 1 of § 13.1-752 or 13.1-768, as the case may be,
65 which shall be added to the amount of the registration fee. The penalty shall be in addition to any other
66 penalty or liability provided by law.

67 D. The fees paid into the state treasury under this section shall be set aside as a special fund to be
68 used only by the Commission as it deems necessary to defray all costs of staffing, maintaining and
69 operating the office of the clerk of the Commission, together with all other costs incurred by the
70 Commission in supervising, implementing and administering the provisions of Part 5 (§ 8.9A-501 et
71 seq.) of Title 8.9A, this title, except for Chapters 5 (§ 13.1-501 et seq.) and 8 (§ 13.1-557 et seq.) and
72 Article 6 (§ 55-142.1 et seq.) of Chapter 6 of Title 55, provided that one-half of the fees collected shall
73 be credited to the general fund. The excess of fees collected over the projected costs of administration in
74 the next fiscal year shall be paid into the general fund prior to the close of the fiscal year.

75 § 13.1-815.1. Charter and entrance fees for corporations.

76 A. Every domestic corporation, upon the granting of its charter or upon domestication, shall pay a
77 charter fee in the amount of \$50 into the state treasury, and every foreign corporation shall pay an
78 entrance fee of \$50 into the state treasury for its certificate of authority to transact business in the
79 Commonwealth. *Notwithstanding the foregoing, the entrance fee for a domestic corporation shall be \$25*
80 *if the incorporator certifies that each initial director and shareholder is a veteran as defined in*
81 *§ 2.2-2001.*

82 B. For any foreign corporation that files articles of domestication and that had authority to transact
83 business in the Commonwealth at the time of such filing, the charter fee to be charged upon
84 domestication shall be an amount equal to the difference between the amount that would be required by
85 this section and the amount already paid as an entrance fee by such corporation. For any foreign
86 corporation that files an application for a certificate of authority to transact business in the
87 Commonwealth and that had previously surrendered its articles of incorporation as a domestic
88 corporation, the entrance fee to be charged upon obtaining a certificate of authority to transact business
89 in the Commonwealth shall be an amount equal to the difference between the amount that would be
90 required by this section and the amount already paid as a charter fee by such corporation.

91 § 13.1-1005. Fees.

92 The Commission shall charge and collect the following fees:

93 1. For filing any one of the following, the fee shall be \$100:

94 a. Articles of organization; *however, the fee shall be \$25 if the person filing the document pursuant*
95 *to subsection F of § 13.1-1003 certifies that each member and manager of the limited liability company*
96 *is a veteran as defined in § 2.2-2001.*

97 b. An application for registration as a foreign limited liability company.

98 c. Articles of reinstatement.

99 d. Articles of entity conversion to convert a domestic corporation to a limited liability company.

100 e. Articles of domestication.

101 2. For filing any one of the following, the fee shall be \$25:

102 a. Articles of amendment.

103 b. Articles of cancellation with respect to a domestic limited liability company or a certificate of
104 cancellation with respect to a foreign limited liability company.

105 c. Articles of correction referred to in § 13.1-1011.1, a copy of an amendment or correction referred
106 to in § 13.1-1055, or an amended application for registration referred to in § 13.1-1055, provided that an
107 amended application shall not require a separate fee when it is filed with a copy of an amendment or a
108 correction referred to in § 13.1-1055.

109 d. A copy of an instrument of merger of a foreign limited liability company referred to in
110 § 13.1-1060.

111 e. Articles of merger.

112 f. A copy of an instrument of entity conversion of a foreign limited liability company holding a
113 certificate of registration to transact business in the Commonwealth.

114 g. Articles of restatement.

115 h. Articles of organization surrender.

116 3. For filing any one of the following, the fee shall be \$10:

117 a. An application to reserve or to renew the reservation of a name for use by a domestic or foreign
118 limited liability company.

119 b. A notice of the transfer of a name reserved for use by a domestic or a foreign limited liability
120 company.

121 4. For issuing a certificate pursuant to § 13.1-1067, \$6 for each certificate.

122 § 13.1-1062. Annual registration fees to be paid by domestic and foreign limited liability companies.

123 A. Every domestic limited liability company, and every foreign limited liability company registered
124 to transact business in this Commonwealth, shall pay into the state treasury on or before October 1 in
125 each year after the calendar year in which it was formed or registered to transact business in this
126 Commonwealth an annual registration fee of \$50; provided that (i) *the annual registration fee for a*
127 *domestic limited liability company shall be \$25 for the first two years of the limited liability company's*
128 *existence if each member and manager during the term of the limited liability company's existence is a*
129 *veteran as defined in § 2.2-2001 and (ii) the initial annual registration fee to be paid by a domestic*
130 *limited liability company created by conversion shall be due in the year after the calendar year in which*
131 *it converted.*

132 B. The fees paid into the state treasury under this section and the fees collected under § 13.1-1005
133 shall be set aside and paid into the special fund created under § 13.1-775.1, and shall be used only by
134 the Commission as it deems necessary to defray the costs of the Commission and of the office of the
135 clerk of the Commission in supervising, implementing, administering and enforcing the provisions of
136 this chapter. The projected excess of fees collected over the costs of administration and enforcement so
137 incurred shall be paid into the general fund prior to the close of each fiscal year, based on the
138 unexpended balance of the special fund at the end of the prior fiscal year. An adjustment of this transfer
139 amount to reflect actual fees collected shall occur during the first quarter of the succeeding fiscal year.