

WEST VIRGINIA LEGISLATURE

2023 REGULAR SESSION

Committee Substitute

for

Senate Bill 514

BY SENATOR WOODRUM

[Originating in the Committee on Government
Organization; reported on February 03, 2023]

1 A BILL to amend and reenact §31D-14-1421 of the Code of West Virginia, 1931, as amended,
2 relating to clarifying the procedure for administrative dissolution of corporations by the
3 Secretary of State; and relating to the Secretary of State providing notice to corporations
4 subject to administrative dissolution.

Be it enacted by the Legislature of West Virginia:

ARTICLE 14. DISSOLUTION.

§31D-14-1421. Procedure for and effect of administrative dissolution.

1 (a) If the Secretary of State determines that one or more grounds exist under §31D-14-
2 1420 of this code for dissolving a corporation, ~~he or she shall serve the corporation with written~~
3 ~~notice of his or her determination~~ the Secretary of State shall notify the corporation by certified
4 mail with written notice of the determination pursuant to §31D-5-504 of this code. The written
5 notice of determination shall include:

6 (1) A recitation of the existing grounds for dissolving the corporation pursuant to §31D-14-
7 1420 of this code;

8 (2) A statement that the corporation will be dissolved within 60 days pursuant to §31D-14-
9 1421(b) of this code unless:

10 (A) The corporation takes corrective action to cure each ground;

11 (B) The corporation demonstrates to the reasonable satisfaction of the Secretary of State
12 that each ground determined by the Secretary of State does not exist; or

13 (C) The corporation addresses every ground through some combination of taking
14 corrective action to cure a portion of the existing grounds and demonstrating a portion of the
15 grounds do not exist to the reasonable satisfaction of the Secretary of State pursuant to §31D-
16 14-1421(a)(2)(A) and §31D-14-1421(a)(2)(B) of this code; and

17 (3) A statement that if the corporation is administratively dissolved, its dissolution shall be
18 reflected by the Secretary of State's website pursuant to §31D-14-1421(b) of this code.

19 (b) If the corporation does not correct each ground for dissolution or demonstrate to the
20 reasonable satisfaction of the Secretary of State that each ground determined by the Secretary
21 of State does not exist within 60 days after service of the notice is perfected under §31D-5-504 of
22 this code, the Secretary of State shall administratively dissolve the corporation by signing and
23 filing a certificate of dissolution that recites the ground or grounds for dissolution and its effective
24 date and update its website to reflect the dissolution of the corporation. ~~The Secretary of State~~
25 ~~shall file the original of the certificate and serve a copy on the corporation pursuant to section five~~
26 ~~hundred four, article five of this chapter.~~

27 (c) A corporation administratively dissolved continues its corporate existence but may not
28 carry on any business except that necessary to wind up and liquidate its business and affairs
29 under §31D-14-1405 of this code and notify claimants pursuant to §31D-14-1406 and §31D-14-
30 1407 of this code.

31 (d) The administrative dissolution of a corporation does not terminate the authority of its
32 registered agent.