

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2005

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A N A C T

RELATING TO CORPORATIONS, ASSOCIATIONS AND PARTNERSHIPS

Introduced By: Senators McCaffrey, and F Caprio

Date Introduced: February 17, 2005

Referred To: Senate Commerce, Housing & Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 5-61-2 of the General Laws in Chapter 5-61 entitled "Telephone
2 Sales Solicitation Act" is hereby amended to read as follows:

3 **5-61-2. Definitions.** -- As used in this chapter:

4 (1) "Department" means the department of attorney general.

5 (2) "Item" means any goods and services and includes coupon books, which are to be
6 used with businesses other than the seller's business.

7 (3) "Owner" means a person who owns or controls ten percent (10%) or more of the
8 equity of, or otherwise has claim to ten percent (10%) or more of the net income of, a telephonic
9 seller.

10 (4) "Person" includes an individual, firm, association, corporation, partnership, joint
11 venture, or any other business entity.

12 (5) "Principal" means an owner, an executive officer of a corporation, a general partner
13 of a partnership, a sole proprietor of a sole proprietorship, a trustee of a trust or any other
14 individual with similar supervisory functions with respect to any person.

15 (6) "Purchaser" or "prospective purchaser" means a person who is solicited to become or
16 does become obligated to a telephonic seller.

17 (7) "Salesperson" means any individual employed, appointed or authorized by a
18 telephonic seller, whether referred to by the telephonic seller as an agent, representative, or
19 independent contractor who attempts to solicit or solicits a sale on behalf of the telephonic seller.

1 The principals of a seller are themselves salespersons if they solicit sales on behalf of the
2 telephonic seller.

3 (8) "Telephonic seller" or "seller" means a person who, on his or her own behalf or
4 through salespersons or through the use of an automatic dialing-announcing device, causes a
5 telephone solicitation or attempted telephone solicitation to occur which meets the criteria
6 specified as follows:

7 (i) A telephone solicitation or attempted telephone solicitation where the telephonic
8 seller initiates or engages in telephonic contact with a prospective purchaser and represents or
9 implies one or more of the following:

10 (A) That a prospective purchaser who buys one or more items will also receive
11 additional or other items, whether or not of the same type as purchased, without "further cost".
12 For the purposes of this subdivision, "further cost" does not include actual postage or common
13 carrier delivery charges, if any;

14 (B) That a prospective purchaser will receive a prize or gift, if the person also
15 encourages the prospective purchaser to purchase or rent any goods or services or pay any money,
16 including, but not limited to, a delivery or handling charge;

17 (C) That a prospective purchaser who buys office equipment or supplies will, because of
18 some unusual event or imminent price increase, be able to buy these items at prices which are
19 below those that are usually charged or will be charged for the items;

20 (D) That the seller is a person other than the person he or she is;

21 (E) That the items for sale are manufactured or supplied by a person other than the actual
22 manufacturer or supplier;

23 (F) That the seller is offering to sell the prospective purchaser any gold, silver, or other
24 minerals, or any interest in oil, gas, or mineral field, wells, or exploration sites.

25 (ii) Solicitation or attempted solicitation which is made by telephone in response to
26 inquiries generated by advertisements or other form of mail or any types of unrequested mailing
27 or advertisement sent by the seller which requires a consumer to respond telephonically for
28 further information where it is revealed that the seller is offering to sell to the prospective
29 purchaser on behalf of the telephonic seller where it is represented or implied that the seller is
30 offering to sell to the prospective purchaser any gold, silver, or other metals, diamonds, rubies,
31 sapphires, or other stones, coal or other minerals, or any interest in oil, gas, or mineral fields,
32 wells, or exploration sites; or that the seller is offering to sell any goods or services not
33 specifically exempted in subdivision (10) of this section.

34 (9) "Hours of operation" means Monday through Friday, except a state or federal

1 holiday, nine o'clock (9:00 am) to six o'clock (6:00 pm), Saturday ten o'clock (10:00 am) to five
2 o'clock (5:00 pm).

3 (10) For purposes of this section, "telephonic seller" or "seller" does not include any of
4 the following:

5 (i) A person selling a security, which has been qualified for sale by the director of
6 business regulation pursuant to section 7-11-301 et seq., or which is exempt under section 7-11-
7 401 et seq. from the necessity to qualify.

8 (ii) A person licensed pursuant to section 520.5-6 when the solicited transaction is
9 governed by that law.

10 (iii) A person licensed pursuant to chapter ~~11~~ [1.2](#) of title 7, when the solicited
11 transaction is governed by that law.

12 (iv) A person soliciting the sale of a franchise, which is registered pursuant to section 19-
13 28.1-5, or is exempt under section 19-28.1-6 from the necessity of registering.

14 (v) A person primarily soliciting the sale of a newspaper of general circulation, as
15 defined in section 9-19.1-1, a magazine or periodical, or contractual plans, including book and
16 record clubs: (A) under which the seller provides the consumer with a form which the consumer
17 may use to instruct the seller not to ship the offered merchandise, and which is regulated by the
18 Federal Trade Commission trade regulation rule concerning "Use of Negative Option Plans by
19 Sellers in Commerce;" or (B) not covered under subparagraph (A) of this paragraph, such as
20 continuity plans, subscription arrangements, standing order arrangements, supplements, and
21 series arrangements under which the seller periodically ships merchandise to a consumer who has
22 consented in advance to receive the merchandise on a periodic basis.

23 (vi) A person soliciting business from prospective purchasers who have previously
24 purchased from the person making the solicitation or the business enterprise for which the person
25 is calling.

26 (vii) Any supervised financial institution or parent, subsidiary, or affiliate. As used in
27 this paragraph, "supervised financial institution" means any commercial bank, trust company,
28 savings and loan association, credit union, industrial loan company, personal property broker,
29 consumer finance lender, commercial finance lender, or insurer; provided, that the institution is
30 subject to supervision by an official or agency of this state or of the United States.

31 (viii) A person soliciting the sale of services provided by a cable television system
32 licensed or franchised pursuant to chapter 19 of title 39.

33 (ix) A person or affiliate of a person whose business is regulated by the public utilities
34 commission.

1 (x) A person soliciting the sale of a farm product, as defined in section 43-3-18, if the
2 solicitation neither intends to, nor actually results in, a sale which costs the purchaser in excess of
3 one hundred dollars (\$100).

4 (xi) An issuer or subsidiary of an issuer that has a class of securities which is subject to
5 section 12 of the Securities Exchange Act of 1934, 15 U.S.C. section 781, and which is either
6 registered or exempt from registration under paragraphs (A), (B), (C), (E), (F), (G), or (H) of
7 subsection (g) of that section.

8 (xii) A person soliciting sales which are exempted under section 6-13-5 (Unfair Sales
9 Practices) or section 6-13.1-4 (Deceptive Trade Practices).

10 (xiii) A person soliciting exclusively the sale of telephone answering services to be
11 provided by that person or that person's employer.

12 SECTION 2. Sections 7-1-5 and 7-1-5.2 of the General Laws in Chapter 7-1 entitled
13 "Corporations - General Provisions" are hereby amended to read as follows:

14 **7-1-5. Corporations organized for the business of insurance.** -- Notwithstanding any
15 general law to the contrary, any corporation, whether organized with capital stock or as a mutual
16 association, that is organized for the purpose of carrying on within this state the business of
17 insurance, surety, or indemnity, shall be organized pursuant to chapter ~~4-1~~ [1.2](#) of this title and
18 shall have all the rights and privileges and be subject to provisions of chapter 1 of title 27,
19 relating to domestic insurance companies; provided, however, the articles of incorporation
20 comply with requirements established by rule or regulation promulgated by the director of the
21 department of business regulation, and provided, further, that no insurance corporation may
22 commence business until it has satisfied the requirements enumerated in section 27-1-37. Any
23 corporation as defined in this section and, notwithstanding the provisions of section 27-41-22,
24 any corporation organized, created, or established in any manner pursuant to chapters 19, 20,
25 20.1, 20.2, 20.3, and 41 of title 27, shall obtain prior approval from the director of the department
26 of business regulation for all charter amendments made pursuant to this title. Any corporation
27 defined in this section created by special act of the general assembly, may amend its charter
28 pursuant to section ~~7-1.1-53.1,~~ [7-1.2-902](#), subject to prior approval of the amendment by the
29 director of the department of business regulation.

30 **7-1-5.2. Mutual insurance associations -- Applicability of chapter.** -- Notwithstanding
31 any provision of section 7-1-5 to the contrary, and without intending to limit those sections of
32 chapter ~~4-1~~ [1.2](#) of this title which may not be applicable to mutual associations by reason of the
33 fact that those associations do not have shareholders, the following sections of chapter ~~4-1~~ [1.2](#) of
34 this title do not apply to any insurance company organized as a mutual association: section ~~7-1.1-~~

1 ~~5~~ 7-1.2-601 (Right of corporation to acquire ~~and~~ dispose of and cancel its own shares); section ~~7-~~
2 ~~1.1-14~~ 7-1.2-602 (Authorized shares; shares in classes or series; issuance of shares); section ~~7-~~
3 ~~1.1-19~~ (~~Determination of amount of stated capital~~); section ~~7-1.1-30~~ section 7-1.2-705 (Quorum
4 of shareholders required for shareholders' action); section ~~7-1.1-62~~ (~~Cancellation of other~~
5 ~~reacquired shares~~); section ~~7-1.1-63~~ (~~Reduction of stated capital in certain cases~~); section ~~7-1.1-~~
6 ~~64~~ (~~Creation and application of surplus and reserves~~); section ~~7-1.1-73~~ section 7-1.2-1201 (Rights
7 of shareholders to dissent); section ~~7-1.1-74~~ 7-1.2-1202 (Rights of dissenting shareholders);
8 section ~~7-1.1-90.1~~ 7-1.2-1315 (Avoidance of dissolution by share stock buyout); and section ~~7-~~
9 ~~1.1-123~~ 7-1.2-1602(c)(2) (License fees payable by domestic corporations).

10 SECTION 3. Sections 7-5.1-1, 7-5.1-7 and 7-5.1-8 of the General Laws in Chapter 7-5.1
11 entitled "Professional Service Corporations" are hereby amended to read as follows:

12 **7-5.1-1. Application of general corporation law.** -- Except as otherwise provided in this
13 chapter, all provisions of the general corporation law, including the Rhode Island Business
14 Corporation Act, chapter ~~1.1~~ 1.2 of this title, applicable to domestic business corporations are
15 applicable to corporations organized under this chapter.

16 **7-5.1-7. Names.** -- The names of every professional service corporation shall end with
17 the words "professional corporation" or "corporation" or "incorporated" or "limited" or the
18 abbreviations "p.c." or "pc" or "corp." or "inc." or "ltd."; and that designation in the corporate
19 name constitutes notice to every person or corporation availing him or herself or itself of the
20 services of any corporation, that it is organized under the provisions of this chapter. However, a
21 corporation organized under this chapter may engage in rendering professional services under a
22 fictitious business name subject to provisions of section ~~7-1.1-7.1~~ 7-1.2-402 . Each regulatory
23 agency may impose additional requirements as to the names of corporations organized to render
24 professional services subject to its jurisdiction.

25 **7-5.1-8. Insurance required.** -- (a) Every professional service corporation shall maintain
26 insurance against any liability imposed by law upon the corporation or its employees arising out
27 of the performance of professional services, excluding liability for claims brought about or
28 contributed to by the dishonest, fraudulent, criminal, or malicious acts or omissions of any
29 employee. The insurance shall be maintained in a company lawfully authorized to write insurance
30 in this state and shall be, with respect to each claim, in the aggregate amount of fifty thousand
31 dollars (\$50,000) multiplied by the number of professional employees of the corporation as of the
32 policy anniversary date. However, in no case is the coverage to be less than one hundred thousand
33 dollars (\$100,000). Not more than five hundred thousand dollars (\$500,000) coverage is to be
34 required of any corporation. Any policy for insurance coverage may include a deductible

1 provision in an amount not to exceed twenty-five thousand dollars (\$25,000) for each claim
2 multiplied by the number of professional employees of the corporation as of the date of the
3 issuance of the policy.

4 (b) Every insurance company shall furnish to the incorporators of each corporation to be
5 insured by it a certificate reciting that application for the insurance has been duly made and that a
6 policy of insurance as required will be issued, the amount of coverage to be provided, and the
7 expiration date of the policy. The incorporators shall file the certificate in the office of the
8 secretary of state at the time of filing ~~the original and a duplicate of~~ the articles of association,
9 and the secretary of state shall not certify the ~~duplicate~~ articles of association unless the certificate
10 of insurance has been filed. Subsequently, every insurer shall notify the secretary of state and the
11 insured of the termination of the insurance not more than thirty (30) days nor less than ten (10)
12 days before the effective date of the termination. Upon receipt of the notice, the secretary of state
13 shall inform the appropriate regulatory agency of the notice.

14 SECTION 4. Sections 7-6-11, 7-6-35, 7-6-41, 7-6-42, 7-6-43, 7-6-44, 7-6-46, 7-6-48, 7-
15 6-55, 7-6-58, 7-6-72, 7-6-75, 7-6-82, 7-6-84 7-6-87 and 7-6-93 of the General Laws in Chapter
16 7-6 entitled "Rhode Island Nonprofit Corporation Act" are hereby amended to read as follows:

17 **7-6-11. Corporate name.** -- (a) The corporate name:

18 (1) Shall not contain any word or phrase which indicates or implies that it is organized
19 for any purpose other than one or more of the purposes contained in its articles of incorporation.

20 (2) Shall ~~not be the same as or deceptively similar to~~ distinguishable upon the records of
21 the secretary of state from:

22 (i) The name of any corporation, whether for profit or not for profit, limited partnership
23 or domestic or foreign limited liability company organized under the laws of, or registered or
24 qualified or authorized to do business or conduct affairs in this state; or

25 (ii) Any name which is filed, reserved or registered under this title, or as permitted by the
26 laws of this state, subject to the following:

27 (A) This provision shall not apply if the applicant files with the secretary of state ~~either~~
28 ~~of the following:~~

29 ~~-(I) The written consent of the other corporation, nonbusiness corporation or other~~
30 ~~association, domestic or foreign limited partnership, domestic or foreign limited liability~~
31 ~~company or holder of a filed, reserved or registered name, to use the name or deceptively similar~~
32 ~~name and one or more words are added to make the name distinguishable from the other name; or~~

33 ~~(H)-A~~ a certified copy of a final decree of a court of competent jurisdiction establishing
34 the prior right of the applicant to the use of the name in this state; and

1 (iii) The name may be the same as, ~~or deceptively similar to,~~ the name of a corporation,
2 nonbusiness corporation or other association the certificate of incorporation or organization of
3 which has been revoked by the secretary of state as permitted by law, and the revocation has not
4 been withdrawn within one year from that date.

5 (3) Shall be translated into letters of the English alphabet, if it is not in English.

6 (b) (1) Any nonprofit corporation organized under the laws of, or registered or qualified
7 to do business in this state may transact its affairs in this state under a fictitious name if it files a
8 fictitious business name statement in accordance with this subsection.

9 (2) A fictitious business name statement shall be filed ~~in duplicate~~ with the secretary of
10 state accompanied by a fee of twenty dollars (\$20.00), and shall be executed by an authorized
11 person of the nonprofit corporation or by a person with authority to do so under the laws of the
12 state or other jurisdiction of the organization of the nonprofit corporation and shall describe:

13 (i) The fictitious business name to be used; and

14 (ii) The name of the nonprofit corporation, the state or other jurisdiction in which the
15 nonprofit corporation is organized and date of the nonprofit corporation's organization.

16 (3) The fictitious business name statement expires upon the filing of a statement of
17 abandonment of use of a fictitious business name registered in accordance with this subsection or
18 upon the dissolution of the domestic corporation or the cancellation of registration of the foreign
19 corporation.

20 (4) The statement of abandonment of use of a fictitious business name under this
21 subsection shall be filed ~~in duplicate~~ with the secretary of state, shall be executed in the same
22 manner as provided in subsection (b)(2), and shall describe:

23 (i) The fictitious business name being abandoned;

24 (ii) The date on which the original fictitious business name statement being abandoned
25 was filed; and

26 (iii) The information described in subdivision (2)(ii) of subsection (b).

27 (5) No domestic or foreign nonprofit corporation conducting its affairs under a fictitious
28 business name contrary to the provisions of this section, or its assignee, may maintain any action
29 upon or because of any contract made, or transaction had, in the fictitious business name in any
30 court of the state or until a fictitious business name statement has been filed in accordance with
31 this section.

32 (6) No nonprofit corporation may conduct its affairs under a fictitious business name
33 pursuant to this section which is ~~the same as or deceptively similar to~~ not distinguishable upon the
34 records of the secretary of state from the name of any corporation, limited partnership or domestic

1 or foreign limited liability company organized under the laws of, or registered or qualified to do
2 business in this state or any name which is filed, reserved or registered under this title or as
3 permitted by the laws of this state, subject to the following:

4 (i) This provision does not apply if the applicant files with the secretary of state ~~either of~~
5 ~~the following:~~

6 ~~-(A) The written consent of the other corporation, nonbusiness corporation or other~~
7 ~~association, domestic or foreign limited partnership, domestic or foreign limited liability~~
8 ~~company or holder of a filed, reserved or registered name, to use the same or deceptively similar~~
9 ~~name and one or more words are added to make the name distinguishable from the other name; or~~

10 ~~(B) (ii) A~~ a certified copy of a final decree of a court of competent jurisdiction
11 establishing the prior right of the applicant to the use of the name in this state; and

12 (ii) The name may be the same as, ~~or deceptively similar to, to~~ the name of a
13 corporation, nonbusiness corporation or other association the certificate of incorporation or
14 organization of which has been revoked by the secretary of state as permitted by law, and the
15 revocation has not been withdrawn within one year from that date.

16 **7-6-35. Filing of articles of incorporation.** -- (a) ~~Duplicate originals of~~ ~~†~~The articles of
17 incorporation shall be delivered to the secretary of state. If the secretary of state finds that the
18 articles of incorporation conform to law, the secretary of state shall, when all fees have been paid
19 as in this chapter prescribed:

20 (1) Endorse on ~~each of the duplicate~~ originals the word "Filed," and the month, day, and
21 year of the filing.

22 (2) File ~~one of the duplicate~~ originals in the secretary of state's office.

23 (3) Issue a certificate of incorporation ~~to which the secretary of state shall affix the other~~
24 ~~duplicate original~~

25 (b) The certificate of incorporation, ~~together with the duplicate original of the articles of~~
26 ~~incorporation affixed to it by the secretary of state,~~ shall be ~~returned~~ delivered to the incorporators
27 or their representative.

28 **7-6-41. Effectiveness of amendment.** -- (a) ~~Duplicate originals of~~ ~~†~~The articles of
29 amendment shall be delivered to the secretary of state. If the secretary of state finds that the
30 articles of amendment conform to law, the secretary of state shall, when all fees have been paid as
31 in this chapter prescribed:

32 (1) Endorse on ~~each of the duplicate~~ originals the word "Filed," and the month, day, and
33 year of the filing.

34 (2) File ~~one of the duplicate~~ originals in the secretary of state's office.

1 (3) Issue a certificate of amendment ~~to which the secretary of state shall affix the other~~
2 ~~duplicate original~~

3 (b) The certificate of amendment, ~~together with the duplicate original of the articles of~~
4 ~~amendment affixed to it by the secretary of state~~, shall be ~~returned~~ delivered to the corporation or
5 its representative.

6 (c) Upon the issuance of the certificate of amendment by the secretary of state, or upon
7 any later date, not more than 30 days after the filing of articles of amendment, that is set forth in
8 the articles, the amendment becomes effective and the articles of incorporation are deemed to be
9 amended accordingly.

10 (d) No amendment affects any existing cause of action in favor of or against the
11 corporation, or any pending action to which the corporation is a party, or the existing rights of
12 persons other than members; and, in the event the corporate name is changed by amendment, no
13 action brought by or against the corporation under its former name abates for that reason.

14 **7-6-42. Restated articles of incorporation.** -- (a) A domestic corporation may at any
15 time restate its articles of incorporation as previously amended, in the following manner:

16 (1) If there are members entitled to vote on the restated articles, the board of directors
17 shall adopt a resolution setting forth the proposed restated articles of incorporation and directing
18 that they be submitted to a vote at a meeting of members entitled to vote on them, which may be
19 either an annual or a special meeting.

20 (2) Written notice setting forth the proposed restated articles or a summary of their
21 provisions shall be given to each member entitled to vote on them, within the time and in the
22 manner provided in this chapter for the giving of notice of meetings of members. If the meeting is
23 an annual meeting, the proposed restated articles or a summary of their provisions may be
24 included in the notice of the annual meeting.

25 (3) At the meeting a vote of the members entitled to vote on the restated articles shall be
26 taken on them, which shall be adopted upon receiving the affirmative vote of a majority of the
27 members entitled to vote on them present at the meeting or represented by proxy.

28 (4) If there are no members, or no members entitled to vote on them, the proposed
29 restated articles shall be adopted at a meeting of the board of directors upon receiving the
30 affirmative vote of a majority of the directors in office.

31 (b) Upon approval, restated articles of incorporation shall be executed ~~in duplicate~~ by the
32 corporation by its president or vice president and by its secretary or assistant secretary and shall
33 set forth:

34 (1) The name of the corporation.

1 (2) The period of its duration.

2 (3) The purpose or purposes which the corporation is authorized to pursue.

3 (4) Any other provisions, not inconsistent with law, which are then set forth in the
4 articles of incorporation as previously amended, except that it is not necessary to set forth in the
5 restated articles of incorporation the registered office of the corporation, its registered agent, its
6 directors or its incorporators.

7 (c) The restated articles of incorporation shall state that they correctly set forth the
8 provisions of the articles of incorporation as previously amended, that they have been duly
9 adopted as required by law, and that they supersede the original articles of incorporation and all
10 amendments to them.

11 (d) ~~Duplicate originals of t~~The restated articles of incorporation shall be delivered to the
12 secretary of state. If the secretary of state finds that the restated articles conform to law, the
13 secretary of state shall, when all fees have been paid as in this chapter prescribed:

14 (1) Endorse on ~~each of the duplicate~~ originals the word "Filed," and the month, day, and
15 year of the filing.

16 (2) File ~~one~~ of the ~~duplicate~~ originals in the secretary of state's office.

17 (3) Issue a restated certificate of incorporation ~~to which the secretary of state shall affix~~
18 ~~the other duplicate original~~

19 (e) The restated certificate of incorporation, ~~together with the duplicate original of the~~
20 ~~restated articles of incorporation affixed to it by the secretary of state~~, shall be ~~returned~~ delivered
21 to the corporation or its representative.

22 (f) Upon the issuance of the restated certificate of incorporation by the secretary of state,
23 the restated articles of incorporation become effective and supersede the original articles of
24 incorporation and all amendments to them.

25 **7-6-43. Procedure for merger.** -- (a) Notwithstanding anything to the contrary contained
26 in any general or public law, rule, or regulation, any two (2) or more corporations whether
27 defined in section 7-6-2 or section ~~7-1.1-2~~ 7-1.2-106 may merge into one of the corporations
28 pursuant to a plan of merger approved in the manner provided in this chapter. This section does
29 not apply to insurance holding company systems as defined in section 27-35-1.

30 (b) Each corporation shall adopt a plan of merger setting forth:

31 (1) The names of the corporations proposing to merge, and the name of the corporation
32 into which they propose to merge, which is subsequently designated as the surviving corporation.

33 (2) The terms and conditions of the proposed merger.

34 (3) A statement of any changes in the articles of incorporation of the surviving

1 corporation to be effected by the merger.

2 (4) Such other provisions regarding the proposed merger that are deemed necessary or
3 desirable.

4 **7-6-44. Procedure for consolidation.** -- (a) Notwithstanding anything to the contrary
5 contained in any general or public law, rule, or regulation, any two (2) or more corporations,
6 whether defined in section 7-6-2 or section ~~7-1.1-2~~, [7-1.2-106](#), may consolidate into one of the
7 corporations pursuant to a plan of consolidation approved in the manner provided in this chapter.
8 This section does not apply to insurance holding company systems as defined in section 27-35-1.

9 (b) Each corporation shall adopt a plan of consolidation setting forth:

10 (1) The names of the corporations proposing to consolidate, and the name of the new
11 corporation into which they propose to consolidate, which is subsequently designated as the new
12 corporation.

13 (2) The terms and conditions of the proposed consolidation.

14 (3) Regarding the new corporation, all of the statements required to be set forth in
15 articles of incorporation for corporations organized under this chapter.

16 (4) Any other provisions regarding the proposed consolidation that are deemed necessary
17 or desirable.

18 **7-6-46. Articles of merger or consolidation.** -- (a) Upon approval, articles of merger or
19 articles of consolidation shall be executed ~~in duplicate~~ by each corporation by its president or a
20 vice president and by its secretary or an assistant secretary, and shall set forth:

21 (1) The plan of merger or the plan of consolidation.

22 (2) If the members of any merging or consolidating corporation are entitled to vote on
23 the plan, then as to each corporation:

24 (i) A statement setting forth the date of the meeting of members at which the plan was
25 adopted, that a quorum was present at the meeting, and that the plan received at least a majority
26 of the votes which members present at the meeting or represented by proxy were entitled to cast;
27 or

28 (ii) A statement that the plan was adopted by a consent in writing signed by all members
29 entitled to vote on it.

30 (3) If any merging or consolidating corporation has no members, or no members entitled
31 to vote on the plan, then as to each corporation a statement of the fact, the date of the meeting of
32 the board of directors at which the plan was adopted, and a statement of the fact that the plan
33 received the vote of a majority of the directors in office.

34 (b) ~~Duplicate originals of~~ [The](#) articles of merger or articles of consolidation shall be

1 delivered to the secretary of state. If the secretary of state finds that the articles conform to law,
2 he or she shall, when all fees have been paid as prescribed in this chapter:

3 (1) Endorse on ~~each of the duplicate originals~~ the word "Filed," and the month, day, and
4 year of the filing.

5 (2) File ~~one of the duplicate originals~~ in the secretary of state's office.

6 (3) Issue a certificate of merger or a certificate of consolidation ~~to which the secretary of~~
7 ~~state shall affix the other duplicate original~~

8 (c) The certificate of merger or certificate of consolidation, ~~together with the duplicate~~
9 ~~original of the articles of merger or articles of consolidation affixed to it by the secretary of state,~~
10 shall be ~~returned~~ delivered to the surviving or new corporation, as the case may be, or its
11 representative.

12 **7-6-48. Merger or consolidation of domestic and foreign corporations.** -- (a)

13 Notwithstanding anything to the contrary contained in any general or public law, rule, or
14 regulation, any two (2) or more corporations, whether defined in section 7-6-2 or section ~~7-1.1-2~~
15 7-1.2-106 may be merged or consolidated in the following manner, if the merger or consolidation
16 is permitted by the laws of the state under which each foreign corporation is organized:

17 (1) Each domestic corporation shall comply with the provisions of this chapter regarding
18 the merger or consolidation of domestic corporations and each foreign corporation shall comply
19 with the applicable provisions of the laws of the state under which it is organized.

20 (2) If the surviving or new corporation is to be governed by the laws of any state other
21 than this state, it shall comply with the provisions of this chapter with respect to foreign
22 corporations if it is to conduct affairs in this state, and in every case it shall file with the secretary
23 of state of this state:

24 (i) An agreement that it may be served with process in this state in any proceeding for
25 the enforcement of any obligation of any domestic corporation which is a party to the merger or
26 consolidation; and

27 (ii) An irrevocable appointment of the secretary of state of this state as its agent to accept
28 service of process in any proceeding.

29 (b) The effect of the merger or consolidation shall be the same as in the case of the
30 merger or consolidation of domestic corporations, if the surviving or new corporation is to be
31 governed by the laws of this state. If the surviving or new corporation is to be governed by the
32 laws of any state other than this state, the effect of the merger or consolidation is the same as in
33 the case of the merger or consolidation of domestic corporations except insofar as the laws of the
34 other state provide otherwise.

1 (c) After approval by the members or, if there are no members entitled to vote on it, by
2 the board of directors, and at any time prior to the filing of the articles of merger or consolidation,
3 the merger or consolidation may be abandoned pursuant to provisions for abandonment set forth
4 in the plan of merger or consolidation.

5 (d) This section does not apply to insurance holding company systems as defined in
6 section 27-35-1.

7 **7-6-55. Filing of articles of dissolution.** -- (a) ~~Duplicate originals of~~ The articles of
8 dissolution shall be delivered to the secretary of state. If the secretary of state finds that the
9 articles of dissolution conform to law, the secretary of state shall, when all fees have been paid as
10 prescribed in this chapter:

11 (1) Endorse on ~~each of the duplicate~~ originals the word "Filed," and the month, day, and
12 year of the filing.

13 (2) File ~~one of the duplicate~~ originals in the secretary of state's office.

14 (3) Issue a certificate of dissolution ~~to which he or she shall affix the other duplicate~~
15 ~~original~~

16 (b) The certificate of dissolution, ~~together with the duplicate original of the articles of~~
17 ~~dissolution affixed to by the secretary of state,~~ shall be ~~returned~~ delivered to the representative of
18 the dissolved corporation. Upon the issuance of the certificate of dissolution the existence of the
19 corporation ceases, except for the purpose of suits, other proceedings, and appropriate corporate
20 action by members, directors, and officers as provided in this chapter.

21 **7-6-58. Withdrawal of certificate of revocation.** -- (a) Within ten (10) years after
22 issuing a certificate of revocation as provided in section 7-6-57, the secretary of state may
23 withdraw the certificate of revocation and reinstate the corporation in good standing:

24 (1) Upon filing by the corporation of the documents it had previously failed to file as set
25 forth in subsections (a)(3) -- (a)(6) of section 7-6-56; and

26 (2) Upon the payment by the corporation of a penalty in the amount of twenty-five
27 dollars (\$25.00) for each year or part of a year that has elapsed since the issuance of the
28 certificate of revocation.

29 (b) If as permitted by section 7-6-11(2) another corporation, whether business or
30 nonprofit, or domestic or foreign qualified to transact business in this state, bears or has filed a
31 fictitious business name statement with respect to or reserved or registered in a name which is the
32 same as, ~~or deceptively similar to,~~ the name of a corporation regarding which the certificate of
33 revocation is proposed to be withdrawn, the secretary of state shall condition the withdrawal of
34 the certificate of revocation upon the reinstated corporation's amending its articles of

1 incorporation so as to designate a name which is ~~not the same as, or deceptively similar to,~~
2 distinguishable upon the records of the secretary of state from its former name.

3 (c) Upon the withdrawal of the certificate of revocation and reinstatement of the
4 corporation in good standing as provided in subsection (a), title to any real estate, or any interest
5 in real estate, held by the corporation at the time of the issuance of the certificate of revocation
6 and not conveyed subsequent to the revocation of its certificate of incorporation shall be deemed
7 to be revested in the corporation without further act or deed.

8 **7-6-72. Corporate name of foreign corporation.** -- No certificate of authority shall be
9 issued to a foreign corporation unless the corporate name of the corporation:

10 (1) Does not contain any word or phrase which indicates or implies that it is organized
11 for any purpose other than one or more of the purposes contained in its articles of incorporation.

12 (2) Is ~~not the same as, or deceptively similar to,~~ distinguishable upon the records of the
13 secretary of state from the name of any corporation, whether for profit or not for profit, domestic
14 or foreign limited partnership or domestic or foreign limited liability company organized under
15 the laws of, or registered or qualified or authorized to transact business or conduct affairs in this
16 state, or any name, or which is filed, reserved or registered under this title.

17 (3) Is translated into letters of the English alphabet, if it is not in English.

18 **7-6-75. Filing of application for certificate of authority.** -- (a) ~~Duplicate originals of~~
19 ~~the~~ application of the corporation for a certificate of authority shall be delivered to the secretary
20 of state, together with a copy of its articles of incorporation and all amendments to it, duly
21 certified by the proper officer of the state or country under the laws of which it is incorporated.

22 (b) If the secretary of state finds that the application conforms to law, the secretary of
23 state shall, when all fees have been paid as prescribed in this chapter:

24 (1) Endorse on ~~each of~~ the documents the word "Filed," and the month, day, and year of
25 the filing.

26 (2) File in the secretary of state's office ~~one of the duplicate~~ originals of the application
27 and the copy of the articles of incorporation and amendments to it.

28 (3) Issue a certificate of authority to conduct affairs in this state ~~to which the secretary of~~
29 ~~state shall affix the other duplicate original application.~~

30 (c) The certificate of authority, ~~together with the duplicate original of the application~~
31 ~~affixed to it by the secretary of state,~~ shall be ~~returned~~ delivered to the corporation or its
32 representative.

33 **7-6-82. Amended certificate of authority.** -- (a) A foreign corporation authorized to
34 conduct affairs in this state shall procure an amended certificate of authority by making

1 application for one with the secretary of state if it changes its corporate name or desires to pursue
2 in this state other or additional purposes than those set forth in its prior application for a
3 certificate of authority.

4 (b) The requirements as to the form and contents of the application, the manner of its
5 execution, the filing of ~~the duplicate originals of it~~ with the secretary of state, the issuance of an
6 amended certificate of authority and its effect, are the same as in the case of an original
7 application for a certificate of authority.

8 **7-6-84. Filing of application for withdrawal.** -- (a) ~~Duplicate originals of~~ The
9 application for withdrawal shall be delivered to the secretary of state. If the secretary of state
10 finds that the application conforms to the provisions of this chapter, the secretary of state shall,
11 when all fees have been paid as prescribed in this chapter:

12 (1) Endorse on ~~each of the duplicate originals~~ the word "Filed," and the month, day, and
13 year of the filing.

14 (2) File ~~one of the duplicate originals~~ in the secretary of state's office.

15 (3) Issue a certificate of withdrawal, ~~to which the secretary of state shall affix the other~~
16 ~~duplicate original~~

17 (b) The certificate of withdrawal, ~~together with the duplicate original of the application~~
18 ~~for withdrawal affixed to it by the secretary of state,~~ shall be ~~returned~~ delivered to the corporation
19 or its representative. Upon the issuance of the certificate of withdrawal, the authority of the
20 corporation to conduct affairs in this state ceases.

21 **7-6-87. Withdrawal of certificates of revocation.** -- Within ten (10) years after issuing a
22 certificate of revocation as provided in section 7-6-86, the secretary of state may withdraw the
23 certificate of revocation and reinstate the corporation in good standing:

24 (1) Upon the filing by the corporation of the documents it had previously failed to file as
25 set forth in subsections (a)(1) through (a)(4), inclusive, of section 7-6-85; and

26 (2) (i) Upon the payment by the corporation of a penalty of twenty-five dollars (\$25.00)
27 for each year or part of a year that has elapsed since the issuance of the certificate of revocation.

28 (ii) If as permitted by section 7-6-72(2) another corporation, whether business or
29 nonprofit, or domestic or foreign, qualified to transact business in this state, bears or has filed a
30 fictitious business name statement regarding or reserved or registered a name which is the same
31 ~~as, or deceptively similar to,~~ the name of a corporation regarding which the certificate of
32 revocation is proposed to be withdrawn, the secretary of state shall condition the withdrawal of a
33 certificate of revocation upon the reinstated corporation's amending its articles of incorporation so
34 as to designate a name which is ~~not the same as, or deceptively similar to,~~ distinguishable upon

1 [the records of the secretary of state from](#) its former name.

2 **7-6-93. Miscellaneous charges.** -- The secretary of state shall charge and collect:

3 (1) For furnishing a certified copy of any document, instrument, or paper relating to a
4 corporation, ~~fifty cents (\$.50)~~ [fifteen cents \(\\$.15\)](#) per page and five dollars (\$5.00) for the
5 certificate and affixing the seal to it.

6 (2) At the time of any service of process on the secretary of state as resident agent of a
7 corporation, fifteen dollars (\$15.00), which is recoverable as taxable costs by the party to the suit
8 or action causing the service to be made if the party prevails in the suit or action.

9 [\(3\) For issuing a certificate of good standing/letter of status, five dollars \(\\$5.00\),](#)

10 (4) For issuing a certificate of fact, five dollars (\$5.00).

11 SECTION 5. Sections 7-6.1-5, 7-6.1-6 and 7-6.1-7 of the General Laws in Chapter 7-6.1
12 entitled "Cooperative Housing Corporations" are hereby amended to read as follows:

13 **7-6.1-5. Applicability of other laws -- Conflict of laws.** -- The provisions of chapter ~~4-4~~
14 [1.2](#) of this title are applicable to cooperative housing corporations. However, a limited equity
15 housing corporation may elect to apply the provisions of chapter 6 of this title to the corporation's
16 operation in lieu of chapter ~~4-4~~ [1.2](#) of this title. All cooperative housing corporations shall enjoy
17 the powers and privileges, and be subject to the duties, restrictions, and liabilities of other
18 corporations, except where inconsistent with the letter and purpose of this chapter. This chapter
19 takes precedence in the event of any conflict with provisions of chapter ~~4-4~~ [1.2](#) or 6 of this title.

20 **7-6.1-6. Articles of organization.** -- Three (3) or more persons who are residents of the
21 state may organize a cooperative housing corporation by filing articles of organization with the
22 secretary of the state. The articles must meet the requirements of chapter ~~4-4~~ [1.2](#) of this title and
23 shall additionally state:

24 (1) Whether transfer of its stock is restricted;

25 (2) Whether or not it is authorized to pay dividends on its stock, but no cooperative
26 corporation may pay a dividend of more than ten percent (10%), noncumulative, upon its stock;

27 (3) Whether the transfer value of its stock is restricted;

28 (4) Whether it is organized as a business or nonbusiness cooperative housing
29 corporation.

30 **7-6.1-7. Name.** -- The name of each cooperative housing corporation must comply with
31 the relevant provisions of chapter ~~4-4~~ [1.2](#) or 6 of this title and, in addition, must contain the word
32 "cooperative".

33 SECTION 6. Sections 7-8-3, 7-8-4, 7-8-5, 7-8-6, 7-8-9, 7-8-10, 7-8-27 and 7-8-34 of the
34 General Laws in Chapter 7-8 entitled "Consumers' Cooperatives" are hereby amended to read as

1 follows:

2 **7-8-3. Authorized purposes.** -- An association may be incorporated, with or without
3 capital stock, under this chapter for the purpose of carrying on any lawful business permitted by
4 section ~~7-1.1-3~~ [7-1.2-301](#) for the mutual benefit of its patrons, or their patrons, or any patrons'
5 patrons, as ultimate consumers, or for the purpose of doing business for the benefit of its member
6 patrons in all things relating directly or indirectly to the catching, processing, storing,
7 transporting, marketing, and distributing of fish and other aquatic products of all kinds.

8 **7-8-4. Application of general corporation law.** -- (a) The provisions of chapter ~~1-1~~ [1.2](#)
9 of this title apply to associations formed under this chapter, except insofar as they are inconsistent
10 with this chapter.

11 (b) Wherever, in chapter ~~1-1~~ [1.2](#) the word "stockholder" or "stockholders" is used, the
12 word shall be construed, where appropriate, to include within its meaning members in
13 associations formed without capital stock. Nothing contained in these chapters, however, shall be
14 construed to permit associations formed under the provisions of this chapter to issue stock
15 without par value.

16 **7-8-5. Federation and cooperation between associations.** -- In addition to the powers
17 granted to it by section ~~7-1.1-4~~, [7-1.2-302](#), an association has power to:

18 (1) Own and hold membership in other associations formed under any laws of this state,
19 or of any other state, country, nation, or government, and while the holder the membership, to
20 exercise all the rights of membership.

21 (2) Make agreements of mutual aid or federation with other associations, other groups
22 organized on a cooperative basis, and other nonprofit groups.

23 **7-8-6. Contents of articles of association.** -- The articles of association shall contain, in
24 addition to the information required by ~~section subdivision 7-1.1-48, with the exception of~~
25 ~~subsection (d) of that section~~, [subdivisions 7-1.2-202\(a\)\(1\), \(3\) and \(4\)](#), the following:

26 (1) A statement that the corporation is formed as a cooperative association under the
27 provisions of this chapter.

28 (2) A statement whether the association is organized with or without shares.

29 (3) If organized with shares, the information required by ~~section subdivision 7-1.1-48(a)~~
30 [7-1.2-202\(a\)\(2\)](#).

31 (4) The minimum number or value of shares which must be owned in order to qualify for
32 membership; if organized without shares, a statement whether the property rights of members are
33 equal or unequal, and if unequal, the rule by which their rights are determined.

34 (5) The maximum amount or percentage of capital which may be owned or controlled by

1 any member.

2 (6) The method by which any surplus, upon dissolution of the association, is distributed.

3 **7-8-9. Amendment of articles.** -- (a) The articles of association may be amended, as
4 provided in chapter ~~4-1~~ [1.2](#), by an affirmative vote of two-thirds (2/3) of the members voting at a
5 meeting duly called for the purpose. If the amendment is to alter the preferences of outstanding
6 shares of any type, or to authorize the issuance of shares having preferences superior to
7 outstanding shares of any type, the affirmative vote of two-thirds (2/3) of the members owning
8 the outstanding shares affected by the change is also required for the adoption of the amendment.
9 If the amendment is to alter the rule by which members' property rights in a nonshare association
10 are determined, a vote of two-thirds (2/3) of the entire membership is required.

11 (b) Notice of any meeting to consider amendments to the articles of association must be
12 sent at least three (3) weeks in advance of the meeting to each member at his or her last known
13 address, accompanied by the full text of the proposal and the part of the articles to be amended.

14 (c) There shall be paid to the secretary of state upon the filing and certification of the
15 articles of amendment a fee of five dollars (\$5.00).

16 **7-8-10. Contents of bylaws.** -- The bylaws may, in addition to the provisions permitted
17 by [subsection ~~7-1.1-25~~ 7-1.2-203\(a\)](#), except where inconsistent with this chapter, provide for:

18 (1) The method and terms of admission to membership and the disposal of members'
19 interests on cessation of membership for any reason.

20 (2) The method of distributing the net savings of the association.

21 **7-8-27. Contents of annual report.** -- The annual report of an association shall include a
22 statement of the receipts, expenditures, assets, and liabilities of the association, and shall, in the
23 case of a nonshare association, include, in lieu of the statement concerning its authorized and
24 issued capital stock required by section ~~7-1.1-118~~ [7-1.2-1501](#), a statement of the total number of
25 members, the number admitted and withdrawn during the year, and the amount of membership
26 fees received.

27 **7-8-34. Inapplicable law.** -- No law in this state that is conflicting or inconsistent with
28 any part of this chapter shall to the extent of the conflict or inconsistency, be construed as
29 applicable to associations formed by authority of this chapter. Sections ~~7-1.1-24 and 7-1.1-31~~ [7-](#)
30 [1.2-613 and 7-1.2-708](#) do not apply to associations organized by authority of this chapter.

31 SECTION 7. Section 7-12-57 of the General Laws in Chapter 7-12 entitled
32 "Partnerships" is hereby amended to read as follows:

33 **7-12-57. Name of registered limited liability partnerships.** -- (a) The name of a
34 registered limited liability partnership contains the words "registered limited liability partnership"

1 or the abbreviation "L.L.P" or "LLP" as the last words or letters of its name.

2 (b) The name ~~cannot be the same, or deceptively similar to,~~ shall be distinguishable
3 upon the records of the secretary of state from the name of any domestic for-profit or nonprofit
4 corporation, or any domestic limited partnership or any domestic limited liability company or any
5 registered limited liability partnership existing under the laws of the state or the name of any
6 foreign for-profit or nonprofit corporation, or foreign limited partnership or foreign limited
7 liability company or foreign registered limited liability partnership authorized to transact business
8 in this state, or a name the exclusive right to which is, at the time filed, reserved or registered in
9 the manner provided under this title, subject to the following:

10 (1) This provision does not apply if the applicant files with the secretary of state ~~either of~~
11 ~~the following:~~

12 ~~-(i) The written consent of the other corporation, limited partnership, limited liability~~
13 ~~company, registered limited liability partnership, or holder of a filed, reserved or registered name~~
14 ~~to use the same or deceptively similar name and one or more words are added to make the name~~
15 ~~distinguishable from the other name; or~~

16 ~~(ii) A~~ a certified copy of a final decree of a court of competent jurisdiction establishing
17 the prior right of the applicant to the use of the name in this state; and

18 (2) The name may be the same as ~~, or deceptively similar to,~~ the name of a corporation or
19 limited liability company or registered limited liability partnership, the certificate of
20 incorporation, authority, organization or registration of which has been revoked by the secretary
21 of state as permitted by law and the revocation has not been withdrawn within one year from the
22 date of the revocation.

23 SECTION 8. Sections 7-13-2, 7-13-13, 7-13-50, 7-13-54.1 and 7-13-68 of the General
24 Laws in Chapter 7-13 entitled "Limited Partnerships" are hereby amended to read as follows:

25 **7-13-2. Name.** -- (a) The name of each limited partnership as presented in its certificate
26 of limited partnership:

27 (1) Shall contain the words "limited partnership," or the letters and punctuation "L.P.";

28 (2) May not contain the name of a limited partner unless

29 (i) it is also the name of a general partner or the corporate name of a corporate general
30 partner, or

31 (ii) the business of the limited partnership had been carried on under that name before
32 the admission of that limited partner;

33 (3) ~~Cannot be the same as, or deceptively similar to,~~ Shall be distinguishable upon the
34 records of the secretary of state from the name of any corporation, nonbusiness corporation or

1 other association, domestic or foreign limited liability company, limited partnership organized
2 under the laws of, or registered or qualified to do business in this state or any name which is filed,
3 reserved or registered under this title or as permitted by the laws of this state, subject to the
4 following:

5 (i) This provision does not apply if the applicant files with the secretary of state ~~either of~~
6 ~~the following:~~

7 ~~(A) The written consent of the other corporation, nonbusiness corporation or other~~
8 ~~association, limited partnership, domestic or foreign limited liability company or holder of a filed,~~
9 ~~reserved or registered name, to use the same or deceptively similar name and one or more words~~
10 ~~are added to make the name distinguishable from the other name; or~~

11 ~~(B) A~~ a certified copy of a final decree of a court of competent jurisdiction establishing
12 the prior right of the applicant to the use of the the name in this state; and

13 (ii) The name may be the same as, ~~or deceptively similar to,~~ the name of a corporation,
14 nonbusiness corporation or other association the certificate of incorporation or organization of
15 which has been revoked by the secretary of state as permitted by law, and the revocation has not
16 been withdrawn within one year from the date of the revocation.

17 (b) (1) Any domestic or foreign limited partnership formed under the laws of, or
18 registered to do business in this state may transact business in this state under a fictitious name
19 provided that it files a fictitious business name statement in accordance with this subsection prior
20 to the time it commences to conduct business under the fictitious name.

21 (2) A fictitious business name statement shall be filed ~~in duplicate~~ with the secretary of
22 state, and shall be executed, in the case of a domestic limited partnership, by an authorized person
23 and, in the case of a foreign limited partnership, by a person with authority to do so under the
24 laws of the state or other jurisdiction of its formation, and shall state:

25 (i) The fictitious business name to be used; and

26 (ii) The name of the applicant limited partnership or foreign limited partnership, and the
27 state and date of its formation.

28 (3) The fictitious business name statement expires upon the filing of a statement of
29 abandonment of use of a fictitious business name registered in accordance with this subsection or
30 upon the dissolution of the domestic limited partnership or the cancellation of registration of the
31 foreign limited partnership.

32 (4) The statement of abandonment of use of a fictitious business name under this
33 subsection shall be filed ~~in duplicate~~ with the secretary of state, shall be executed in the same
34 manner provided in subdivision (2) and shall state:

1 (i) The fictitious business name being abandoned;
2 (ii) The date on which the original fictitious business name statement being abandoned
3 was filed; and

4 (iii) The information presented in subdivision (2)(ii) of subsection (b).

5 (5) No domestic or foreign limited partnership transacting business under a fictitious
6 business name contrary to the provisions of this section, or its assignee, may maintain any action
7 upon or on account of any contract made, or transaction had, in the fictitious business name in
8 any court of the state until a fictitious business name statement has been filed in accordance with
9 this section.

10 (6) No domestic or foreign limited partnership may be permitted to transact business
11 under a fictitious business name pursuant to this section which is the same as ~~or deceptively~~
12 ~~similar to~~ the name of any corporation, nonbusiness corporation or other association, domestic or
13 foreign limited partnership or domestic or foreign limited liability company organized under the
14 laws of, or registered or qualified to do business in this state or any name which is filed, reserved
15 or registered under this title or as permitted by the laws of this state, subject to the following:

16 (i) This provision does not apply if the applicant files with the secretary of state ~~either of~~
17 ~~the following:~~

18 ~~(A) The written consent of the the other corporation, nonbusiness corporation or other~~
19 ~~association, domestic or foreign limited partnership, domestic or foreign limited liability~~
20 ~~company or holder of a filed, reserved or registered name, to use the same or deceptively similar~~
21 ~~name and one or more words are added to make the name distinguishable from the other name; or~~

22 ~~(B) A~~ a certified copy of a final decree of a court of competent jurisdiction establishing
23 the prior right of the applicant to the use of the name in this state; and

24 (ii) The name may be the same as, ~~or deceptively similar to,~~ the name of a corporation,
25 nonbusiness corporation or other association the certificate of incorporation or organization of
26 which has been revoked by the secretary of state as permitted by law and the revocation has not
27 been withdrawn within one year from the date of revocation.

28 **7-13-13. Filing in office of secretary of state -- Certificate of conversion to a limited**
29 **partnership.** -- (a) ~~Two (2) signed copies of~~ The certificate of limited partnership and of any

30 certificates of amendments or cancellation (or of any judicial decree of amendment or
31 cancellation) shall be delivered to the secretary of state. A person who executes a certificate as an
32 agent, attorney in fact, or fiduciary need not exhibit evidence of his or her authority as a
33 prerequisite to filing. Any signature on any certificate authorized to be filed with the secretary of
34 state under any provision of this chapter may be a facsimile. Unless the secretary of state finds

1 that any certificate does not conform to law, upon receipt of all filing fees required by law the
2 secretary shall:

3 (1) Endorse on ~~each duplicate~~ the original the word "Filed" and the day, month, and year
4 of the filing of it;

5 (2) File the one duplicate original in his or her office; ~~and~~

6 ~~(3) Return the other duplicate original to the person who filed it or the person's~~
7 ~~representative.~~

8 (b) Upon the filing of a certificate of amendment (or judicial decree of amendment) in
9 the office of the secretary of state, the certificate of limited partnership or certificate of
10 conversion as the case may be shall be amended as presented in the certificate, and on the
11 effective date of a certificate of cancellation (or a judicial decree of cancellation), the certificate
12 of limited partnership or certificate of conversion to a limited partnership is cancelled.

13 **7-13-50. Issuance of registration.** -- (a) If the secretary of state finds that an application
14 for registration of a foreign limited partnership conforms to law and all requisite fees have been
15 paid; he or she shall:

16 (1) Endorse on the application the word "Filed", and the month, day, and year of the
17 filing of the application;

18 (2) File in his or her office the a duplicate original of the application; and

19 (3) Issue a certificate of registration to transact business in this state.

20 (b) The certificate of registration, together with a duplicate original of the application,
21 shall be returned to the person who filed the application or his or her representative.

22 **7-13-54.1. Fees for filing documents and issuing certificates.** -- The secretary of state
23 shall charge and collect for:

24 (1) Filing a certificate of limited partnership, one hundred dollars (\$100).

25 (2) Filing a certificate of amendment to a certificate of limited partnership, fifty dollars
26 (\$50.00).

27 (3) Filing a certificate of cancellation of a certificate of limited partnership, ten dollars
28 (\$10.00).

29 (4) Filing an application to reserve a limited partnership name, fifty dollars (\$50.00) and
30 for renewal, seventy-five dollars (\$75.00).

31 (5) Filing a notice of transfer of a reserved limited partnership name, fifty dollars
32 (\$50.00).

33 (6) ~~(4)~~ Filing a statement of change of address of specified office or change of specified
34 agent, twenty dollars (\$20.00).

1 ~~(7)~~ (7) Filing a statement of change of address only for a specified agent, without fee.

2 ~~(8)~~ (8) Filing an application of a foreign limited partnership to register as a foreign
3 limited partnership, one hundred dollars (\$100).

4 ~~(9)~~ (9) Filing a certificate of correction of a registration as a foreign limited partnership,
5 ten dollars (\$10.00).

6 ~~(10)~~ (10) Filing a certificate of cancellation of registration as a foreign limited partnership,
7 twenty-five dollars (\$25.00).

8 ~~(11)~~ (11) Filing any other document, statement or report of a domestic or foreign limited
9 partnership, fifty dollars (\$50.00).

10 ~~(12)~~ (12) Filing a certificate of amendment of a foreign limited partnership, fifty dollars
11 (\$50.00).

12 (13) For issuing a certificate of good standing/letter of status, twenty dollars (\$20.00).

13 (14) For issuing a certificate of fact, thirty dollars (\$30.00).

14 (15) For furnishing a certified copy of any document, instrument or paper relating to a
15 domestic or foreign limited partnership, a fee of fifteen cents (\$.15) per page and ten dollars
16 (\$10.00) for the certificate and affirming the seal to it.

17 **7-13-68. Merger and consolidation.** -- (a) As used in this section, "other business entity"
18 means a corporation, a business trust or association, a real estate investment trust, a common-law
19 trust, a limited liability corporation, whether foreign or domestic, or an unincorporated business,
20 including a partnership, whether general or limited, but excluding a domestic limited partnership.

21 (b) (1) Pursuant to an agreement of merger or consolidation, a domestic limited
22 partnership may merge or consolidate with or into one or more domestic limited partnerships or
23 other business entities formed or organized under the laws of the state of Rhode Island or any
24 other state or the United States or any foreign country or other foreign jurisdiction, with any
25 domestic limited partnership or other business entity that the agreement provides being the
26 surviving or resulting domestic limited partnership or other business entity. Unless otherwise
27 provided in the partnership agreement, a merger or consolidation shall be approved by each
28 domestic limited partnership which is to merge or consolidate:

29 (i) By all general partners; and

30 (ii) By the limited partners or, if there is more than one class or group of limited partners,
31 then by each class or group of limited partners, in either case, by limited partners who own more
32 than fifty percent (50%) of the then current percentage or other interest in the profits of the
33 domestic limited partnership owned by all of the limited partners or by the limited partners in
34 each class or group, as appropriate.

1 (2) In connection with a merger or consolidation under this section, rights or securities
2 of, or interests in, a limited partnership or other business entity which is not a limited partnership
3 or other business entity which is a constituent party to the merger or consolidation may be
4 exchanged for or converted into cash, property, rights or securities of, or interests in, the
5 surviving or resulting limited partnership or other business entity in the merger or consolidation.
6 Despite prior approval, an agreement of merger or consolidation may be terminated or amended
7 pursuant to a provision for termination or amendment contained in the agreement of merger or
8 consolidation.

9 (c) If a domestic limited partnership is merging or consolidating under this section, the
10 domestic limited partnership or other business entity surviving or resulting in or from the merger
11 or consolidation shall file a certificate of merger or consolidation in the office of the secretary of
12 state, stating:

13 (1) The name and jurisdiction of formation or organization of each of the domestic
14 limited partnerships or other business entities which is to merge or consolidate;

15 (2) That an agreement of merger or consolidation has been approved and executed by
16 each of the domestic limited partnerships or other business entities which is to merge or
17 consolidate;

18 (3) The name of the surviving or resulting domestic limited partnership or other business
19 entity;

20 (4) The future effective date or time, which shall be a date or time certain, of the merger
21 or consolidation if it is not to be effective upon the filing of the certificate of merger or
22 consolidation;

23 (5) That the agreement of merger or consolidation is on file at a place of business of the
24 surviving or resulting domestic limited partnership or other business entity, and shall state the
25 address of that place of business;

26 (6) That a copy of the agreement of merger or consolidation will be furnished by the
27 surviving or resulting domestic limited partnership or other business entity, on request and
28 without cost, to any partner of any domestic limited partnership or any person holding an interest
29 in any other business entity which is to merge or consolidate; and

30 (7) If the surviving or resulting entity is not a domestic limited partnership or corporation
31 organized under the laws of Rhode Island, a statement that the surviving or resulting other
32 business entity agrees that it may be served with process in Rhode Island in any action, suit or
33 proceeding for the enforcement of any obligation of any domestic limited partnership which is to
34 merge or consolidate, irrevocably appointing the secretary of state as its agent to accept service of

1 process in the action, suit or proceeding and specifying the address to which a copy of the process
2 is to be mailed to it by the secretary of state. In the event of service under this section on the
3 secretary of state, the procedures set forth in section ~~7-1.1-13~~ [7-1.2-503](#) are applicable, except
4 that the plaintiff in any action, suit or proceeding shall furnish the secretary of state with the
5 address specified in the certificate of merger or consolidation provided for in this section and any
6 other address which the plaintiff elects to furnish, together with copies of the process as required
7 by the secretary of state, and the secretary of state shall notify the surviving or resulting other
8 business entity at all addresses furnished by the plaintiff in accordance with the procedures set
9 forth in section ~~7-1.1-13~~ [7-1.2-503](#).

10 (d) Any failure to file a certificate of merger or consolidation in connection with a
11 merger or consolidation pursuant to this section which was effective prior to the effective date of
12 this section does not affect the validity or effectiveness of the merger or consolidation.

13 (e) Unless a future effective date or time is provided in a certificate of merger or
14 consolidation, in which event a merger or consolidation is effective at that future effective date or
15 time, a merger or consolidation is effective upon the filing in the office of the secretary of state of
16 a certificate of merger or consolidation.

17 (f) A certificate of merger or consolidation acts as a certificate of cancellation for a
18 domestic limited partnership which is not the surviving or resulting entity in the merger or
19 consolidation.

20 (g) (1) Notwithstanding anything to the contrary contained in a partnership agreement, a
21 partnership agreement containing a specific reference to this subsection may provide that an
22 agreement of merger or consolidation approved in accordance with subsection (b) may:

23 (i) Effect any amendment to the partnership agreement; or

24 (ii) Effect the adoption of a new partnership agreement for a limited partnership if it is
25 the surviving or resulting limited partnership in the merger or consolidation.

26 (2) Any amendment to a partnership agreement or adoption of a new partnership
27 agreement made pursuant to the preceding sentence is effective at the effective time or date of the
28 merger or consolidation. The provisions of this subsection shall not be construed to limit the
29 accomplishment of a merger or of any of the matters referred to in this section by any other
30 means provided for in a partnership agreement or other agreement or as otherwise permitted by
31 law, including that the partnership agreement of any constituent limited partnership to the merger
32 or consolidation (including a limited partnership formed for the purpose of consummating a
33 merger or consolidation) is the partnership agreement of the surviving or resulting limited
34 partnership.

1 (h) When any merger or consolidation has become effective under this section, for all
2 purposes of the laws of the state of Rhode Island, all of the rights, privileges and powers of each
3 of the domestic limited partnerships and other business entities that have merged or consolidated,
4 and all property, real, personal, and mixed, and all debts due to any of those domestic limited
5 partnerships and other business entities, as well as all other things and causes of action belonging
6 to each of those domestic limited partnerships and other business entities, are vested in the
7 surviving or resulting domestic limited partnership or other business entity, and are subsequently
8 the property of the surviving or resulting domestic limited partnership or other business entity as
9 they were of each of the domestic limited partnerships and other business entities that have
10 merged or consolidated. The title to any real property vested by deed or otherwise, under the laws
11 of the state of Rhode Island, in any of those domestic limited partnerships and other business
12 entities, does not revert or in any way become impaired because of this chapter; but all rights of
13 creditors and all liens upon any property of the domestic limited partnerships and other business
14 entities are preserved unimpaired, and all debts, liabilities and duties of each of the domestic
15 limited partnerships and other business entities that have merged or consolidated subsequently
16 attach to the surviving or resulting domestic limited partnership or other business entity, and may
17 be enforced against it to the same extent as if the debts, liabilities and duties had been incurred or
18 contracted by it. Unless otherwise agreed, a merger or consolidation of a domestic limited
19 partnership, including a domestic limited partnership which is not the surviving or resulting entity
20 in the merger or consolidation, does not require the domestic limited partnership to wind up its
21 affairs under section 7-13-46 or pay its liabilities and distribute its assets under section 7-13-47.

22 SECTION 9. Sections 7-16-2, 7-16-4, 7-16-9, 7-16-43 and 7-16-65 of the General Laws
23 in Chapter 7-16 entitled "The Rhode Island Limited Liability Company Act" are hereby amended
24 to read as follows:

25 **7-16-2. Definitions.** -- As used in this chapter, unless the context otherwise requires:

26 (1) "Articles of organization" means documents filed under section 7-16-5 for the
27 purpose of forming a limited liability company.

28 (2) "Authorized person" means a person, whether or not a member, who is authorized by
29 the articles of organization, by an operating agreement, or otherwise, to act on behalf of a limited
30 liability company or foreign limited liability company as an officer, manager or otherwise.

31 (3) "Bankruptcy" means a proceeding under the United States Bankruptcy Code or under
32 state insolvency or receivership law.

33 (4) "Business" means any trade, occupation or other commercial activity engaged in for
34 gain, profit or livelihood for which a corporation can be organized under chapter ~~1-1~~ 1.2 of this

1 title.

2 (5) "Capital contribution" means any cash, property, services rendered, or a promissory
3 note or other binding obligation to contribute cash or property or to perform services which a
4 member contributes to a limited liability company in his or her capacity as a member.

5 (6) "Capital value" means the fair market value in each case as of the date contributed of
6 a member's capital contributions, including a contribution of services previously performed or a
7 contribution of a binding obligation to perform services, reduced by distributions made to the
8 member.

9 (7) "Constituent entity" means each limited liability company, limited partnership or
10 corporation which is a party to a plan of merger or consolidation.

11 (8) "Corporation" means a business corporation formed under chapter ~~1-1~~ [1.2](#) of this title
12 or a foreign corporation.

13 (9) "Court" includes every court and judge having jurisdiction in the case.

14 (10) "Foreign corporation" means a business corporation formed under the laws of any
15 state other than this state or any foreign country.

16 (11) "Foreign limited liability company" means a limited liability company formed under
17 the laws of any state other than this state or any foreign country.

18 (12) "Foreign limited partnership" means a limited partnership formed under the laws of
19 any state other than this state or any foreign country.

20 (13) "Limited liability company" or "domestic limited liability company" means an
21 entity that is organized and existing under the laws of this state pursuant to this chapter.

22 (14) "Limited partnership" means a limited partnership formed under the laws of this
23 state or a foreign limited partnership.

24 (15) "Manager" or "Managers" means a person or persons designated by the members of
25 a limited liability company to manage the limited liability company.

26 (16) "Member" means a person with an ownership interest in a limited liability company
27 with the rights and obligations specified under this chapter.

28 (17) "Membership interest", "ownership interest" or "interest" means a member's rights
29 in the limited liability company, collectively, including the member's share of the profits and
30 losses of the limited liability company, the right to receive distributions of the limited liability
31 company's assets, and any right to vote or participate in management of the limited liability
32 company.

33 (18) "New entity" means the entity into which constituent entities consolidate, as
34 identified in the articles of consolidation provided for in section 7-16-62.

1 (19) "Operating agreement" means any agreement, written or oral, of the members as to
2 the affairs of a limited liability company and the conduct of its business. An operating agreement
3 also includes a document adopted by the sole member of a limited liability company that has only
4 one member and may include as a party one or more managers who are not members.

5 (20) "Person" means a natural person, partnership, limited partnership, domestic or
6 foreign limited liability company, trust, estate, corporation, nonbusiness corporation or other
7 association.

8 (21) "State" means a state, territory or possession of the United States, or the District of
9 Columbia.

10 (22) "Surviving entity" means the constituent entity surviving a merger, as identified in
11 the articles of merger provided for in section 7-16-62.

12 **7-16-4. Powers.** -- Each limited liability company has the power:

13 (1) To sue, be sued, complain and defend in its name in all courts;

14 (2) To transact its business, carry on its operations and have and exercise the powers
15 granted by this chapter in any state and in any foreign country;

16 (3) To make contracts and guarantees, incur liabilities and borrow money, although not
17 in furtherance of the limited liability company's purposes;

18 (4) To sell, lease, exchange, transfer, convey, mortgage, pledge and otherwise dispose of
19 all or any part of its property and assets although not in furtherance of the limited liability
20 company's purposes;

21 (5) To acquire by purchase or in any other manner, take, receive, own, hold, improve,
22 use and otherwise deal in and with any interest in real or personal property, wherever situated;

23 (6) To issue notes, bonds and other obligations and secure any of them by mortgage or
24 deed of trust or security interest of any or all of its assets;

25 (7) To purchase, take, receive, subscribe for or otherwise acquire, own, hold, vote, use,
26 employ, sell, mortgage, lend, pledge or otherwise dispose of and otherwise use and deal in and
27 with stock or other interests in and obligations of corporations, associations, general or limited
28 partnerships, domestic or foreign limited liability companies, business trusts, and individuals or
29 direct or indirect obligations of the United States or of any other government, state, territory,
30 governmental district or municipality or of any of their instrumentalities;

31 (8) To invest its surplus funds, lend money from time to time in any manner which is
32 appropriate to enable it to carry on the operations or fulfill the purposes set forth in its articles of
33 organization and take and hold real property and personal property as security for the payment of
34 the funds loaned or invested;

1 (9) To elect or appoint agents and define their duties and fix their compensation;

2 (10) To be a promoter, stockholder, partner, member, associate or agent of any
3 corporation, general or limited partnership, domestic or foreign limited liability company, joint
4 venture, trust or other enterprise;

5 (11) To indemnify and advance expenses to any member, manager, agent or employee,
6 past or present, to the same extent as a corporation formed under chapter ~~1-1~~ [1.2](#) of this title may
7 indemnify any of its directors, officers, employees or agents and subject to the standards and
8 restrictions, if any, set forth in the articles of organization or operating agreement, and to
9 purchase and maintain insurance on behalf of any member, manager, agent or employee against
10 any liability asserted against him and incurred by the member, manager, agent or employee in
11 that capacity or arising out of the member's, manager's, agent's or employee's status, whether or
12 not the limited liability company would have the power to indemnify under the provisions of this
13 section, the articles of organization or operating agreement;

14 (12) To make and alter operating agreements, not inconsistent with its articles of
15 organization or with the laws of this state, for the administration and regulation of the business
16 and affairs of the limited liability company;

17 (13) To lend money and to use its credit to assist its employees;

18 (14) To make donations for the public welfare or for charitable, scientific or educational
19 purposes;

20 (15) To pay pensions and establish pension plans, pension trusts, profit sharing plans and
21 other incentive and benefit plans for any or all of its agents and employees;

22 (16) To provide insurance for its benefit on the life of any of its agents or employees or
23 on the life of any individual member for the purpose of acquiring at the member's death the
24 membership interest owned by the member;

25 (17) To cease its activities and dissolve; and

26 (18) To do every other act not inconsistent with law which is appropriate to promote and
27 to attain its purposes.

28 **7-16-9. Name -- Fictitious business names.** -- (a) The name of each limited liability
29 company as set forth in its articles of organization:

30 (1) Shall end with either the words "limited liability company" or the upper or lower case
31 letters "l.l.c." with or without punctuation;

32 (2) Shall ~~not be the same as or deceptively similar to~~ [distinguishable upon the records of](#)
33 [the secretary of state from:](#)

34 (i) The name of any corporation, nonbusiness corporation or other association, limited

1 partnership or domestic or foreign limited liability company organized under the laws of, or
2 registered or qualified to do business in, this state; or

3 (ii) Any name which is filed, reserved or registered under this title, subject to the
4 following:

5 (A) This provision shall not apply if the applicant files with the secretary of state ~~either~~
6 ~~of the following:~~

7 ~~(I) The written consent of the other corporation, nonbusiness corporation or other~~
8 ~~association, limited partnership, domestic or foreign limited liability company or holder of a filed,~~
9 ~~reserved or registered name, to use the same or deceptively similar name and one or more words~~
10 ~~are added to make the name distinguishable from such other name; or~~

11 ~~(H) A~~ a certified copy of a final decree of a court of competent jurisdiction establishing
12 the prior right of the applicant to the use of the name in this state; and

13 (B) The name may be the same as, ~~or deceptively similar to,~~ the name of a corporation,
14 nonbusiness corporation or other association, the certificate of incorporation or organization of
15 which has been revoked by the secretary of state as permitted by law, and the revocation has not
16 been withdrawn within one year from the date of the revocation.

17 (b) (1) Any domestic or foreign limited liability company organized under the laws of, or
18 registered or qualified to do business in, this state may transact business in this state under a
19 fictitious name provided that it files a fictitious business name statement in accordance with this
20 subsection.

21 (2) A fictitious business name statement shall be filed ~~in duplicate~~ with the secretary of
22 state and shall be executed by an authorized person of the domestic limited liability company or
23 by a person with authority to do so under the laws of the state or other jurisdiction of its
24 organization of the foreign limited liability company and shall set forth:

25 (i) The fictitious business name to be used; and

26 (ii) The name of the applicant limited liability company, the state or other jurisdiction in
27 which the limited liability company is organized and date of the limited liability company's
28 organization.

29 (3) The fictitious business name statement expires upon the filing of a statement of
30 abandonment of use of a fictitious business name registered in accordance with this subsection or
31 upon the dissolution of the applicant domestic limited liability company or the cancellation of
32 registration of the applicant foreign limited liability company.

33 (4) The statement of abandonment of use of a fictitious business name under this
34 subsection shall be filed ~~in duplicate~~ with the secretary of state, shall be executed in the same

1 manner and provided in subdivision (2) above and shall set forth:

2 (i) The fictitious business name being abandoned;

3 (ii) The date on which the original fictitious business name statement being abandoned
4 was filed; and

5 (iii) The information set forth in subdivision (2)(ii) of subsection (a).

6 (5) No domestic or foreign limited liability company transacting business under a
7 fictitious business name contrary to the provisions of this section, or its assignee, may maintain
8 any action upon or on account of any contract made, or transaction had, in the fictitious business
9 name in any court of the state until a fictitious business name statement has been filed in
10 accordance with this section.

11 (6) No limited liability company may be permitted to transact business under a fictitious
12 business name pursuant to this section which is the same as ~~or deceptively similar to~~ the name of
13 any corporation, limited partnership or domestic or foreign limited liability company organized
14 under the laws of, or registered or qualified to do business in, this state or any name which is
15 filed, reserved or registered under this title, subject to the following:

16 (i) This provision does not apply if the applicant files with the secretary of state ~~either of~~
17 ~~the following:~~

18 ~~(A) The written consent of the other corporation, nonbusiness corporation or other~~
19 ~~association, limited partnership, domestic or foreign limited liability company or holder of a~~
20 ~~reserved or registered name, to use the same or deceptively similar name and one (1) or more~~
21 ~~words are added to make the name distinguishable from the other name; or~~

22 ~~(B) A~~ a certified copy of a final decree of a court of competent jurisdiction establishing
23 the prior right of the applicant to the use of the name in this state; and

24 (ii) The name may be the same as, ~~or deceptively similar to,~~ the name of a corporation,
25 nonbusiness corporation or other association, the certificate of incorporation or organization of
26 which has been revoked by the secretary of state as permitted by law and the revocation has not
27 been withdrawn within one year from the date of revocation.

28 (7) A filing fee of fifty dollars (\$50.00) shall be collected by the secretary of state for
29 each statement filed.

30 **7-16-43. Withdrawal of certificate of revocation.** -- (a) Within ten (10) years after
31 issuing a certificate of revocation as provided in section 716-42, the secretary of state may
32 withdraw the certificate of revocation and retroactively reinstate the limited liability company in
33 good standing as if its certificate of organization had not been revoked except as subsequently
34 provided:

1 (1) On the filing by the limited liability company of the documents it had previously
2 failed to file as set forth in subdivisions (3) through (6) of section 7-16-41(a);

3 (2) On the payment by the limited liability company of a penalty in the amount of fifty
4 dollars (\$50.00) and an additional fifty dollars (\$50.00) for each year or part of year that has
5 elapsed since the issuance of the certificate of revocation less the fifty dollars (\$50.00) paid under
6 the immediately preceding clause; and

7 (3) Upon the filing by the limited liability company of a certificate of good standing
8 from the Rhode Island Division of Taxation.

9 (b) If, as permitted by the provisions of this chapter or chapters ~~1-1~~ 1.2, 6, or 12, or 13 of
10 this title, another limited liability company, business or nonprofit corporation, registered limited
11 liability partnership or a limited partnership, or in each case domestic or foreign, authorized and
12 qualified to transact business in this state, bears or has filed a fictitious business name statement
13 as to or reserved or registered a name which is the same as, ~~or deceptively similar to~~, the name of
14 the limited liability company with respect to which the certificate of revocation is proposed to be
15 withdrawn, then the secretary of state shall condition the withdrawal of the certificate of
16 revocation on the reinstated limited liability company's amending its articles of organization so as
17 to designate a name which is not the same as, ~~or deceptively similar to~~, its former name.

18 **7-16-65. Filing, service, and copying fees.** -- The secretary of state shall charge and
19 collect:

20 (1) For filing the original articles of organization, a fee of \$150.00;

21 (2) For amending, restating or amending and restating the articles of organization, a fee
22 of \$50.00, provided that a fee of ten dollars (\$10.00) is payable if the amendment is solely to
23 indicate a change in managers pursuant to section 7-16-12(a)(2);

24 (3) For filing articles of merger or consolidation and issuing a certificate, a fee of
25 \$100.00;

26 (4) For filing articles of dissolution, a fee of \$50.00;

27 (5) For issuing a certificate ~~for any other purpose, a fee of \$15.00~~ of good standing/letter
28 of status, a fee of twenty dollars (\$20.00);

29 (6) For issuing a certificate of fact, a fee of thirty dollars (\$30.00);

30 ~~(7)~~ (7) For furnishing a certified copy of any document, instrument or paper relating to a
31 domestic or foreign limited liability company, a fee of fifteen cents (\$.15) per page and ten
32 dollars (\$10.00) for the certificate and affirming the seal to it;

33 ~~(8)~~ (8) For accepting an application for reservation of a name, or for filing a notice of the
34 transfer or cancellation of any name reservation, a fee of \$50.00;

1 ~~(8)~~ (9) For filing a fictitious business name statement or abandonment of use of a
2 fictitious business name, a fee of \$50.00;

3 ~~(9)~~ (10) (i) For filing a statement of change of resident agent and address of registered
4 agent, a fee of \$20.00;

5 (11) For filing a statement of change of address only for a resident agent, no fee;

6 ~~(10)~~ (12) For any service of notice, demand or process on the registered agent of a
7 foreign or domestic limited liability company, a fee of \$15.00, which amount may be recovered
8 as taxable costs by the party to be sued, action or proceeding causing the service to be made if the
9 party prevails in the suit;

10 ~~(11)~~ (13) For filing an annual report, a fee of \$50.00;

11 ~~(12)~~ (14) For filing a certificate of correction, a fee of \$50.00;

12 ~~(13)~~ (15) For filing an application for registration as a foreign limited liability company,
13 a fee of \$150.00;

14 ~~(14)~~ (16) For filing a certificate of amendment to the registration of a foreign limited
15 liability company, a fee of \$50.00, provided that a fee of ten dollars (\$10.00) shall be payable if
16 the amendment is solely to indicate a change in managers pursuant to section 7-16-52; and

17 ~~(15)~~ (17) For filing a certificate of cancellation of a foreign limited liability company, a
18 fee of \$75.00.

19 SECTION 10. Section 10-16-3.1 of the General Laws in Chapter 10-16 entitled "Small
20 Claims and Consumer Claims" is hereby amended to read as follows:

21 **10-16-3.1. Corporations -- Representatives.** -- (a) Any corporation with total assets of
22 less than one million dollars (\$1,000,000) organized under the laws of this state or licensed to do
23 business under the laws of this state, which is a corporation incorporated as a close corporation
24 pursuant to section ~~7-1.1-51~~ 7-1.2-1701, or if ~~incorporated before January 2, 1970, the effective~~
25 ~~date of section 7-1.1-51~~, the corporation is a close corporation or which is a corporation whose
26 majority stockholders are family members related by blood or marriage, may designate a
27 representative thereof to prosecute claims under this chapter; provided, however, that no
28 representative may be designated to prosecute claims for more than one corporation. The
29 designation authorized by an officer of the corporation shall be filed with the clerk of the district
30 court in which any claim is filed.

31 (b) No representative under this section, if not licensed to practice law, shall be deemed
32 to be practicing law without a license.

33 SECTION 11. Section 16-40-9 of the General Laws in Chapter 16-40 entitled "Private
34 Schools" is hereby amended to read as follows:

1 **16-40-9. Prosecution of violations -- Forfeiture of charter.** -- The district court for the
2 sixth division is empowered, upon the filing of a complaint in writing, duly verified, which
3 verification when made by the department of elementary and secondary education or the office of
4 higher education may be made upon information and belief that any person has violated the
5 provisions of this chapter, to issue process in the nature of a summons at the suit of the
6 department or office as plaintiff; the summons shall be returnable in not less than five (5) and not
7 more than fifteen (15) entire days; the process shall state in what respect this chapter has been
8 violated by the defendant or defendants, and upon the return of the process, or at any time to
9 which the trial shall be adjourned, the court shall proceed in a summary manner to hear testimony
10 and to determine and give judgment in the matter, without the filing of any further pleadings for
11 the plaintiff, for the recovery of the penalty with costs, or for the defendant or defendants, and the
12 court shall, if judgment is rendered for the plaintiff, cause the defendant or defendants other than
13 a body corporate who may refuse or fail immediately to pay the amount of the judgment rendered
14 against the defendant or defendants, and all the costs and charges incident to it, to be imprisoned
15 for any period not exceeding ninety (90) days. Upon any conviction under this section, the
16 department or office shall immediately file in the office of the secretary of state as a public record
17 the name of the corporation convicted or the name of any corporation whose officer or agent shall
18 have been convicted, and upon filing, the charter or articles of association of the corporation shall
19 become forfeited by reason of the conviction and the corporation shall cease to be a body
20 corporate, except as provided in section ~~7-1.1-98~~ [7-1.2-1324](#), and the secretary of state shall
21 immediately mail a notice of the forfeiture of charter or articles of association to the corporation
22 at its last known address, but failure to receive the notice shall not invalidate the notice.

23 SECTION 12. Section 16-57-5 of the General Laws in Chapter 16-57 entitled "Higher
24 Education Assistance Authority" is hereby amended to read as follows:

25 **16-57-5. General powers.** -- The authority shall have all of the powers necessary and
26 convenient to carry out and effectuate the purposes and provisions of this chapter, including
27 without limiting the generality of the foregoing the power:

28 (1) To sue and be sued, complain and defend, in its corporate name.

29 (2) To have a seal which may be altered at pleasure and to use the seal by causing it, or a
30 facsimile of it, to be impressed or affixed or in any other manner reproduced.

31 (3) To acquire the assets and assume the liabilities or to effect the merger into itself of
32 any corporation or other organization incorporated or organized under the laws of this state,
33 which corporation or organization has as its principal business the guaranteeing of loans to
34 students in eligible institutions, all upon any terms and for any consideration as the authority shall

1 deem to be appropriate.

2 (4) To make contracts and guarantees and incur liabilities, and borrow money at any
3 rates of interest as the authority may determine.

4 (5) To make and execute all contracts, agreements, and instruments necessary or
5 convenient in the exercise of the powers and functions of the authority granted by this chapter.

6 (6) To lend money for its purposes, and to invest and reinvest its funds.

7 (7) To conduct its activities, carry on its operations, and have offices and exercise the
8 powers granted by this chapter, within or without the state.

9 (8) To elect, appoint, or employ in its discretion officers and agents of the authority, and
10 define their duties.

11 (9) To make and alter bylaws, not inconsistent with this chapter, for the administration
12 and regulation of the affairs of the authority, and the bylaws may contain provisions indemnifying
13 any person who is or was a director, officer, employee, or agent of the authority, in the manner
14 and to the extent provided in section ~~7-1.1-4.1~~ [7-1.2-814](#).

15 (10) To have and exercise all powers necessary or convenient to effect its purposes.

16 SECTION 13. Section 16-62-5 of the General Laws in Chapter 16-62 entitled "The
17 Rhode Island Student Loan Authority" is hereby amended to read as follows:

18 **16-62-5. General powers.** -- The authority shall have all the powers necessary and
19 convenient to carry out and effectuate the purposes and provisions of this chapter, including
20 without limiting the generality of the preceding statement, the power:

21 (1) To sue and be sued, complain, and defend, in its corporate name.

22 (2) To have a seal which may be altered at pleasure, and to use it by causing it, or a
23 facsimile of it, to be impressed or affixed or in any other manner reproduced.

24 (3) To purchase, take, receive, lease, or otherwise acquire, own, hold, improve, use, and
25 deal in and with, real or personal property, or any interest in it, wherever situated.

26 (4) To sell, convey, mortgage, pledge, lease, exchange, transfer, and dispose of all or any
27 part of its property and assets for any consideration and upon any terms and conditions as the
28 authority shall determine.

29 (5) To make contracts and incur liabilities, and borrow money at any rates of interest as
30 the authority may determine.

31 (6) To make and execute all contracts, agreements, and instruments necessary or
32 convenient in the exercise of the powers and functions of the authority granted by this chapter.

33 (7) To lend money for its purposes, and invest and reinvest its funds.

34 (8) To conduct its activities, carry on its operations, and have offices and exercise the

1 powers granted by this chapter, within or without the state.

2 (9) To elect, appoint, or employ in its discretion officers and agents of the authority, and
3 define their duties and fix their compensation.

4 (10) To make and alter bylaws, not inconsistent with this chapter, for the administration
5 and regulation of the affairs of the authority, and those bylaws may contain provisions
6 indemnifying any person who is or was a director, officer, employee, or agent of the authority, in
7 the manner and to the extent provided in section ~~7-1.1-4.1~~ [7-1.2-814](#).

8 (11) To have and exercise all powers necessary or convenient to effect its purposes.

9 SECTION 14. Sections 17-25-3 and 17-25-10.1 of the General Laws in Chapter 17-25
10 entitled "Rhode Island Campaign Contributions and Expenditures Reporting" are hereby amended
11 to read as follows:

12 **17-25-3. Definitions.** -- As used in this chapter, unless a different meaning clearly
13 appears from the context:

14 (1) "Business entity" means any corporation, whether for profit or not for profit,
15 domestic corporation or foreign corporation, as defined in section ~~7-1.1-2~~ [7-1.2-106](#), financial
16 institution, cooperative, association, receivership, trust, holding company, firm, joint stock
17 company, public utility, sole proprietorship, partnership, limited partnership, or any other entity
18 recognized by the laws of the United States and/or the state of Rhode Island for the purpose of
19 doing business. The term "business entity" shall not include a political action committee
20 organized pursuant to this chapter or a political party committee or an authorized campaign
21 committee of a candidate or office holder.

22 (2) "Candidate" means any individual who undertakes any action, whether preliminary or
23 final, which is necessary under the law to qualify for nomination for election or election to public
24 office, and/or any individual who receives a contribution or makes an expenditure, or gives his or
25 her consent for any other person to receive a contribution or make an expenditure, with a view to
26 bringing about his or her nomination or election to any public office, whether or not the specific
27 public office for which he or she will seek nomination or election is known at the time the
28 contribution is received or the expenditure is made and whether or not he or she has announced
29 his or her candidacy or filed a declaration of candidacy at that time.

30 (3) "Contributions" and "expenditures" include all transfers of money, paid personal
31 services, or other thing of value to or by any candidate, committee of a political party, or political
32 action committee. A loan shall be considered a contribution of money until it is repaid.

33 (4) "Election" means any primary, general, or special election or town meeting for any
34 public office of the state, municipality, or district or for the determination of any question

1 submitted to the voters of the state, municipality, or district.

2 (5) "Election cycle" means the twenty-four (24) month period commencing on January 1
3 of odd number years and ending on December 31 of even number years; provided, with respect to
4 the public financing of election campaigns of general officers under sections 17-25-19, 17-25-20,
5 and 17-25-25, "election cycle" means the forty-eight (48) month period commencing on January
6 1 of odd numbered years and ending December 31 of even numbered years.

7 (6) "Other thing of value" means any item of tangible real or personal property of a fair
8 market value in excess of one hundred dollars (\$100).

9 (7) "Paid personal services" means personal services of every kind and nature, the cost or
10 consideration for which is paid or provided by someone other than the committee or candidate for
11 whom the services are rendered, but shall not include personal services provided without
12 compensation by persons volunteering their time.

13 (8) "Person" means an individual, partnership, committee, association, corporation, and
14 any other organization.

15 (9) "Political action committee" means any group of two (2) or more persons that accepts
16 any contributions to be used for advocating the election or defeat of any candidate or candidates
17 or to be used for advocating the approval or rejection of any question or questions submitted to
18 the voters. Only political action committees that have accepted contributions from fifteen (15) or
19 more persons in amounts of ten dollars (\$10.00) or more within an election cycle shall be
20 permitted to make contributions, and those committees must make contributions to at least five
21 (5) candidates for state or local office within an election cycle.

22 (10) "Public office" means any state, municipal, school, or district office or other
23 position that is filled by popular election, except political party offices. "Political party offices"
24 means any state, city, town, ward, or representative or senatorial district committee office of a
25 political party or delegate to a political party convention, or any similar office.

26 (11) "State" means state of Rhode Island.

27 (12) "Testimonial affair" means an affair of any kind or nature including, but not limited
28 to, cocktail parties, breakfasts, luncheons, dinners, dances, picnics, or similar affairs expressly
29 and directly intended to raise campaign funds in behalf of a candidate to be used for nomination
30 or election to a public office in this state, or expressly and directly intended to raise funds in
31 behalf of any state or municipal committee of a political party, or expressly and directly intended
32 to raise funds in behalf of any political action committee.

33 **17-25-10.1. Political contributions -- Limitations.** -- (a) (1) No person, other than the
34 candidate to his or her own campaign, nor any political action committee shall make a

1 contribution or contributions to any candidate, as defined by section 17-25-3, or political action
2 committee or political party committee which in the aggregate exceed one thousand dollars
3 (\$1,000) within a calendar year, nor shall any person make contributions to more than one state or
4 local candidate, to more than one political action committee, or to more than one political party
5 committee, or to a combination of state and local candidates and political action committees and
6 political party committees which in the aggregate exceed ten thousand dollars (\$10,000) within a
7 calendar year, nor shall any political action committee make such contributions which in the
8 aggregate exceed twenty-five thousand dollars (\$25,000) within a calendar year, nor shall any
9 candidate or any political action committee or any political party committee accept a contribution
10 or contributions which in the aggregate exceed one thousand dollars (\$1,000) within a calendar
11 year from any one person or political action committee.

12 (2) Notwithstanding the provisions of subdivision (1) of this subsection, a person or
13 political action committee or political party committee may contribute an amount which in the
14 aggregate does not exceed ten thousand dollars (\$10,000) within a calendar year to a political
15 party committee, which funds can be utilized for organizational and party building activities, but
16 shall not be used for contributions to candidates state and local for public office.

17 (b) Contributions to a named candidate made to any political committee authorized by
18 that candidate to accept contributions on the candidate's behalf shall be considered to be
19 contributions made to the candidate. Contributions to a candidate by a political committee for
20 another person shall be considered to be contributions by that person.

21 (c) Expenditures made by any person in cooperation, consultation or concert with, or at
22 the request or suggestion of, a candidate, the candidate's authorized political committees, or their
23 agents shall be considered to be a contribution to the candidate.

24 (d) The financing by any person of the dissemination, distribution, or republication, in
25 whole or in part, of any broadcast or any written, graphic, or other form of campaign materials
26 prepared by the candidate, the candidate's campaign committees, or their authorized agents shall
27 be considered to be a contribution to a candidate.

28 (e) Nothing in this section shall be construed to restrict political party committees
29 organized pursuant to this title from making contributions to the candidates of that political party;
30 provided, that these contributions, other than allowable "in-kind" contributions, shall not exceed,
31 in the aggregate, twenty-five thousand dollars (\$25,000) to any one candidate within a calendar
32 year, nor shall any candidate accept a contribution or contributions, other than allowable "in-
33 kind" contributions, which in the aggregate exceed twenty-five thousand dollars (\$25,000) within
34 a calendar year from all committees of his or her political party. There shall be no restriction on

1 the amount of "in-kind" contributions that a political party committee may make to a candidate of
2 its political party; provided, that for the purposes of this subsection only, the cost of any
3 preparation and airing of television and/or radio advertisements and the cost of any print
4 advertisements shall not be considered an allowable "in-kind" contribution and shall be subject to
5 the aggregate limitation of twenty-five thousand dollars (\$25,000).

6 (f) (1) A contribution from an individual's dependent children, as defined in section 36-
7 14-2, shall be deemed a contribution from the individual for the purpose of determining whether
8 aggregate contributions exceed either the one hundred dollar (\$100) threshold for reporting
9 purposes or the one thousand dollar (\$1,000) maximum for contributions to a single candidate or
10 political action committee or the ten thousand dollar (\$10,000) maximum for contributing to all
11 candidates and political action committees within a calendar year.

12 (2) No dependent child shall contribute an amount which, when added to contributions
13 already made by that child's parent or legal guardian and by other dependent children of that
14 parent or legal guardian, exceed the one thousand dollar (\$1,000) maximum for contributions to a
15 single candidate or political action committee or exceed the ten thousand dollar (\$10,000)
16 maximum for contributions to all state or local candidates and political action committees within
17 a calendar year.

18 (g) Nothing in this section shall be construed to restrict the amount of money that a
19 candidate can borrow in his or her own name, and subsequently contribute or loan to his or her
20 own campaign.

21 (h) (1) It shall be unlawful for any corporation, whether profit or non-profit, domestic
22 corporation or foreign corporation, as defined in section ~~7-1-1-2~~ [7-1.2-106](#), or other business
23 entity to make any campaign contribution or expenditure, as defined in section 17-25-3, to or for
24 any candidate, political action committee, or political party committee, or for any candidate,
25 political action committee, or political party committee to accept any campaign contribution or
26 expenditure from a corporation or other business entity. Any contribution made in the personal
27 name of any employee of a corporation or other business entity, for which the employee received
28 or will receive reimbursement from the corporation or other business entity, shall be considered
29 as a contribution by the corporation or other business entity, in violation of this section.

30 (2) Any voluntary payroll deduction and/or contribution made by employees of a
31 corporation or other business entity shall not be deemed a contribution of a corporation or other
32 business entity, notwithstanding that the contributions were sent to the recipient by the
33 corporation or other business entity.

34 (i) All contributions of funds shall be by check, money order, or credit card and may be

1 made over the Internet, but in each case the source of the funds must be identified; provided, that
2 candidates may accept contributions in cash which do not exceed twenty-five dollars (\$25.00) in
3 the aggregate from an individual within a calendar year. The cash contribution must be delivered
4 directly by the donor to the candidate, his or her campaign treasurer, or deputy treasurer. The
5 treasurer or deputy treasurer shall maintain a record of the name and address of all persons
6 making these cash contributions.

7 (j) Except as provided in subsection (h) of this section, no entity other than an individual,
8 a political action committee which is duly registered and qualified pursuant to the terms of this
9 chapter, political party committee authorized by this title, or an authorized committee of an
10 elected official or candidate established pursuant to this chapter shall make any contribution to or
11 any expenditure on behalf of or in opposition to any candidate, ballot question, political action
12 committee, or political party.

13 SECTION 15. Section 19-2-13 of the General Laws in Chapter 19-2 entitled "Creation
14 and Expansion" is hereby amended to read as follows:

15 **19-2-13. Merger.** -- (a) Any financial institution may, subject to the approval of the
16 director or the director's designee, to be given on any notice and terms that the director or the
17 director's designee may require:

18 (1) Merge into or consolidate with another regulated institution or other insured-deposit-
19 taking institution duly organized under the laws of the United States;

20 (2) Purchase substantially all of the assets and assume substantially all of the liabilities
21 of another regulated institution or other insured-deposit-taking institution duly organized under
22 the laws of the United States; or

23 (3) Acquire more than fifty percent (50%) of the stock of another regulated institution or
24 other insured-deposit-taking institution duly organized under the laws of the United States.

25 Any of these transactions shall be undertaken pursuant to a plan that has been approved
26 by an affirmative vote of two thirds (2/3) of the board of directors and, in the case of a mutually
27 owned financial institution, two thirds (2/3) of the board of directors or trustees and a majority
28 vote of the depositors of the mutually owned financial institutions present in person or by proxy,
29 at a meeting called by the board of directors or trustees. For the purpose of this section, unless
30 otherwise required under applicable provisions of federal banking law, the depositor shall be
31 deemed to be the individual whose tax identification number or social security number is used by
32 the bank for interest reporting purposes to the Internal Revenue Service.

33 (b) The director or the director's designee shall consider:

34 (1) The fairness to the owners of the financial institutions;

1 (2) The financial condition of the financial institutions; and
2 (3) The public convenience and advantage.
3 (c) All regulated institutions merged under this chapter shall comply with the relevant
4 provisions of sections ~~7-1.1-65—7-1.1-69~~ [7-1.2-1001 through 7-1.2-1005](#).
5 (d) The original of the articles of merger, bearing the approval of the director or the
6 director's designee, shall be filed with the director or the director's designee and duplicates shall
7 be filed with the secretary of state, who shall upon payment to him or her of twenty-five dollars
8 (\$25.00) issue a certificate of merger or certificate of consolidation pursuant to section ~~7-1.1-68~~
9 [7-1.2-1003](#). Upon the issuance of the certificate or upon a later date, not more than thirty (30)
10 days after the filing of the articles of merger or articles of consolidation, as may be set forth in the
11 articles, the merger or consolidation shall be effected pursuant to section ~~7-1.1-69~~ [7-1.2-1005](#).
12 Any shareholder of a financial institution that is a party to a plan requiring approval under this
13 section shall have the right to dissent from the action involved, in accordance with section ~~7-1.1-~~
14 ~~73~~ [7-1.1-1201](#), and any shareholder who elects to exercise that right in compliance with section ~~7-~~
15 ~~1-1-74~~ [7-1.2-1202](#) shall be entitled to the rights of dissenting shareholders on the terms and
16 conditions set forth in section ~~7-1.1-74~~ [7-1.2-1202](#). References to "articles of incorporation" in
17 chapter ~~1-1~~ [1.2](#) of title 7 shall be deemed to refer to the "Agreement to Form" of the financial
18 institution involved.

19 SECTION 16. Section 19-3-1 of the General Laws in Chapter 19-3 entitled "Powers and
20 Operations" is hereby amended to read as follows:

21 **19-3-1. Law generally applicable to financial institutions.** -- Every financial institution
22 shall have the powers, rights, and privileges, and be subject to all the duties, restrictions, and
23 liabilities, conferred and imposed upon it by this title, and in addition shall have all the powers,
24 rights and privileges, and be subject to all the duties, restrictions, and liabilities, set forth in
25 chapters 1, ~~1-1~~ [1.2](#), 4 to 6, and 9 of title 7, only as is not inconsistent with the provisions of this
26 title, notwithstanding anything to the contrary in the institution's agreement to form. Every
27 financial institution shall have the power to exercise, by its board of directors or board of trustees
28 or duly authorized officers or agents, all incidental powers necessary to carry on the business of
29 banking including but not limited to the power:

- 30 (1) To receive money on deposit and pay interest thereon;
31 (2) To receive, upon deposit and for safekeeping, property of every description, upon
32 terms prescribed by the financial institution and to construct, own, lease, and maintain safe
33 deposit vaults, with suitable boxes and places for the reception and deposit of the property, and
34 lease the use of places and boxes to individuals and corporations, upon any terms that the

1 financial institution may prescribe. The financial institution shall in no case incur any liability on
2 account of the deposit of any property so made with it, or by reason of the leasing of any place of
3 deposit, other than liability the financial institution expressly assumes by the terms of the contract
4 or receipt under which it has accepted the deposit or let the place of deposit;

5 (3) To act as a depository of public money or a financial agent under any law, rule, or
6 regulation;

7 (4) To issue capital debentures with the approval of the director or the director's
8 designee;

9 (5) To make loans and mortgages and collect interest from them as may be agreed upon;

10 (6) To invest in any bonds, obligations, or property, real, personal, or mixed, as it may
11 deem prudent, subject to any duties, restrictions, or limitations imposed by this title;

12 (7) To exercise any power authorized for insured-deposit-taking institutions duly
13 organized under the laws of the United States which are members of the federal deposit insurance
14 corporation;

15 (8) To exercise additional powers, not inconsistent with the carrying on of a banking
16 business, with the approval of the director or the director's designee.

17 SECTION 17. Sections 19-7-3, 19-7-4, 19-7-6 and 19-7-8 of the General Laws in
18 Chapter 19-7 entitled "Interstate Banking, Interstate Branching and Bank Holding Company
19 Mergers and Acquisitions" are hereby amended to read as follows:

20 **19-7-3. Interstate mergers of stock financial institutions.** -- (a) Any financial
21 institution organized with capital stock may, subject to the approval of the director or the
22 director's designee, merge or consolidate with one or more banks:

23 (1) Each of which is organized with capital stock and is either a financial institution or
24 an out-of-state bank; and

25 (2) At least one of which is an out-of-state bank, pursuant to a plan of merger or
26 consolidation complying with the provisions of this section; provided, however, that the
27 following conditions shall apply prior to June 1, 1997 to the extent consistent with and not
28 preempted by federal laws:

29 (i) The law of the state in which each of these out-of-state banks has its principal office
30 permits this type of merger or consolidation; and

31 (ii) The law of the state in which each of these out-of-state banks has its principal office
32 authorizes, under conditions not substantially more restrictive than those imposed by the laws of
33 this state, as determined by the director or the director's designee, a financial institution organized
34 with capital stock to be the successor bank of the merger or consolidation.

1 (b) The plan of merger or consolidation shall conform to the provisions of section ~~7-1.1-~~
2 ~~65 or 7-1.1-66~~ 7-1.2-1001, ~~as the case may be~~, and to any other requirements that may be
3 imposed by the laws applicable to each bank not organized under the laws of this state.

4 (c) The plan of merger or consolidation shall require approval as follows:

5 (1) With respect to each financial institution, by the board of directors and shareholder of
6 that financial institution pursuant to the applicable provisions of sections ~~7-1.1-65 — 7-1.1-67~~ 7-
7 1.2-1001 through 7-1.2-1002, except that a plan of merger or consolidation must receive the
8 affirmative vote of the holders of two thirds (2/3) or more of the shares entitled to vote thereon;
9 and

10 (2) With respect to each bank not organized under the laws of this state, in accordance
11 with the applicable provisions imposed by the laws under which it is organized. Thereafter,
12 articles of merger or consolidation complying with the applicable provisions of section ~~7-1.1-68~~
13 7-1.2-1003 and the applicable provisions of the laws under which each bank not organized under
14 the laws of this state is organized shall be executed in accordance with the applicable provisions
15 and presented to the director or the director's designee for approval, by filing three (3) originals
16 with the director or the director's designee.

17 (d) Upon receipt of the articles of merger or consolidation, the director or the director's
18 designee shall furnish the applicant a form of notice specifying the names of the constituent banks
19 and assigning a date and place for public hearing on the plan of merger or consolidation. The
20 applicant shall publish the notice at least once a week for three (3) successive weeks, in one or
21 more newspapers designated by the director or the director's designee. Upon a finding that the
22 public interest so requires, the director or the director's designee may lessen the period and the
23 manner prescribed for giving notice. In determining whether to approve a proposed merger or
24 consolidation, the director or the director's designee shall consider whether the merger or
25 consolidation is consistent with the safety and soundness of, and the needs and convenience of the
26 communities served by, each financial institution. The procedures for conducting hearings by the
27 director or the director's designee and the rights of appeal from decisions of the director or the
28 director's designee shall be governed by the applicable provisions of this title.

29 (e) If the director or the director's designee approves the merger or consolidation in
30 accordance with subsection (d), he or she shall endorse approval upon each original of the articles
31 of merger or articles of consolidation and shall deliver the articles to the applicant. One original
32 of the articles of merger or articles of consolidation bearing the approval in writing shall be filed
33 with the director or the director's designee and two (2) originals shall be filed with the secretary
34 of state, who shall upon payment to the director or the director's designee of twenty-five dollars

1 (\$25.00) issue a certificate of merger or certificate of consolidation pursuant to the provisions of
2 section ~~7-1.1-68~~ [7-1.2-1003](#). Upon the issuance of the certificate or upon a later date, not more
3 than thirty (30) days after the filing with the secretary of state of the articles of merger or articles
4 of consolidation, that may be set forth in the plan, the merger or consolidation shall be effected
5 pursuant to the provisions of this chapter with the effects set forth therein. At any time prior to the
6 filing of the articles of merger or articles of consolidation with the secretary of state, the merger
7 or consolidation may be abandoned pursuant to the provisions therefor, if any, set forth in the
8 plan of merger or consolidation.

9 (f) Any shareholder of a financial institution which is a party to a plan of merger or
10 consolidation under this section shall have the right to dissent from the corporate action involved
11 in accordance with the provisions of section ~~7-1.1-73~~ [7-1.2-1201](#) and on the terms and conditions
12 set forth in section ~~7-1.1-74~~ [7-1.2-1202](#).

13 (g) If the successor institution of a merger or consolidation under this chapter is to be
14 organized under laws other than the laws of this state, it shall file the following with the director
15 or the director's designee contemporaneously with the application for approval of the merger or
16 consolidation:

17 (1) An agreement that it may be served with process in this state in any proceeding for
18 the enforcement of any obligation arising out of its business transacted in this state and any
19 obligation of any of its predecessor financial institutions, including the enforcement of the rights
20 of a dissenting shareholder of any predecessor financial institution;

21 (2) An irrevocable appointment of the director as its agent to accept service of process in
22 any proceeding in the courts of this state or the courts of the United States situated in this state;
23 and

24 (3) An agreement that it will promptly pay to the dissenting shareholder of any
25 predecessor financial institution the amount, if any, to which they shall be entitled.

26 **19-7-4. Interstate mergers of mutual financial institutions.** -- (a) Any financial
27 institution organized without capital stock may, subject to the approval of the director or the
28 director's designee, merge or consolidate with one or more institutions, if:

29 (1) Each institution is organized without capital stock and is either a financial institution
30 or an out-of-state bank; and

31 (2) At least one institution is an out-of-state bank, pursuant to a plan of merger or
32 consolidation complying with the provisions of this section; provided, however, the following
33 conditions shall apply prior to June 1, 1997 to the extent consistent with and not preempted by
34 federal law:

1 (i) That the law of the state in which each these out-of-state banks has its principal office
2 expressly permits this type of merger or consolidation and

3 (ii) The law of the state in which each of these out-of-state banks has its principal office
4 expressly authorizes, under conditions not substantially more restrictive than those imposed by
5 the laws of this state, as determined by the director or the director's designee, a financial
6 institution organized without capital stock under the laws of this state to be the successor bank of
7 this merger or consolidation.

8 (b) The plan of merger or consolidation shall conform to the relevant provisions of
9 section ~~7-1.1-65 or 7-1.1-66~~ [7-1.2-1001](#), and to the other requirements that may be imposed by
10 the laws applicable to each bank not organized under the laws of this state.

11 (c) The plan of merger or consolidation shall require approval as follows:

12 (1) With respect to a mutual savings bank, by a two thirds (2/3) vote of the board of
13 trustees and majority vote of the depositors of the mutual savings bank present in person or by
14 proxy, at a meeting called by the board of trustees; and

15 (2) With respect to each bank not organized under the laws of this state, in accordance
16 with the applicable provisions imposed by the laws under which it is organized. Thereafter,
17 articles of merger or articles of consolidation complying with the applicable provisions of section
18 ~~7-1.1-68~~ [7-1.2-1003](#) and the applicable provisions of the laws under which each bank not
19 organized under the laws of this state is organized shall be executed in accordance with these
20 provisions and presented to the director or the director's designee for approval by filing three (3)
21 originals with the director or the director's designee.

22 (d) Upon receipt of the articles of merger or consolidation, the director or the director's
23 designee shall furnish the applicant a form of notice specifying the names of the constituent banks
24 and assigning a date and place for public hearing on the plan of merger or consolidation. The
25 applicant shall publish the notice at least once a week for three (3) successive weeks, in one or
26 more newspapers designated by the director or the director's designee. Upon a finding that the
27 public interest so requires, the director or the director's designee may lessen the period and the
28 manner prescribed for giving notice. In determining whether to approve a proposed merger or
29 consolidation, the director or the director's designee shall consider whether the merger or
30 consolidation is consistent with the safety and soundness of, and the convenience and advantage
31 of the communities served by, each of these institutions. The procedures for conducting hearings
32 by the director or the director's designee and the rights of appeal from decisions of the director or
33 the director's designee shall be governed by the applicable provisions of this title.

34 (e) If the director or the director's designee approves the merger or consolidation in

1 accordance with subsection (d), he or she shall endorse his or her approval upon each original of
2 the articles of merger or articles of consolidation and shall deliver the articles to the applicant.
3 One original of the articles of merger or articles of consolidation bearing the approval in writing
4 shall be filed with the director or the director's designee. Two (2) originals shall be filed with the
5 secretary of state, who shall upon payment to him or her of twenty-five dollars (\$25.00) issue a
6 certificate of merger or certificate of consolidation pursuant section ~~7-1.1-68~~ [7-1.2-1003](#). Upon
7 the issuance of the certificate or upon a later date, not more than thirty (30) days after the filing
8 with the secretary of state of the articles of merger or articles of consolidation, that may be set
9 forth in the plan, the merger or consolidation shall be effected pursuant to the provisions of this
10 chapter with the effects set forth therein. At any time prior to the filing of the articles of merger or
11 articles of consolidation with the secretary of state, the merger or consolidation may be
12 abandoned pursuant to the provisions therefor, if any, set forth in the plan of merger or
13 consolidation.

14 (f) A merger or consolidation may be approved and effected pursuant to the provisions
15 of this section, notwithstanding that the capital to liabilities ratio of the constituent banks exceeds
16 the percentage of any of the other constituent banks, and no constituent bank having such excess
17 of percentage shall be required to pay an extra dividend or make any distribution to its
18 shareholders or depositors, nor shall any shareholder or depositor have any appraisal or dissenting
19 right with respect to the merger or consolidation.

20 (g) If the successor bank of a merger or consolidation is to be organized under laws other
21 than the laws of this state, it shall file the following with the director or the director's designee
22 contemporaneously with the application for approval of the merger or consolidation:

23 (1) An agreement that it may be served with process in this state in any proceeding for
24 the enforcement of any obligation arising out of its business transacted in this state and any of its
25 predecessor financial institutions; and

26 (2) An irrevocable appointment of the director as its agent to accept service of process in
27 any proceeding in the courts of this state or the courts of the United States situated in this state.

28 **19-7-6. Interstate purchases of assets and assumptions of liabilities.** -- (a) In addition
29 to any other power granted under the laws of this state, a financial institution may, with the
30 approval of the director or the director's designee, purchase all or part of the assets of, and assume
31 all or part of the liabilities of, an out-of-state bank and operate any office or branch of the out-of-
32 state bank acquired in connection with the out-of-state bank.

33 (b) An out-of-state bank may, with the approval of the director or the director's designee,
34 purchase substantially all of the assets and assume substantially all of the liabilities of a financial

1 institution and operate any office or branch of the bank acquired in connection therewith;
2 provided, however, that the law of the state in which the out-of-state bank has its principal office:

3 (1) Permits such a purchase of assets, assumption of liabilities, and operation of offices
4 and branches; and

5 (2) Authorizes, under conditions not substantially more restrictive than those imposed by
6 the laws of this state, as determined by the director or the director's designee, a financial
7 institution to purchase assets, assume liabilities, and operate offices and branches in another state.

8 No out-of-state bank shall apply to the director or his or her designee for approval of such a
9 purchase, assumption, and operation unless the purchase, assumption, and operation shall first be
10 approved as follows:

11 (i) With respect to financial institutions having capital stock, by the board of directors
12 and shareholders pursuant to the applicable provisions of section ~~7-1.1-72~~ [7-1.2-1102](#), except
13 that the purchase, assumption, and operation must receive the affirmative vote of two-thirds (2/3)
14 or more of the shareholders entitled to vote thereon;

15 (ii) With respect to a mutual savings bank organized under this title, by a two thirds (2/3)
16 vote of the board of trustees thereof and a majority vote of the depositors of the mutual savings
17 bank present in person or by proxy, at a meeting called by the board of trustees; and

18 (iii) With respect to each such bank not organized under the laws of this state, in
19 accordance with the applicable provisions imposed by the laws under which it is organized.

20 (c) Upon the filing of an application to purchase assets and assume liabilities under this
21 section, together with duplicate originals of the agreement of purchase and assumption entered
22 into in connection therewith, the director or the director's designee shall furnish the applicant a
23 form of notice specifying the names of the purchasing financial institution and the selling
24 financial institution and the location of the offices or branches to be acquired and assigning a date
25 and place for public hearing on the application. The applicant shall publish the notice at least
26 once a week for three (3) successive weeks, in one or more newspapers designated by the director
27 or the director's designee. Upon a finding that the public interest so requires, the director or the
28 director's designee may lessen the period and the manner prescribed for giving notice.

29 In determining whether to approve the application, the director or the director's designee
30 shall consider whether the purchase, assumption, and operation is consistent with the safety and
31 soundness of, and the convenience and advantage of the communities served by, each financial
32 institution that is a party to the agreement. The procedures for conducting hearings by the director
33 or the director's designee and the rights of appeal from decisions of the director or the director's
34 designee shall be governed by the applicable provisions of this title. If the director or the

1 director's designee approves the application, he or she shall endorse his or her approval upon each
2 original of the agreement of purchase and assumption and shall deliver the agreement to the
3 applicant. One original of the agreement bearing the director's or the director's designee's
4 approval in writing shall be filed with the director or the director's designee and the other shall be
5 retained by the applicant as evidence of the approval. The applicant shall cause notice of any
6 abandonment of a transaction approved pursuant to this subsection to be filed with the director or
7 the director's designee, and in the event of such abandonment, any approval granted hereunder
8 shall be null and void.

9 (d) A shareholder of a selling financial institution shall have the right to dissent from the
10 corporate action involved in accordance with the provisions of section ~~7-1.1-73~~ [7-1.2-1201](#) and
11 on the terms and conditions set forth in section ~~7-1.1-74~~ [7-1.2-1202](#). No shareholder or depositor
12 of a financial institution without capital stock that is a party to an agreement of purchase and
13 assumption shall have any appraisal or dissenting right with respect to this corporate action.

14 (e) An out-of-state bank that is to be the purchasing bank shall file the following with the
15 director or the director's designee contemporaneously with the filing of any application for
16 approval under this section:

17 (1) An agreement that it may be served with process in this state in any proceeding for
18 the enforcement of any obligation arising out of its business transacted in this state and any
19 obligation assumed by it; and

20 (2) An irrevocable appointment of the director as its agent to accept service of process in
21 any proceeding in the courts of this state or the courts of the United States situated in this state.

22 (f) The offices or branches acquired pursuant to an agreement of purchase and
23 assumption approved by the director or the director's designee may be operated as branch offices
24 of the purchasing bank with the written permission of, and under conditions, if any, approved by
25 the director or the director's designee, whether or not the branch offices shall be in more than one
26 state.

27 **19-7-8. Special definitions applicable to mergers, etc. --** For purposes of this chapter:

28 (1) The surviving or new bank resulting from a merger or consolidation, as the case may
29 be, shall be called the "successor financial institution" or "successor bank", as applicable;

30 (2) Each bank discontinuing its corporate existence pursuant to a merger or consolidation
31 shall be called a "predecessor financial institution" or "predecessor bank", as applicable;

32 (3) The bank purchasing assets and assuming liabilities and acquiring offices and
33 branches under an agreement of purchase and assumption shall be called the "purchasing
34 financial institution" or "purchasing bank", as applicable;

1 (4) The bank selling assets and permitting its liabilities to be assumed and transferring
2 branches and offices under an agreement shall be called the "selling financial institution" or
3 "selling bank", as applicable;

4 (5) References to "articles of incorporation" in chapter ~~1-1~~ [1.2](#) of title 7 shall be deemed
5 to refer to the agreement to form, charter, or the articles or agreement of association of each bank
6 or financial institution involved, as from time to time amended, however it may be described by
7 the law under which the institution is organized and whether or not it shall have been created by
8 any special act of incorporation.

9 SECTION 18. Section 19-14-10 of the General Laws in Chapter 19-14 entitled "Licensed
10 Activities" is hereby amended to read as follows:

11 **19-14-10. Attorney for service of process.** -- (a) Every licensee shall appoint and
12 thereafter maintain in this state a resident attorney with authority to accept process for the
13 licensee in this state, including the process of garnishment.

14 (1) A document evidencing the power of attorney shall be filed with the director or the
15 director's designee. The power of attorney shall state the business address, including street and
16 number, if any, of the resident attorney. Thereafter, if the resident attorney changes his or her
17 business address, he or she shall, within ten (10) days after any change, file in the office of the
18 director or the director's designee notice of the change setting forth the attorney's current business
19 address.

20 (2) If the resident attorney dies, resigns, or leaves the state, the licensee shall make a new
21 appointment and file the power of attorney in the office of the director or the director's designee.
22 The power of attorney shall not be revoked until this power of attorney shall have been given to
23 some other competent person resident in this state and filed with the director or the director's
24 designee.

25 (3) Service of process upon the resident attorney shall be deemed sufficient service upon
26 the licensee.

27 (4) Any licensee who fails to appoint a resident attorney and file the power of attorney in
28 the office of the director or the director's designee as above provided for, or fails to replace a
29 resident attorney for a period of thirty (30) days from vacancy, shall be liable for a penalty not
30 exceeding five hundred dollars (\$500).

31 (5) Upon the filing of any power of attorney required by this section a fee of twenty-five
32 dollars (\$25.00) shall be paid to the director for the use of the state.

33 (6) Any licensee that is a corporation and complies with the provisions of chapter ~~1-1~~ [1.2](#)
34 of title 7 is exempt from the power of attorney filing requirements of this section. Any licensee

1 that is a limited partnership or limited liability company and complies with the provisions of
2 chapters 13 and 16 of title 7 is exempt from the power of attorney requirements of this section.

3 (b) Any process, including the process of garnishment, may be served upon the director
4 or the director's designee as agent of the licensee in the event that no resident attorney can be
5 found upon whom service can be made, or in the event that the licensee has failed to designate a
6 resident attorney as required, and process may be served by leaving a copy of the process with a
7 fee of twenty-five dollars (\$25.00) which shall be included in the taxable costs of the suit, action,
8 or proceeding, in the hands of the director or the director's designee. This manner of service upon
9 the licensee shall be sufficient, provided that notice of service and a copy of the process shall be
10 immediately sent by certified mail by the plaintiff or the plaintiff's attorney of record to the
11 licensee at the latest address filed with the director or the director's designee. If the licensee has
12 not filed his or her address pursuant to this chapter, notice of service shall be given in any manner
13 that the court in which the action is pending may order as affording the licensee reasonable
14 opportunity to defend the action or to learn of the garnishment. Nothing contained in this section
15 shall limit or affect the right to serve process upon a licensee in any other manner now or
16 hereafter permitted by law.

17 SECTION 19. Section 23-19-10 of the General Laws in Chapter 23-19 entitled "Rhode
18 Island Resource Recovery Corporation" is hereby amended to read as follows:

19 **23-19-10. General powers and duties.** -- The corporation shall have all of the powers
20 necessary and convenient to carry out and effectuate the purposes and provisions of this chapter,
21 including but without limiting the generality of the foregoing, the power to:

- 22 (1) Sue and be sued in its own name;
- 23 (2) Have an official seal and alter the same at pleasure;
- 24 (3) Have perpetual succession;
- 25 (4) Maintain an office at a place or places within the state as it may designate;
- 26 (5) Adopt and from time to time amend and repeal bylaws, rules, and regulations, not
27 inconsistent with this chapter and in a manner substantially similar to procedures set forth in the
28 Administrative Procedures Act as specified in chapter 35 of title 42, as amended, to carry into
29 effect the powers and purposes of the corporation and the conduct of its business; and the bylaws,
30 rules, and regulations may contain provisions indemnifying any person who is or was a
31 commissioner, officer, employee, or agent of the corporation, in the manner and to the extent
32 provided in section ~~7-1.1-4.1~~ [7-1.2-814](#) of the Business Corporation Act;

- 33 (6) Elect or appoint officers and employ a staff and fix their duties, qualifications, and
34 compensation;

1 (7) Engage the services of consultants for rendering professional and technical assistance
2 and advice, and employ architects, engineers, attorneys, accountants, construction, and financial
3 experts and any other advisors, consultants, and agents that may be necessary in its judgment, and
4 to fix their compensation;

5 (8) Conduct any hearings, examinations, and investigations that may be necessary and
6 appropriate to the conduct of its business and purposes;

7 (9) Obtain access to public records;

8 (10) Charge reasonable fees for the services it performs and provides;

9 (11) Purchase, receive, lease, or otherwise acquire, own, hold, improve, use, and
10 otherwise deal in and with, any project, including real or personal property, or any interest
11 therein, wherever situated;

12 (12) Sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of
13 all or any part of its property and assets for consideration and upon terms and conditions that the
14 corporation shall determine;

15 (13) Make contracts and guarantees and incur liabilities, and borrow money at rates of
16 interest that the corporation may find feasible;

17 (14) Make and execute agreements of lease, conditional sales contracts, installment sales
18 contracts, loan agreements, mortgages, construction contracts, operation contracts, and other
19 contracts and instruments necessary or convenient in the exercise of the powers and functions of
20 the corporation granted by this chapter, which contracts may include provisions for arbitration of
21 disputes;

22 (15) Lend money for its purposes, invest and reinvest its funds, and at its option take and
23 hold real and personal property as security for the payment of funds so loaned or invested;

24 (16) Acquire or contract to acquire, from any person, firm, corporation, municipality, the
25 federal government, or the state, or any agency of either the federal government or the state, by
26 grant, purchase, lease, gift, or otherwise, or obtain options for the acquisition of any property, real
27 or personal, improved or unimproved, and interests in land less than the fee thereof; and own,
28 hold, clear, improve, develop, and rehabilitate, and sell, assign, exchange, transfer, convey, lease,
29 mortgage, or otherwise dispose of or encumber the same for the purposes of carrying out the
30 provisions and intent of this chapter, for consideration that the corporation shall determine;

31 (17) (i) Sell, mortgage, lease, exchange, transfer, or otherwise dispose of or encumber
32 any of its projects, (or in the case of a sale to accept a purchase money mortgage in connection
33 with the project) or grant options for any purposes with respect to any real or personal property or
34 interest therein, all of the foregoing for the consideration that the corporation shall determine.

1 Any lease by the corporation to another party may be for that part of the corporation's property,
2 real or personal, for a period, upon terms or conditions, with or without an option on the part of
3 the lessee to purchase any or all of the leased property for consideration, at or after the retirement
4 of all indebtedness incurred by the corporation on account thereof, as the corporation shall
5 determine;

6 (ii) Without limiting the generality of the foregoing, the corporation is expressly
7 empowered to lease or sell any part of the real or personal property owned or controlled by the
8 corporation to the state, or any department of the state or to any municipality. The provisions of
9 this section or of any other laws of this state (other than this chapter) restricting the power of the
10 state, its departments or any municipality, to lease or sell property, or requiring or prescribing
11 publication of notice of the intention to lease or sell, that would in any manner interfere with the
12 purpose of this section, which is to provide for the mutual cooperation by and between the
13 corporation and the state, its departments, or any municipality, to the fullest extent possible, are
14 not applicable to leases and sales made pursuant to this section;

15 (18) Manage any project, whether then owned or leased by the corporation, and enter
16 into agreement with the state or any municipality or any person, firm, partnership, or corporation,
17 either public or private, for the purpose of causing any project to be managed;

18 (19) Make plans, surveys, studies, and investigations necessary or desirable, in
19 conformity with applicable provisions of the state guide plan as promulgated and provided for by
20 the state planning agency, with the participation of the state planning council with due
21 consideration to local plans and other state plans;

22 (20) Design or provide for the design of the solid waste management facilities that the
23 corporation will construct or cause to be constructed, as well as designs for the alteration,
24 reconstruction, improvement, enlargement, or extension of the facilities;

25 (21) Construct or to cause to be constructed solid waste transfer station facilities,
26 processing facilities, resource recovery facilities, and ultimate disposal facilities and any other
27 solid waste management facilities that may be required by the corporation for the conduct of its
28 activities as herein provided;

29 (22) Construct, acquire, repair, develop, own, operate, maintain, extend, improve,
30 rehabilitate, renovate, equip, and furnish one or more of its projects and make provision for their
31 management, and pay all or any part of the cost of one or more of its projects from the proceeds
32 of the bonds and notes of the corporation or from any contribution, gift, donation, or any other
33 funds made available to the corporation;

34 (23) Enter upon lands and waters, upon giving due notice as may be necessary, to make

1 surveys, soundings, borings, and any other examinations or tests as may be necessary to
2 accomplish the purposes of this chapter;

3 (24) Enter into agreements or other transactions with and accept grants and the
4 cooperation of the federal government or any instrumentality of the federal government in
5 furtherance of the purposes of this chapter, including, but not limited to, the development,
6 maintenance, operation, and financing of any project, and to do any and all things necessary in
7 order to avail itself of aid and cooperation;

8 (25) Receive and accept bids or contributions from any source of money, property, labor,
9 or other things of value, to be held, used, and applied to carry out the purposes of this chapter
10 subject to the conditions upon which the grants and contributions may be made, including, but not
11 limited to, gifts or grants from any governmental agency or instrumentality of the United States or
12 the state, for any purpose consistent with this chapter;

13 (26) Prepare or cause to be prepared plans, specifications, designs, and estimates of costs
14 for the construction, reconstruction, rehabilitation, improvement, alteration, or repair of any of its
15 projects, and from time to time to modify the plans, specifications, designs or estimates;

16 (27) Provide advisory, consultative, training, and educational services, technical
17 assistance and advice to any person, firm, partnership, corporation, or municipality, whether they
18 are public or private, in order to carry out the purposes of this chapter;

19 (28) Review all municipal plans and proposals for the construction, or installation of
20 solid waste management facilities;

21 (29) Undertake and promote the conduct of research into source separation and source
22 reduction techniques, facilities, and systems and into other solid waste management areas for any
23 purpose consistent with this chapter; the corporation shall consistent with regulations of the
24 department of environmental management adopt a statewide plan for separation of solid waste at
25 the source of generation, at collection points or transfer stations and the corporation and the
26 department of environmental management shall cooperate on the implementation of a statewide
27 plan. The corporation, with the assistance of the department of environmental management, will
28 submit an annual report on the status of separation of solid waste in the state;

29 (30) Produce materials, fuels, energy, and by-products in any form from the processing
30 of solid wastes by the system, facilities, and equipment under its jurisdiction, and to receive funds
31 or revenues from their sale, and to deposit the funds or revenues in a bank or banks;

32 (31) Borrow money and issue revenue bonds and notes and provide for the rights of the
33 holders, for any of its purposes, including, without limitation, the purpose of providing funds to
34 pay all or any part of the cost of any project and all costs incident to any project, or for the

1 purpose of refunding any bonds or notes issued;

2 (32) Subject to the provisions of any contract with noteholders or bondholders, consent
3 to the modification, with respect to rate of interest, time of payments or any installment of
4 principal or interest, security or any other term of any mortgage, mortgage loan, mortgage loan
5 commitment, contract, or agreement of any kind to which the corporation is a party;

6 (33) In connection with the property on which it has made a mortgage loan, foreclose on
7 the property or commence an action to protect or enforce any right conferred upon it by law,
8 mortgage, contract, or other agreement, and bid for and purchase the property at any foreclosure
9 or any other sale, or acquire or take possession of the property; and in that event the corporation
10 may complete, administer, pay the principal of or interest on any obligations incurred in
11 connection with the property, dispose of and otherwise deal with the property in a manner that
12 may be necessary or desirable to protect the interest of the corporation;

13 (34) As security for the payment of principal and interest on any bonds or notes or any
14 agreements made in connection therewith, mortgage and pledge any or all of its projects and
15 property, whether then owned or thereafter acquired, and pledge the revenues and receipts from
16 all or part thereof, and assign and pledge the leases, sales contracts, or loan agreements or other
17 agreements on any portion or all of its projects and property, and assign or pledge the income
18 received by virtue of the lease, sales contracts, loan agreements, or other agreements;

19 (35) Invest any funds of the corporation including funds held in reserve or sinking funds,
20 or any money not required for immediate use or disbursement at the discretion of the corporation;

21 (36) Contract with the federal government, other states, state agencies, and regional
22 authorities, as the corporation shall deem necessary or convenient in carrying out the purposes of
23 this chapter;

24 (37) Be a promoter, partner, member, associate, or manager of any partnership,
25 enterprise, or venture;

26 (38) Have and exercise all powers necessary or convenient to effect its purposes;

27 (39) Insofar as the provisions of this chapter are inconsistent with the common law or the
28 provisions of any other laws of this state, general or special, restricting the power of any public
29 agency to enter into long term contracts which exceed the term of the governing body of the
30 agency or its members, the provisions of this chapter are controlling and the corporation shall be
31 deemed to have the power to enter into long term contracts which extend beyond the terms of the
32 commissioners as may be considered necessary, desirable, or convenient by the corporation;
33 provided, however, that prior to the execution of the contract, the contract has been reviewed by
34 the auditor general;

1 (40) Control the transportation, storage, and final disposal of all solid waste in the state
2 other than from sources owned or operated by the federal government, including the final
3 disposal of solid waste in facilities owned, operated, controlled, financed, or otherwise designated
4 by the corporation; provided, however, that the corporation shall not be empowered to engage in
5 the transportation, transfer, or storage of solid waste, other than at recycling facilities, except in
6 temporary situations where a municipality has defaulted in its obligation under this act or in
7 conjunction with its activities at its disposal sites; provided, however, that the corporation shall
8 not be empowered to take any action that would adversely affect or impair the validity of rights
9 and obligations under any valid contract for the disposal of municipal waste, which was in effect
10 on March 1, 1985, or any extension of the contract if extension was approved by the corporation,
11 or the right of any municipality to continue the operation of its own landfill until closure if the
12 landfill was in use by the municipality on December 1, 1986;

13 (41) Insofar as the provisions of this chapter are inconsistent with the common law or the
14 provisions of any other laws of this state, general or special restricting the power of any public
15 agency to enter into long term contracts which exceed the term of the governing body of the
16 agency or its members, the provisions of this chapter are controlling, and the corporation shall be
17 deemed to have the power to enter into any long term contracts which extend beyond the terms of
18 the commissioners as may be considered necessary, desirable, or convenient by the corporation;
19 and

20 (42) Undertake and promote continuing efforts to reduce the waste stream to the extent
21 practicable and economically feasible.

22 (43) To purchase, receive, lease, or otherwise acquire, own, hold, improve, use, sell,
23 convey, and otherwise deal in and with real or personal property, wherever situated.

24 SECTION 20. Section 27-1-40 of the General Laws in Chapter 27-1 entitled "Domestic
25 Insurance Companies" is hereby amended to read as follows:

26 **27-1-40. Conversion to stock form of organization.** -- (a) Any mutual insurance
27 company created under the laws of this state which meets or exceeds all capital and surplus funds
28 required by law for the transaction of business in Rhode Island may convert to and become an
29 insurance company with a capital stock form of organization upon adoption of a plan of
30 conversion by two-thirds (2/3) vote of the board of directors or other governing body and
31 approval of the plan by the director of the department of business regulation and the affirmative
32 vote of one half (1/2) of its members or policyholders present in person or by proxy at a meeting
33 called by the board of directors or other governing body. Unless otherwise provided in its charter
34 or bylaws or plan of conversion, each member or policyholder shall have one vote, and in the

1 case of any policy or contract of group life or other group insurance, the employer or other person
2 to whom or in whose name the master policy or contract has been issued shall be deemed to be
3 the member or policyholder and shall be entitled to one vote for each policy or contract of group
4 insurance irrespective of the number of individuals insured. The plan of conversion shall provide
5 that the insurance company shall issue and sell the stock issued in connection with the conversion
6 at a price which represents its pro forma market value, as determined by an independent
7 appraisal, and shall offer its stock, initially, in a subscription offering to the members or
8 policyholders, individuals in the insurance company's management, and employee groups of the
9 insurance company on an eligibility record date established by the board of directors, giving the
10 members or policyholders, individuals in the insurance company's management, and employee
11 groups priority rights to purchase the shares over the general public pro rata. The plan of
12 conversion may provide for the establishment of accounts for the benefit of members or
13 policyholders pursuant to which the converting insurance company shall provide for the
14 continued maintenance of its dividend practices required by existing charter, bylaws, or policy
15 provisions relative to its then existing lines of business, but assets in the account will be assets of
16 the converting insurance company, subject to liabilities in the same manner and priority as all
17 other assets of the company. The plan of conversion may provide for restrictions on the amount
18 of stock which any person or entity may purchase in the conversion, or own or control after this,
19 which may also be incorporated into the stock charter or agreement of association of the
20 converted entity.

21 (b) In connection with the conversion, the insurance company may form a holding
22 company or utilize an existing holding company to hold all the shares of the converted entity, and
23 offer to its members or policyholders and the general public, subject to subscription rights in
24 favor of members or policyholders as stated in subsection (a), all of the stock of the holding
25 company in lieu of the capital stock of the converting insurance company. The converting
26 insurance company may, at the time of the conversion, merge any insurance company subsidiary
27 into the capital stock entity resulting from the conversion, or cause the subsidiary to become a
28 separate subsidiary of a holding company.

29 (c) The corporate existence of an insurance company converting to the stock form of
30 organization shall not terminate, but the converted institution shall be deemed to be a
31 continuation of entity of the converted insurance company.

32 (d) The director of the department of business regulation, upon finding that the
33 requirements of this section and applicable regulations have been met, that the terms and
34 conditions of the plan are fair and equitable, and that the conversion has been completed with the

1 sale of all shares offered in the conversion, shall issue a certificate of approval of the conversion
2 to the converted entity. Upon the payment of fifty dollars (\$50.00), the certificate of approval
3 shall be filed in the office of the secretary of state, together with the certificate of the general
4 treasurer that the converted entity has paid into the treasury for the use of the state a sum equal to
5 one-tenth of one percent (.1%) of the capital stock, but in no event less than ten thousand dollars
6 (\$10,000). Upon the filing of the certificate with the secretary of state and payment of fifty dollars
7 (\$50.00), the secretary of state shall immediately record the certificate of approval and stock
8 charter or agreement of association, then the stock charter or agreement of association will
9 become effective.

10 (e) The director of the department of business regulation may employ staff personnel and
11 professional consultants and other persons to assist in the review of the plan of conversion and
12 may hold public hearings as, in the director's discretion, are desirable prior to granting approval
13 of the plan of conversion. All reasonable costs related to the review of the plan of conversion,
14 including the costs attributable to staff personnel and professional consultants, shall be borne by
15 the insurance company filing a plan of conversion for approval.

16 (f) The department of business regulation shall issue rules and regulations implementing
17 this section, which shall be administered by the director of the department of business regulation.

18 (g) To the extent not inconsistent with this section, each insurance company converted
19 into a capital stock insurance company shall have all the powers, privileges, including the right to
20 merge, convert, or otherwise restructure its corporate form upon a two-thirds (2/3) vote of its
21 stockholders and subject to any regulatory approval as required by law, and duties and liabilities
22 imposed upon insurance companies generally under the laws of this state, as applicable. Unless
23 otherwise governed by the laws of this state specifically applicable to insurance companies, a
24 capital stock entity converted pursuant to this section shall be subject to the general provisions of
25 the Rhode Island Business Corporation Act, chapter ~~1-1~~ [1.2](#) of title 7, with respect to its corporate
26 governance. 27-1-40.1. Mutual insurance holding companies.

27 SECTION 21. Section 27-41-3 of the General Laws in Chapter 27-41 entitled "Health
28 Maintenance Organizations" is hereby amended to read as follows:

29 **27-41-3. Establishment of health maintenance organizations.** – (a) (1)
30 Notwithstanding chapter 5.1 of title 7, sections 27-2-22, 27-19-4, 27-20-4, 27-20.1-2, and 27-
31 20.2-2, or any other law of this state to the contrary, any public or private organization may apply
32 to the director of business regulation for and obtain a license to establish and operate a health
33 maintenance organization in compliance with this chapter. No public or private organization shall
34 establish or operate a health maintenance organization in this state without obtaining a license

1 under this chapter. A foreign corporation may qualify under this chapter, subject to its registration
2 to do business in this state as a foreign corporation under section ~~7-1.1-99~~ [7-1.2-1401](#);

3 (2) Notwithstanding anything to the contrary in section 7-6-4, a non-profit corporation
4 may be organized for the purpose of a health maintenance organization and that corporation shall
5 not be subject to limits in its assets except as provided in this chapter.

6 (b) Each application for a license shall be verified by an officer or authorized
7 representative of the applicant, shall be in a form prescribed by the director in consultation with
8 the director of health, and shall set forth or be accompanied by the following:

9 (1) A copy of the organizational documents of the applicant, such as the articles of
10 incorporation;

11 (2) A copy of the bylaws, rules and regulations, or similar document, if any, regulating
12 the conduct of the internal affairs of the applicant;

13 (3) A list of the names, addresses, and official positions of the persons who are to be
14 responsible for the conduct of the affairs of the applicant, including all members of the board of
15 directors, board of trustees, executive committee, or other governing board or committee, the
16 principal officers of the corporation;

17 (4) A copy of any contract made or to be made, including any revisions to the document
18 between any providers or persons listed in subdivision (3) of this subsection and the applicant;

19 (5) A copy of the form of evidence of coverage to be issued to the enrollees;

20 (6) A copy of the form of the group contract, if any, which is to be issued to employers,
21 unions, trustees, or other organizations;

22 (7) Financial statements showing the applicant's assets, liabilities, and sources of
23 financial support. If the applicant's financial affairs are audited by independent certified public
24 accountants, a copy of the applicant's most recent regular certified financial statement shall be
25 deemed to satisfy this requirement unless the director directs that additional or more recent
26 financial information is required for the proper administration of this chapter;

27 (8) An examination report prepared by the insurance department of the company's state
28 of domicile or port of entry state. This requirement shall be deemed to be satisfied if the report is
29 less than five (5) years old and: (i) the insurance department at the time of the examination was
30 accredited under the National Association of Insurance Commissioners' financial regulations
31 standards and accreditation program or (ii) the examination is performed under the supervision of
32 an accredited insurance department or with the participation of one or more examiners who are
33 employed by an accredited state insurance department and who, after a review of the examination
34 work papers and report, state under oath that the examination was performed in a manner

1 consistent with the standards and procedures required by their insurance department. In lieu of an
2 examination meeting the requirements set forth in this section, an examination of the company
3 may be performed, prior to licensure, by the Rhode Island insurance division. The examination
4 shall be performed and the associated costs shall be borne by the company in accordance with all
5 the provisions of chapter 13.1 of this title.

6 (9) A description of the proposed method of marketing the health maintenance
7 organization, a financial plan which includes a projection of the initial operating results
8 anticipated until the organization has had net income for at least one year, and a statement as to
9 the sources of working capital and any other sources of funding;

10 (10) A power of attorney duly executed by the applicant, if not domiciled in this state,
11 appointing the director and his or her successors in office, and duly authorized deputies, as the
12 true and lawful attorney of the applicant in and for this state upon whom all lawful process in any
13 legal action or proceeding against the health maintenance organization on a cause of action
14 arising in this state may be served;

15 (11) A statement reasonably describing the geographic area or areas to be served;

16 (12) A description of the complaint procedures to be utilized as required under section
17 27-41-11;

18 (13) A description of the procedures and programs to be implemented to meet the quality
19 of health care requirements in section 27-41-4(a)(2);

20 (14) A description of the mechanism by which enrollees will be afforded an opportunity
21 to participate in matters of policy and operation under section 27-41-6(b);

22 (15) A description of the provider networks to be utilized to provide health care services
23 to enrollees;

24 (16) A description of the utilization management mechanisms by which enrollees' access
25 to and use of health services will be controlled; and

26 (17) Any other information that the director in consultation with the director of health
27 may require to make the determinations required in section 27-41-4.

28 (c) An applicant or a licensed health maintenance organization shall, unless otherwise
29 provided for in this chapter, file a notice describing any material modification of the operation
30 including, but not limited to, systematic changes in provider networks and mechanisms for the
31 management and control of the use of covered services by enrollees, set out in the information
32 required by subsection (b) of this section. The notice shall be filed with the director and with the
33 director of health prior to the modification. If the director or the director of health does not
34 disapprove within ninety (90) days of the filing, the modification shall be deemed approved.

1 (d) An applicant or a licensed health maintenance organization shall file all contracts of
2 reinsurance. Any agreement between the organization and an insurer shall be subject to the laws
3 of this state regarding reinsurance. All reinsurance agreements and any modifications to them
4 must be filed and approved. Reinsurance agreements shall remain in full force and effect for at
5 least ninety (90) days following written notice by registered mail of cancellation to the director by
6 either party.

7 SECTION 22. Section 27-43-2 of the General Laws in Chapter 27-43 entitled "Captive
8 Insurance Companies" is hereby amended to read as follows:

9 **27-43-2. Incorporation of captive insurance companies in this state.** -- (a) A
10 subsidiary captive insurance company shall be incorporated as a stock insurance company with its
11 capital divided into shares and held by the stockholders.

12 (b) An association captive insurance company or an industrial insured captive insurance
13 company may be:

14 (1) Incorporated as a stock insurance company with its capital divided into shares and
15 held by the stockholders; or

16 (2) Incorporated as a mutual insurance company without capital stock, the governing
17 body of which is elected by the member organizations of its association; or

18 (3) Organized as a reciprocal insurer in accordance with chapter 17 of this title.

19 (c) A captive insurance company which is formed as a corporation shall have not less
20 than three (3) incorporators of whom not less than two (2) shall be residents of this state.

21 (d) (1) In the case of a captive insurance company formed as a corporation, before the
22 articles of association are transmitted to the secretary of state, the incorporators shall petition the
23 commissioner to issue a certificate setting forth his or her finding that the establishment and
24 maintenance of the proposed corporation will promote the general good of the state. In arriving at
25 the finding, the commissioner shall consider:

26 (i) The character, reputation, financial responsibility, insurance experience, and business
27 qualifications of the incorporators and the proposed officers and directors;

28 (ii) The sources and availability of its capital; and

29 (iii) Other financial and business matters that the commissioner deems advisable.

30 (2) In the case of a captive insurance company formed as a reciprocal insurer, the
31 organizers shall petition the commissioner to issue a certificate setting forth the commissioner's
32 finding that the establishment and maintenance of the proposed association will promote the
33 general good of the state. In arriving at that finding the commissioner shall consider:

34 (i) The character, reputation, financial responsibility, insurance experience, and business

1 qualifications of the organizers and the attorney in fact;

2 (ii) The sources and availability of its capital; and

3 (iii) Other financial and business matters that the commissioner shall deem advisable.

4 (e) The articles of association, the certificate, and the organization fee shall be

5 transmitted to the secretary of state, who shall then record both the articles of incorporation and

6 the certificate.

7 (f) The capital stock of a captive insurance company incorporated as a stock insurance

8 company shall be issued at not less than par value, and all capital insurance companies shall have

9 the minimum capital provided in section 27-43-4.

10 (g) (1) In the case of a captive insurance company formed as a corporation in this state,

11 at least one of the members of the board of directors of a captive insurance company incorporated

12 in this state shall be a resident of this state.

13 (2) In the case of a captive insurance company formed as a reciprocal insurer in this

14 state, at least one of the members of the subscribers' advisory committee shall be a resident of this

15 state.

16 (h) Every captive insurance company referenced within this subsection has the powers

17 contained in this chapter, and is subject to the provisions of this chapter, chapter 1 of this title,

18 and chapter ~~1-1~~ [1.2](#) of title 7; provided, that insofar as the provisions of this chapter are

19 inconsistent with the provisions of chapter 1 of this title or chapter ~~1-1~~ [1.2](#) of title 7, the

20 provisions of this chapter are controlling.

21 (i) Captive insurance companies formed as corporations under the provisions of this

22 chapter have the privileges and are subject to the provisions of the general corporation law and

23 the applicable provisions contained in this chapter. In the event of conflict between the provisions

24 of the general corporation law and the provisions of this chapter, this chapter controls.

25 (j) Captive insurance companies formed as reciprocal insurers under the provisions of

26 this chapter have all the privileges and are subject to all the obligations imposed by chapter 17 of

27 this title in addition to the applicable provisions of this chapter. In the event of a conflict between

28 the provisions of chapter 17 and the provisions of this chapter, this chapter controls. To the extent

29 that chapter 17 also subjects a reciprocal insurer to the other provisions of this title, these other

30 provisions are not applicable to a reciprocal insurer formed under this chapter unless these

31 provisions are expressly made applicable to these captive insurance companies by this chapter.

32 (k) The articles of incorporation or bylaws of a captive insurance company formed as a

33 corporation may authorize a quorum of a board of directors to consist of no fewer than one third (

34 1/3) of the fixed or a majority of the prescribed number of directors as determined by the charter

1 or the bylaws of the corporation or by section ~~7-1.1-34~~ [7-1.2-802](#).

2 (l) The subscribers' agreement or other organizing document of a captive insurance
3 company formed as a reciprocal insurer may authorize a quorum of a subscriber's advisory
4 committee to consist of no less than one third (1/3) of the number of its members.

5 SECTION 23. Section 35-12-5 of the General Laws in Chapter 35-12 entitled "University
6 of Rhode Island Research Corporation" is hereby amended to read as follows:

7 **35-12-5. General powers.** -- The corporation shall have all the powers necessary and
8 convenient to carry out and effectuate the purposes and provisions of this chapter, including, but
9 not limited to, the power to:

10 (1) Sue and be sued, complain and defend, in its corporate name;

11 (2) Have a seal which may be altered at pleasure, and use the seal by causing it, or a
12 facsimile thereof, to be impressed or affixed or in any other manner reproduced;

13 (3) Purchase, take, receive, or otherwise acquire, own, hold, use, and otherwise deal in
14 and with, intangible personal property, or any interest therein;

15 (4) Sell, convey, pledge, exchange, transfer, and otherwise dispose of all or any part of
16 accounts for such consideration and upon such terms and conditions as the corporation shall
17 determine;

18 (5) Make contracts and incur liabilities, and borrow money at such rates of interest as the
19 corporation may determine;

20 (6) Make and execute all contracts, agreements, and instruments necessary or convenient
21 in the exercise of the powers and functions of the corporation granted by this chapter;

22 (7) Invest and reinvest its funds;

23 (8) Conduct its activities, carry on its operations, and have offices and exercise the
24 powers granted by this chapter;

25 (9) Make and alter by-laws, not inconsistent with this chapter, for the administration and
26 regulation of the affairs of the corporation, and the by-laws may contain provisions indemnifying
27 any person who is or was a director, officer, employee, or agent of the corporation, in the manner
28 and to the extent provided in section ~~7-1.1-4.1~~ [7-1.2-814](#); and

29 (10) Have and exercise all powers necessary or convenient to effect its purposes.

30 SECTION 24. Section 39-3-24 of the General Laws in Chapter 39-3 entitled "Regulatory
31 Powers of Administration" is hereby amended to read as follows:

32 **39-3-24. Transactions between utilities for which approval required.** -- With the
33 consent and approval of the division, but not otherwise:

34 (1) Any two (2) or more public utilities doing business in the same municipality or

1 locality within this state, or any two (2) or more public utilities whose lines intersect or parallel
2 each other within this state, or furnish a like service or product within this state, may enter into
3 contracts with each other that will enable the public utilities to operate their lines or plants in
4 connection with each other.

5 (2) Any public utility may purchase or lease all or any part of the property, assets, plant,
6 and business of any other public utility or merge with any other public utility, and in connection
7 therewith may exercise and enjoy all of the rights, powers, easements, privileges, and franchises
8 theretofore exercised and enjoyed by any other public utility with respect to the property, assets,
9 plant, and business so purchased, leased, or merged.

10 (3) Any public utility may merge with any other public utility or sell or lease all or any
11 part of its property, assets, plant, and business to any other public utility, provided that the merger
12 or a sale or lease of all or substantially all of its property, assets, plant, and business shall be
13 authorized by a vote of at least two-thirds (2/3) in interest of its stockholders at a meeting duly
14 called for the purpose. Any stockholder who shall not have voted in favor of the merger sale or
15 lease, either in person or by proxy, shall be entitled to the rights, and the corporation shall be
16 subject to the duties, obligations, and liabilities set forth in sections ~~7-1.1-73 and 7-1.1-74~~ [7-1.2-](#)
17 [1201 and 7-1.2-1202](#) with respect to dissenting stockholders and to corporations which sell, lease,
18 or exchange their entire assets respectively.

19 (4) Any public utility may directly or indirectly purchase the stock of any other public
20 utility.

21 (5) This section shall not apply to, and a public utility shall not be required to obtain the
22 consent and approval of the division for, the issuance of transition bonds or engaging in any other
23 transactions that are set forth in an application for a securitization order that is approved by the
24 commission pursuant to section 39-1-46.

25 SECTION 25. Sections 39-20-4 and 39-20-5 of the General Laws in Chapter 39-20
26 entitled "Ownership of Electric Generating Facilities" are hereby amended to read as follows:

27 **39-20-4. Powers of foreign electric utilities and nonregulated power producers.** -- (a)

28 Notwithstanding the provisions of sections ~~7-1.1-99 and 7-1.1-100~~ [7-1.2-1401 and 7-1.2-1402](#),
29 and any other provision of any general or special law relating to the rights of foreign corporations
30 to transact business in this state and to produce a certificate of authority under chapter ~~1-1~~ [1.2](#) of
31 title 7 to transact business, limiting the powers, rights, and privileges of a foreign corporation
32 procuring a certificate, and establishing the duties, restrictions, penalties, and liabilities imposed
33 on a foreign corporation, but subject to the provisions of this chapter, a foreign electric utility:

34 (1) Shall have the right to transact business in this state to the extent necessary or

1 desirable to exercise the powers set forth in section 39-20-3 in connection with electric generating
2 facilities or portions thereof located within this state or the product or service therefrom or
3 securities issued in connection with the financing of the facilities or portions thereof;

4 (2) Shall be entitled to procure a certificate of authority under chapter ~~1-1~~ [1.2](#) of title 7 to
5 transact business; and

6 (3) Shall have within this state the powers set forth in section 39-20-3 in connection with
7 electric generating facilities or portions thereof located within this state or the product or service
8 therefrom or securities issued in connection with the financing of facilities or portions thereof.

9 (b) Nothing in this section shall be construed to authorize a foreign electric utility to sell
10 electricity at wholesale or retail within this state unless:

11 (1) The sale is authorized under its charter or the general or special laws of this state
12 other than by this chapter; or

13 (2) The sale constitutes a sale of capacity and related energy from a specifically
14 identified electric generating facility within this state or a sale of economy, backup, or other
15 energy therefrom. Nonregulated power producers shall not be subject to this subsection.

16 **39-20-5. Regulation of foreign electric utilities.** -- (a) A foreign electric utility, in order
17 to procure a certificate of authority to transact business in this state pursuant to this chapter, shall
18 make application therefor to the secretary of state pursuant to the provisions of sections ~~7-1.1-103~~
19 ~~and 7-1.1-104~~, [7-1.2-1405](#) and [7-1.2-1406](#) and shall be subject to sections ~~7-1.1-105~~ ~~7-1.1-115~~,
20 ~~7-1.1-115.1~~, ~~7-1.1-117~~ ~~7-1.1-119~~, ~~7-1.1-121~~, ~~7-1.1-124~~ and ~~7-1.1-128~~ ~~7-1.1-133~~ [7-1.2-1403](#)
21 [through 7-1.2-1418](#), [7-1.2-1501](#) and [7-1.2-1601 through 7-1.2-1604](#).

22 (b) A foreign public utility which has received a certificate of authority to transact
23 business in this state pursuant to this chapter:

24 (1) Shall, before owning or operating an electric generating facility in this state, notify
25 the commission of the action to be taken by it;

26 (2) Shall thereafter furnish to the commission annually a copy of the annual report filed
27 by it with the utility regulatory agency of the state of its domicile or principal locus; and

28 (3) Shall furnish to the commission from time to time such other information with
29 respect to its activities in the state as the commission may reasonably request.

30 SECTION 26 Sections 42-55-5 and 42-55-5.1 of the General Laws in Chapter 42-55
31 entitled "Rhode Island Housing and Mortgage Finance Corporation" are hereby amended to read
32 as follows:

33 **42-55-5. General powers.** -- The corporation shall have all of the powers necessary and
34 convenient to carry out and effectuate the purposes and provisions of this chapter; including, but

1 without limiting the generality of the foregoing, the power to:

2 (1) Sue and be sued in its own name;

3 (2) Have an official seal and alter it at pleasure;

4 (3) Have perpetual succession;

5 (4) Maintain an office in the city of Providence or at any other place or places within this
6 state as it may designate;

7 (5) Adopt and from time to time amend and repeal by-laws, rules, and regulations, not
8 inconsistent with this chapter, to carry into effect the powers and purposes of the corporation and
9 the conduct of its business, and such by-laws, rules, and regulations may contain provisions
10 indemnifying any person who is or was a commissioner, officer, employee, or agent of the
11 corporation, or is or was serving at the request of the corporation as a commissioner, director,
12 officer, employee, or agent of another corporation, partnership, joint venture, trust, or other
13 enterprise, in the manner and to the extent provided in section ~~7-1.1-4.1~~ [7-1.2-814](#);

14 (6) Make and execute contracts and all other instruments necessary or convenient for the
15 exercise of its powers and functions under this chapter;

16 (7) Acquire real or personal property, or any interest therein, on either a temporary or
17 long term basis in its own name by gift, purchase, transfer, foreclosure, lease, or otherwise,
18 including rights or easements in property; to hold, sell, assign, lease, encumber, mortgage, or
19 otherwise dispose of any real or personal property or any interest therein; to hold, sell, assign, or
20 otherwise dispose of any mortgage interest owned by it or under its control, custody or in its
21 possession; and to release or relinquish any right, title, claim, lien, interest, easement, or demand,
22 however acquired, including any equity or right of redemption in property foreclosed by it, and to
23 do any of the foregoing by public or private sale, with or without public bidding, notwithstanding
24 the provisions of any other law;

25 (8) Enter into agreements or other transactions with and accept grants and the
26 cooperation of the United States or any governmental agency or instrumentality thereof or of the
27 state or any governmental agency or instrumentality thereof in furtherance of the purposes of this
28 chapter, including, but not limited to, the development, maintenance, operation, and financing of
29 any housing development, housing project, or health care facility, and to do any and all things
30 necessary in order to avail itself of such aid and cooperation;

31 (9) Make contracts with the state or any governmental agency thereof, municipalities,
32 and counties of the state, the federal government, public corporations or bodies, and private
33 corporations or individuals;

34 (10) Receive and accept aid or contributions from any source of money, property, labor,

1 or other things of value, to be held, used, and applied to carry out the purposes of this chapter
2 subject to the conditions upon which the grants and contributions may be made, including, but not
3 limited to, gifts or grants from any governmental agency or instrumentality of the United States or
4 this state for payment of rent supplements to eligible persons or families or for the payment in
5 whole or in part of the interest expense for a housing development, housing project, or health care
6 facility or for any other purpose consistent with this chapter;

7 (11) Provide, contract, or arrange for consolidated processing of any aspect of a housing
8 development, housing project, or health care facility in order to avoid duplication thereof by
9 either undertaking that processing in whole or in part on behalf of any governmental agency, or
10 instrumentality of the United States or of this state, or, in the alternative, to delegate the
11 processing in whole or in part to any governmental agency or instrumentality;

12 (12) Stimulate environmental planning for housing for persons of low and moderate
13 income in order to enhance opportunities of those persons for self-development and employment;

14 (13) Employ architects, engineers, attorneys, accountants, housing construction and
15 financial experts, and any other advisors, consultants, and agents that may be necessary in its
16 judgment and to fix their compensation;

17 (14) Procure insurance against any loss in connection with its property and other assets,
18 including mortgages and mortgage loans, in any amounts and from any insurers as it deems
19 desirable;

20 (15) Subject to any agreement with bondholders or noteholders, invest monies of the
21 corporation not required for immediate use, including proceeds from the sale of any bonds or
22 notes, in any securities, obligations, time or other deposit accounts as shall be permitted by law
23 for investment or deposit of state funds by the general treasurer and in secured promissory notes
24 held by municipal corporations which notes represent the borrowings by third parties of federal
25 grants;

26 (16) Include in any borrowing any amount deemed necessary by the corporation to pay
27 financing charges, interest on these obligations for any period the corporation shall permit,
28 consultant, advisory and legal fees, and those other expenses that are necessary or incident to this
29 borrowing;

30 (17) Subject to any agreements with bondholders or noteholders, to purchase bonds or
31 notes of the corporation out of any funds or money of the corporation available for this purpose,
32 and to hold, cancel, or resell those bonds or notes;

33 (18) Make and publish rules and regulations respecting its lending programs and any
34 other rules and regulations that are necessary to effectuate its corporate purposes;

1 (19) Make and execute contracts with mortgage bankers or other financial institutions in
2 this state for the servicing of mortgages acquired by the corporation pursuant to this chapter, and
3 pay the reasonable value of services rendered to the corporation pursuant to these contracts;

4 (20) Subject to any agreement with bondholders or noteholders, renegotiate, refinance,
5 or foreclose, or contract for the foreclosure of, any mortgage in default; waive any default or
6 consent to the modification of the terms of any mortgage; commence any action to protect or
7 enforce any right conferred upon it by any law, mortgage, contract, or other agreement, and bid
8 for and purchase property at any foreclosure or at any other sale, or acquire or take possession of
9 property; operate, manage, lease, dispose of, and otherwise deal with this property, in any manner
10 necessary to protect the interest of the corporation and the holders of its bonds, notes, and other
11 obligations;

12 (21) Borrow money and issue bonds and notes or other evidences of indebtedness;

13 (22) Subject to any agreement with bondholders or noteholders, consent to any
14 modification with respect to rate of interest, time, and payment of any installment of principal or
15 interest security or any other term of any contract, mortgage, mortgage loan, mortgage loan
16 commitment, contract, or agreement of any kind to which the corporation is a party;

17 (23) Procure or agree to the procurement of insurance or guarantees from the federal
18 government or any governmental agency or instrumentality thereof, or from any private insurance
19 company, of the payment of any bonds or notes or any other evidences of indebtedness issued by
20 the corporation including the power to pay premiums on that insurance;

21 (24) Insure long-term mortgage loans made by mortgage lenders approved by the
22 corporation to eligible housing sponsors as determined by the corporation. The corporation may
23 establish any terms and conditions it deems necessary for the supervision of the holders of
24 corporation insured loans and for its insurance program, including the maximum amount which
25 may be insured, maximum interest rates, down payment requirements, refinancing terms,
26 insurance premium requirements, and remedies on default or foreclosure;

27 (25) Make temporary loans, with or without interest, to eligible housing sponsors of
28 single-family residential housing units to be owned and occupied by the sponsor to defray down
29 payment costs and charges on mortgage loans purchased or made by the corporation;

30 (26) Make and undertake to make any and all contracts and agreements, including the
31 payment of fees, with mortgage lenders in this state for assistance rendered to the corporation;

32 (27) Subject to any agreement with bondholders or noteholders, to purchase and make
33 commitments for the purchase of, to invest in, and dispose of securities or other obligations
34 issued by mortgage lenders to finance residential housing for persons and families of low and

1 moderate income, including, but not limited to, securities or other obligations payable from,
2 backed by or otherwise evidencing an interest in mortgages securing mortgage loans to finance
3 residential housing for persons and families of low and moderate income;

4 (28) To the extent permitted under its contract with the holders of bonds, bond
5 anticipation notes and other obligations, enter into contracts with any mortgagor containing
6 provisions enabling the mortgagor to reduce the rental or carrying charges to families of persons
7 unable to pay the regular schedule of charges for housing where, by reason of other income or
8 payment from any department, agency, or instrumentality of the United States or this state, the
9 reductions can be made without jeopardizing the economic stability of housing being financed;

10 (29) Establish any programs of compensation, including deferred compensation and
11 retirement plans, as the commissioner may deem appropriate;

12 (30) Do any and all things necessary or convenient to carrying out its purposes and
13 exercise the powers given and granted in this chapter;

14 (31) Issue assurances and guarantees and to secure them with any collateral that the
15 corporation may deem appropriate;

16 (32) Notwithstanding any other law to the contrary, to make subsidies in furtherance of
17 its corporate purposes, whether in the form of interest cost savings or otherwise, and to require a
18 recipient thereof to repay all or any portion of that subsidy upon those terms and conditions that
19 the corporation may establish;

20 (33) Establish an insurance fund and to insure therefrom, either alone or in conjunction
21 with private enterprise, the state, the United States, or any governmental agency or
22 instrumentality thereof, mortgage loans or participations whether or not made or acquired by the
23 corporation; and

24 (34) Establish an equal employment and affirmative action program applicable to direct
25 and indirect recipients of funds of the corporation.

26 (35) To administer and manage Section 8 tenant based certificate programs and Section 8
27 rental voucher programs in those municipalities that do not have a local housing authority and in
28 those municipalities whose local housing authority elects to contract with Rhode Island Housing
29 Mortgage and Finance Corporations.

30 **42-55-5.1. Subsidiary corporations.** -- (a) To further its purposes, the corporation shall
31 have the power to form one or more subsidiary corporations under either section ~~7-1.1-1~~ [7-1.2-1](#)
32 et seq. or 7-6-1 et seq. in accordance with the procedures therein contained. Each subsidiary
33 corporation shall be governed by the section under which it is formed, provided that each shall be
34 subject to the same restrictions and limitations as to its powers and purposes to which the

1 corporation is subject under this chapter and shall be deemed a state agency only for the purposes
2 of section 42-46-1 et seq. and section 38-2-1 et seq. The corporation may delegate any of its
3 powers, obligations, and duties under this chapter to any subsidiary corporation by inclusion of its
4 powers, obligations and duties in the articles of incorporation of the subsidiary corporation.
5 Subsidiary corporations so formed shall constitute legal entities separate and distinct from each
6 other, the corporation, and the state. The corporation shall not be liable for the debts or
7 obligations or for any actions or inactions of its subsidiary corporations unless the corporation
8 expressly agrees otherwise in writing. The corporation may make loans or grants to a subsidiary
9 corporation from time to time to enable the subsidiary corporation to carry out its purposes. The
10 commissioners of the corporation shall constitute all of the directors of each subsidiary
11 corporation.

12 (b) The state, any municipality or any state commission, public authority, agency,
13 officer, department, board, or division authorized and empowered to enter into agreements with,
14 to grant, convey, lease, or otherwise transfer any property to, or to otherwise transact business
15 with the corporation, shall have the same authorization and power to engage in these activities
16 with each subsidiary corporation of the corporation.

17 SECTION 27. Section 42-63.4-4 of the General Laws in Chapter 42-63.4 entitled "New
18 Shoreham Tourism Council, Inc." is hereby amended to read as follows:

19 **42-63.4-4. General powers.** -- Except to the extent inconsistent with any specific
20 provision of this chapter, the corporation shall have the power:

21 (1) To sue and be sued, complain and defend, in its corporate name;

22 (2) To have a seal which may be altered at pleasure and to use the seal by causing it, or a
23 facsimile of the seal, to be impressed or affixed, or in any other manner reproduced;

24 (3) To purchase, take, receive, lease, or otherwise acquire, own, hold, improve, use and
25 otherwise deal in and with, personal property, or any interest in personal property, wherever
26 situated;

27 (4) To sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of
28 all or any part of its property and assets for such consideration and upon such terms and
29 conditions as the corporation shall determine;

30 (5) To make and execute agreements of lease, conditional sales contracts, installment
31 sales contracts, loan agreements, mortgages, construction contracts, operation contracts, and other
32 contracts and instruments necessary or convenient in the exercise of the powers and functions of
33 the corporation granted by this chapter;

34 (6) To conduct its activities, carry on its operations, and have offices and exercise the

1 powers granted by this chapter, within or outside of the state;

2 (7) To elect or appoint officers, and agents of the corporation, and define their duties and
3 fix their compensation;

4 (8) To make and alter by-laws, not inconsistent with this chapter, for the administration
5 and regulation of the affairs of the corporation; these by-laws may contain provisions
6 indemnifying any person who is or was a director, officer, employee or agent of the corporation,
7 or is or was serving at the request of the corporation as a director, officer, employee or agent of
8 another corporation, partnership, joint venture, trust or other enterprise, in the manner and to the
9 extent provided in section ~~7-1.1-4.1~~ [7-1.2-814](#) of the business corporation act;

10 (9) To hire and fire employees as necessary to properly conduct the daily operation of
11 the corporation; and

12 (10) To have and exercise all powers necessary or convenient to effect its purposes.

13 SECTION 28. Sections 42-64-6 and 42-64-7.1 of the General Laws in Chapter 42-64
14 entitled "Rhode Island Economic Development Corporation" are hereby amended to read as
15 follows:

16 **42-64-6. General powers. [Effective until December 31, 2004].** -- (a) Except to the
17 extent inconsistent with any specific provision of this chapter, the corporation shall have the
18 power:

19 (1) To sue and be sued, complain and defend, in its corporate name.

20 (2) To have a seal which may be altered at pleasure and to use the seal by causing it, or a
21 facsimile of the seal, to be impressed or affixed, or in any other manner reproduced.

22 (3) To purchase, take, receive, lease, or otherwise acquire, own, hold, improve, use, and
23 otherwise deal in and with, real or personal property, or any interest in real or personal property,
24 wherever situated.

25 (4) To sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of
26 all or any part of its property and assets for any consideration and upon any terms and conditions
27 as the corporation shall determine.

28 (5) To make contracts and guarantees and incur liabilities, borrow money at any rates of
29 interest as the corporation may determine.

30 (6) To make and execute agreements of lease, conditional sales contracts, installment
31 sales contracts, loan agreements, mortgages, construction contracts, operation contracts, and other
32 contracts and instruments necessary or convenient in the exercise of the powers and functions of
33 the corporation granted by this chapter.

34 (7) To lend money for its purposes, invest and reinvest its funds, and at its option to take

1 and hold real and personal property as security for the payment of funds so loaned or invested.

2 (8) To acquire or contract to acquire, from any person, firm, corporation, municipality,
3 the federal government, or the state, or any agency of either the federal government or the state,
4 by grant, purchase, lease, gift, condemnation, or otherwise, or to obtain options for the acquisition
5 of any property, real or personal, improved or unimproved, and interests in land less than the fee
6 thereof; and to own, hold, clear, improve, develop, and rehabilitate, and to sell, assign, exchange,
7 transfer, convey, lease, mortgage, or otherwise dispose or encumber that property for the
8 purposes of carrying out the provisions and intent of this chapter, for any consideration as the
9 corporation shall determine.

10 (9) To conduct its activities, carry on its operations, and have offices and exercise the
11 powers granted by this chapter, within or outside of the state.

12 (10) To elect or appoint officers and agents of the corporation, and define their duties
13 and fix their compensation.

14 (11) To make and alter by-laws, not inconsistent with this chapter, for the administration
15 and regulation of the affairs of the corporation, and those by-laws may contain provisions
16 indemnifying any person who is or was a director, officer, employee, or agent of the corporation,
17 or is or was serving at the request of the corporation as a director, officer, employee, or agent of
18 another corporation, partnership, joint venture, trust, or other enterprise, in the manner and to the
19 extent provided in section ~~7-1.1-4.1~~ [7-1.2-814](#) of the business corporation act.

20 (12) To be a promoter, partner, member, associate, or manager of any partnership,
21 enterprise, or venture.

22 (13) To have and exercise all powers necessary or convenient to effect its purposes;
23 provided, however, that the corporation shall not have any power to create, empower or otherwise
24 establish any corporation, subsidiary corporation, corporate body, any form of partnership, or any
25 other separate entity without the express approval and authorization of the general assembly.

26 (b) Express approval and authorization of the general assembly shall be deemed to have
27 been given for all legal purposes on July 1, 1995 for the creation and lawful management of a
28 subsidiary corporation created for the management of the Quonset Point/Davisville Industrial
29 Park, that subsidiary corporation being managed by a board of directors, the members of which
30 shall be constituted as follows: (1) two (2) members who shall be appointed by the town council
31 of the town of North Kingstown; (2) two (2) members who shall be residents of the town of North
32 Kingstown appointed by the governor; (3) four (4) members who shall be appointed by the
33 governor; (4) the chairperson, who shall be the executive director of the economic development
34 corporation; and (5) non-voting members who shall be the members of the general assembly

1 whose districts are comprised in any part by areas located within the town of North ~~Kingston~~
2 [Kingstown](#).

3 **42-64-6. General powers. [Effective December 31, 2004.]** -- (a) Except to the extent
4 inconsistent with any specific provision of this chapter, the corporation shall have the power:

5 (1) To sue and be sued, complain and defend, in its corporate name.

6 (2) To have a seal which may be altered at pleasure and to use the seal by causing it, or a
7 facsimile of the seal, to be impressed or affixed, or in any other manner reproduced.

8 (3) To purchase, take, receive, lease, or otherwise acquire, own, hold, improve, use, and
9 otherwise deal in and with, real or personal property, or any interest in real or personal property,
10 wherever situated.

11 (4) To sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of
12 all or any part of its property and assets for any consideration and upon any terms and conditions
13 as the corporation shall determine.

14 (5) To make contracts and guarantees and incur liabilities, borrow money at any rates of
15 interest as the corporation may determine.

16 (6) To make and execute agreements of lease, conditional sales contracts, installment
17 sales contracts, loan agreements, mortgages, construction contracts, operation contracts, and other
18 contracts and instruments necessary or convenient in the exercise of the powers and functions of
19 the corporation granted by this chapter.

20 (7) To lend money for its purposes, invest and reinvest its funds, and at its option to take
21 and hold real and personal property as security for the payment of funds so loaned or invested.

22 (8) To acquire or contract to acquire, from any person, firm, corporation, municipality,
23 the federal government, or the state, or any agency of either the federal government or the state,
24 by grant, purchase, lease, gift, condemnation, or otherwise, or to obtain options for the acquisition
25 of any property, real or personal, improved or unimproved, and interests in land less than the fee
26 thereof; and to own, hold, clear, improve, develop, and rehabilitate, and to sell, assign, exchange,
27 transfer, convey, lease, mortgage, or otherwise dispose or encumber that property for the
28 purposes of carrying out the provisions and intent of this chapter, for any consideration as the
29 corporation shall determine.

30 (9) To conduct its activities, carry on its operations, and have offices and exercise the
31 powers granted by this chapter, within or outside of the state.

32 (10) To elect or appoint officers and agents of the corporation, and define their duties
33 and fix their compensation.

34 (11) To make and alter by-laws, not inconsistent with this chapter, for the administration

1 and regulation of the affairs of the corporation, and those by-laws may contain provisions
2 indemnifying any person who is or was a director, officer, employee, or agent of the corporation,
3 or is or was serving at the request of the corporation as a director, officer, employee, or agent of
4 another corporation, partnership, joint venture, trust, or other enterprise, in the manner and to the
5 extent provided in section 7-1.1-4.1 of the business corporation act.

6 (12) To be a promoter, partner, member, associate, or manager of any partnership,
7 enterprise, or venture.

8 (13) To have and exercise all powers necessary or convenient to effect its purposes;
9 provided, however, that the corporation shall not have any power to create, empower or otherwise
10 establish any corporation, subsidiary corporation, corporate body, any form of partnership, or any
11 other separate entity without the express approval and authorization of the general assembly.

12 (b) Express approval and authorization of the general assembly shall be deemed to have
13 been given for all legal purposes on July 1, 1995 for the creation and lawful management of a
14 subsidiary corporation created for the management of the Quonset Point/Davisville Industrial
15 Park, that subsidiary corporation being managed by a board of directors, the members of which
16 shall be constituted as follows: (1) two (2) members who shall be appointed by the town council
17 of the town of North Kingstown; (2) two (2) members who shall be residents of the town of North
18 Kingstown appointed by the governor; (3) four (4) members who shall be appointed by the
19 governor; (4) the chairperson, who shall be the executive director of the economic development
20 corporation; and (5) non-voting members who shall be the members of the general assembly
21 whose districts are comprised in any part by areas located within the town of North Kingstown.

22 The approval and authorization provided herein shall terminate upon the establishment
23 of the Quonset Development Corporation as provided for in chapter 64.10 of this title.

24 **42-64-7.1. Subsidiaries. [Effective until December 31, 2004.]** -- (a) (1) The parent
25 corporation shall have the right to exercise and perform its powers and functions, or any of them,
26 through one or more subsidiary corporations whose creation shall be approved and authorized by
27 the general assembly.

28 (2) Express approval and authorization of the general assembly shall be deemed to have
29 been given for all legal purposes on July 1, 1995 for the creation and lawful management of a
30 subsidiary corporation created for the management of the Quonset Point/Davisville Industrial
31 Park, that subsidiary corporation being managed by a board of directors, the members of which
32 shall be constituted as follows: (i) two (2) members who shall be appointed by the town council
33 of the town of North Kingstown; (ii) two (2) members who shall be residents of the town of North
34 Kingstown appointed by the governor; (iii) four (4) members who shall be appointed by the

1 governor; (iv) the chairperson, who shall be the executive director of the economic development
2 corporation; and (v) non-voting members, who shall include the members of the general assembly
3 whose districts are comprised in any part by areas located within the town of North Kingstown
4 and one non-voting member who shall be a resident of the town of Jamestown, appointed by the
5 town council of the town of Jamestown. Upon receipt of approval and authorization from the
6 general assembly, the parent corporation by resolution of the board of directors may direct any of
7 its directors, officers, or employees to create subsidiary corporations pursuant to chapter ~~4-1~~ [1.2](#)
8 or 6 of title 7 or in the manner described in subsection (b); provided, that the parent corporation
9 shall not have any power or authority to create, empower or otherwise establish any corporation,
10 subsidiary corporation, corporate body or any form of partnership or any other separate entity,
11 without the express approval and authorization of the general assembly.

12 (b) As used in this section, "subsidiary public corporation" means a corporation created
13 pursuant to the provisions of this section. The person or persons directed by the resolution
14 referred to in subsection (a) shall prepare articles of incorporation setting forth: (1) the name of
15 the subsidiary public corporation; (2) the period of duration, which may be perpetual; (3) the
16 purpose or purposes for which the subsidiary public corporation is organized which shall not be
17 more extensive than the purposes of the corporation set forth in section 42-64-5; (4) the number
18 of directors (which may, but need not be, more than one) constituting the initial board of directors
19 and their names and business or residence addresses; (5) the name and business or residence
20 address of the person preparing the articles of incorporation; (6) the date when corporate
21 existence shall begin (which shall not be earlier than the filing of the articles of incorporation
22 with the secretary of state as provided in this subsection); (7) any provision, not inconsistent with
23 law, which the board of directors elect to set forth in the articles of incorporation for the
24 regulation of the internal affairs of the subsidiary public corporation; and (8) a reference to the
25 form of authorization and approval by the general assembly and to the resolution of the board of
26 directors authorizing the preparation of the articles of incorporation. Duplicate originals of the
27 articles of incorporation shall be delivered to the secretary of state. If the secretary of state finds
28 that the articles of incorporation conform to the provisions of this subsection, the secretary shall
29 endorse on each of the duplicate originals the word "Filed," and the month, day and year of the
30 filing; file one of the duplicate originals in his or her office; and a certificate of incorporation to
31 which the secretary shall affix the other duplicate original. No filing fees shall be payable upon
32 the filing of articles of incorporation. Upon the issuance of the certificate of incorporation or upon
33 a later date specified in the articles of incorporation, the corporate existence shall begin and the
34 certificate of incorporation shall be conclusive evidence that all conditions precedent required to

1 be performed have been complied with and that the subsidiary public corporation has been duly
2 and validly incorporated under the provisions hereof. The parent corporation may transfer to any
3 subsidiary public corporation any moneys, real, personal, or mixed property or any project in
4 order to carry out the purposes of this chapter. Each subsidiary public corporation shall have all
5 the powers, privileges, rights, immunities, tax exemptions, and other exemptions of the parent
6 corporation except to the extent that the articles of incorporation of the subsidiary public
7 corporation shall contain an express limitation and except that the subsidiary public corporation
8 shall not have the condemnation power contained in section 42-64-9, nor shall it have the powers
9 contained in, or otherwise be subject to, the provisions of section 42-64-12 and section 42-64-
10 13(a), nor shall it have the power to create, empower or otherwise establish any corporation,
11 subsidiary corporation, corporate body, any form of partnership, or any other separate entity,
12 without the express approval and authorization of the general assembly.

13 (c) Any subsidiary corporation shall not be subject to the provisions of section 42-64-
14 8(a), (c), and (d), except as otherwise provided in the articles of incorporation of the subsidiary
15 corporation.

16 (d) The corporation, as the parent corporation of the Rhode Island Airport Corporation,
17 shall not be liable for the debts or obligations or for any actions or inactions of the Rhode Island
18 Airport Corporation, unless the corporation expressly agrees otherwise in writing.

19 (e) The East Providence Waterfront District shall, with the approval of its commission
20 and the board of directors of the corporation, be a subsidiary of the corporation for the purposes
21 of exercising such powers of the corporation as the board of directors shall determine, and
22 notwithstanding the requirements of paragraph (b) above, the act creating the District shall be
23 deemed fully satisfactory for the purposes of this section regarding the establishment of
24 subsidiary public corporations, and the express approval and authorization of the general
25 assembly shall be deemed to have been given for all legal purposes for the creation and lawful
26 management of a subsidiary corporation created for the purposes of implementing the purposes of
27 the District.

28 (f) The parent corporation is hereby authorized and empowered to create a subsidiary
29 corporation for the expressed purpose to issue bonds and notes of the type and for those projects
30 and purposes specified in the Joint Resolution and Act of the General Assembly adopted by the
31 Rhode Island House of Representatives and the Rhode Island Senate.

32 **42-64-7.1. Subsidiaries. [Effective December 31, 2004.]** -- (a) (1) The parent
33 corporation shall have the right to exercise and perform its powers and functions, or any of them,
34 through one or more subsidiary corporations whose creation shall be approved and authorized by

1 the general assembly.

2 (2) (i) Express approval and authorization of the general assembly shall be deemed to
3 have been given for all legal purposes on July 1, 1995 for the creation and lawful management of
4 a subsidiary corporation created for the management of the Quonset Point/Davisville Industrial
5 Park, that subsidiary corporation being managed by a board of directors, the members of which
6 shall be constituted as follows: (i) two (2) members who shall be appointed by the town council
7 of the town of North Kingstown; (ii) two (2) members who shall be residents of the town of North
8 Kingstown appointed by the governor; (iii) four (4) members who shall be appointed by the
9 governor; (iv) the chairperson, who shall be the executive director of the economic development
10 corporation; and (v) non-voting members, who shall include the members of the general assembly
11 whose districts are comprised in any part by areas located within the town of North Kingstown
12 and one non-voting member who shall be a resident of the town of Jamestown, appointed by the
13 town council of the town of Jamestown. Upon receipt of approval and authorization from the
14 general assembly, the parent corporation by resolution of the board of directors may direct any of
15 its directors, officers, or employees to create subsidiary corporations pursuant to chapter ~~1.1~~ 1.2
16 or 6 of title 7 or in the manner described in subsection (b); provided, that the parent corporation
17 shall not have any power or authority to create, empower or otherwise establish any corporation,
18 subsidiary corporation, corporate body or any form of partnership or any other separate entity,
19 without the express approval and authorization of the general assembly.

20 The approval and authorization provided herein shall terminate upon the establishment
21 of the Quonset Development Corporation as provided for in chapter 64.10 of this title.

22 (ii) The Quonset Development Corporation shall be deemed a subsidiary of the
23 corporation:

24 (A) As set forth in section 42-64.10-6(c); and

25 (B) Insofar as it exercises any powers and duties delegated to it by the corporation
26 pursuant to this chapter for any project other than on real and personal property owned, leased or
27 under the control of the corporation located in the town of North Kingstown, and the corporation
28 shall be deemed to have authority to delegate any of its powers, with the exception of the power
29 to issue any form of negotiable bonds or notes and the power of eminent domain, in order to
30 accomplish the purposes of chapter 64.10 of this title; provided, however, that the corporation
31 may, as provided for in this chapter, issue bonds or exercise the power of eminent domain on
32 behalf of the Quonset Development Corporation or to undertake a project of the Quonset
33 Development Corporation.

34 (b) As used in this section, "subsidiary public corporation" means a corporation created

1 pursuant to the provisions of this section. The person or persons directed by the resolution
2 referred to in subsection (a) shall prepare articles of incorporation setting forth: (1) the name of
3 the subsidiary public corporation; (2) the period of duration, which may be perpetual; (3) the
4 purpose or purposes for which the subsidiary public corporation is organized which shall not be
5 more extensive than the purposes of the corporation set forth in section 42-64-5; (4) the number
6 of directors (which may, but need not be, more than one) constituting the initial board of directors
7 and their names and business or residence addresses; (5) the name and business or residence
8 address of the person preparing the articles of incorporation; (6) the date when corporate
9 existence shall begin (which shall not be earlier than the filing of the articles of incorporation
10 with the secretary of state as provided in this subsection); (7) any provision, not inconsistent with
11 law, which the board of directors elect to set forth in the articles of incorporation for the
12 regulation of the internal affairs of the subsidiary public corporation; and (8) a reference to the
13 form of authorization and approval by the general assembly and to the resolution of the board of
14 directors authorizing the preparation of the articles of incorporation. Duplicate originals of the
15 articles of incorporation shall be delivered to the secretary of state. If the secretary of state finds
16 that the articles of incorporation conform to the provisions of this subsection, the secretary shall
17 endorse on each of the duplicate originals the word "Filed," and the month, day and year of the
18 filing; file one of the duplicate originals in his or her office; and a certificate of incorporation to
19 which the secretary shall affix the other duplicate original. No filing fees shall be payable upon
20 the filing of articles of incorporation. Upon the issuance of the certificate of incorporation or upon
21 a later date specified in the articles of incorporation, the corporate existence shall begin and the
22 certificate of incorporation shall be conclusive evidence that all conditions precedent required to
23 be performed have been complied with and that the subsidiary public corporation has been duly
24 and validly incorporated under the provisions hereof. The parent corporation may transfer to any
25 subsidiary public corporation any moneys, real, personal, or mixed property or any project in
26 order to carry out the purposes of this chapter. Each subsidiary public corporation shall have all
27 the powers, privileges, rights, immunities, tax exemptions, and other exemptions of the parent
28 corporation except to the extent that the articles of incorporation of the subsidiary public
29 corporation shall contain an express limitation and except that the subsidiary public corporation
30 shall not have the condemnation power contained in section 42-64-9, nor shall it have the powers
31 contained in, or otherwise be subject to, the provisions of section 42-64-12 and section 42-64-
32 13(a), nor shall it have the power to create, empower or otherwise establish any corporation,
33 subsidiary corporation, corporate body, any form of partnership, or any other separate entity,
34 without the express approval and authorization of the general assembly.

1 (c) Any subsidiary corporation shall not be subject to the provisions of section 42-64-
2 8(a), (c), and (d), except as otherwise provided in the articles of incorporation of the subsidiary
3 corporation.

4 (d) The corporation, as the parent corporation of the Rhode Island Airport Corporation,
5 shall not be liable for the debts or obligations or for any actions or inactions of the Rhode Island
6 Airport Corporation, unless the corporation expressly agrees otherwise in writing.

7 (e) The East Providence Waterfront District shall, with the approval of its commission
8 and the board of directors of the corporation, be a subsidiary of the corporation for the purposes
9 of exercising such powers of the corporation as the board of directors shall determine, and
10 notwithstanding the requirements of paragraph (b) above, the act creating the District shall be
11 deemed fully satisfactory for the purposes of this section regarding the establishment of
12 subsidiary public corporations, and the express approval and authorization of the general
13 assembly shall be deemed to have been given for all legal purposes for the creation and lawful
14 management of a subsidiary corporation created for the purposes of implementing the purposes of
15 the District.

16 (f) The parent corporation is hereby authorized and empowered to create a subsidiary
17 corporation for the expressed purpose to issue bonds and notes of the type and for those projects
18 and purposes specified in the Joint Resolution and Act of the General Assembly adopted by the
19 Rhode Island House of Representatives and the Rhode Island Senate.

20 SECTION 29. Section 42-64.2-4 of the General Laws in Chapter 42-64.2 entitled "Rhode
21 Island Public Rail Corporation Act" is hereby amended to read as follows:

22 **42-64.2-4. General powers.** -- Except to the extent inconsistent with any specific
23 provision of this chapter, the corporation shall have power:

- 24 (1) To sue and be sued, complain and defend, in its corporate name;
- 25 (2) To have a seal which may be altered at pleasure and to use the seal by causing it, or a
26 facsimile thereof, to be impressed or affixed or in any other manner reproduced;
- 27 (3) To purchase, take, receive, lease, or otherwise acquire, own, hold, improve, use, and
28 otherwise deal in and with, real or personal property, or any interest therein, wherever situated;
- 29 (4) To reconvey, lease, or sell real property acquired. Upon the sale of any real property
30 or interest therein which is held by the corporation, the proceeds from the sale shall be transferred
31 to the general fund of the state.
- 32 (5) To make contracts and guarantees and incur liabilities, borrow money at any rates of
33 interest that the corporation may determine;
- 34 (6) To make and execute agreements of lease, conditional sales contracts, installment

1 sales contracts, loan agreements, mortgages, construction contracts, operation contracts, and other
2 contracts and instruments necessary or convenient in the exercise of the powers and functions of
3 the corporation granted by this chapter;

4 (7) To lend money for its purposes, invest and reinvest its funds, and at its option to take
5 and hold real and personal property as security for the payment of funds so loaned or invested;

6 (8) To acquire, or contract to acquire, from any person, firm, corporation, municipality,
7 the federal government or the state, or any agency of either the federal government or state, by
8 grant, purchase, lease, gift, condemnation or otherwise, or to obtain options for the acquisition of
9 any property, real or personal, improved or unimproved, and interests in land less than the fee
10 thereof; and to own, hold, improve, develop, and rehabilitate, and to sell, assign, exchange,
11 transfer, convey, lease, mortgage, or otherwise dispose or encumber the property for the purposes
12 of carrying out the provisions and intent of this chapter, for any consideration the corporation
13 shall determine;

14 (9) To conduct its activities, carry on its operations, and have offices, and exercise the
15 powers granted by this chapter, within or without the state;

16 (10) To elect or appoint officers and agents of the corporation, and define their duties
17 and fix their compensation;

18 (11) To make and alter by-laws, not inconsistent with this chapter, for the administration
19 and regulation of the affairs of the corporation; those by-laws may contain provisions
20 indemnifying any person who is or was a director, officer, employee, or agent of the corporation,
21 or is or was serving at the request of the corporation as a director, officer, employee, or agent of
22 another corporation, partnership, joint venture, trust, or other enterprise, in the manner and to the
23 extent provided in section ~~7-1.1-4.1~~ [7-1.2-814](#);

24 (12) To be a promoter, partner, member, associate, or manager of any partnership,
25 enterprise, or venture; and

26 (13) To have and exercise all powers necessary or convenient to effect its purposes.

27 SECTION 30. Section 42-105-4 of the General Laws in Chapter 42-105 entitled
28 "Newport County Convention and Visitors' Bureau" is hereby amended to read as follows:

29 **42-105-4. General powers.** -- Except to the extent inconsistent with any specific
30 provision of this chapter, the corporation shall have power:

31 (1) To sue and be sued, complain and defend, in its corporate name;

32 (2) To have a seal which may be altered at pleasure and to use the seal by causing it, or a
33 facsimile thereof, to be impressed or affixed or in any other manner reproduced;

34 (3) To purchase, take, receive, lease, or otherwise acquire, own, hold, improve, use, and

1 otherwise deal in and with, personal property, or any interest therein, wherever situated;

2 (4) To sell, convey, pledge, lease, exchange, transfer, and otherwise dispose of all or any
3 part of its property and assets for any consideration and upon any terms and conditions as that
4 corporation shall determine;

5 (5) To make and execute agreements of lease, conditional sales contracts, installment
6 sales contracts, loan agreements, construction contracts, operation contracts, and other contracts
7 and instruments necessary or convenient in the exercise of the powers and functions of the
8 corporation granted by this chapter;

9 (6) To conduct its activities, carry on its operations, and have offices and exercise the
10 powers granted by this chapter, within or without the state;

11 (7) To elect or appoint officers, and agents of the corporation, and define their duties and
12 fix their compensation;

13 (8) To make and alter by-laws, not inconsistent with this chapter, for the administration
14 and regulation of the affairs of the corporation, and those by-laws may contain provisions
15 indemnifying any person who is or was a director, officer, employee, or agent of the corporation,
16 or is or was serving at the request of the corporation as a director, officer, employee, or agent of
17 another corporation, partnership, joint venture, trust, or other enterprise, in the manner and to the
18 extent provided in section ~~7-1.1-4.1~~ [7-1.2-814](#);

19 (9) To hire and fire employees as is necessary to properly conduct the daily operation of
20 the corporation; and

21 (10) To have and exercise all powers necessary or convenient to effect its purposes.

22 SECTION 31. Section 42-116-5 of the General Laws in Chapter 42-116 entitled "Rhode
23 Island Depositors Economic Protection Corporation" is hereby amended to read as follows:

24 **42-116-5. General powers of corporation.** -- (a) The corporation has all of the powers
25 to do all of the things necessary and convenient to carry out and effectuate the purposes and
26 provisions of this chapter, including, without limiting the generality of the foregoing, the powers:

27 (1) To adopt and amend by-laws for the governance of its affairs, the administration of
28 its assets, and the conduct of its business;

29 (2) To adopt an official seal;

30 (3) To maintain an office at a place or places it may determine;

31 (4) To adopt a fiscal year which coincides with the state's fiscal year;

32 (5) To adopt and enforce procedures, regulations, and rules in connection with the
33 performance of its functions and duties;

34 (6) To sue in any court of competent jurisdiction, to prosecute and defend actions

1 relating to its property and affairs; provided, however, that the corporation is not authorized to
2 become a debtor under the United States Bankruptcy Code;

3 (7) To employ personnel and to engage accounting, management, legal, financial,
4 consulting, and other professional services;

5 (8) To receive and apply its revenues in furtherance of the purposes of this chapter, or
6 the exercise of its powers, and payment of all costs incurred in connection therewith without
7 appropriation or allotment by the state or any political subdivision thereof;

8 (9) To borrow money, including short term start up borrowing from the state;

9 (10) To issue bonds and apply the proceeds thereof as provided in this chapter and to
10 pledge or assign or create security interests in assets, revenues, funds, and other property of the
11 corporation and otherwise as provided in this chapter to pay or secure such bonds;

12 (11) To deposit, invest, and reinvest any funds held in reserves, or any revenues or funds
13 not required for immediate disbursement, in depository institutions and/or investments,
14 obligations and securities, respectively, as may be legal and prudent investments for funds of the
15 state, and pay fees thereof and receive interest thereon;

16 (12) To obtain insurance including fidelity bonds for employees and to enter into
17 agreements of indemnification necessary or convenient to the exercise of its powers under this
18 chapter;

19 (13) To apply for, receive, administer, and comply with the conditions and requirements
20 respecting any grant, gift, or appropriation of property, services, or moneys;

21 (14) To enter into contracts, arrangements, and agreements with other persons, and to
22 modify or consent to the modification of any of the foregoing to which the corporation is a party
23 or in which the corporation has an interest under this chapter, and execute and deliver all
24 instruments necessary or convenient to the exercise of its powers under this chapter;

25 (15) To authorize a representative to appear on its own behalf before other public bodies
26 in all matters relating to its powers and purposes;

27 (16) To acquire, own, redeem, lease as tenant, or hold real, personal, intangible, or mixed
28 property or any interest in property and to exercise all of the usual incidents of ownership of
29 property necessary and convenient to the operations of the corporation; and to collect, realize
30 upon, foreclose, settle, release, improve, rehabilitate, sell, compromise, assign, exchange, lease as
31 landlord, mortgage, or otherwise dispose of or encumber the property; and

32 (17) To exercise those powers granted to corporations organized under chapter ~~1-1~~ [1.2](#) of
33 title 7.

34 (b) Notwithstanding any other provision of this chapter, the corporation shall not have

1 the power of a bank or trust company within the jurisdiction or under the control of the
2 department of business regulation of the state, or its director, the comptroller of the currency of
3 the United States or the treasury department of the United States.

4 SECTION 32. Section 44-12-8 of the General Laws in Chapter 44-12 entitled "Franchise
5 Tax" is hereby amended to read as follows:

6 **44-12-8. Forfeiture of charter or articles for nonpayment of tax. --** The tax
7 administrator may, after July 15 of each year, make up a list of all corporations which have failed
8 to pay any franchise tax assessed for two (2) years after the tax became due and payable, shall
9 certify to the correctness of the list, and shall file the list as a public record in the office of the
10 secretary of state. Upon the filing of the certified list, the charter or articles of association of each
11 of the corporations shall become forfeited by reason of the failure to pay the tax, and all the
12 corporations shall cease to be bodies corporate, except as provided in section ~~7-1.1-98~~ [7-1.2-](#)
13 [1324](#). The secretary of state shall mail a notice of the forfeiture of charter or articles of
14 association to each corporation at its last known address, but failure to receive the notice shall not
15 invalidate the forfeiture. Any corporation or any stockholder, officer, or agent of the corporation,
16 continuing to act thereafter under any forfeited charter or articles of association, except as
17 provided in section ~~7-1.1-98~~ [7-1.2-1324](#), or pending an appeal from the forfeiture as provided,
18 shall be deemed guilty of a misdemeanor and upon conviction shall be fined not less than fifty
19 dollars (\$50.00) nor more than one thousand dollars (\$1,000) for each offense.

20 SECTION 33. Section 44-20-26 of the General Laws in Chapter 44-20 entitled "Cigarette
21 Tax" is hereby amended to read as follows:

22 **44-20-26. Agreement by nonresident to submit records -- Attorney to receive**
23 **process. --** The nonresident person shall agree to submit his or her books, accounts, and records
24 to examination during reasonable business hours by the tax administrator or his or her authorized
25 agent. Each nonresident person, other than a foreign corporation complying with the provisions of
26 chapter ~~4-1~~ [1.2](#) of title 7 shall, in writing, appoint the secretary of state, or his or her successors in
27 office, to be his or her attorney, that appointment to be made, acknowledged, and filed in the
28 manner prescribed for foreign corporations engaging in business in this state. Service upon the
29 attorney is sufficient service upon any nonresident person, whether a foreign corporation
30 complying with the provisions of chapter ~~4-1~~ [1.2](#) of title 7 or not, and may be made by leaving an
31 attested copy of the process with the secretary of state or at his or her office. When legal process
32 against any nonresident person is served upon the secretary of state, the secretary shall notify the
33 nonresident person in the manner provided for notification of service of process in the case of
34 foreign corporations under chapter ~~4-1~~ [1.2](#) of title 7 and collect the fee specified in that chapter.

1 SECTION 34. Section 46-24-9 of the General Laws in Chapter 46-24 entitled "Pawtuxet
2 River Authority" is hereby amended to read as follows:

3 **46-24-9. Powers of authority.** -- The authority shall have power:

4 (1) To negotiate payments within one or more of the participating communities for the
5 conduct of services or the erection of projects necessary for the purposes of the authority, subject
6 to a majority vote of each of the city and town councils participating in each program or project.

7 (2) To acquire, hold, use, lease, sell, transfer, and dispose of any property, real, personal,
8 or mixed, or interest or interests thereon.

9 (3) To own and operate, maintain, repair, improve, enlarge, and extend, in accordance
10 with the provisions of this chapter, any property acquired hereunder, all of which, together with
11 the acquisition of the property, are hereby declared to be public purposes.

12 (4) To sell, lease, convey, or otherwise dispose of, to any of the participating cities or
13 towns, any property or improvements thereto, which the authority may hereafter acquire or
14 construct; provided, however, that any sale, lease, conveyance, or other disposition of the
15 property shall not prejudice or adversely affect any service which the authority is providing to
16 any other participating city or town.

17 (5) To sue and be sued.

18 (6) To adopt and order a corporate seal.

19 (7) To make bylaws for the management and regulation of its affairs, which bylaws may
20 contain provisions indemnifying any person who is or was a member of the authority, in the
21 manner and to the extent provided in section ~~7-1.1-4.1~~ [7-1.2-814](#) of the Rhode Island Business
22 Corporation Act.

23 (8) To borrow money for any of its corporate purposes, including the creation and
24 maintenance of working capital.

25 (9) To fix rates and collect charges for the use of the facilities of or services rendered by
26 or any commodities furnished by the authority to each of the participating cities or towns, and to
27 pay, as the same shall become due, the expenses of operating and maintaining the properties of
28 the authority.

29 (10) To contract in its own name for any lawful purpose which would effectuate the
30 provisions of this chapter; to execute all the instruments necessary to carry out the purposes of
31 this chapter; and to do all things necessary or convenient to carry out the powers expressly
32 granted by this chapter. It is the intention of the legislature that any property acquired by the
33 authority pursuant to the provisions of this chapter shall be financed as a self liquidating
34 enterprise, and that any indebtedness incurred by the authority shall be payable solely from the

1 earnings or revenues derived from all or part of the property acquired by the district.

2 (11) To enter into cooperative agreements with other cities, towns, or public service
3 corporations for the interconnection of public works facilities or for any other lawful corporate
4 purposes necessary and desirable to effect the purposes of this chapter.

5 (12) In the performance of its functions, the authority is expressly authorized to provide
6 for land and water conservation and for the construction and maintenance of hiking and biking
7 trails, flood control and water pollution control facilities, preservation of wetlands, dam
8 construction, diversion of streams, dikes, walls, and pumping stations, whether or not on its own
9 initiative or by recommendation to the participating communities, and to encourage tax relief for
10 landowners in the construction of facilities for such purposes.

11 (13) The authority is authorized to apply for, contract for, and expend any federal or state
12 advances or grants or assistance which may be made available for the purposes of this chapter.

13 (14) The authority shall have all the powers and authority which were previously granted
14 to the Pawtuxet River District Commission. All purposes of the Pawtuxet River District
15 Commission, including those described in section 46-25-38.1(4), shall be established by a vote of
16 the Pawtuxet River Authority as created by this chapter.

17 SECTION 35. Section 46-25-5 of the General Laws in Chapter 46-25 entitled
18 "Narragansett Bay Commission" is hereby amended to read as follows:

19 **46-25-5. General powers.** -- The commission shall have the following powers, together
20 with all powers incidental thereto or necessary for the performance of those stated in this chapter:

21 (1) To sue and be sued, complain and defend, in its corporate name.

22 (2) To have a seal which may be altered at pleasure and to use the seal by causing it, or a
23 facsimile thereof, to be impressed or affixed or in any other manner reproduced.

24 (3) To purchase, take, receive, lease, or otherwise acquire, own, hold, improve, use, and
25 otherwise deal in and with, real or personal property, or any interest therein, wherever situated.

26 (4) To make and execute agreements of lease, construction contracts, operation
27 contracts, and all other contracts and instruments necessary or convenient in the exercise of the
28 powers and functions of the commission granted by this chapter.

29 (5) To make guarantees and incur or assume liabilities as the commission may deem
30 appropriate.

31 (6) To invest and reinvest its funds.

32 (7) To secure the cooperation and assistance of the United States, and any of its agencies,
33 and of agencies of this state and its municipalities in the work of the commission.

34 (8) To accept grants, donations, drafts, loans of funds, and contributions in money,

1 services, materials, or otherwise, from the United States or any of its agencies, from this state and
2 its agencies, or from any other source, and to use or expend those moneys, services, materials, or
3 other contributions in carrying out the purposes of this chapter.

4 (9) To make assessments and impose reasonable and just user charges, and to pay for
5 such expenses as may be required by law or as may be determined by the commission to be
6 necessary for the maintenance and operation of the project. In addition to the foregoing, the
7 assessments and user charges imposed pursuant to this chapter by the commission shall be set at a
8 rate sufficient to enable the commission to pay the debt service cost on not in excess of fourteen
9 million and fifty-nine thousand dollars (\$14,059,000) of general obligation bonds and on notes
10 issued pursuant to this chapter. Any user charge, fee, or rate shall be subject to the approval of the
11 public utilities commission.

12 (10) To establish a sewage pretreatment program, and to require as a condition, to the
13 grant or reissuance of any approval, license, or permit required under the program, that the person
14 applying for the approval, license, or permit, pay to the commission a reasonable fee based on the
15 cost of reviewing and acting upon the application and based on the costs of implementing the
16 program. In addition, where violations of the provisions of sections 46-25-25 -- 46-25-25.3, or of
17 any permit, rule, regulation, or order issued pursuant thereto have occurred, the violator shall
18 reimburse the commission for the actual costs of implementing and enforcing the terms of the
19 permit, rule, regulation, or order as a condition to the grant or reissuance of any approval, license,
20 or permit.

21 (11) To acquire or contract to acquire, from any person, the federal government or the
22 state, or any agency of either the federal government or state, by grant, purchase, lease, gift,
23 condemnation, or otherwise, or to obtain options for the acquisition of any property, real or
24 personal, improved or unimproved, and interests in land less than the fee thereof; and to own,
25 hold, clear, improve, develop, and rehabilitate, and to sell, assign, exchange, transfer, convey,
26 lease, mortgage, or otherwise dispose of or encumber the property for the purposes of carrying
27 out the provisions and intent of this chapter for such consideration as the commission shall
28 determine.

29 (12) To elect or appoint officers and agents of the commission, and to define their duties
30 and fix their compensation, including authority to employ attorneys, accountants, architectural,
31 and engineering consultants, and such other employees or agents as the commission shall deem
32 necessary in its judgment.

33 (13) To make and alter bylaws, not inconsistent with this chapter, for the administration
34 and regulation of the affairs of the commission, and the bylaws may contain provisions

1 indemnifying any person who is or was a director or a member of the commission, in the manner
2 and to the extent provided in section ~~7-1.1-4.1~~ [7-1.2-814](#).

3 (14) To construct, acquire, repair, develop, own, operate, maintain, extend, improve,
4 rehabilitate, renovate, equip, and furnish a project and make provision for its management.

5 (15) To prepare or cause to be prepared plans, specifications, designs, and estimates of
6 costs of construction, reconstruction, rehabilitations, improvement, alteration, or repair of a
7 project, and to modify the same.

8 (16) To issue orders of general or specific applicability to carry out the purposes of the
9 project.

10 (17) To have and exercise all powers necessary or convenient to effect its purposes.

11 (18) To impose administrative penalties in accordance with the provisions of section 46-
12 25-25.4.

13 (19) To secure certain payments on its revenue bonds and notes, in whole or in part, by
14 insurance or by letters or lines of credit or other credit facilities.

15 (20) To enter into agreements, contracts, and other arrangements with the state and any
16 of its departments, agencies, boards or commissions relating to the execution or performance of
17 any function or purpose of the commission, including, but not limited to, investments, employee
18 compensation and employee benefits, and the state and its departments, agencies, boards and
19 commissions are hereby authorized to enter into such agreements, contracts and other
20 arrangements with the commission, and upon the request of the commission shall enter into such
21 agreements, contracts and other arrangements with the commission.

22 SECTION 36. Sections 7-1.2-401, 7-1.2-402, and 7-1.2-404, 7-1.2-802, 7-1.2-906, 7-1.2-
23 1307, 7-1.2-1312, 7-1.2-1403 AND 7-1.2-1416 of the General Laws in Chapter 7-1.2 entitled
24 "Rhode Island Business Corporation Act" are hereby amended to read as follows:

25 **7-1.2-401. Corporate name. [Effective July 1, 2005.]** -- (a) The corporate name:

26 (1) Must contain the word "corporation," "company," "incorporated," or "limited," or an
27 abbreviation of one of these words.

28 (2) Is ~~not be the same as, or deceptively similar to,~~ [distinguishable upon the records of](#)
29 [the secretary of state from](#) the name of any entity on file with the secretary of state or a name the
30 exclusive right to which is, at the time filed, reserved or registered in the manner provided in this
31 chapter, or the name of a corporation, whether business or nonprofit, limited partnership, limited
32 liability partnership or limited liability company which has in effect a registration of its name as
33 provided in this title, subject to the following:

34 (b) This provision does not apply if the applicant files with the secretary of state a

1 certified copy of a final decree of a court of competent jurisdiction establishing the prior right of
2 the applicant to the use of the name in this state.

3 (c) The name may be the same as the name of a corporation or other association the
4 certificate of incorporation or organization of which has been revoked by the secretary of state as
5 permitted by law and the revocation has not been withdrawn within one year from the date of the
6 revocation.

7 ~~(d) A corporation with which another corporation, domestic or foreign, is merged, or
8 which is formed by the reorganization of one or more domestic or foreign corporations or upon a
9 sale, lease, or other disposition to, or exchange with, a domestic corporation of all or substantially
10 all the assets of another corporation, domestic or foreign, including its name, may have the same
11 name as that used in this state by any of the corporations if at the time the other corporation was
12 organized under the laws of, or is authorized to transact business in, this state.~~

13 **7-1.2-402. Fictitious business name. [Effective July 1, 2005.]** -- (a) Any corporation
14 organized and existing under the laws of this state or authorized to transact business in this state
15 may transact business in this state under a fictitious name, provided that it files a fictitious
16 business name statement in accordance with this section prior to the time it commences to
17 transact the business under the fictitious name and the fictitious name satisfied the requirements
18 of subdivision 7-1.2-401(a)(2).

19 (b) The fictitious business name statement must be filed with the secretary of state ~~on~~
20 ~~forms to be furnished by the secretary of state~~ and must be executed by an authorized officer of
21 the corporation and must state:

22 (1) The fictitious business name to be used;

23 (2) The name of the applicant corporation and the state or territory under the laws of
24 which it is incorporated, the date of its incorporation, and a brief statement of the business in
25 which it is engaged; and

26 (3) The address of its registered office within the state.

27 (c) The fictitious business name statement expires upon the filing of the statement of
28 abandonment of use of a fictitious business name registered in accordance with this section or
29 upon the dissolution of the applicant corporation.

30 (d) The statement of abandonment of use of a fictitious business name under this section
31 may be filed with the secretary of state on forms furnished by the secretary of state and must be
32 executed by an authorized officer of the corporation and must state:

33 (1) The fictitious business name being abandoned;

34 (2) The date on which the original fictitious business name statement being abandoned

1 was filed;

2 (3) The name of the applicant corporation and the state or territory under the laws of
3 which it is incorporated; and

4 (4) The address of its registered office within the state.

5 (e) No domestic or foreign corporation transacting business under a fictitious business
6 name contrary to the provisions of this section, or its assignee, may maintain any action upon or
7 on account of any contract made, or transaction had, in the fictitious business name in any court
8 of this state until a fictitious business name statement has been filed in accordance with this
9 section.

10 ~~(f) No corporation may be permitted to transact business under a fictitious business name~~
11 ~~pursuant to this section which is the same as, or deceptively similar to, the name of any domestic~~
12 ~~corporation, any domestic limited partnership, domestic limited liability partnership or any~~
13 ~~domestic limited liability company existing under the laws of this state, or the name of any~~
14 ~~foreign corporation, foreign limited partnership, foreign limited liability partnership or foreign~~
15 ~~limited liability company authorized to transact business in the state, or any corporate name filed,~~
16 ~~reserved or registered under this title.~~

17 **7-1.2-404. Registered name. [Effective July 1, 2005.]** -- (a) Any corporation organized
18 and existing under the laws of any state or territory of the United States may register its corporate
19 name under this chapter, provided its corporate name is ~~not the same as, or deceptively similar to~~
20 distinguishable upon the records of the secretary of state from, the name of any domestic
21 corporation, limited partnership, limited liability partnership or limited liability company existing
22 under the laws of this state, or the name of any foreign corporation, limited partnership, limited
23 liability partnership or limited liability company authorized to transact business in this state, or
24 any corporate name reserved, filed or registered under this title.

25 (b) The registration is made by:

26 (1) Filing with the secretary of state:

27 (i) An application for registration executed by an authorized officer of the corporation,
28 stating the name of the corporation, the state or territory under the laws of which it is
29 incorporated, the date of its incorporation, a statement that it is carrying on or doing business, and
30 a brief statement of the business in which it is engaged; and

31 (ii) A certificate stating that the corporation is in good standing under the laws of the
32 state or territory wherein it is organized, executed by the secretary of state of the state or territory
33 or by any other official that may have custody of the records pertaining to corporations; and

34 (2) Paying to the secretary of state a registration fee.

1 (c) The registration is effective for a period of one year from the effective date of the
2 application.

3 (d) A corporation, which has in effect a registration of its corporate name, may renew the
4 registration from year to year by annually filing an application for renewal stating the facts
5 required to be stated in an original application for registration and a certificate of good standing
6 as required for the original registration. A renewal application must be filed prior to the expiration
7 of the one-year period from the filing of an original application for registration or its last renewal
8 and extends the registration for the following year.

9 **7-1.2-802. Number and election of directors. [Effective July 1, 2005.]** -- The board of
10 directors of a corporation consists of one or more members. The number of directors is fixed by,
11 or in the manner provided in, the articles of incorporation or the bylaws ~~except as to the number~~
12 ~~constituting the initial board of directors, which number is fixed by the articles of incorporation.~~
13 The number of directors may be increased or decreased from time to time by amendment to, or in
14 the manner provided in, the articles of incorporation or the bylaws, but no decrease has the effect
15 of shortening the term of any incumbent director. If the articles of incorporation provide for the
16 election of directors in the manner specified in subsection (d) of section 7-1.2-708, the number of
17 directors may not be decreased unless approved by the shareholders with less than the number of
18 shares previously entitled to elect one director voting against the decrease. ~~In the absence of a~~
19 ~~bylaw fixing the number of directors, the number is the same as that provided for in the articles of~~
20 ~~incorporation. The names and addresses of the members of the first board of directors must be~~
21 ~~stated in the articles of incorporation. Those persons~~ Initial directors hold office until the first
22 annual meeting of shareholders, and until their successors have been elected and qualified. At the
23 first annual meeting of shareholders and at each subsequent annual meeting, the shareholders
24 shall elect directors to hold office until the next succeeding annual meeting, except in the case of
25 the classification of directors as permitted by this chapter. Each director holds office for the term
26 for which he is elected and until his successor has been elected and qualified. Any director may
27 resign at any time upon notice given in writing to the corporation.

28 **7-1.2-906. Restated articles of incorporation. [Effective July 1, 2005.]** -- (a) The
29 corporation may at any time restate its articles of incorporation as previously amended by filing
30 with the secretary of state restated articles of incorporation. The restated articles of incorporation
31 may include one or more amendments to the articles of incorporation adopted in accordance with
32 the provisions of section 7-1.2-~~901.~~ 903.

33 (b) The restated articles of incorporation must state all of the provisions of the articles of
34 incorporation as previously amended, the additional amendments to the articles of incorporation,

1 if any, together with a statement that such additional amendments were adopted in accordance
2 with the provisions of section 7-1.2-903, and a further statement that, except for the designated
3 amendments, if any, the restated articles of incorporation correctly set forth without change the
4 corresponding provisions of the articles of incorporation as previously amended, and that the
5 restated articles of incorporation, together with the designated amendments, if any, supersede the
6 original articles of incorporation and all previous amendments to the articles of incorporation.

7 **7-1.2-1307. Effect of statement of revocation of voluntary dissolution proceedings.**

8 **[Effective July 1, 2005.]** -- (a) Upon the filing by the secretary of state of a statement of
9 revocation of voluntary dissolution proceedings, whether by consent of shareholders or by act of
10 the corporation, the revocation of the voluntary dissolution proceedings becomes effective and
11 the corporation may again carry on its business.

12 (b) Revocation of dissolution is effective upon the effective date of the statement of
13 revocation of voluntary dissolution.

14 (c) When the revocation of dissolution is effective, it relates back to and takes effect as
15 of the effective date of the dissolution and the corporation resumes carrying on its business as if
16 dissolution had never occurred, except as subsequently provided.

17 (d) If, as permitted by the provisions of this title, another corporation, whether business
18 or nonprofit, limited partnership, limited liability partnership or limited liability company,
19 domestic or foreign, qualified to transact business in this state, bears or has filed a fictitious
20 business name statement with respect to or reserved or registered a name which is not ~~the same~~
21 ~~as, or deceptively similar to,~~ distinguishable upon the records of the secretary of state from the
22 name of a corporation with respect to which the certificate of ~~revocation~~ voluntary dissolution is
23 proposed to be withdrawn, then the secretary of state shall condition effectiveness of the
24 statement of revocation of voluntary dissolution upon the amendment by the corporation ~~revoking~~
25 ~~voluntary dissolution proceedings~~ of its articles of incorporation or otherwise complying with the
26 provisions of this chapter with respect to the use of a name available to it under the laws of this
27 state so as to designate a name which is ~~not the same as, or deceptively similar to~~ distinguishable
28 upon the records of the secretary of state from, its former name.

29 **7-1.2-1312. Withdrawal of certificate of revocation. [Effective July 1, 2005.]** -- (a)

30 Within ten (10) years after issuing a certificate of revocation as provided in section 7-1.2-1311,
31 the secretary of state may withdraw the certificate of revocation and retroactively reinstate the
32 corporation in good standing as if its articles of incorporation had not been revoked, except as
33 subsequently provided:

34 (1) Upon the filing by the corporation of the documents it had previously failed to file as

1 set forth in subdivisions (3) -- (6) of section 7-1.2-1310(a); and

2 (2) Upon the payment by the corporation of a penalty for each year or part of a year that
3 has elapsed since the issuance of the certificate of revocation.

4 (b) If, as permitted by the provisions of this title, another corporation, whether business
5 or nonprofit, limited partnership, limited liability partnership or limited liability company, or
6 domestic or foreign, qualified to transact business in this state, bears or has filed a fictitious
7 business name statement with respect to or reserved or registered a name which is not ~~the same~~
8 ~~as, or deceptively similar to,~~ distinguishable upon the records of the secretary of state from; the
9 name of a corporation with respect to which the certificate of revocation is proposed to be
10 withdrawn, then the secretary of state shall condition the withdrawal of the certificate of
11 revocation upon the reinstated corporation's amending its articles of incorporation or otherwise
12 complying with the provisions of this chapter with respect to the use of a name available to it
13 under the laws of this state so as to designate a name which is ~~not be the same as, or deceptively~~
14 ~~similar to,~~ distinguishable upon the records of the secretary of state from its former name.

15 (c) Upon the withdrawal of the certificate of revocation and reinstatement of the
16 corporation in good standing as provided in subsection (a), title to any real estate, or any interest
17 in real estate, held by the corporation at the time of the issuance of the certificate of revocation
18 and not conveyed subsequent to the revocation of its articles of incorporation is deemed to be
19 revested in the corporation without further act or deed.

20 **7-1.2-1403. Corporate name of foreign corporation. [Effective July 1, 2005.]** -- The
21 secretary of state shall not issue a certificate of authority or amended certificate of authority to a
22 foreign corporation unless the corporate name of the corporation:

23 (a) Contains the word "corporation," "company," "incorporated," or "limited," or
24 contains an abbreviation of one of these words, or the corporation, for use in this state, adds at the
25 end of its name one of the words or an abbreviation of the word.

26 (b) Does not contain any word or phrase which indicates or implies that it is organized
27 for any purpose other than one or more of the purposes contained in its articles or certificate of
28 incorporation or that it is authorized or empowered to conduct the business of any types
29 prohibited by section 7-1.2-301.

30 (c) Is ~~not the same as, or deceptively similar to,~~ distinguishable upon the records of the
31 secretary of state from the name of any entity on file with the secretary of state or a name the
32 exclusive right to which is, at the time, filed, reserved or registered in the manner provided in this
33 title, subject to the following:

34 (1) This provision does not apply if the foreign corporation applying for a certificate of

1 authority files with the secretary of state any one of the following:

2 (i) A fictitious business name statement pursuant to section 7-1.2-402; or

3 (ii) A certified copy of a final decree of a court of competent jurisdiction establishing the
4 prior right of the foreign corporation to the use of the name in this state; and

5 (2) The name may be the same as the name of a corporation or other association, the
6 articles of incorporation or organization of which has been revoked by the secretary of state and
7 the revocation has not been withdrawn within one year from the date of the revocation.

8 **7-1.2-1416. Withdrawal of certificate of revocation. [Effective July 1, 2005.] --** (a)

9 Within ten (10) years after issuing a certificate of revocation as provided in section 7-1.2-1415,
10 the secretary of state may withdraw the certificate of revocation and retroactively reinstate the
11 corporation in good standing as if its certificate of incorporation had not been revoked, except as
12 subsequently provided:

13 (1) Upon the filing by the corporation of the documents it had previously failed to file as
14 set forth in subsections (a)(1) -- (a)(4) of section 7-1-2-1414.

15 (2) Upon the payment by the corporation of a penalty for each year or part of a year that
16 has elapsed since the issuance of the certificate of revocation; and

17 (3) Upon the filing by the corporation of a certificate of good standing from the Rhode
18 Island Division of Taxation.

19 (b) If, as permitted by the provisions of this title, another corporation, whether business
20 or nonprofit limited partnership, limited liability partnership or limited liability company, or
21 domestic or foreign, qualified to transact business in this state, bears or has filed a fictitious
22 business name statement with respect to or reserved or registered a name which is not ~~the same~~
23 ~~as, or deceptively similar to,~~ distinguishable upon the records of the secretary of state from the
24 name of a corporation with respect to which the certificate of revocation is proposed to be
25 withdrawn, then the secretary of state shall condition the withdrawal of the certificate of
26 revocation upon the reinstated corporation's amending its articles of incorporation or otherwise
27 complying with the provisions of this chapter with respect to the use of a name available to it
28 under the laws of this state so as to designate a name which is ~~not the same as, or deceptively~~
29 ~~similar to,~~ distinguishable upon the records of the secretary of state from its former name.

30 (c) Upon the withdrawal of the certificate of revocation and reinstatement of the
31 corporation in good standing as provided in subsection (a), title to any real estate, or any interest
32 in real estate, held by the corporation at the time of the issuance of the certificate of revocation
33 and not conveyed subsequent to the revocation of its certificate of incorporation shall be deemed
34 to be revested in the corporation without further act or deed.

1 SECTION 37. This act shall take effect on July 1, 2005.

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LC02412/SUB A
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO CORPORATIONS, ASSOCIATIONS AND PARTNERSHIPS

1 This act would amend the laws regarding corporations, partnerships and limited liability
2 companies to modify the secretary of state's entity name standard, would amend the laws
3 regarding professional service and nonprofit corporations and limited partnerships to conform
4 document filing requirements to those in the new Rhode Island Business Corporation Act (to be
5 effective July 1, 2005) and would amend various chapters of the general laws to conform cross
6 references from the current Rhode Island Business Corporation Act (to be repealed July 1, 2005)
7 to the new Rhode Island Business Corporation Act (to be effective July 1, 2005).

8 This act would take effect on July 1, 2005.

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LC02412/SUB
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