

SPONSOR: [INSERT SPONSORS]

DELAWARE [HOUSE OF REPRESENTATIVES][STATE SENATE]
[153rd GENERAL ASSEMBLY]

[HOUSE][SENATE] BILL NO. [●]

AN ACT TO AMEND TITLE 8 OF THE DELAWARE CODE RELATING TO THE GENERAL CORPORATION LAW.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Two-Thirds of all members elected to each house thereof concurring therein):

Section 1. Amend § 102, Title 8 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 102. Contents of certificate of incorporation.

(f) The certificate of incorporation may not contain any provision that would impose liability on a stockholder for the attorneys' fees or expenses of the corporation or any other party in connection with an internal corporate claim, as defined in § 115 of this title, or in connection with any other claim that a stockholder, acting in its capacity as a stockholder or in the right of the corporation, has brought in an action, suit or proceeding.

Section 2. Amend § 103, Title 8 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 103. Execution, acknowledgment, filing, recording and effective date of original certificate of incorporation and other instruments; exceptions.

(f) Whenever any instrument authorized to be filed with the Secretary of State under any provision of this title, has been so filed and is an inaccurate record of the corporate action therein referred to, or was defectively or erroneously executed, sealed or acknowledged, the instrument may be corrected or nullified by filing with the Secretary of State a certificate of correction of the instrument which shall be executed, acknowledged and filed in accordance with this section. ~~The~~ If the instrument is to be corrected, the certificate of correction shall specify the inaccuracy or defect to be corrected and shall set forth the portion of the instrument in corrected form. If the instrument is to be nullified, the certificate of correction shall specify the inaccuracy or defect with respect to the instrument and shall provide for the nullification of the instrument. In lieu of filing a certificate of correction the instrument may be corrected by filing with the Secretary of State a corrected instrument which shall be executed, acknowledged and filed in accordance with this section. The corrected instrument shall be specifically designated as

32 such in its heading, shall specify the inaccuracy or defect to be corrected, and shall set forth the entire instrument in
33 corrected form. An instrument corrected or nullified in accordance with this section shall be effective as of the date
34 the original instrument was filed, except as to those persons who are substantially and adversely affected by the
35 correction or nullification and as to those persons the instrument as corrected or nullified shall be effective from the
36 filing date.

37 Section 3. Amend § 109, Title 8 of the Delaware Code by making deletions as shown by strike through and
38 insertions as shown by underline as follows:

39 § 109. Bylaws.

40 (b) The bylaws may contain any provision, not inconsistent with law or with the certificate of
41 incorporation, relating to the business of the corporation, the conduct of its affairs, and its rights or powers or the
42 rights or powers of its stockholders, directors, officers or employees. The bylaws may not contain any provision that
43 would impose liability on a stockholder for the attorneys' fees or expenses of the corporation or any other party in
44 connection with an internal corporate claim, as defined in § 115 of this title, or in connection with any other claim
45 that a stockholder, acting in its capacity as a stockholder or in the right of the corporation, has brought in an action,
46 suit or proceeding.

47 Section 4. Amend § 115, Title 8 of the Delaware Code by making deletions as shown by strike through and
48 insertions as shown by underline as follows:

49 § 115. Forum selection provisions.

50 (a) The certificate of incorporation or the bylaws may require, consistent with applicable jurisdictional
51 requirements, that any or all internal corporate claims shall be brought solely and exclusively in any or all of the
52 courts in this State, and no provision of the certificate of incorporation or the bylaws may prohibit bringing such
53 claims in the courts of this State.

54 (b) "Internal corporate claims" means claims, including claims in the right of the corporation, (i) that are
55 based upon a violation of a duty by a current or former director or officer or stockholder in such capacity, or (ii) as
56 to which this title confers jurisdiction upon the Court of Chancery.

57 (c) With respect to claims that are not internal corporate claims, the certificate of incorporation or bylaws
58 may require stockholders, when acting in their capacity as stockholders or in the right of the corporation, to bring
59 any or all such claims only in 1 or more prescribed forums or venues, if such claims relate to the business of the

60 corporation, the conduct of its affairs, or the rights or powers of the corporation or its stockholders, directors or
61 officers; provided that such requirement is consistent with applicable jurisdictional requirements and allows a
62 stockholder to bring such claims in at least 1 court in this State that has jurisdiction over such claims.

63 Section 5. Amend § 131, Title 8 of the Delaware Code, by making deletions as shown by strike through and
64 insertions as shown by underline as follows:

65 § 131. Registered office in State; ~~principal office or place of business in State.~~

66 (a) Every corporation shall have and maintain in this State a registered office which may, but need not be,
67 ~~the same as its a~~ place of the corporation's business in this State.

68 (b) ~~Whenever the term "corporation's principal office or place of business in this State" or "principal office~~
69 ~~or place of business of the corporation in this State," or other term of like import, is or has been used in a~~
70 ~~corporation's certificate of incorporation, or in any other document, or in any statute, it shall be deemed to mean and~~
71 ~~refer to, unless the context indicates otherwise, the corporation's registered office required by this section; and it~~
72 ~~shall not be necessary for any corporation to amend its certificate of incorporation or any other document to comply~~
73 ~~with this section.~~ As used in this title, "registered office" means the address of the registered agent located in this
74 State being appointed to accept service of process and otherwise perform the duties of a registered agent.

75 Section 6. Amend § 132, Title 8 of the Delaware Code, by making deletions as shown by strike through and
76 insertions as shown by underline as follows:

77 § 132. Registered agent in State; resident agent.

78 (b) Every registered agent for a domestic corporation or a foreign corporation shall:

79 (1) If an entity, maintain a business office in this State which is generally open, or if an individual,
80 be generally present at a designated location in this State, at sufficiently frequent times to accept service of
81 process and otherwise perform the functions of a registered agent;

82 (2) If a foreign entity, be authorized to transact business in this State;

83 (3) Accept service of process and other communications directed to the corporations for which it
84 serves as registered agent and forward same to the corporation to which the service or communication is
85 directed;

86 (4) Forward to the corporations for which it serves as registered agent the annual report required
87 by § 502 of this title or an electronic notification of same in a form satisfactory to the Secretary of State
88 (“Secretary”); and

89 (5) Satisfy and adhere to regulations established by the Secretary regarding the verification of both
90 the identity of the entity’s contacts and individuals for which the registered agent maintains a record for the
91 reduction of risk of unlawful business purposes.

92 A registered agent may not perform its duties or functions solely through the use of a virtual office, the retention by
93 the agent of a mail forwarding service, or both. For purposes of this subsection (b), “virtual office” means the
94 performance of duties or functions solely through the internet or solely through other means of remote
95 communication.

96 Section 7. Amend § 155, Title 8 of the Delaware Code, by making deletions as shown by strike through
97 and insertions as shown by underline as follows:

98 § 155. Fractions of shares.

99 A corporation may, but shall not be required to, issue fractions of a share. If it does not issue fractions of a
100 share, it shall (1) arrange for the disposition of fractional interests by those entitled thereto, (2) pay in cash the fair
101 value of fractions of a share as of the time when those entitled to receive such fractions are determined or (3) issue
102 scrip or warrants in registered form (either represented by a certificate or uncertificated) ~~or in bearer form~~
103 ~~(represented by a certificate)~~ which shall entitle the holder to receive a full share upon the surrender of such scrip or
104 warrants aggregating a full share. A certificate for a fractional share or an uncertificated fractional share shall, but
105 scrip or warrants shall not unless otherwise provided therein, entitle the holder to exercise voting rights, to receive
106 dividends thereon and to participate in any of the assets of the corporation in the event of liquidation. The board of
107 directors may cause scrip or warrants to be issued subject to the conditions that they shall become void if not
108 exchanged for certificates representing the full shares or uncertificated full shares before a specified date, or subject
109 to the conditions that the shares for which scrip or warrants are exchangeable may be sold by the corporation and the
110 proceeds thereof distributed to the holders of scrip or warrants, or subject to any other conditions which the board of
111 directors may impose.

112 Section 8. Amend § 252, Title 8 of the Delaware Code, by making deletions as shown by strike through
113 and insertions as shown by underline as follows:

114 § 252. Merger or consolidation of domestic and foreign corporations; service of process upon surviving or
115 resulting corporation.

116 (c) The agreement shall be adopted, approved, certified, executed and acknowledged by each of the
117 constituent corporations in accordance with the laws under which it is organized, and, in the case of a corporation of
118 this State, in the same manner as is provided in § 251 of this title. The agreement shall be filed and shall become
119 effective for all purposes of the laws of this State when and as provided in § 251 of this title with respect to the
120 merger or consolidation of corporations of this State. In lieu of filing the agreement of merger or consolidation, the
121 surviving or resulting corporation may file a certificate of merger or consolidation, executed in accordance with §
122 103 of this title, which states:

123 (7) That a copy of the agreement of consolidation or merger will be furnished by the surviving or
124 resulting corporation, on request and without cost, to any stockholder of any constituent corporation; and

125 (8) ~~If the corporation surviving or resulting from the merger or consolidation is a corporation of~~
126 ~~this State, the authorized capital stock of each constituent corporation which is not a corporation of this~~
127 ~~State; and [Repealed.]~~

128 (9) The agreement, if any, required by subsection (d) of this section.

129 Section 9. Amend § 311, Title 8 of the Delaware Code, by making deletions as shown by strike through
130 and insertions as shown by underline as follows:

131 § 311. Revocation of voluntary dissolution; restoration of expired certificate of incorporation.

132 (a) At any time prior to the expiration of 3 years following the dissolution of a corporation pursuant to §
133 275 of this title or such longer period as the Court of Chancery may have directed pursuant to § 278 of this title, or at
134 any time prior to the expiration of 3 years following the expiration of the time limited for the corporation's existence
135 as provided in its certificate of incorporation or such longer period as the Court of Chancery may have directed
136 pursuant to § 278 of this title, a corporation may revoke the dissolution theretofore effected by it or restore its
137 certificate of incorporation after it has expired by its own limitation in the following manner:

138 (4) At the meeting a vote of the stockholders shall be taken on a resolution to revoke the
139 dissolution in the case of a dissolution or to restore the certificate of incorporation in the case of an
140 expiration by limitation. If a majority of the stock of the corporation which was outstanding and entitled to
141 vote upon a dissolution at the time of its dissolution, in the case of a revocation of dissolution, or which

142 was outstanding and entitled to vote upon an amendment to the certificate of incorporation to change the
143 period of the corporation's duration at the time of its expiration by limitation, in the case of a restoration,
144 shall be voted for the resolution, a certificate of revocation of dissolution or a certificate of restoration shall
145 be executed, acknowledged and filed in accordance with § 103 of this title, which shall be specifically
146 designated as a certificate of revocation of dissolution or a certificate of restoration in its heading and shall
147 state:

- 148 a. The name of the corporation;
- 149 b. The address (which shall be stated in accordance with § 131(c) of this title) of the
150 corporation's registered office in this State, and the name of its registered agent at such address;
- 151 c. The names and respective addresses of its officers;
- 152 d. The names and respective addresses of its directors;
- 153 e. The date of filing of the corporation's original certificate of incorporation with the
154 Secretary of State;

- 155 f. The date of filing of the corporation's certificate of dissolution with the Secretary of
156 State;

157 eg. That a majority of the stock of the corporation which was outstanding and entitled to
158 vote upon a dissolution at the time of its dissolution have voted in favor of a resolution to revoke
159 the dissolution, in the case of a revocation of dissolution, or that a majority of the stock of the
160 corporation which was outstanding and entitled to vote upon an amendment to the certificate of
161 incorporation to change the period of the corporation's duration at the time of its expiration by
162 limitation, in the case of a restoration, have voted in favor of a resolution to restore the certificate
163 of incorporation; or, if it be the fact, that, in lieu of a meeting and vote of stockholders, the
164 stockholders have given their written consent to the revocation or restoration in accordance with §
165 228 of this title; and

- 166 fh. In the case of a restoration, the new specified date limiting the duration of the
167 corporation's existence or that the corporation shall have perpetual existence.

168 Section 10. Amend § 312, Title 8 of the Delaware Code, by making deletions as shown by strike through
169 and insertions as shown by underline as follows:

170 § 312. Revival of certificate of incorporation.

171 (g) Any corporation that revives its certificate of incorporation under this chapter shall pay to this State a
172 sum equal to all franchise taxes, penalties and interest thereon due at the time its certificate of incorporation became
173 forfeited or void pursuant to this title; provided, however, that any corporation that revives its certificate of
174 incorporation under this chapter whose certificate of incorporation has been forfeited or void for more than 5 years
175 shall, in lieu of the payment of the franchise taxes and penalties otherwise required by this subsection, pay a sum
176 equal to 3 times the amount of the annual franchise tax that would be due and payable by such corporation for the
177 year in which the revival is effected, computed at the then current rate of taxation. No payment made pursuant to
178 this subsection shall reduce the amount of franchise tax due under Chapter 5 of this title for the year in which the
179 revival is effected. If the filing of a certificate of validation under § 204 of this title relates to a time during which
180 the corporation's certificate of incorporation had been forfeited or void, the annual reports and annual franchise
181 taxes that would have been required to be filed and paid during the period in which the corporation's certificate of
182 incorporation had been forfeited or void, including interest thereon, are required to be filed and paid at the time of
183 the filing of such certificate of validation.

184 Section 11. Amend § 377, Title 8 of the Delaware Code, by making deletions as shown by strike through
185 and insertions as shown by underline as follows:

186 § 377. Change of registered agent; reinstatement of qualification to do business.

187 (e) Upon the filing of a certificate of reinstatement in accordance with subsection (d) of this section, and the
188 filing of all annual reports and the payment of all required fees that would have been required to be filed and paid
189 during the time the foreign corporation's qualification to do business in this State had been forfeited, the
190 qualification of the foreign corporation to do business in this State shall be reinstated with the same force and effect
191 as if it had not been forfeited pursuant to this title.

192 Section 12. Amend § 502, Title 8 of the Delaware Code, by making deletions as shown by strike through
193 and insertions as shown by underline as follows:

194 § 502. Annual franchise tax reports; contents; failure to file and pay tax; duties of Secretary of State.

195 (a) Annually on or before March 1, every corporation now existing or hereafter incorporated under Chapter
196 1 of this title or which has accepted the Constitution of this State, shall make an annual franchise tax report to the
197 Secretary of State. The report shall be made on a form designated by the Secretary of State and shall be signed by

198 the corporation's president, secretary, treasurer or other proper officer duly authorized so to act, or by any of its
199 directors, or if filing an initial report by any incorporator in the event its board of directors shall not have been
200 elected. The fact that an individual's name is signed on the report shall be prima facie evidence that such individual
201 is authorized to certify the report on behalf of the corporation; however, the official title or position of the individual
202 signing the corporate report shall be designated. The report shall contain the following information:

203 (1) The location of its registered office in this State, which shall include the street, number, city
204 and postal code;

205 (2) The name of the agent upon whom service of process against the corporation may be served;

206 (3) The nature of the business of the corporation;

207 ~~(3)~~(4) The location of the principal place of business⁽⁴⁾ of the corporation, which shall include the
208 street, number, city, state or foreign country (provided that, unless a corporation maintains its principal
209 place of business in this State and serves as its own registered agent, for purposes of this subsection, the
210 principal place of business address shall not be the address of the registered office of the corporation in this
211 State and shall not be the address of any other registered agent);

212 ~~(4)~~(5) The names and addresses of all the directors as of the filing date of the report and the name
213 and address of the officer who signs the report; provided, that other than an initial report, all reports shall
214 list a director or directors excepting any report filed in conjunction with a certificate of dissolution filed by
215 an incorporator pursuant to § 274 of this title or a certificate of dissolution filed pursuant to § 275(c) of
216 this title;

217 ~~(5)~~(6) The number of shares and the par value per share of each class of capital stock having a par
218 value and the number of shares of each class of stock without par value which the corporation is authorized
219 to issue; and

220 ~~(6)~~ ~~[Repealed.]~~

221 (7) Such additional information, schedules and attachments as the Secretary shall require to
222 ascertain the franchise tax due to the State.

223 Section 13. Amend § 503, Title 8 of the Delaware Code, by making deletions as shown by strike through
224 and insertions as shown by underline as follows:

225 § 503. Rates and computation of franchise tax.

226 (e) In case a corporation shall have changed during the taxable year the amount of its authorized capital
227 stock, the total annual franchise tax payable at the foregoing rates shall be arrived at by adding together the franchise
228 taxes calculated as above set forth as prorated for the several periods of the year during which each distinct
229 authorized amount of capital stock was in effect. The filing of a certificate of validation ~~pursuant to~~ under § 204 of
230 this title shall not reduce the annual franchise tax and interest due for any period prior to the filing of such certificate
231 of validation, and shall not entitle the corporation to a refund, and any calculation of additional annual franchise tax
232 and interest due for any period prior to the filing of such certificate of validation shall be calculated at the current
233 rates in effect ~~pursuant to~~ under this section.

234 (h) ~~All corporations as defined in this section which are regulated investment companies as defined by §~~
235 ~~851 of the federal Internal Revenue Code [26 U.S.C. § 851], shall pay to the Secretary of State as an annual~~
236 ~~franchise tax, a tax computed either under paragraph (a)(1) or (a)(2) of this section, or a tax at the rate of \$400 per~~
237 ~~annum for each \$1,000,000, or fraction thereof in excess of \$1,000,000, of the average gross assets thereof during~~
238 ~~the taxable year, whichever be the least, provided that in no case shall the tax on any corporation for a full taxable~~
239 ~~year under this subsection be more than \$100,000. The average assets for the purposes of this section shall be taken~~
240 ~~to be the mean of the gross assets on January 1 and December 31 of the taxable year. Any corporation electing to~~
241 ~~pay a tax under this subsection shall show on its annual franchise tax report that the corporation is a regulated~~
242 ~~investment company as above defined, and the amount of its assets on January 1 and December 31 of the taxable~~
243 ~~year, and the mean thereof. The Secretary of State may investigate the facts set forth in the report and if it should be~~
244 ~~found that the corporation so electing to pay under this subsection shall not be a regulated investment company, as~~
245 ~~above defined, shall assess upon the corporation a tax under paragraphs (a)(1) and (a)(2) of this section, whichever~~
246 ~~be the lesser [Repealed].-~~

247 Section 14. Amend § 505, Title 8 of the Delaware Code, by making insertions as shown by underline and
248 deletions as shown by strike through as follows:

249 § 505. Review and refund; jurisdiction and power of the Secretary of State; appeal.

250 (a) If any corporation claims that the annual franchise tax or any penalties or interest were erroneously or
251 illegally fixed or paid with respect to a calendar year, the corporation may, not later than March 1 of the second
252 calendar year following the close of such calendar year, petition the Secretary of State for a reduction or refund of

253 such tax, penalties or interest. No refund shall be granted in connection with the filing of a certificate of correction
254 under § 103(f) of this title or the filing of a certificate of validation under § 204 of this title.

255 Section 15. Sections 1 through 12 and Section 14 of this Act take effect on August 1, 2025.

256 Section 16. Section 503(h) of Title 8, as contained in Section 13 of this Act, takes effect for tax years
257 beginning on or after January 1, 2026. Section 503(e) of Title 8, as contained in Section 13 of this Act, takes effect
258 on August 1, 2025.

259 SYNOPSIS

260 Sections 1, 3 and 4. Sections 1, 3 and 4 of this Act amend §§ 102(f), 109(b) and 115 of Title 8,
261 respectively. Since 2015, the provisions of §§ 102(f), 109(b) and 115 have included provisions for the regulation of
262 “internal corporate claims” as defined in § 115. In addition to permitting forum selection provisions that require
263 internal corporate claims to be adjudicated in a court in the State, these sections prohibit certificate of incorporation
264 and bylaw provisions that purport to:

- 265 1. impose “fee-shifting” against stockholders with respect to internal corporate claims; or
- 266 2. preclude a stockholder from asserting an internal corporate claim in a court in the State.

267 A certificate of incorporation may address and regulate not only internal corporate claims but additional
268 claims that relate to a corporation’s “intra-corporate affairs” if the certificate provision at issue is consistent with
269 public policy. *Salzberg v. Sciabacucchi*, 227 A.3d 102 (Del. 2020).

270 This Act amends §§ 102(f), 109(b) and 115 so that the same statutory safeguards that apply to certificate
271 and bylaw provisions regulating internal corporate claims will also apply to certificate and bylaw provisions
272 addressing the intra-corporate affairs claims permitted under the reasoning of the *Salzberg* decision. With respect to
273 these claims:

- 274 a. Amended §§ 102(f) and 109(b) prohibit fee-shifting provisions: that is, certificate of incorporation
275 and bylaw provisions that purport to impose liability on a stockholder for the attorneys’ fees or
276 expenses of the corporation or any other party with respect to any claim that a stockholder has
277 brought, in its capacity as a stockholder or in the right of the corporation, in an action, suit or
278 proceeding.
- 279 b. Amended § 115 specifies that a certificate of incorporation or bylaw provision addressing intra-
280 corporate affairs claims must be consistent with applicable jurisdictional requirements and must
281 allow stockholders to bring the claims in at least 1 court in the State that has jurisdiction over such
282 claims. Amended § 115 permits the designation of any judicial or arbitral forum so long as the
283 designation does not prevent a stockholder from bringing claims in a court with jurisdiction in the
284 State. The United States District Court for the District of Delaware is a court “in” the State for
285 purposes of amended § 115.

286 Rather than specifically defining the types of non-internal claims that constitute intra-corporate affairs
287 claims, amended § 115 authorizes forum selection provisions that relate to “the business of the corporation, the
288 conduct of its affairs, or the rights or powers of the corporation or its stockholders, directors or officers.” This
289 language is taken from §§ 102(b)(1) and 109(b). The *Salzberg* decision relied on similar language from § 102(b)(1)
290 to uphold the validity of forum selection provisions related to certain intra-corporate affairs claims. It is anticipated
291 that the courts will interpret and apply amended § 115 in the same manner that the Delaware Supreme Court
292 interpreted and applied the language of § 102(b)(1) in the *Salzberg* decision. Amended § 115 is not intended to

293 promote the development of new forum selection provisions beyond what is permitted under the reasoning of the
294 *Salzberg* decision.

295 Under amended § 115, a forum selection provision addressing non-internal corporate claims cannot
296 prohibit claims from being brought in a court in the State “that has jurisdiction over such claims.” Amended § 115
297 therefore reaches a result different from the United States Court of Appeals for the Ninth Circuit in *Lee v. Fisher*, 70
298 F.4th 1129 (9th Cir. 2023), and the United States District Court for the Western District of Texas in *Sobel v.*
299 *Thompson*, 2023 WL 4356066 (W.D. Tex. July 5, 2023). In these decisions, the courts upheld the application of a
300 forum selection bylaw that required all derivative claims to be asserted exclusively in the Court of Chancery,
301 including derivative claims under the Securities Exchange Act of 1934. However, the Court of Chancery does not
302 have jurisdiction over Securities Exchange Act claims. Under amended § 115, a forum selection provision that
303 purports to address derivative claims under federal law must be permissible under § 115, consistent with the
304 reasoning in the *Salzberg* decision, and must also permit the claim to be brought in the United States District Court
305 for the District of Delaware.

306 Consistent with the provisions pre-dating these amendments:

- 307 i. Amended §§ 102(f), 109(b) and 115 are not intended to prevent the application of a provision on fee-
308 shifting, or the selection of a forum other than a court in the State, if the provision is included in a
309 stockholder agreement or other writing signed by the stockholder against whom the provision is to be
310 enforced;
- 311 ii. Amended § 115 is not intended to foreclose evaluation of whether the specific terms and manner of
312 adoption of a particular provision authorized by amended § 115 comport with any relevant fiduciary
313 obligation or operate reasonably in the circumstances; and
- 314 iii. Amended § 115 is not intended to limit or expand the jurisdiction of the Court of Chancery or the
315 Superior Court.

316 Section 2. Section 2 of this Act amends § 103(f), which provides for the correction of instruments filed
317 with the Secretary of State. The amendment confirms that, in addition to correcting a previously filed instrument, a
318 certificate of correction may nullify a previously filed instrument by specifying the inaccuracy or defect with respect
319 to such previously filed instrument and providing that the previously filed instrument is nullified. A statement that
320 the previously filed instrument is nullified or void, or a statement with words of similar meaning, will constitute
321 sufficient provision for the nullification.

322 Section 5. Section 5 of this Act amends § 131, which requires a corporation to have a registered office in
323 the State. In addition to enacting wording changes to § 131(a), the amendments to § 131(b) provide that all
324 references in title 8 to a corporation’s “registered office” in the State shall be deemed to mean and refer to the
325 address of the registered agent located in the State that has been appointed to accept service of process and otherwise
326 perform the duties of a registered agent. The amendments also delete the provisions in § 131(b) that, in certain
327 instances, deemed a corporation’s registered office to be the corporation’s principal office or principal place of
328 business in the State for purposes of title 8 and the certificate of incorporation. As amended, title 8 does not include
329 provisions that automatically treat a corporation’s registered office as a principal office or principal place of
330 business of the corporation.

331 Section 6. Section 6 of this Act amends § 132(b), which addresses certain duties of a registered agent of a
332 corporation. Amended § 132(b) specifies that a registered agent may not perform its duties or functions solely
333 through the use of either or both of a virtual office or the retention by the agent of a mail forwarding service.
334 Amended § 132(b) defines “virtual office” as the performance of duties or functions solely through the internet or
335 solely through other means of remote communication.

336 Section 7. Section 7 of this Act amends § 155 to eliminate the ability of a corporation to issue scrip or
337 warrants in bearer form in lieu of issuing fractional shares of stock. Amended § 155 continues to permit
338 corporations to issue scrip or warrants in registered form. The amendment is intended to bring § 155 in line with the

339 Corporate Transparency Act, 31 U.S.C. § 5336(f), which prohibits corporations from issuing certificates in bearer
340 form for either a whole or fractional interest in an entity.

341 Section 8. Section 8 of this Act amends § 252(c), which lists the information that a corporation must
342 include in a certificate filed with the Secretary of State to merge or consolidate domestic corporations with foreign
343 corporations. The amendments delete from § 252(c) a requirement that a certificate of merger or consolidation list
344 the authorized capital stock of each foreign corporation that has ceased to exist as a result of the merger or
345 consolidation.

346 Section 9. Section 9 of this Act amends § 311, which addresses the procedures for revoking the dissolution
347 of a corporation and restoring an expired corporation. Amended § 311(a)(4) requires that a certificate of revocation
348 of dissolution or certificate of restoration state the date of filing of the corporation's original certificate of
349 incorporation with the Secretary of State and state the date of filing of the corporation's certificate of dissolution
350 with the Secretary of State.

351 Section 10. Section 10 of this Act amends § 312, which enables a corporation to revive its certificate of
352 incorporation after the certificate has become forfeited or void. Amended § 312(g) addresses circumstances where a
353 corporation has been revived under § 312 and later files a certificate of validation under § 204 to ratify one or more
354 defective corporate acts. If the certificate of validation relates to a time during which the corporation was forfeited
355 or void, amended § 312(g) requires the corporation to file the annual franchise tax reports, and pay the annual
356 franchise taxes, that would have been required to be filed, and paid, during the period that the certificate of
357 incorporation had been forfeited or void. The franchise taxes owed include the interest accrued on the taxes, and the
358 filings and payments must be made at the time the certificate of validation is filed.

359 Section 11. Section 11 of this Act amends § 377. Among other things, § 377 addresses the procedures that
360 a foreign corporation must follow to reinstate its qualification to do business in the State after the qualification has
361 been forfeited under § 132 or § 136. In connection with such a reinstatement, amended § 377(e) requires a foreign
362 corporation to file all annual reports and pay all required fees that would have been required to be filed or paid
363 during the time the foreign corporation's qualification to do business in the State had been forfeited.

364 Section 12. Section 12 of this Act amends § 502, which requires a corporation to file an annual report with
365 the Secretary of State. Amended § 502(a) requires that the report disclose the nature of the business of the
366 corporation and confirms that no office of any registered agent may be disclosed as the address of the principal place
367 of business of the corporation, except where the corporation maintains its principal place of business in the State and
368 serves as its own registered agent. The subparagraphs of amended § 502(a) have also been re-numbered.

369 Section 13. Section 13 of this Act amends § 503, which provides the rates and means of computing
370 franchise taxes. Amended § 503(e) provides that the filing of a certificate of validation to ratify one or more
371 defective corporate acts pursuant to § 204 will not reduce the interest owed on the franchise taxes owed for prior
372 periods and specifies that a corporation is not entitled to a franchise tax refund for any period prior to the filing of
373 the certificate of validation. The amendments also repeal § 503(h), which specified an alternative franchise tax rate
374 for regulated investment companies.

375 Section 14. Section 14 of this Act amends § 505 by clarifying that a corporation is not entitled to a refund
376 of taxes, penalties or interest in connection with filing a certificate of correction under § 103(f) or a certificate of
377 validation under § 204.

378 Section 15. Section 15 of this Act provides that Sections 1 through 12 and Section 14 of this Act take
379 effect on August 1, 2025.

380 Section 16. Section 16 of this Act provides that § 503(h), as contained in Section 13 of this Act, takes
381 effect for tax years beginning on or after January 1, 2026. Section 16 of this Act also provides that § 503(e), as
382 contained in Section 13 of this Act, takes effect on August 1, 2025.

383
384

