

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

House Bill 5227

FISCAL
NOTE

By Delegates Funkhouser, Moore, Hillenbrand,
Ridenour, and Heckert

[Requested By the Office of the Secretary of State]

[Introduced February 05, 2026; referred to the
Committee on the Judiciary]

1 A BILL to amend and reenact §59-1-2a of the Code of West Virginia, 1931, as amended, providing
 2 for the amount the Secretary of State may charge under this section for a bad check fee;
 3 allowing the Secretary of State to waive late fees; providing for a veteran-owned business
 4 logotype.

Be it enacted by the Legislature of West Virginia:

ARTICLE 1. FEES AND ALLOWANCES.

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

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

2 "Annual report fee" means the fee described in subsection (c) of this section that is to be
 3 paid to the Secretary of State each year by corporations, limited partnerships, domestic limited
 4 liability companies, and foreign limited liability companies. After June 30, 2008, any reference in
 5 this code to a fee paid to the Secretary of State for services as a statutory attorney in fact shall
 6 mean the annual report fee described in this section.

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

14 "Corporation" means a "domestic corporation", a "foreign corporation", or a "nonprofit
 15 corporation".

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

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

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

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

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

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

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

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

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

38 "Veteran-owned business" or "active-duty member-owned business" means a business
39 that meets the following criteria:

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

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

45 (b) Required payment of annual report fee and filing of annual report. — After June 30,
46 2008, no corporation, limited partnership, domestic limited liability company, or foreign limited
47 liability company may engage in any business activity in this state without paying the annual report
48 fee and filing the annual report as required by this section.

49 (c) Annual report fee. — After June 30, 2008, each corporation, limited partnership,
50 domestic limited liability company, and foreign limited liability company engaged in or authorized to
51 do business in this state shall pay an annual report fee of \$25 for the services of the Secretary of
52 State as attorney-in-fact for the corporation, limited partnership, domestic limited liability company,
53 or foreign limited liability company and for such other administrative services as may be imposed
54 by law upon the Secretary of State. The fee is due and payable each year after the initial
55 registration of the corporation, limited partnership, domestic limited liability company, or foreign
56 limited liability company with the annual report described in subsection (d) of this section on or
57 before the dates specified in subsection (e) of this section. The fee is due and payable each year
58 with the annual report from corporations, limited partnerships, domestic limited liability companies,
59 and foreign limited liability companies that paid the registration fee prior to July 1, 2008, on or
60 before the dates specified in subsection (e) of this section. The annual report fees received by the
61 Secretary of State pursuant to this subsection shall be deposited by the Secretary of State in the
62 general administrative fees account established by §59-1-2 of this code.

63 (d) Annual report. —

64 (1) After June 30, 2008, each corporation, limited partnership, domestic limited liability
65 company, and foreign limited liability company engaged in or authorized to do business in this
66 state shall file an annual report. The report is due each year after the initial registration of the
67 corporation, limited partnership, domestic limited liability company, or foreign limited liability
68 company with the annual report fee described in subsection (c) of this section on or before the
69 dates specified in subsection (e) of this section. The report is due each year from corporations,
70 limited partnerships, domestic limited liability companies, and foreign limited liability companies

71 that paid the registration fee prior to July 1, 2008, on or before the dates specified in subsection (e)
72 of this section.

73 (2)(A) The annual report shall be filed with the Secretary of State on forms provided by the
74 Secretary of State for that purpose. The annual report shall, in the case of corporations, contain: (i)
75 The address of the corporation's principal office; (ii) the names and mailing addresses of its
76 officers and directors; (iii) the name and mailing address of the person on whom notice of process
77 may be served; (iv) the name and address of the corporation's parent corporation and of each
78 subsidiary of the corporation licensed to do business in this state; (v) in the case of limited
79 partnerships, domestic limited liability companies, and foreign limited liability companies, similar
80 information with respect to their principal or controlling interests as determined by the Secretary of
81 State or otherwise required by law to be reported to the Secretary of State; (vi) the county or
82 county code in which the principal office address or mailing address of the company is located; (vii)
83 business class code; ~~and~~ (viii) an e-mail address where informational notices and reminders of
84 annual filings may be sent, unless there is a technical inability to comply; and (ix) any other
85 information the Secretary of State considers appropriate.

86 (B) Notwithstanding any other provision of law to the contrary, the Secretary of State shall,
87 upon request of any person, disclose, with respect to corporations: (i) The address of the
88 corporation's principal office; (ii) the names and addresses of its officers and directors; (iii) the
89 name and mailing address of the person on whom notice of process may be served; (iv) the name
90 and address of each subsidiary of the corporation and the corporation's parent corporation; (v) the
91 county or county code in which the principal office address or mailing address of the company is
92 located; and (vi) the business class code. The Secretary of State shall provide similar information
93 with respect to information in its possession relating to limited partnerships, domestic limited
94 liability companies, and foreign limited liability companies, similar information with respect to their
95 principal or controlling interests.

96 (e) Annual reports and fees due by June 30. — Each domestic and foreign corporation,

97 limited partnership, limited liability company, and foreign limited liability company shall file with the
98 Secretary of State the annual report and pay the annual report fee on or before 11:59 PM on June
99 30 of each year.

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

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

113 (2) Bad check fee. — If any corporation, limited partnership, limited liability company, or
114 foreign limited liability company submits payment by check or money order for the annual report
115 fee imposed under this article and the check, ~~or money order~~, or automatic bank transfer is
116 rejected or declined because there are insufficient funds in the account, an invalid account number
117 is provided, ~~or the account is closed~~, or for any other reason, the Secretary of State shall assess a
118 bad check fee to the corporation, limited partnership, limited liability company, or foreign limited
119 liability company ~~that is equivalent to the service charge paid by the Secretary of State due to the~~
120 ~~rejected check or money order~~ not exceeding an amount equal to \$5 plus any amount passed on
121 from a financial institution on a drawer or indorser. The bad check fee assessed under this
122 subdivision shall be deposited into the account or accounts from which the Secretary of State paid

123 the service charge.

124 (h) Late fees. —

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

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

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

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

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

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

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

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

149 (D) Any other factor deemed by the Secretary of State to be relevant.

150 (i) Reports to Tax Commissioner; suspension, cancellation or withholding of business
151 registration certificate. —

152 (1) The Secretary of State shall, within 20 days after the close of each month, make a
153 report to the Tax Commissioner for the preceding month, in which he or she shall set out the name
154 of every business entity to which he or she issued a certificate to conduct business in the State of
155 West Virginia during that month. The report shall set out the names and addresses of all
156 corporations, limited partnerships, limited liability companies, and foreign limited liability
157 companies to which he or she issued certificates of change of name or of change of location of
158 principal office, dissolution, withdrawal, or merger. If the Secretary of State fails to make the report,
159 it is the duty of the Tax Commissioner to report such failure to the Governor. A writ of mandamus
160 lies for correction of such failure.

161 (2) Notwithstanding any other provision of this code to the contrary, upon receipt of notice
162 from the Secretary of State that a corporation, limited partnership, limited liability company, and
163 foreign limited liability company is more than 30 days delinquent in the payment of annual report
164 fees or in the filing of an annual report required by this section, the Tax Commissioner may
165 suspend, cancel, or withhold a business registration certificate issued to or applied for by the
166 delinquent corporation, limited partnership, limited liability company, or foreign limited liability
167 company until the same is paid and filed in the manner provided for the suspension, cancellation,
168 or withholding of business registration certificates for other reasons under §11-12-1 *et seq.* of this
169 code.

170 (j) Purchase of data. — The Secretary of State shall provide electronically, for purchase,
171 any data maintained in the Secretary of State's Business Organizations Database. For the
172 electronic purchase of the entire Business Organizations Database, the cost is \$12,000. For the
173 purchase of the monthly updates of the Business Organizations Database, the cost is \$1,000 per
174 month. The fees received by the Secretary of State pursuant to this subsection shall be deposited

175 by the Secretary of State in the general administrative fees account established by §59-1-2 of this
176 code.

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

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

182 (m) A veteran-owned business, as defined in this section, commenced on or after July 1,
183 2015, or an active-duty member-owned business, as defined in this section, commenced on or
184 after July 1, 2021, is exempt from paying the annual report fee, required by this section, for the first
185 four years after its initial registration: *Provided*, That a veteran-owned business or an active-duty
186 member-owned business is not exempt from any filing deadlines or other fees required by this
187 section.

188 (1) Logotype — No later than 60 days after the effective date of this subsection, the
189 Secretary of State shall develop and design an official veteran-owned business logotype to be
190 used by a veteran-owned business.

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

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

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

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

200 (E) No later than 60 days after the creation of a logotype under this subsection, the

201 Secretary of State shall post a notice that:

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

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

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

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

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

217 (2) In the case of a mailed solicitation, the envelope or outside cover or wrapper in which
218 the solicitation is mailed, conspicuously display in 16-point bold Helvetica font and in all capital
219 letters on the front of the envelope, outside cover, or wrapper, the following disclosure: "THIS IS
220 NOT A GOVERNMENT DOCUMENT"; and

221 (3) On each fee schedule page, the following disclosure in 12-point bold font: "Annual
222 Report filings may be filed directly with the Secretary of State for the statutory \$25 fee".

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

226 (q) Any person harmed as a result of a violation of subsection (o) of this section may

- 227 recover damages in an amount equal to three times the amount solicited, any associated court
228 costs and attorneys' fees, and any other damages, at the discretion of the court.

NOTE: The purpose of this bill is to allow the Secretary of State to charge a fee of up to \$5 plus any amount passed on by a financial institution for any returned or dishonored check, money order, or draft. This fee covers the administrative costs for handling the returned item. The bill allows the Secretary of State discretion to waive late fees under certain circumstances. The bill provides that the Secretary of State shall design and provide a veteran-owned logotype.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.