

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO. [BILL NUMBER]

Foreign adversary ownership or control of business entities.

Sponsored by: Joint Corporations, Elections & Political Subdivisions Interim Committee

A BILL

for

1 AN ACT relating to corporations, partnerships and
2 associations; amending the grounds for administrative
3 dissolution, revocation and forfeiture to include foreign
4 adversary ownership or control as specified; and providing
5 for an effective date.

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7 *Be It Enacted by the Legislature of the State of Wyoming:*

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9 **Section 1.** W.S. 17-16-1420(a)(vi)(B), (C) and by
10 creating a new subparagraph (D), 17-16-1530(a)(viii)(A),
11 (B) and by creating a new subparagraph (C), 17-19-
12 1420(a)(v)(A), (B) and by creating a new subparagraph (C),

1 17-19-1530(a)(vii)(A), (B) and by creating a new
2 subparagraph (C), 17-29-705(c)(iii)(B), (C) and by creating
3 a new subparagraph (D), 17-30-904(h)(iii)(C) and by
4 creating a new subparagraph (D) are amended to read:

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6 **17-16-1420. Grounds for administrative dissolution.**

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8 (a) The secretary of state may commence a proceeding
9 under W.S. 17-16-1421 to administratively dissolve a
10 corporation if any of the following has occurred:

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12 (vi) It is in the public interest and the
13 corporation:

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15 (B) Has provided fraudulent information or
16 has failed to correct false information upon request of the
17 secretary of state on any filing under this act with the
18 secretary of state;~~or~~

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20 (C) Cannot be served by either the
21 secretary of state or the registered agent at its address
22 provided pursuant to W.S. 17-28-107;~~or~~ or

23

1 (D) Is owned or controlled by a foreign
2 government or foreign nongovernment person determined to be
3 a foreign adversary by the United States secretary of
4 commerce and specified in 15 C.F.R. 7.4(a).

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6 **17-16-1530. Grounds for revocation.**

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8 (a) The secretary of state may commence a proceeding
9 under W.S. 17-16-1531 to revoke the certificate of
10 authority of a foreign corporation authorized to transact
11 business in this state if:

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13 (viii) It is in the public interest and the
14 corporation:

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16 (A) Has provided fraudulent information or
17 has failed to correct false information upon request of the
18 secretary of state on any filing under this act with the
19 secretary of state;~~or~~

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21 (B) Cannot be served either by the
22 registered agent or by mail or electronically by the
23 secretary of state acting as the agent for process;~~;~~ or

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17-19-1420. Grounds for administrative dissolution.

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(C) Is owned or controlled by a foreign government or foreign nongovernment person determined to be a foreign adversary by the United States secretary of commerce and specified in 15 C.F.R. 7.4(a).

(a) The secretary of state may commence a proceeding under W.S. 17-19-1421 to administratively dissolve a corporation if any of the following has occurred:

(v) It is in the public interest and the corporation:

(A) Has provided fraudulent information or has failed to correct false information upon request of the secretary of state on any filing under this act with the secretary of state;~~or~~

(B) Cannot be served by either the secretary of state or the registered agent at its address provided pursuant to W.S. 17-28-107;~~;~~ or

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(C) Is owned or controlled by a foreign government or foreign nongovernment person determined to be a foreign adversary by the United States secretary of commerce and specified in 15 C.F.R. 7.4(a).

17-19-1530. Grounds for revocation.

(a) The secretary of state may commence a proceeding under W.S. 17-19-1531 to revoke the certificate of authority of a foreign corporation authorized to transact business in this state if any of the following has occurred:

(vii) It is in the public interest and the corporation:

(A) Has provided fraudulent information or has failed to correct false information upon request of the secretary of state on any filing with the secretary of state under this act;~~or~~

1 (B) Cannot be served either by the
2 registered agent or by mail or electronically by the
3 secretary of state acting as the agent for process; ~~or~~ or

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5 (C) Is owned or controlled by a foreign
6 government or foreign nongovernment person determined to be
7 a foreign adversary by the United States secretary of
8 commerce and specified in 15 C.F.R. 7.4(a).

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10 **17-29-705. Administrative forfeiture of authority and**
11 **articles of organization.**

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13 (c) A limited liability company shall be deemed to be
14 transacting business within this state without authority,
15 to have forfeited any franchises, rights or privileges
16 acquired under the laws thereof and shall be deemed defunct
17 and to have forfeited its articles of organization or
18 certificate of authority acquired under the laws of this
19 state, and the forfeiture shall be made effective in the
20 manner provided in subsection (a) of this section, if:

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22 (iii) It is in the public interest and the
23 limited liability company or any of its members:

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2 (B) Has provided fraudulent information or
3 has failed to correct false information upon request of the
4 secretary of state on any filing with the secretary of
5 state under this chapter;~~or~~

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7 (C) Cannot be served by either the
8 registered agent or by mail or electronically by the
9 secretary of state acting as the agent for process;~~or~~ or

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11 (D) Is owned or controlled by a foreign
12 government or foreign nongovernment person determined to be
13 a foreign adversary by the United States secretary of
14 commerce and specified in 15 C.F.R. 7.4(a).

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16 **17-30-904. Administrative forfeiture of authority and**
17 **articles of formation.**

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19 (h) A statutory foundation shall be deemed to be
20 operating within this state without authority, to have
21 forfeited any rights or privileges acquired under the laws
22 of this state and shall be deemed to have forfeited its
23 articles of formation filed in this state if:

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(iii) The public interest is served by forfeiture and the statutory foundation, its founder or any other person authorized to act on behalf of the statutory foundation:

(C) Cannot be served by either the registered agent or by the secretary of state acting as the agent for process; ~~or~~ or

(D) Is owned or controlled by a foreign government or foreign nongovernment person determined to be a foreign adversary by the United States secretary of commerce and specified in 15 C.F.R. 7.4(a).

STAFF COMMENT

For reference, this bill draft directly amends the statutes governing the following types of business entities:

- Domestic and foreign corporations. W.S. 17-16-1420; W.S. 17-16-1530.
- Domestic and foreign nonprofit corporations. W.S. 17-19-1420; W.S. 17-19-1530.
- Limited liability companies. W.S. 17-29-705.

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- Statutory foundations. W.S. 17-30-904.

In addition, the statutes governing certain other types of business entities cross-reference some of the statutes that are directly amended in this bill draft.

- Domestic and foreign cooperative marketing associations. W.S. 17-10-247(c) ("The provisions of W.S. 17-16-1420 through 17-16-1423 shall apply to the administrative dissolution of any domestic cooperative and the provisions of W.S. 17-16-1530 through 17-16-1532 shall apply to the administrative dissolution of any foreign cooperative.").
- Foreign limited liability partnerships. W.S. 17-14-1006(b) ("The registration to transact business of a foreign limited liability partnership is subject to the same revocation and reinstatement provisions as applicable to foreign corporations authorized to transact business in this state pursuant to W.S. 17-16-1530 through 17-16-1536.").
- Foreign statutory trust companies. W.S. 17-16-1534 ("To the extent not inconsistent with the Wyoming Statutory Trust Act, W.S. 17-23-101 through 17-23-302, a statutory trust as defined in W.S. 17-23-102(a)(v), which is organized in another jurisdiction may do business in Wyoming by complying with W.S. 17-16-1501 through 17-16-1507, 17-16-1520 and 17-16-1530 through 17-16-1532.").
- Foreign limited liability companies. W.S. 17-29-114 ("To the extent not inconsistent with this act or the provisions of the Wyoming Business Corporations Act, a foreign limited liability company shall do business in Wyoming by complying with the provisions of W.S. 17-16-1501 through 17-16-1536 in the same manner as a foreign corporation. A foreign limited liability company's certificate of authority shall be revoked or reinstated in the manner provided for foreign corporations in W.S. 17-16-1530 through 17-16-1532.").

1 LSO did not locate any other statutes that grant the
2 Secretary of State broad administrative dissolution,
3 revocation or forfeiture authority that is similar to the
4 authority found in W.S. 17-16-1420, W.S. 17-16-1530, W.S.
5 17-19-1420, W.S. 17-19-1530, W.S. 17-29-705 or 17-30-904
6 (the statutes directly amended in this bill draft).

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13 STAFF COMMENT

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15 The language in this bill draft is modeled after language
16 in Wyoming's recently enacted critical infrastructure
17 statutes. W.S. 19-13-501(a)(iv)(A) (defining "designated
18 country or person").

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20 The Committee may wish to consider the following:

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22 • Whether to define what it means for a foreign
23 adversary specified in 15 C.F.R. 7.4(a) to "own" or
24 "control" a business entity, or whether to use a
25 different term(s).
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27 ○ The Committee on Foreign Investment in the United
28 States (CFIUS) statute defines "control" to mean
29 "the power, direct or indirect, whether exercised
30 or not exercised, to determine, direct, or decide
31 important matters affecting an entity, subject to
32 regulations prescribed by [CFIUS]." 50 U.S.C.
33 § 4565(a)(3).
- 34
35 ○ The CFIUS regulations define "control" to mean
36 "the power, direct or indirect, whether or not
37 exercised, through the ownership of a majority or
38 a dominant minority of the total outstanding
39 voting interest in an entity, board
40 representation, proxy voting, a special share,
41 contractual arrangements, formal or informal
42 arrangements to act in concert, or other means,
43 to determine, direct, or decide important matters
44 affecting an entity; in particular, but without
45 limitation, to determine, direct, take, reach, or

1 cause decisions regarding the following matters,
2 or any other similarly important matters
3 affecting an entity: (1) The sale, lease,
4 mortgage, pledge, or other transfer of any of the
5 tangible or intangible principal assets of the
6 entity, whether or not in the ordinary course of
7 business; (2) The reorganization, merger, or
8 dissolution of the entity; (3) The closing,
9 relocation, or substantial alteration of the
10 production, operational, or research and
11 development facilities of the entity; (4) Major
12 expenditures or investments, issuances of equity
13 or debt, or dividend payments by the entity, or
14 approval of the operating budget of the entity;
15 (5) The selection of new business lines or
16 ventures that the entity will pursue; (6) The
17 entry into, termination, or non-fulfillment by
18 the entity of significant contracts; (7) The
19 policies or procedures of the entity governing
20 the treatment of nonpublic technical, financial,
21 or other proprietary information of the entity;
22 (8) The appointment or dismissal of officers or
23 senior managers or, in the case of a partnership,
24 the general partner; (9) The appointment or
25 dismissal of employees with access to critical
26 technology or other sensitive technology or
27 classified U.S. Government information; or (10)
28 The amendment of the Articles of Incorporation,
29 constituent agreement, or other organizational
30 documents of the entity with respect to the
31 matters described in paragraphs (a)(1) through
32 (9) of this section."

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34 ○ The regulations regarding Department of Defense
35 acquisitions define "effectively owned or
36 controlled" to mean "that a foreign government or
37 any entity controlled by a foreign government has
38 the power, either directly or indirectly, whether
39 exercised or exercisable, to control the
40 election, appointment, or tenure of the Offeror's
41 officers or a majority of the Offeror's board of
42 directors by any means, e.g., ownership,
43 contract, or operation of law (or equivalent
44 power for unincorporated organizations)." 48
45 C.F.R. § 252.209-7002(a)(1).

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- Whether to create a new statute prohibiting foreign adversaries specified in 15 C.F.R. 7.4(a) from owning or controlling business entities.
- Whether the Secretary of State should have discretion or be required to seek the administrative dissolution, revocation or forfeiture of the authority of business entities that are owned or controlled by foreign adversaries specified in 15 C.F.R. 7.4(a).
- Whether to include an exception for situations where the control or ownership has been approved by CFIUS.

Section 2. This act is effective July 1, 2025.

(END)