

**No. 124. An act relating to wages for laid-off employees.**

(H.78)

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 9 V.S.A. § 1971 is amended to read:

§ 1971. EXTENT OF LIEN UNPAID WAGES; STATUTORY LIEN;  
PRIORITY OVER SUBSEQUENT MORTGAGE OR LIEN

(a) A statutory lien is created on the real and personal property of a corporation for up to 30 days of unpaid wages.

(b) The liability of a corporation to ~~wage earners~~ an employee for unpaid wages which were earned ~~in the three months next~~ for a 30-day period prior to the filing of a new mortgage or other lien upon the property ~~and franchise of such corporation of the corporation~~, in all cases, shall be a first lien thereon, notwithstanding any mortgage or other lien thereon recorded after such wages were earned. ~~An individual who works for wages, salary or hire at a rate of compensation not exceeding \$3,000.00 a year shall be deemed to be a wage earner within the meaning of this section.~~ Notice of the lien if on personal property shall be filed with the secretary of state's office and, if on real property, in the land records, by the employee or the department of labor acting on behalf of one or more employees. An employee who is owed wages or the department of labor acting on behalf of one or more employees may file an action to execute on the lien in the civil division of the superior court in the

county in which the corporation has its principal place of business in the state,  
or in the civil division of the Washington County superior court.

Sec. 2. 11A V.S.A. § 14.03 is amended to read:

§ 14.03. ARTICLES OF DISSOLUTION; CONTENT OF NOTICE; NOTICE  
TO DEPARTMENT OF LABOR REGARDING UNPAID WAGES

(a) At any time after dissolution is authorized, the corporation may dissolve by delivering to the secretary of state for filing articles of dissolution setting forth:

- (1) the name of the corporation;
- (2) the date dissolution was authorized;
- (3) if dissolution was approved by the shareholders:
  - (A) the number of votes entitled to be cast on the proposal to dissolve; and
  - (B) either the total number of votes cast for and against dissolution or the total number of undisputed votes cast for dissolution and a statement that the number cast for dissolution was sufficient for approval;
- (4) if voting by voting groups was required, the information required by subdivision (3) of this subsection ~~must be~~, separately provided for each voting group entitled to vote separately on the plan to dissolve;
- (5) a statement as to the settlement of debts, the distribution of property, and the status of pending litigation;

(6) a statement whether the corporation owes any unpaid wages to its employees.

(b) Subject to the provisions of section 14.09 of this title, a corporation is dissolved upon the effective date of its articles of dissolution.

(c) If a corporation owes unpaid wages to its employees, it shall also file a statement to that effect with the department of labor.

Approved: May 11, 2012