

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

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SENATE BILL 114  
PROPOSED COMMITTEE SUBSTITUTE S114-PCS15185-TG-6

Short Title: Annual Report Modernization.

(Public)

Sponsors:

Referred to:

February 22, 2017

1 A BILL TO BE ENTITLED  
2 AN ACT REVISING THE LAWS GOVERNING THE SUBMISSION OF ANNUAL  
3 REPORTS BY VARIOUS BUSINESS ENTITIES TO THE SECRETARY OF STATE.  
4 The General Assembly of North Carolina enacts:

5  
6 **PART I. BUSINESS CORPORATIONS**

7 **SECTION 1.(a)** G.S. 55-16-22 reads as rewritten:

8 "**§ 55-16-22. Annual report.**

9 (a) Requirement. – Except as provided in ~~subsections (a1) and subsection~~ (a2) of this  
10 section, each domestic corporation and each foreign corporation authorized to transact business  
11 in this State shall ~~deliver~~ submit an annual report to the ~~Secretary of Revenue in paper form or,~~  
12 ~~in the alternative, directly~~ to the Secretary of State in electronic form as prescribed by the  
13 Secretary of State under this section.

14 (a1) ~~Each insurance company subject to the provisions of Chapter 58 of the General~~  
15 ~~Statutes shall deliver an annual report to the Secretary of State.~~

16 (a2) Professional Corporations Exempt. – A domestic corporation governed by Chapter  
17 55B of the General Statutes is exempt from this section.

18 (a3) Form; Required Information. – The annual report required by this section shall be in  
19 ~~a~~ an electronic form jointly prescribed by the ~~Secretary of Revenue and the Secretary of State.~~  
20 ~~The Secretary of Revenue shall provide the form needed to file an annual report. The State, and~~  
21 ~~the Secretary of State shall prescribe the form needed to file an annual report electronically and~~  
22 shall provide this form by electronic means. The annual report shall set forth all of the  
23 following:

- 24 (1) The name of the corporation and the state or country under whose law it is  
25 incorporated.
- 26 (2) The street address, and the mailing address if different from the street  
27 address, of the registered office, the county in which its registered office is  
28 located, ~~and~~ and the name and e-mail address of its registered agent at that office  
29 in this State, and a statement of any change of ~~such~~ the registered office or  
30 registered ~~agent, or both~~ agent.
- 31 (3) The address and telephone number of its principal office.
- 32 (4) The names, titles, and physical business addresses of its principal  
33 ~~officers~~ officers and any other person who has actual authority to bind the  
34 corporation.
- 35 ...
- 36 (5) A brief description of the nature of its business.



1           (6) A valid e-mail address for the corporation, if different from the e-mail  
2           address provided under subdivision (2) of this subsection.

3 ~~If the information contained in the most recently filed annual report has not changed, a~~  
4 ~~certification to that effect may be made instead of setting forth the information required by~~  
5 ~~subdivisions (2) through (5) of this subsection.~~

6           (b) Currency of Information. – Information in the annual report must be current as of  
7 the date the annual report is executed on behalf of the corporation.

8           (c) Due Date. – ~~An annual report eligible to be delivered to the Secretary of Revenue is~~  
9 ~~due by the due date for filing the corporation's income and franchise tax returns. An extension~~  
10 ~~of time to file a return is an extension of time to file an annual report. At the option of the filer,~~  
11 ~~an annual report may be filed directly with the Secretary of State in electronic form. An annual~~  
12 ~~report required to be delivered to the Secretary of State is due by the fifteenth day of the fourth~~  
13 ~~month following the close of the domestic or foreign corporation's fiscal year.~~

14           (d) Incomplete Information. – If an annual report does not contain the information  
15 required by this section, the Secretary of State shall promptly notify the reporting domestic or  
16 foreign corporation in writing and return the report to it for correction. If the report is corrected  
17 to contain the information required by this section and ~~delivered~~ submitted to the Secretary of  
18 State within 30 days after the effective date of notice, it is deemed to be timely filed.

19           (e) Amendments. – Amendments to any previously filed annual report may be filed  
20 with the Secretary of State at any time for the purpose of correcting, updating, or augmenting  
21 the information contained in the annual report.

22           ...

23           (g) Effective Date for Certain Statements of Change. – When a statement of change of  
24 registered office or registered agent is filed in the annual report, the change shall become  
25 effective when the statement is received by the Secretary of State.

26           (h) Delinquency. – If the Secretary of State does not receive an annual report within  
27 ~~120-60~~ days of the date the ~~return report~~ is due, the Secretary of State may presume that the  
28 annual report is delinquent. This presumption may be rebutted ~~by receipt of the annual report~~  
29 ~~from the Secretary of Revenue or by evidence~~ satisfactory to the Secretary of State of delivery  
30 submission presented by the filing corporation.

31           (i) E-Mail; Confidentiality. – The Secretary of State may provide by e-mail any notice  
32 or form required under this section if the submitting domestic or foreign corporation to be  
33 notified has consented to receiving notices and forms via e-mail and has provided the Secretary  
34 of State an e-mail address for receiving the notices or forms. Any e-mail address provided by a  
35 submitting domestic or foreign corporation in accordance with this section shall be considered  
36 confidential information and shall not be subject to disclosure under Chapter 132 of the General  
37 Statutes."

38           **SECTION 1.(b)** G.S. 55-14-22 reads as rewritten:

39           "**§ 55-14-22. Reinstatement following administrative dissolution.**

40           ...

41           (b) If the Secretary of State determines that the application contains the information  
42 required by subsection (a) of this section, that the information is correct, ~~and~~ that the name of  
43 the corporation complies with G.S. 55D-21 and any other applicable section, and that any  
44 penalties, fees, or other payments due under this Chapter have been paid, the Secretary of State  
45 shall cancel the certificate of dissolution and prepare a certificate of reinstatement that recites  
46 the Secretary of State's determination and the effective date of reinstatement, file the original of  
47 the certificate, and mail a copy to the corporation.

48           ...."

49           **SECTION 1.(c)** G.S. 55-1-22 reads as rewritten:

50           "**§ 55-1-22. Filing, service, and copying fees.**

(a) The Secretary of State shall collect the following fees when the documents described in this subsection are delivered to the Secretary for filing:

Document	Fee
...	
(23) Annual report (paper)	25.00
(23a) Annual report <del>(electronic)</del>	<del>18.00</del> 125.00
...	

(d) The fee for the annual report in subdivision ~~(23)~~(23a) of subsection (a) of this section is nonrefundable."

**SECTION 1.(d)** G.S. 105-256.1 and G.S. 105-228.90(a)(2) are repealed.

**PART II. LIMITED LIABILITY COMPANIES**

**SECTION 2.(a)** G.S. 57D-2-24 reads as rewritten:

**"§ 57D-2-24. Annual report for Secretary of State.**

(a) Requirement. – Excluding professional limited liability companies governed by G.S. 57D-2-02, each LLC and each foreign LLC authorized to transact business in this State ~~must deliver~~ shall submit an annual report to the Secretary of State ~~for filing annual reports on a in electronic form as prescribed by, and in the manner required by, by~~ the Secretary of State and as otherwise provided in ~~subsection (b)~~subsections (b) and (b1) of this section. Each annual report must specify the year for which the report applies and provide the information required by this subsection. The information must be current as of the date the limited liability company completes the report. ~~If the information in the limited liability company's most recent annual report has not changed, the limited liability company may certify in its annual report that the information has not changed in lieu of restating the information.~~

(a1) Required Information. – The following information must be included in each annual report:

- (1) The name of the limited liability company and, in the case of a foreign LLC, any different name that the foreign LLC is authorized under Article 3 of Chapter 55D of the General Statutes to use to transact business in this State, as provided in the foreign LLC's certificate of authority.
- (2) In the case of a foreign LLC, the name of the jurisdiction under whose law the foreign LLC is organized.
- (3) The street address, and the mailing address if different from the street address, of the limited liability company's registered office in the State, the county in which the registered office is located, the name and e-mail address of its registered agent at that office, and a statement of any change of the registered office or registered agent.
- (4) The address and telephone number of its principal office.
- (5) The names, titles, and physical business addresses of the limited liability company's ~~principal company officials, managers and other company officials who have actual authority to bind the limited liability company.~~
- (6) A brief description of the nature of its business.
- (7) A valid e-mail address for the limited liability company, if different from the e-mail address provided under subdivision (3) of this subsection.

(b) Due Date for Initial Annual Report. – The Secretary of State must notify limited liability companies of the annual report filing requirement. The first annual report of a limited liability company is due to be ~~delivered~~submitted to the Secretary of State by April 15 of the year following (i) in the case of an LLC, the calendar year in which the LLC's articles of organization or articles of organization and conversion filed by the Secretary of State become effective or (ii) in the case of a foreign LLC, the calendar year in which the Secretary of State issues to the foreign LLC a certificate of authority to transact business in this State.

1 (b1) Due Date for Subsequent Annual Reports. – The limited liability company shall  
 2 ~~deliver-submit~~ an annual report by April 15 of each subsequent year until (i) in the case of an  
 3 LLC, the effective date of its articles of dissolution filed by the Secretary of State or the  
 4 effective date of either a certificate of dissolution for an LLC that is not reinstated under  
 5 G.S. 57D-6-06(c) or a decree of dissolution that is filed by the Secretary of State as provided in  
 6 G.S. 57D-6-05; (ii) in the case of a foreign LLC, the foreign LLC receives a certificate of  
 7 withdrawal from the Secretary of State or the Secretary of State revokes the foreign LLC's  
 8 certificate of authority under Part 3 of Article 7 of this Chapter; or (iii) in the case of either an  
 9 LLC or foreign LLC, the effective date of a merger or conversion under Article 9 of this  
 10 Chapter in which the limited liability company is a merging entity or a converting entity but not  
 11 the surviving entity.

12 (c) Incomplete Information. – If an annual report does not contain the information  
 13 required by this section, the Secretary of State shall promptly notify the reporting limited  
 14 liability company in writing and return the report to it for correction. If the report is corrected to  
 15 contain the information required by this section and ~~delivered-submitted~~ to the Secretary of  
 16 State within 30 days after the effective date of notice, it is deemed to be timely  
 17 ~~delivered-submitted~~.

18 (d) Amendments. – Amendments to any previously filed annual report may be ~~delivered~~  
 19 submitted for filing by the Secretary of State at any time for the purpose of correcting,  
 20 updating, or augmenting the information contained in the annual report.

21 (e) E-Mail; Confidentiality. – The Secretary of State may provide by e-mail any notice  
 22 or form required under this section if the submitting LLC to be notified has consented to  
 23 receiving notices and forms via e-mail and has provided the Secretary of State an e-mail  
 24 address for receiving the notices or forms. Any e-mail address provided by a submitting LLC in  
 25 accordance with this section shall be considered confidential information and shall not be  
 26 subject to disclosure under Chapter 132 of the General Statutes."

27 **SECTION 2.(b)** G.S. 57D-1-22(a)(28) reads as rewritten:

28 "(a) The Secretary of State shall collect the following fees when the documents  
 29 described in this subsection are delivered to the Secretary of State for filing:

Document	Fee
30	
31 ...	
32 (28) Annual report	200.00125.00
33 ...."	

34 **SECTION 2.(c)** G.S. 57D-6-06(c) reads as rewritten:

35 "(c) An LLC administratively dissolved under this section may apply to the Secretary of  
 36 State for reinstatement. The procedures for reinstatement and for the appeal of any denial of the  
 37 LLC's application for reinstatement are the same as those applicable to a domestic corporation  
 38 under G.S. 55-14-22, 55-14-23, and ~~55-14-24~~55-14-24, except that any penalties, fees, or other  
 39 payments due under this Chapter must have been paid prior to reinstatement. If, at the time the  
 40 LLC applies for reinstatement, the name of the LLC is not distinguishable from the name of  
 41 another entity authorized to be used under G.S. 55D-21, then the LLC must change its name to  
 42 a name that is distinguishable on the records of the Secretary of State from the name of the  
 43 other entity before the Secretary of State may prepare a certificate of reinstatement. The effect  
 44 of reinstatement of an LLC is the same as for a domestic corporation under G.S. 55-14-22."

45  
 46 **PART III. NONPROFIT CORPORATIONS**

47 **SECTION 3.(a)** Article 16 of Chapter 55A of the General Statutes is amended by  
 48 adding a new section to read:

49 "§ 55A-16-22.1. Annual report for the Secretary of State.

1        (a) Requirement. – Each domestic corporation and each foreign corporation authorized  
2 to conduct affairs in this State shall submit an annual report to the Secretary of State in  
3 electronic form as prescribed by the Secretary of State that sets forth all of the following:

4            (1) The name of the corporation and the state or country under whose law it is  
5 incorporated.

6            (2) The street address and the mailing address, if different from the street  
7 address of the registered office, the county in which its registered office is  
8 located, the name and e-mail address of its registered agent at that office in  
9 this State, and a statement of any change of the registered office or registered  
10 agent.

11           (3) The address and telephone number of its principal office.

12           (4) The names, titles, and physical business addresses of its officers who have  
13 actual authority to bind the corporation.

14           (5) A brief description of the nature of its activities.

15           (6) Whether or not it has members.

16           (7) A valid e-mail address for the corporation, if different from the e-mail  
17 address provided under subdivision (2) of this subsection.

18        (b) Currency of Information. – The information in the annual report shall be current as  
19 of the date the annual report is executed on behalf of the corporation.

20        (c) Due Date. – The corporation shall submit an annual report to the Secretary of State  
21 by November 15 of each year, beginning with the year following the formation of the  
22 corporation. An annual report is due each year until the effective date of a voluntary or judicial  
23 dissolution.

24        (d) Incomplete Information. – If an annual report does not contain the information  
25 required by this section, the Secretary of State shall promptly notify the reporting corporation  
26 in writing and return the report to it for correction. If the report is corrected to contain the  
27 information required by this section and submitted to the Secretary of State within 30 days after  
28 the effective date of notice, it is deemed to be timely submitted.

29        (e) Amendments. – Amendments to any previously filed annual report may be filed at  
30 any time for the purpose of correcting, updating, or augmenting the information contained in  
31 the annual report.

32        (f) Delinquency. – If the Secretary of State does not receive an annual report within 60  
33 days of the date the report is due, the Secretary of State may presume that the annual report is  
34 delinquent. This presumption may be rebutted by evidence of delivery presented by the filing  
35 corporation.

36        (g) E-Mail; Confidentiality. – The Secretary of State may provide by e-mail any notice  
37 or form required under this section if the submitting domestic or foreign corporation to be  
38 notified has consented to receiving notices and forms via e-mail and has provided the Secretary  
39 of State an e-mail address for receiving the notices or forms. Any e-mail address provided by a  
40 submitting corporation in accordance with this section shall be considered confidential  
41 information and shall not be subject to disclosure under Chapter 132 of the General Statutes."

42        **SECTION 3.(b)** G.S. 55A-14-20 reads as rewritten:

43        **"§ 55A-14-20. Grounds for administrative dissolution.**

44        The Secretary of State may commence a proceeding under G.S. 55A-14-21 to dissolve  
45 administratively a corporation ~~if~~ if any of the following occurs:

46           (1) The corporation does not pay within 60 days after they are due any penalties,  
47 fees, or other payments due under this ~~Chapter;~~ Chapter.

48           (2a) The corporation is delinquent in submitting its annual report.

49           (3) The corporation is without a registered agent or registered office in this State  
50 for 60 days or ~~more;~~ more.

- 1 (4) The corporation does not notify the Secretary of State within 60 days that its
- 2 registered agent or registered office has been changed, that its registered
- 3 agent has resigned, or that its registered office has been
- 4 ~~discontinued;~~discontinued.
- 5 (5) The corporation's period of duration stated in its articles of incorporation
- 6 ~~expires;~~expires.
- 7 (6) The corporation knowingly fails or refuses to answer truthfully and fully
- 8 within the time prescribed in this Chapter interrogatories propounded by the
- 9 Secretary of State in accordance with the provisions of this ~~Chapter;~~
- 10 ~~or~~Chapter.
- 11 (7) The corporation does not designate the address of its principal office with
- 12 the Secretary of State or does not notify the Secretary of State within 60 days
- 13 that the principal office has changed."

14 **SECTION 3.(c)** G.S. 55A-14-22 reads as rewritten:

15 **"§ 55A-14-22. Reinstatement following administrative dissolution.**

16 ...

17 (b) If the Secretary of State determines that the application contains the information

18 required by subsection (a) of this section, that the information is correct, ~~and~~ that the name of

19 the corporation complies with G.S. 55D-21 and any other applicable section, and that any

20 penalties, fees, or other payments due under this Chapter have been paid, the Secretary of State

21 shall cancel the certificate of dissolution and prepare a certificate of reinstatement that recites

22 the Secretary of State's determination and the effective date of reinstatement, file the original of

23 the certificate, and mail a copy to the corporation.

24 ...."

25 **SECTION 3.(d)** G.S. 55A-1-22(a) reads as rewritten:

26 "(a) The Secretary of State shall collect the following fees when the documents

27 described in this subsection are delivered to the Secretary for filing:

Document	Fee
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(29) Annual Report No fee

32 **SECTION 3.(e)** Until January 1, 2021, the Secretary of State may waive the fee

33 payable under G.S. 55A-1-22(17) by a corporation seeking reinstatement following

34 administrative dissolution for delinquent filing pursuant to G.S. 55A-14-20(2a).

36 **PART IV. LIMITED LIABILITY PARTNERSHIPS**

37 **SECTION 4.(a)** G.S. 59-84.4 reads as rewritten:

38 **"§ 59-84.4. Annual report for Secretary of State.**

39 (a) Requirement. – Each registered limited liability partnership and each foreign limited

40 liability partnership authorized to transact business in this State shall ~~deliver~~ submit to the

41 Secretary of State for filing an annual report, in ~~a~~ an electronic form prescribed by the

42 Secretary of State, that sets forth all of the following:

- 43 (1) The name of the registered limited liability partnership or foreign limited
- 44 liability partnership and the state or country under whose law it is formed.
- 45 (2) The street address, and the mailing address if different from the street
- 46 address, of the registered office, the county in which the registered office is
- 47 located, and the name and e-mail address of its registered agent at that office
- 48 in this State, and a statement of any change of the registered office or
- 49 registered agent, or both.
- 50 (3) The street address and telephone number of its principal office.
- 51 (4) A brief description of the nature of its business.

1 (5) The fiscal year end of the partnership.

2 (6) A valid e-mail address for the registered limited liability partnership or  
3 foreign limited liability partnership, if different from the e-mail address  
4 provided under subdivision (2) of this subsection.

5 ~~If the information contained in the most recently filed annual report has not changed, a~~  
6 ~~certification to that effect may be made instead of setting forth the information required by~~  
7 ~~subdivisions (2) through (4) of this subsection.~~ The Secretary of State shall make available the  
8 form required to file an annual report.

9 (b) Currency of Information. – Information in the annual report must be current as of  
10 the date the annual report is executed on behalf of the registered limited liability partnership or  
11 the foreign limited liability partnership.

12 (c) Due Date. – The annual report shall be delivered to the Secretary of State by the  
13 fifteenth day of the fourth month following the close of the registered or foreign limited  
14 liability partnership's fiscal year.

15 (d) Incomplete Information. – If an annual report does not contain the information  
16 required by this section, the Secretary of State shall promptly notify the reporting registered or  
17 foreign limited liability partnership in writing and return the report to it for correction. If the  
18 report is corrected to contain the information required by this section and ~~delivered~~ submitted  
19 to the Secretary of State within 30 days after the effective date of notice, it is deemed to be  
20 timely filed ~~submitted~~.

21 (e) Amendments. – Amendments to any previously filed annual report may be filed  
22 with the Secretary of State at any time for the purpose of correcting, updating, or augmenting  
23 the information contained in the annual report.

24 (f) Revocation of Registration. – The Secretary of State may revoke the registration of  
25 a registered limited liability partnership or foreign limited liability partnership if the Secretary  
26 of State determines ~~that~~ that any of the following has occurred:

27 (1) The registered limited liability partnership or foreign limited liability  
28 partnership has not paid, within 60 days after they are due, any penalties,  
29 fees, or other payments due under this ~~Chapter;~~ Chapter.

30 (2) The registered limited liability partnership or foreign limited liability  
31 partnership does not ~~deliver~~ submit its annual report to the Secretary of State  
32 on or before the ~~date~~ sixtieth day after it is due; due.

33 (3) The registered limited liability partnership or foreign limited liability  
34 partnership has been without a registered agent or registered office in this  
35 State for 60 days or ~~more;~~ or more.

36 (4) The registered limited liability partnership or foreign limited liability  
37 partnership does not notify the Secretary of State within 60 days of the  
38 change, resignation, or discontinuance that its registered agent or registered  
39 office has been changed, that its registered agent has resigned, or that its  
40 registered office has been discontinued.

41 (g) Revocation Process. – If the Secretary of State determines that one or more grounds  
42 exist under subsection (f) of this section for revoking the registration of the registered limited  
43 liability partnership or foreign limited liability partnership, the Secretary of State shall mail the  
44 registered limited liability partnership or foreign limited liability partnership written notice of  
45 that determination. If, within 60 days after the notice is mailed, the registered limited liability  
46 partnership or foreign limited liability partnership does not correct each ground for revocation  
47 or demonstrate to the reasonable satisfaction of the Secretary of State that each ground does not  
48 exist, the Secretary of State shall revoke the registration of a registered limited liability  
49 partnership or foreign limited liability partnership by signing a certificate of revocation that  
50 recites the ground or grounds for revocation and its effective date. The Secretary of State shall

1 file the original certificate of revocation and mail a copy to the registered limited liability  
2 partnership or foreign limited liability partnership.

3 (h) Application for Reinstatement. – A registered limited liability partnership or foreign  
4 limited liability partnership whose registration is revoked under this section may apply to the  
5 Secretary of State for reinstatement. If, at the time the registered limited liability partnership  
6 applies for reinstatement, the name of the registered limited liability partnership is not  
7 distinguishable from the name of another entity authorized to be used under G.S. 55D-21, then  
8 the registered limited liability partnership must change its name to a name that is  
9 distinguishable upon the records of the Secretary of State from the name of the other entity  
10 before the Secretary of State may prepare a certificate of reinstatement. The procedures for  
11 reinstatement and for the appeal of any denial of the registered limited liability partnership or  
12 foreign limited liability partnership's application for reinstatement shall be the same procedures  
13 applicable to business corporations under G.S. 55-14-22, 55-14-23, and ~~55-14-24~~.55-14-24,  
14 except that any penalties, fees, or other payments due under this Chapter must have been paid  
15 prior to reinstatement. The effect of reinstatement of a limited liability partnership shall be the  
16 same as for a corporation under G.S. 55-14-22.

17 (i) E-Mail; Confidentiality. – The Secretary of State may provide by e-mail any notice  
18 or form required under this section if the submitting registered limited liability partnership or  
19 foreign limited liability partnership to be notified has consented to receiving notices and forms  
20 via e-mail and has provided the Secretary of State an e-mail address for receiving the notices or  
21 forms. Any e-mail address provided by a submitting registered limited liability partnership or  
22 foreign limited liability partnership in accordance with this section shall be considered  
23 confidential information and shall not be subject to disclosure under Chapter 132 of the General  
24 Statutes."

25 **SECTION 4.(b)** G.S. 59-35.2(a)(18) reads as rewritten:

26 "(a) The Secretary of State shall collect the following fees when the documents  
27 described in this subsection are submitted by a partnership to the Secretary of State for filing:

Document	Fee
28	
29	...
30	(18) Annual report ..... <u>200.00</u> <u>125.00</u>
31	...."

32  
33 **PART V. DISALLOWANCE OF REFUNDS OF PAID SALES AND USE TAXES**

34 **SECTION 5.(a)** G.S. 105-164.14 is amended by adding two new subsections to  
35 read:

36 "(d3) Business Entity Annual Reports. – For a period during which a business entity listed  
37 in this subsection has not submitted the required applicable annual report under Chapter 55,  
38 57D, or 59 of the General Statutes, the entity is not allowed a refund of sales and use taxes paid  
39 under this Article:

- 40 (1) A foreign corporation or domestic corporation. For purposes of this  
41 subdivision, the terms "foreign corporation" and "domestic corporation"  
42 have the same meaning as in Chapter 55 of the General Statutes.
- 43 (2) A limited liability company. For purposes of this subdivision, the term  
44 "limited liability company" has the same meaning as in Chapter 57D of the  
45 General Statutes.
- 46 (3) A registered limited liability partnership or foreign limited liability  
47 partnership. For purposes of this subdivision, the terms "registered limited  
48 liability partnership" and "foreign limited liability partnership" have the  
49 same meaning as in Chapter 59 of the General Statutes.

50 (d4) Subsequent Eligibility of Business Entity; Construction. – Upon providing evidence  
51 satisfactory to the Secretary that the required annual report has been filed, an entity subject to



1 subsection (d3) of this section is allowed a refund of sales and use taxes paid under this Article.  
2 Nothing in this subsection shall be construed as exempting the entity from subsection (d) of this  
3 section or any other applicable requirements governing the application for a refund under this  
4 section."

5 **SECTION 5.(b)** G.S. 105-164.14(d3), as enacted by subsection (a) of this section,  
6 reads as rewritten:

7 "(d3) Business Entity Annual Reports. – For a period during which a business entity listed  
8 in this subsection has not submitted the required applicable annual report under Chapter 55,  
9 55A, 57D, or 59 of the General Statutes, the entity is not allowed a refund of sales and use  
10 taxes paid under this Article:

- 11 (1) A foreign corporation or domestic corporation. For purposes of this  
12 subdivision, the terms "foreign corporation" and "domestic corporation"  
13 have the same meaning as in Chapter 55 of the General Statutes.
- 14 (2) A limited liability company. For purposes of this subdivision, the term  
15 "limited liability company" has the same meaning as in Chapter ~~57A-57D~~  
16 of the General Statutes.
- 17 (3) A registered limited liability partnership or foreign limited liability  
18 partnership. For purposes of this subdivision, the terms "registered limited  
19 liability partnership" and "foreign limited liability partnership" have the  
20 same meaning as in Chapter 59 of the General Statutes.
- 21 (4) A nonprofit corporation. For purposes of this subdivision, the term  
22 "nonprofit corporation" has the same meaning as in Chapter 55A of the  
23 General Statutes."

24 **SECTION 5.(c)** The Secretary of State and the Department of Revenue shall  
25 jointly develop a process for verifying whether an applicant for a refund under G.S. 105-164.14  
26 has submitted all required annual reports. The Secretary of State and the Department of  
27 Revenue shall share with one another, upon request and to the extent permitted by federal law,  
28 information that is in their possession that is relevant to verifying whether an applicant for a  
29 refund under G.S. 105-164.14 has submitted all required annual reports. The Secretary of State  
30 and the Department of Revenue shall have the process required under this section operational  
31 prior to the effective date of subsection (a) of this section.  
32

## 33 **PART VI. REINSTATEMENT FEE REVISION**

34 **SECTION 6.** G.S. 105-232 reads as rewritten:

35 **"§ 105-232. Rights restored; receivership and liquidation.**

36 (a) Any corporation or limited liability company whose articles of incorporation,  
37 articles of organization, or certificate of authority to do business in this State has been  
38 suspended by the Secretary of State under G.S. 105-230, that complies with all the  
39 requirements of this Subchapter and pays all State taxes, fees, or penalties due from it (which  
40 total amount due may be computed, for years prior and subsequent to the suspension, in the  
41 same manner as if the suspension had not taken place), and pays to the Secretary of Revenue a  
42 fee of ~~twenty five fifty~~ dollars (~~\$25.00~~–~~\$50.00~~) to cover the cost of reinstatement, is entitled  
43 to exercise again its rights, privileges, and franchises in this State. The Secretary of Revenue  
44 shall notify the Secretary of State of this compliance and the Secretary of State shall reinstate  
45 the corporation or limited liability company by appropriate entry upon the records of the office  
46 of the Secretary of State. Upon entry of reinstatement, it relates back to and takes effect as of  
47 the date of the suspension by the Secretary of State and the corporation or limited liability  
48 company resumes carrying on its business as if the suspension had never occurred, subject to  
49 the rights of any person who reasonably relied, to that person's prejudice, upon the suspension.  
50 The Secretary of State shall immediately notify by mail the corporation or limited liability  
51 company of the reinstatement.

1       (a1) The Secretary of Revenue shall remit twenty-five dollars (\$25.00) from each fee  
2 collected under subsection (a) of this section to the Secretary of State to be used solely to cover  
3 its share of the cost of reinstatement under subsection (a) of this section, and any funds  
4 received under this subsection are hereby appropriated for the maximum amount necessary to  
5 achieve this purpose. Any funds received by the Secretary of State under this subsection that  
6 are in excess of the amount needed to cover the Secretary of State's share of the cost of  
7 reinstatement under subsection (a) of this section shall revert to the General Fund.

8       ...."

## 10   **PART VII. PROGRAM EVALUATION DIVISION STUDY**

11       **SECTION 7.** The Joint Legislative Program Evaluation Oversight Committee shall  
12 amend the 2018-2019 Program Evaluation Division work plan to direct the Program Evaluation  
13 Division to study the effect implementation of this act will have on the staffing levels and  
14 customer service demands at the Office of the Secretary of State and the Department of  
15 Revenue. The Program Evaluation Division shall report the results of the study to the chairs of  
16 the Joint Legislative Program Evaluation Oversight Committee and the Joint Legislative  
17 Oversight Committee on General Government on or before August 1, 2019.

## 19   **PART VIII. EFFECTIVE DATE**

20       **SECTION 8.** For entities having gross revenues of at least one hundred  
21 seventy-five thousand dollars (\$175,000) in their fiscal year ending in 2017, Parts I, II, and IV  
22 of this act become effective January 1, 2018, and apply to annual reports due on or after that  
23 date. For entities having gross revenues less than one hundred seventy-five thousand dollars  
24 (\$175,000) in their fiscal year ending in 2017, Parts I, II, and IV of this act become effective  
25 January 1, 2019, and apply to annual reports due on or after that date. Subsection (a) of Section  
26 5 of this act becomes effective January 1, 2018. Part III of this act becomes effective January 1,  
27 2019, and applies to annual reports due on or after that date. Subsection (b) of Section 5 of this  
28 act becomes effective January 1, 2019. Section 6 of this act is effective when it becomes law  
29 and applies to fees collected on or after that date. The remainder of this act is effective when it  
30 becomes law.