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SENATE BILL DRS35060-MLf-18C (12/08)

Short Title: Annual Report Modernization. (Public)

Sponsors: Senators Wells and Tarte (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT REVISING THE LAWS GOVERNING THE SUBMISSION OF ANNUAL REPORTS
BY VARIOUS BUSINESS ENTITIES TO THE SECRETARY OF STATE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 55-16-22 reads as rewritten:

"§ 55-16-22. **Annual report.**

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

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

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

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

- (1) The name of the corporation and the state or country under whose law it is incorporated.
- (2) The street address, and the mailing address if different from the street address, of the registered office, the county in which its registered office is located, ~~and~~ the name and e-mail address of its registered agent at that office in this State, and a statement of any change of ~~such~~ the registered office or registered agent, ~~or both agent.~~
- (3) The address and telephone number of its principal office.
- (4) The names, titles, and physical business addresses of its principal ~~officers~~ officers and any other person who has actual authority to bind the corporation.
- ...
- (5) A brief description of the nature of its business.
- (6) A valid e-mail address for the corporation, if different from the e-mail address provided under subdivision (2) of this subsection.



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

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

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

12 (d) Incomplete Information; Civil Penalty; Criminal Penalty. – If an annual report does not
13 ~~contain the information required by this section, the Secretary of State shall promptly notify the~~
14 ~~reporting domestic or foreign corporation in writing and return the report to it for correction.~~
15 completely and accurately contain the information required under subdivisions (2) and (4) of
16 subsection (a3) of this section, the Secretary of State may assess a penalty of two hundred fifty
17 dollars (\$250.00). In addition, any person who willfully fails to completely and accurately provide
18 the information required under subdivisions (2) and (4) of subsection (a3) of this section shall be
19 punished the same as in G.S. 55D-18. If the report is corrected to contain the information required
20 by this section and delivered submitted, with payment of any penalty assessed under this
21 subsection, to the Secretary of State within 30 days after the effective date of notice, it is deemed
22 to be timely filed.

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

26 ...

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

30 (h) Delinquency. – If the Secretary of State does not receive an annual report within ~~120~~
31 60 days of the date the ~~return~~ report is due, the Secretary of State may presume that the annual
32 report is delinquent. This presumption may be rebutted ~~by receipt of the annual report from the~~
33 ~~Secretary of Revenue or by evidence~~ satisfactory to the Secretary of State of delivery submission
34 presented by the filing corporation.

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

41 **SECTION 2.** G.S. 55-14-22(b) reads as rewritten:

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

49 **SECTION 3.** G.S. 55-1-22 reads as rewritten:

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

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

3 Document	4 Fee
5 (23) Annual report (paper)	25.00
6 (23a) Annual report (electronic)	18.00 125.00

7 ...
 8 (d) The fee for the annual report in subdivision ~~(23)~~(23a) of subsection (a) of this section
 9 is nonrefundable. Notwithstanding any provision of law to the contrary, the State Treasurer shall
 10 remit the sum of two dollars (\$2.00) of each fee collected under subdivision (23a) of subsection
 11 (a) of this section to the Secretary of State to be used for the purpose set forth in G.S. 66-58.12(c).
 12 Any funds received under this subsection are hereby appropriated for the purpose designated in
 13 this subsection.

14 (e) Notwithstanding G.S. 147-86.22(b) or any other provision of law to the contrary, and
 15 with respect to the submission of an annual report required under G.S. 55-16-22, the Secretary of
 16 State shall not charge an additional amount for the use of electronic filing, electronic payment, or
 17 electronic filing and payment."

18 **SECTION 4.** G.S. 57D-2-24 reads as rewritten:
 19 **"§ 57D-2-24. Annual report for Secretary of State.**

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

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

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

50 (b) Due Date for Initial Annual Report. – The Secretary of State must notify limited
 51 liability companies of the annual report filing requirement. The first annual report of a limited

1 liability company is due to be ~~delivered~~submitted to the Secretary of State by April 15 of the year
 2 following (i) in the case of an LLC, the calendar year in which the LLC's articles of organization
 3 or articles of organization and conversion filed by the Secretary of State become effective or (ii) in
 4 the case of a foreign LLC, the calendar year in which the Secretary of State issues to the foreign
 5 LLC a certificate of authority to transact business in this State.

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

16 (c) Incomplete Information; Civil Penalty; Criminal Penalty. – If an annual report does not
 17 ~~contain the information required by this section, the Secretary of State shall promptly notify the~~
 18 ~~reporting limited liability company in writing and return the report to it for correction. completely~~
 19 ~~and accurately contain the information required under subdivisions (3) and (5) of subsection (a1)~~
 20 ~~of this section, the Secretary of State may assess a penalty of two hundred fifty dollars (\$250.00).~~
 21 In addition, any person who willfully fails to completely and accurately provide the information
 22 required under subdivisions (3) and (5) of subsection (a1) of this section shall be punished the
 23 same as in G.S. 55D-18. If the report is corrected to contain the information required by this
 24 section and ~~delivered~~submitted, with payment of any penalty assessed under this subsection, to
 25 the Secretary of State within 30 days after the effective date of notice, it is deemed to be timely
 26 ~~delivered~~submitted.

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

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

36 **SECTION 5.** G.S. 57D-1-22 reads as rewritten:

37 "**§ 57D-1-22. Filing, service, and copying fees.**

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

Document	Fee
40 ...	
41 (28) Annual report	200.00 <u>125.00</u>
42 ...	

43 (d) Notwithstanding G.S. 147-86.22(b) or any other provision of law to the contrary, and
 44 with respect to the submission of an annual report required under G.S. 57D-2-24, the Secretary of
 45 State shall not charge an additional amount for the use of electronic filing, electronic payment, or
 46 electronic filing and payment.

47 (e) Notwithstanding any provision of law to the contrary, the State Treasurer shall remit
 48 the sum of two dollars (\$2.00) of each fee collected under subdivision (28) of subsection (a) of
 49 this section to the Secretary of State to be used for the purpose set forth in G.S. 66-58.12(c). Any
 50 of this section to the Secretary of State to be used for the purpose set forth in G.S. 66-58.12(c). Any

1 funds received under this subsection are hereby appropriated for the purpose designated in this
2 subsection."

3 **SECTION 6.** Article 16 of Chapter 55A of the General Statutes is amended by adding
4 a new section to read:

5 **"§ 55A-16-22.1. Annual report for the Secretary of State.**

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

- 9 (1) The name of the corporation and the state or country under whose law it is
10 incorporated.
- 11 (2) The street address, and the mailing address if different from the street address,
12 of the registered office, the county in which its registered office is located, the
13 name and e-mail address of its registered agent at that office in this State, and a
14 statement of any change of the registered office or registered agent.
- 15 (3) The address and telephone number of its principal office.
- 16 (4) The names, titles, and physical business addresses of its officers who have
17 actual authority to bind the corporation.
- 18 (5) A brief description of the nature of its activities.
- 19 (6) Whether or not it has members.
- 20 (7) A valid e-mail address for the corporation, if different from the e-mail address
21 provided under subdivision (2) of this subsection.

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

24 (c) Due Date. – The first annual report of the corporation shall be submitted to the
25 Secretary of State by May 15 of the year following formation. The corporation shall submit
26 subsequent annual reports to the Secretary of State by May 15.

27 (d) Incomplete Information; Civil Penalty; Criminal Penalty. – If an annual report does not
28 completely and accurately contain the information required under subdivisions (2) and (4) of
29 subsection (a) of this section, the Secretary of State may assess a penalty of two hundred fifty
30 dollars (\$250.00). In addition, any person who willfully fails to completely and accurately provide
31 the information required under subdivisions (2) and (4) of subsection (a) of this section shall be
32 punished the same as in G.S. 55D-18. If the report is corrected to contain the information required
33 by this section and submitted to the Secretary of State within 30 days after the effective date of
34 notice, it is deemed to be timely filed.

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

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

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

48 **SECTION 7.** G.S. 55A-14-20 reads as rewritten:

49 **"§ 55A-14-20. Grounds for administrative dissolution.**

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

- 1 (1) The corporation does not pay within 60 days after they are due any penalties,
- 2 fees, or other payments due under this ~~Chapter;~~Chapter.
- 3 ...
- 4 (2a) The corporation is delinquent in submitting its annual report.
- 5 (3) The corporation is without a registered agent or registered office in this State
- 6 for 60 days or ~~more;~~more.
- 7 (4) The corporation does not notify the Secretary of State within 60 days that its
- 8 registered agent or registered office has been changed, that its registered agent
- 9 has resigned, or that its registered office has been ~~discontinued;~~discontinued.
- 10 (5) The corporation's period of duration stated in its articles of incorporation
- 11 ~~expires;~~expires.
- 12 (6) The corporation knowingly fails or refuses to answer truthfully and fully within
- 13 the time prescribed in this Chapter interrogatories propounded by the Secretary
- 14 of State in accordance with the provisions of this ~~Chapter;~~ or Chapter.
- 15 (7) The corporation does not designate the address of its principal office with the
- 16 Secretary of State or does not notify the Secretary of State within 60 days that
- 17 the principal office has changed."

18 **SECTION 8.** G.S. 55A-14-22(b) reads as rewritten:

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

26 **SECTION 9.** G.S. 55A-1-22 reads as rewritten:

27 "**§ 55A-1-22. Filing, service, and copying fees.**

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

Document	Fee
...	
(29) <u>Annual Report</u>	<u>No fee</u>

30 ...

31 (d) Notwithstanding G.S. 147-86.22(b) or any other provision of law to the contrary, and
 32 with respect to the submission of an annual report required under G.S. 55A-16-22.1, the Secretary
 33 of State shall not charge an additional amount for the use of electronic filing, electronic payment,
 34 or electronic filing and payment."

35 **SECTION 10.** G.S. 105-256.1 and G.S. 105-228.90(a)(2) are repealed.

36 **SECTION 11.** G.S. 59-84.4 reads as rewritten:

37 "**§ 59-84.4. Annual report for Secretary of State.**

38 (a) Requirement. – Each registered limited liability partnership and each foreign limited
 39 liability partnership authorized to transact business in this State shall ~~deliver~~ submit to the
 40 Secretary of State for filing an annual report, in ~~a~~ an electronic form prescribed by the Secretary of
 41 State, that sets forth all of the following:

- 42 (1) The name of the registered limited liability partnership or foreign limited
- 43 liability partnership and the state or country under whose law it is formed.
- 44 (2) The street address, and the mailing address if different from the street address,
- 45 of the registered office, the county in which the registered office is located, and
- 46 the name and e-mail address of its registered agent at that office in this State,
- 47
- 48
- 49
- 50

1 and a statement of any change of the registered office or registered agent, or
2 both.

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

4 (4) A brief description of the nature of its business.

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

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

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

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

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

19 (d) Incomplete Information; Civil Penalty; Criminal Penalty. – If an annual report does not
20 completely and accurately contain the information required ~~by~~ under subdivision (2) of subsection
21 (a) of this section, the Secretary of State shall ~~promptly notify the reporting registered or foreign~~
22 limited liability partnership in writing and return the report to it for correction. assess a penalty of
23 two hundred fifty dollars (\$250.00). In addition, any person who willfully fails to completely and
24 accurately provide the information required under subdivision (2) of subsection (a) of this section
25 shall be punished the same as in G.S. 55D-18. If the report is corrected to contain the information
26 required by this section and ~~delivered~~ submitted, with payment of any penalty assessed under this
27 subsection, to the Secretary of State within 30 days after the effective date of notice, it is deemed
28 to be timely filed.

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

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

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

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

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

44 (4) The registered limited liability partnership or foreign limited liability
45 partnership does not notify the Secretary of State within 60 days of the change,
46 resignation, or discontinuance that its registered agent or registered office has
47 been changed, that its registered agent has resigned, or that its registered office
48 has been discontinued.

49 (g) Revocation Process. – If the Secretary of State determines that one or more grounds
50 exist under subsection (f) of this section for revoking the registration of the registered limited
51 liability partnership or foreign limited liability partnership, the Secretary of State shall mail the

1 registered limited liability partnership or foreign limited liability partnership written notice of that
2 determination. If, within 60 days after the notice is mailed, the registered limited liability
3 partnership or foreign limited liability partnership does not correct each ground for revocation or
4 demonstrate to the reasonable satisfaction of the Secretary of State that each ground does not exist,
5 the Secretary of State shall revoke the registration of a registered limited liability partnership or
6 foreign limited liability partnership by signing a certificate of revocation that recites the ground or
7 grounds for revocation and its effective date. The Secretary of State shall file the original
8 certificate of revocation and mail a copy to the registered limited liability partnership or foreign
9 limited liability partnership.

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

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

29 **SECTION 12.** G.S. 59-35.2 reads as rewritten:

30 "**§ 59-35.2. Filing, service, and copying fees.**

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

Document	Fee
33 ...	
34 (18) Annual report	200.00125.00
35 ...	
36 ...	

37 (d) Notwithstanding G.S. 147-86.22(b) or any other provision of law to the contrary, and
38 with respect to the submission of an annual report required under G.S. 59-84.4, the Secretary of
39 State shall not charge an additional amount for the use of electronic filing, electronic payment, or
40 electronic filing and payment.

41 (e) Notwithstanding any provision of law to the contrary, the State Treasurer shall remit
42 the sum of two dollars (\$2.00) of each fee collected under subdivision (18) of subsection (a) of
43 this section to the Secretary of State to be used for the purpose set forth in G.S. 66-58.12(c). Any
44 funds received under this subsection are hereby appropriated for the purpose designated in this
45 subsection."

46 **SECTION 13.** G.S. 105-164.14 is amended by adding two new subsections to read:

47 "(d3) Business Entity Annual Reports. – For a period during which a business entity listed in
48 this subsection has not submitted the required applicable annual report under Chapter 55, 57D, or
49 59 of the General Statutes, the entity is not allowed a refund of sales and use taxes paid under this
50 Article:

1 (1) A foreign corporation or domestic corporation. For purposes of this
2 subdivision, the terms "foreign corporation" and "domestic corporation" have
3 the same meaning as in Chapter 55 of the General Statutes.

4 (2) A limited liability company. For purposes of this subdivision, the term "limited
5 liability company" has the same meaning as in Chapter 57A of the General
6 Statutes.

7 (3) A registered limited liability partnership or foreign limited liability partnership.
8 For purposes of this subdivision, the terms "registered limited liability
9 partnership" and "foreign limited liability partnership" have the same meaning
10 as in Chapter 59 of the General Statutes.

11 (d4) Subsequent Eligibility of Business Entity; Construction. – Upon providing evidence
12 satisfactory to the Secretary that the required annual report has been filed, an entity subject to
13 subsection (d3) of this section is allowed a refund of sales and use taxes paid under this Article.
14 Nothing in this subsection shall be construed as exempting the entity from subsection (d) of this
15 section or any other applicable requirements governing the application for a refund under this
16 section."

17 **SECTION 14.** G.S. 105-164.14(d3), as enacted by Section 13 of this act, reads as
18 rewritten:

19 "(d3) Business Entity Annual Reports. – For a period during which a business entity listed in
20 this subsection has not submitted the required applicable annual report under Chapter 55, 55A,
21 57D, or 59 of the General Statutes, the entity is not allowed a refund of sales and use taxes paid
22 under this Article:

23 (1) A foreign corporation or domestic corporation. For purposes of this
24 subdivision, the terms "foreign corporation" and "domestic corporation" have
25 the same meaning as in Chapter 55 of the General Statutes.

26 (2) A limited liability company. For purposes of this subdivision, the term "limited
27 liability company" has the same meaning as in Chapter 57A of the General
28 Statutes.

29 (3) A registered limited liability partnership or foreign limited liability partnership.
30 For purposes of this subdivision, the terms "registered limited liability
31 partnership" and "foreign limited liability partnership" have the same meaning
32 as in Chapter 59 of the General Statutes.

33 (4) A nonprofit corporation. For purposes of this subdivision, the term "nonprofit
34 corporation" has the same meaning as in Chapter 55A of the General Statutes."

35 **SECTION 15.** The Secretary of State and the Department of Revenue shall jointly
36 develop a process for verifying whether an applicant for a refund under G.S. 105-164.14 has
37 submitted all required annual reports. The Secretary of State and the Department of Revenue shall
38 share with one another, upon request and to the extent permitted by federal law, information that is
39 in their possession that is relevant to verifying whether an applicant for a refund under
40 G.S. 105-164.14 has submitted all required annual reports. The Secretary of State and the
41 Department of Revenue shall have the process required under this section operational prior to the
42 effective date of Section 13 of this act.

43 **SECTION 16.** G.S. 105-232 reads as rewritten:

44 "**§ 105-232. Rights restored; receivership and liquidation.**

45 (a) Any corporation or limited liability company whose articles of incorporation, articles
46 of organization, or certificate of authority to do business in this State has been suspended by the
47 Secretary of State under G.S. 105-230, that complies with all the requirements of this Subchapter
48 and pays all State taxes, fees, or penalties due from it (which total amount due may be computed,
49 for years prior and subsequent to the suspension, in the same manner as if the suspension had not
50 taken place), and pays to the Secretary of Revenue a fee of ~~twenty five~~ fifty dollars (~~\$25.00~~)
51 (\$50.00) to cover the cost of reinstatement, is entitled to exercise again its rights, privileges, and

1 franchises in this State. The Secretary of Revenue shall notify the Secretary of State of this
2 compliance and the Secretary of State shall reinstate the corporation or limited liability company
3 by appropriate entry upon the records of the office of the Secretary of State. Upon entry of
4 reinstatement, it relates back to and takes effect as of the date of the suspension by the Secretary of
5 State and the corporation or limited liability company resumes carrying on its business as if the
6 suspension had never occurred, subject to the rights of any person who reasonably relied, to that
7 person's prejudice, upon the suspension. The Secretary of State shall immediately notify by mail
8 the corporation or limited liability company of the reinstatement.

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

16"

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

24 **SECTION 18.** Sections 1 through 5 and 10 through 12 of this act become effective
25 January 1, 2018, and apply to annual reports due on or after that date. Section 13 of this act
26 becomes effective January 1, 2018. Sections 6 through 9 and Section 14 of this act become
27 effective January 1, 2019. Section 16 of this act is effective when it becomes law and applies to
28 fees collected on or after that date. The remainder of this act is effective when it becomes law.