

HB 530-FN – AS INTRODUCED

2013 SESSION

13-0215
03/10

HOUSE BILL ***530-FN***

AN ACT relative to annual reporting requirements for business entities.

SPONSORS: Rep. D. McGuire, Merr 21

COMMITTEE: Commerce and Consumer Affairs

ANALYSIS

This bill allows business entities to file annual reports only once every 3 years. This bill also changes when reports by voluntary corporations are due.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears [~~in brackets and struck through~~].
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Thirteen

AN ACT relative to annual reporting requirements for business entities.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Voluntary Corporations; Returns. Amend RSA 292:25, I to read as follows:

2 I. Every corporation organized under this chapter or by act of the legislature shall, during
3 the calendar year 1990, and every 5 years thereafter, **or, at the election of the corporation, upon**
4 **every fifth anniversary of the corporation's formation**, make a return in writing to the
5 secretary of state upon blanks to be furnished by ~~him~~ **the secretary of state** and shall pay a fee of
6 \$25. The return shall be signed by the president or other officer of said corporation. The return shall
7 state the corporation's principal address and the names and addresses of all the officers and directors
8 or the governing board of the corporation. Any corporation which does not renew its charter as
9 provided in this subdivision shall have its charter repealed, revoked, and annulled; shall lose any
10 right or title to the name under which it was incorporated; and shall be so advised in writing by the
11 secretary of state.

12 2 Business Corporations; Reports. Amend RSA 292-A:16.22(c) to read as follows:

13 (c) The first annual report shall be delivered to the secretary of state between January 1
14 and April 1 of the year following the calendar year in which a domestic corporation was incorporated
15 or a foreign corporation was authorized to transact business; provided, however, that a foreign
16 corporation that has received its certificate of authority at any time between December 1 of the
17 preceding year and April 1, or a domestic corporation which has received its certificate of
18 incorporation during the same period shall not be required to file an annual report during that year.
19 Subsequent annual reports shall be delivered to the secretary of state ~~[between January 1 and April~~
20 ~~1 of the following calendar years]~~ **on or before each third anniversary of the corporation's**
21 **incorporation or authorization to transact business.**

22 3 Professional Corporations; Reports. Amend RSA 294-A:24, II to read as follows:

23 II. The corporation for ~~[2]~~ **4** consecutive years does not deliver its annual report to the
24 secretary of state within 60 days after it is due;

25 4 Consumers' Cooperative Associations; Report. Amend RSA 301-A:31 to read as follows:

26 301-A:31 Annual Report.

27 I. Every association organized under this chapter shall prepare and submit to ~~[its]~~ **every**
28 **third** annual meeting, and shall deliver to the secretary of state, a report of its condition, signed
29 under the penalties of perjury by the president or treasurer. Such report shall be made on or before
30 ~~[April 1 of each year; provided, however, that any association which has received its certificate of~~
31 ~~organization at any time between December 1 of the preceding year and April 1 shall not be required~~

1 ~~to file an annual report during that year]~~ ***each third anniversary of the association's***
2 ***incorporation.*** The annual report shall be made on forms prescribed and furnished by the
3 secretary of state on request, and the information in the report shall be given as of the preceding
4 January 1.

5 II. The report shall state the name and principal address of the association; the names and
6 addresses of the officers and directors; a general statement of its business operations during the
7 fiscal year; the amount of paid-in capital and number of shareholders, if a share association; the total
8 number of members, including the number admitted or withdrawn during the year, if a nonshare
9 association; and the total receipts, expenditures, assets, and liabilities of the association. The report
10 shall be available for inspection by any member during normal working hours.

11 III. The secretary of state shall biennially notify every association which has failed to file its
12 annual report for [2] 4 consecutive years of such delinquency and shall notify the corporation by mail
13 that its charter shall be forfeited.

14 5 Consumers' Cooperative Associations; Grounds for Administrative Dissolution. Amend
15 RSA 301-A:32-a, II to read as follows:

16 II. The association for [2] 4 consecutive years does not deliver its annual report to the
17 secretary of state within 60 days after it is due.

18 6 Limited Liability Companies; Administrative Dissolution. Amend RSA 304-C:136, II to read
19 as follows:

20 II. The limited liability company for [2] 4 consecutive years does not deliver its annual report
21 to the secretary of state within 60 days after it is due;

22 7 Limited Liability Companies; Fees. Amend RSA 304-C:191, II(f) to read as follows:

23 (f) Upon receipt for filing of an annual report under RSA 304-C:194, a fee in the amount
24 of \$100; for failure or refusal to file an annual report or pay the filing fee on or before [~~April 1 of any~~
25 ~~year]~~ ***each third anniversary of the limited liability company's formation***, an additional late
26 filing fee in the amount of \$50; upon receipt for filing of an application for reinstatement under
27 RSA 304-C:138, I, a fee of \$135; and upon receipt for filing of an application for late reinstatement
28 under RSA 304-C:145, I a fee of \$500.

29 8 Limited Liability Companies; Reports. Amend RSA 304-C:194, III to read as follows:

30 III.(a) Except as provided in subparagraph (b), the first annual report shall be delivered to
31 the secretary of state between January 1 and April 1 of the year following the calendar year in which
32 a domestic limited liability company was formed or a foreign limited liability company was registered
33 to do business. ***Subsequent annual reports shall be delivered to the secretary of state on or***
34 ***before each third anniversary of the limited liability company's formation or registration.***

35 (b) A foreign limited liability company that has registered at any time between
36 December 1 of the preceding year and April 1 of the current calendar year, or a domestic limited
37 liability company that was formed during the same period, shall not be required to file an annual

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1 report during that year. Subsequent annual reports shall be delivered to the secretary of state
2 [~~between January 1 and April 1 of the following calendar years~~] *on or before each third*
3 *anniversary of the limited liability company's formation or registration.*

4 9 Effective Date. This act shall take effect July 1, 2013.

LBAO
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HB 530-FN - FISCAL NOTE

AN ACT relative to annual reporting requirements for business entities.

FISCAL IMPACT:

The Department of State indicates this bill, **as introduced**, will decrease state revenue by \$5,417,523 in FY 2014 and each year thereafter. This bill will have no fiscal impact on state, county, and local expenditures, or county and local revenue.

METHODOLOGY:

The Department of State indicates this bill would require business entities to file returns once every 3 years instead of every year, and not allow administrative dissolutions until 4 years after not filing a return instead of two years. The Department bases its estimate on FY 2012 revenue of \$7,526,285. The Department estimates, under this bill, it will lose 2/3 of its annual return revenue or \$5,017,523, and half of its late fee revenue or \$400,000. State revenue would decrease by \$5,417,523 per year (\$5,017,523 + \$400,000). The Department does not expect a decrease in expenditures attributable to this bill. Although the volume of annual returns would decrease by 2/3, the same number of business entities would still be serviced. The Department also believes it will see an increase in customer service calls due to longer intervals between filings. The Department notes its Corporate Division is funded by the revenue it collects and lapses the balance to the state general fund. In FY 2012, the lapse to the state general fund was \$4,000,000. According to the Department, if this bill passes, the Corporate Division would be underfunded by \$1,000,000.