

House Research Act Summary

CHAPTER: 395

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Overview

This bill relates to the secretary of state's processes for registering corporations and other entities, and to certain other matters relating to the secretary of state's office. The bill generally requires the secretary of state to mail annual registration forms to existing entities, and provides for more immediate dissolution or termination of some entities for failure to register than is provided in current law. The bill also makes changes to some of the fees the secretary of state is permitted to charge. Finally, the bill makes some largely technical changes to the statutes governing digital signatures.

Section

- 1 **Fees.** Permits the secretary of state to provide a person making a filing with a copy of the filing at the time the filing occurs, provided the filing is ten pages or fewer in length. Current law requires the secretary of state to charge set fees for copies of documents.
- 2 **Transaction surcharge.** Permits the secretary of state to impose a \$20 surcharge on all expedited service the office provides. Current law permits the surcharge for over-the-counter expedited service only.
- 3 **Bulk agent name and address changes.** Provides an upper limit of \$10,000 on the fee for all amendments filed by certain entities when they change names or addresses.
- 4 **Executive branch state agency.** Provides that this term means an agency in the executive branch, but does not include constitutional officers.
- 5 **Minnesota corporate registration.** Changes the system of registration for Minnesota corporations. This section requires the secretary of state to mail a registration form to every corporation every year.
- 6 **Foreign corporate filings.** Makes changes to the filing requirements for foreign corporations. Requires the secretary of state to send a registration form to each foreign corporation annually. The section also revises the content of the required registration somewhat.

- 7 **Other instruments.** Eliminates a provision stating that a foreign corporation must pay a \$20 fee to file an annual report.
- 8 **Periodic registration.** This new language requires cooperatives to register in odd-numbered years. In these years, the secretary of state is required to mail a registration form to all cooperatives, and the cooperative must file the registration by December 31 with the required information. The secretary of state is required to dissolve any cooperative that does not file in any year. In order to be reinstated, a cooperative must pay a \$25 fee and reregister.
- 9 **Extension by amendment.** Provides that existing language permitting a nonprofit corporation to extend its existence by amending its articles of incorporation applies to nonprofits that expired before 1990.
- 10 **Annual corporate registration.** Provides that the secretary of state must send an annual registration form to all nonprofit corporations. The corporation must file by December 31 of each calendar year or be dissolved.
- 11 **Continuation for certain purposes; reinstatement.** Omits existing language relating to administrative dissolution process for nonprofits.
- 12 **Non-Minnesota trusts.** Provides that trust associations located outside Minnesota may register using the process provided for Minnesota trusts.
- 13 **Annual registration.** Requires limited liability companies to register with the secretary of state every year, rather than every other year as in current law. This section contains requirements similar to previous sections regarding the secretary of state's obligation to send annual registration forms and the fact that a company that fails to register is subject to termination. Reduces the fee to reinstate a limited liability company.
- 14 **Annual registration.** Requires annual registration for partnerships similar to what is provided for limited liability companies in section 13, including the annual registration form and the consequences of failure to register.
- 15 **License conditions.** Clarifies language related to digital signature certification authorities.
- 16 **Civil penalty.** Eliminates language providing an alternate civil penalty limit for certification authorities, leaving only the current limit of \$5,000.
- 17 **Conditions.** Requires face-to-face contact before a certification authority may issue a certificate to a subscriber.
- 18 **Publication.** Clarifies language.
- 19 **Qualified right to payment.** Provides that in order to recover a qualified right of payment against a surety or issuer of a suitable guaranty, the claimant must file the claim with the issuer of the guarantee rather than the secretary of state.
- 20 **Satisfaction of signature requirements.** Provides that digital signatures of public and local officials on government records are sufficient to meet legal signature requirements.
- 21 **Acknowledgments.** Clarifies language. Provides that where digital signatures are used as acknowledgments, the certification authority is liable as a notary would be for failure to satisfy the requirements for acknowledgments.
- 22 **Computerized filing system.** Provides that law enforcement shall have access to the secretary of state's computerized filing system for law enforcement purposes at no charge.
- 23 **Repealer.** Repeals requirement that foreign corporations pay an annual fee to the secretary of state; language outlining some of the procedures to be followed regarding foreign corporation annual reports, including the requirement that the secretary of state establish forms and the requirement that the secretary of state not divulge certain information contained in the report; and a provision allowing a limited liability company to amend its registration on a biennial

registration form (these companies are required to file annually under this bill).

24 **Effective date.** Provides that sections 5, 6, 7, 10, 11, 13 and 14 are effective the day following final enactment.