

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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SENATE BILL 362
Commerce and Insurance Committee Substitute Adopted 4/18/19
Finance Committee Substitute Adopted 6/18/19

Short Title: Annual Report Standardization.

(Public)

Sponsors:

Referred to:

March 27, 2019

1 A BILL TO BE ENTITLED
2 AN ACT REVISING THE LAWS GOVERNING THE SUBMISSION OF ANNUAL
3 REPORTS BY VARIOUS 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, report to the Secretary of State.**

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 an annual report ~~directly~~ to the Secretary of State in electronic form ~~or~~
12 ~~in paper form~~ as prescribed by the Secretary of State under this section.

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

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

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

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

23 (2) The street address, and the mailing address if different from the street address,
24 of the registered ~~office,~~ office in this State, the county in which its registered
25 office is located, ~~and~~ the name of its registered agent and e-mail address at
26 that ~~office in this State,~~ office, and a statement of any change of ~~such the~~
27 registered office or registered ~~agent, or both agent.~~

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

29 (4) The names, titles, and business street addresses of its principal
30 ~~officers, officers and the name, mailing address, e-mail address, and telephone~~
31 number of an individual who is authorized to provide information regarding
32 persons with the authority to bind the corporation.

33 (4a) Repealed by Session Laws 1997-475, s. 6.1, effective January 1, 1998.

34 (5) A brief description of the nature of its business.



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

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

(a4) ~~[Form; Certain Veteran-Owned Businesses.]~~ Form; Certain Veteran-Owned Businesses. – The ~~Secretary of Revenue and the~~ Secretary of State shall also provide appropriate space and instructions on the annual report form for a domestic corporation or foreign corporation to voluntarily indicate whether or not the corporation is a veteran-owned small business or a service-disabled veteran-owned small business.

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

(c) Due Date. – An annual report is due by the fifteenth day of the fourth month following the close of the domestic or foreign corporation's fiscal year.

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

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

(f) Expired.

(g) Repealed by Session Laws 2017-204, s. 1.13, effective August 11, 2017.

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

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

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

"§ 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~~ submitted to the Secretary for filing:

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

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

SECTION 1.(c) G.S. 55-14-22 reads as rewritten:

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

(a) A corporation administratively dissolved under G.S. 55-14-21 may apply to the Secretary of State for reinstatement. The application ~~must~~ must do all of the following:

(1) Recite the name of the corporation and the effective date of its administrative ~~dissolution; and~~ dissolution.

1 (2) State that the ground or grounds for dissolution either did not exist or have
2 been eliminated.

3 (3) Reserved.

4 (4) Repealed by Session Laws 1995, c. 539, s. 6.

5 (a1) If, at the time the corporation applies for reinstatement, the name of the corporation
6 is not distinguishable from the name of another entity authorized to be used under G.S. 55D-21,
7 ~~then~~ the corporation must change its name to a name that is distinguishable upon the records of
8 the Secretary of State from the name of the other entity before the Secretary of State may prepare
9 a certificate of reinstatement.

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

17 (c) When the reinstatement is effective, it relates back to and takes effect as of the date
18 of the administrative dissolution and the corporation resumes carrying on its business as if the
19 administrative dissolution had never occurred, subject to the rights of any person who reasonably
20 relied to ~~his~~ the person's prejudice upon the certificate of dissolution."

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

22 **SECTION 1.(e)** For entities having gross revenues of at least one hundred
23 seventy-five thousand dollars (\$175,000) in their fiscal year ending in 2018, the requirement to
24 file annual reports electronically under G.S. 55-16-22, as amended by subsection (a) of this
25 section, becomes effective January 1, 2020, and applies to annual reports due on or after that
26 date. For entities having gross revenues less than one hundred seventy-five thousand dollars
27 (\$175,000) in their fiscal year ending in 2018, the requirement to file annual reports electronically
28 under G.S. 55-16-22, as amended by subsection (a) of this section, becomes effective January 1,
29 2021, and applies to annual reports due on or after that date. The remainder of this section
30 becomes effective January 1, 2020, and applies to annual reports due on or after that date.

31 32 **PART II. LIMITED LIABILITY COMPANIES**

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

34 "**§ 57D-2-24. Annual report ~~for to the~~ Secretary of State.**

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

45 The following information must be included in each annual report:

46 (1) The name of the limited liability company and, in the case of a foreign LLC,
47 any different name that the foreign LLC is authorized under Article 3 of
48 Chapter 55D of the General Statutes to use to transact business in this State,
49 as provided in the foreign LLC's certificate of authority.

50 (2) In the case of a foreign LLC, the name of the jurisdiction under whose law the
51 foreign LLC is organized.

- 1 (3) The street address, and the mailing address if different from the street address,
2 of the limited liability company's registered office in ~~the~~this State, the county
3 in which the registered office is located, the name and e-mail address of its
4 registered agent at that office, and a statement of any change of the registered
5 office or registered agent.
- 6 (4) The address and telephone number of its principal office.
- 7 (5) The names, titles, and business street addresses of the limited liability
8 company's ~~principal company officials/managers, principal company~~
9 officials, and the name, mailing address, e-mail address, and telephone
10 number of an individual who is authorized to provide information regarding
11 persons with the authority to bind the LLC.
- 12 (6) A brief description of the nature of its business.
- 13 (7) An e-mail address for the limited liability company, if different from the
14 e-mail address provided under subdivision (3) of this subsection.
- 15 (a1) Form; Certain Veteran-Owned Businesses. – The Secretary of State shall also provide
16 appropriate space and instructions on the annual report form for a limited liability company to
17 voluntarily indicate whether or not it is a veteran-owned small business or a service-disabled
18 veteran-owned small business.
- 19 (b) Due Date for Initial Annual Report. – The Secretary of State must notify limited
20 liability companies of the annual report filing requirement. The first annual report of a limited
21 liability company is due to be ~~delivered~~submitted to the Secretary of State by April 15 of the
22 year following (i) in the case of an LLC, the calendar year in which the LLC's articles of
23 organization or articles of organization and conversion filed by the Secretary of State become
24 effective or (ii) in the case of a foreign LLC, the calendar year in which the Secretary of State
25 issues to the foreign LLC a certificate of authority to transact business in this State.
- 26 (b1) Due Date for Subsequent Annual Reports. – The limited liability company shall
27 ~~deliver~~submit an annual report by April 15 of each subsequent year until (i) in the case of an
28 LLC, the effective date of its articles of dissolution filed by the Secretary of State or the effective
29 date of either a certificate of dissolution for an LLC that is not reinstated under G.S. 57D-6-06(c)
30 or a decree of dissolution that is filed by the Secretary of State as provided in G.S. 57D-6-05; (ii)
31 in the case of a foreign LLC, the foreign LLC receives a certificate of withdrawal from the
32 Secretary of State or the Secretary of State revokes the foreign LLC's certificate of authority
33 under Part 3 of Article 7 of this Chapter; or (iii) in the case of either an LLC or foreign LLC, the
34 effective date of a merger or conversion under Article 9 of this Chapter in which the limited
35 liability company is a merging entity or a converting entity but not the surviving entity.
- 36 (c) Incomplete Information. – If an annual report does not contain the information
37 required by this section, the Secretary of State shall promptly notify the reporting limited liability
38 company in writing and return the report to it for correction. If the report is corrected to contain
39 the information required by this section and ~~delivered~~submitted to the Secretary of State within
40 30 days after the effective date of notice, it is deemed to be timely ~~delivered~~submitted.
- 41 (d) Amendments. – Amendments to any previously filed annual report may be ~~delivered~~
42 submitted for filing ~~by~~to the Secretary of State at any time for the purpose of correcting,
43 updating, or augmenting the information contained in the annual report.
- 44 (e) E-Mail; Confidentiality. – The Secretary of State may provide by e-mail any notice
45 or form required under this section if the submitting LLC to be notified has consented to receiving
46 notices and forms via e-mail and has provided the Secretary of State an e-mail address for
47 receiving the notices or forms. Any e-mail address provided by a submitting LLC in accordance
48 with this section is confidential information and is not a public record under Chapter 132 of the
49 General Statutes."

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

51 "**§ 57D-1-22. Filing, service, and copying fees.**

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

3 Document	4 Fee
5 (28) Annual report	200.00 <u>125.00</u>
6"	

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

8 "**§ 57D-6-06. Administrative dissolution.**

9 (a) The Secretary of State may administratively dissolve an LLC if the Secretary of State
 10 determines that the LLC has done any of the following:

11 (1) The LLC has not paid within 60 days after they are due any penalties, fees, or
 12 other payments due under this Chapter.

13 (2) The LLC does not deliver its annual report to the Secretary of State ~~on or~~
 14 ~~before the 60th day~~ within 60 days after it is due.

15 ...

16 (b) If the Secretary of State determines that one or more grounds exist under subsection
 17 (a) of this section for dissolving an LLC, the Secretary of State shall mail the LLC notice of that
 18 determination. If, within 60 days after the notice is mailed, the LLC does not correct each ground
 19 for dissolution or demonstrate to the satisfaction of the Secretary of State that each ground does
 20 not exist, the Secretary of State shall administratively dissolve the LLC by signing a certificate
 21 of dissolution that recites the ground or grounds for dissolution and the effective date of the
 22 dissolution. The Secretary of State shall file the original certificate of dissolution and mail a copy
 23 to the LLC.

24 (c) An LLC administratively dissolved under this section may apply to the Secretary of
 25 State for reinstatement. The procedures for reinstatement and for the appeal of any denial of the
 26 LLC's application for reinstatement are the same as those applicable to a domestic corporation
 27 under G.S. 55-14-22, 55-14-23, and 55-14-24. Any penalties, fees, or other payments due under
 28 this Chapter shall be paid prior to reinstatement. If, at the time the LLC applies for reinstatement,
 29 the name of the LLC is not distinguishable from the name of another entity authorized to be used
 30 under G.S. 55D-21, ~~then~~ the LLC must change its name to a name that is distinguishable on the
 31 records of the Secretary of State from the name of the other entity before the Secretary of State
 32 may prepare a certificate of reinstatement. The effect of reinstatement of an LLC is the same as
 33 for a domestic corporation under G.S. 55-14-22."

34 **SECTION 2.(d)** For entities having gross revenues of at least one hundred
 35 seventy-five thousand dollars (\$175,000) in their fiscal year ending in 2018, the requirement to
 36 file annual reports electronically under G.S. 57D-2-24, as amended by subsection (a) of this
 37 section, becomes effective January 1, 2020, and applies to annual reports due on or after that
 38 date. For entities having gross revenues less than one hundred seventy-five thousand dollars
 39 (\$175,000) in their fiscal year ending in 2018, the requirement to file annual reports electronically
 40 under G.S. 57D-2-24, as amended by subsection (a) of this section, becomes effective January 1,
 41 2021, and applies to annual reports due on or after that date. The remainder of this section
 42 becomes effective January 1, 2020, and applies to annual reports due on or after that date.

43
 44 **PART III. NONPROFIT CORPORATIONS**

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

47 "**§ 55A-16-22.1. Annual report to the Secretary of State.**

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

- 1 (1) The name of the corporation and the state or country under whose law it is
2 incorporated.
- 3 (2) The street address, and the mailing address if different from the street address,
4 of the registered office in this State, the county in which the registered office
5 is located, the name and e-mail address of its registered agent at that office,
6 and a statement of any change of the registered office or registered agent.
- 7 (3) The address and telephone number of its principal office.
- 8 (4) The names, titles, and business street addresses of its principal officers and
9 the name, mailing address, e-mail address, and telephone number of an
10 individual who is authorized to provide information regarding persons with
11 the authority to bind the corporation.
- 12 (5) A brief description of the nature of its activities.
- 13 (6) An e-mail address for the corporation, if different from the e-mail address
14 provided under subdivision (2) of this subsection.
- 15 (b) Currency of Information. – The information in the annual report shall be current as of
16 the date the annual report is submitted on behalf of the corporation.
- 17 (c) Due Date. – The corporation shall submit an annual report to the Secretary of State
18 by November 15 of each year following (i) in the case of a domestic corporation, the calendar
19 year in which the corporation was formed or (ii) in the case a foreign corporation, the calendar
20 year in which the Secretary of State issued to the foreign corporation a certificate of authority to
21 conduct affairs in this State. An annual report is due each year until (i) in the case of a domestic
22 corporation, the effective date of a voluntary or judicial dissolution or (ii) in the case of a foreign
23 corporation, the effective date of a certificate of withdrawal or revocation of a certificate of
24 authority.
- 25 (d) Incomplete Information. – If an annual report does not contain the information
26 required by this section, the Secretary of State shall promptly notify the reporting corporation in
27 writing and return the report to it for correction. If the report is corrected to contain the
28 information required by this section and submitted to the Secretary of State within 30 days after
29 the notice, the report shall be deemed to be timely submitted.
- 30 (e) Amendments. – Amendments to any previously filed annual report may be submitted
31 for filing to the Secretary of State at any time for the purpose of correcting, updating, or
32 augmenting the information contained in the annual report.
- 33 (f) Delinquency. – If the Secretary of State does not receive an annual report within 60
34 days after the date the report is due, the Secretary of State may presume that the annual report is
35 delinquent. This presumption may be rebutted by evidence of submission presented by the filing
36 corporation.
- 37 (g) E-Mail; Confidentiality. – The Secretary of State may provide by e-mail any notice
38 or form required under this section if the submitting domestic or foreign corporation to be notified
39 has consented to receiving notices and forms via e-mail and has provided the Secretary of State
40 an e-mail address for receiving the notices or forms. Any e-mail address provided by a submitting
41 corporation in accordance with this section is confidential information and is not a public record
42 under Chapter 132 of the General Statutes.
- 43 (h) Charitable Organizations or Sponsors. – A domestic or foreign corporation shall be
44 deemed to have filed an annual report required in this section if all the following have occurred:
- 45 (1) The corporation is a charitable organization or sponsor that is licensed under
46 Article 2 of Chapter 131F of the General Statutes.
- 47 (2) The corporation applies for the license electronically in a form prescribed by
48 the Secretary and provides additional information in that application that is
49 required for the annual report in this section.
- 50 (3) The corporation is licensed on the annual report due date."
- 51 **SECTION 3.(b)** G.S. 55A-1-22 reads as rewritten:

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

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

4 Document	Fee
5 ...	
6 <u>(29) Annual report</u>	<u>No fee</u>
7"	

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

9 "**§ 55A-14-20. Grounds for administrative dissolution.**

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

- 12 (1) The corporation does not pay within 60 days after they are due any penalties,
13 fees, or other payments due under this ~~Chapter~~Chapter.
- 14 (2) Repealed by Session Laws 1995, c. 539, s. 24.
- 15 (2a) The corporation is delinquent in submitting its annual report.
- 16 (3) The corporation is without a registered agent or registered office in this State
17 for 60 days or ~~more~~more.
- 18 (4) The corporation does not notify the Secretary of State within 60 days that its
19 registered agent or registered office has been changed, that its registered agent
20 has resigned, or that its registered office has been ~~discontinued~~discontinued.
- 21 (5) The corporation's period of duration stated in its articles of incorporation
22 ~~expires~~expires.
- 23 (6) The corporation knowingly fails or refuses to answer truthfully and fully
24 within the time prescribed in this Chapter interrogatories propounded by the
25 Secretary of State in accordance with the provisions of this ~~Chapter~~
26 ~~or~~Chapter.
- 27 (7) The corporation does not designate the address of its principal office with the
28 Secretary of State or does not notify the Secretary of State within 60 days that
29 the principal office has changed."

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

31 "**§ 55A-14-22. Reinstatement following administrative dissolution.**

32 (a) A corporation administratively dissolved under G.S. 55A-14-21 may apply to the
33 Secretary of State for reinstatement. The application ~~shall~~shall do all of the following:

- 34 (1) Recite the name of the corporation and the effective date of its administrative
35 ~~dissolution~~and dissolution.
- 36 (2) State that the ground or grounds for dissolution either did not exist or have
37 been eliminated.

38 (a1) If, at the time the corporation applies for reinstatement, the name of the corporation
39 is not distinguishable from the name of another entity authorized to be used under G.S. 55D-21,
40 ~~then~~ the corporation must change its name to a name that is distinguishable upon the records of
41 the Secretary of State from the name of the other entity before the Secretary of State may prepare
42 a certificate of reinstatement.

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

50 (c) When the reinstatement is effective, it relates back to and takes effect as of the
51 effective date of the administrative dissolution and the corporation resumes carrying on its

1 activities as if the administrative dissolution had never occurred, subject to the rights of any
2 person who reasonably relied to ~~his~~the person's prejudice upon the certificate of dissolution."

3 **SECTION 3.(e)** Until January 1, 2022, the Secretary of State may waive the fee
4 payable under G.S. 55A-1-22(17) by a corporation seeking reinstatement following
5 administrative dissolution for delinquent filing pursuant to G.S. 55A-14-20(2a).

6 **SECTION 3.(f)** This section becomes effective January 1, 2021, and applies to
7 annual reports due on or after that date.

8 9 **PART IV. LIMITED LIABILITY PARTNERSHIPS**

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

11 "**§ 59-84.4. Annual report ~~for~~ to the Secretary of State.**

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

16 (1) The name of the registered limited liability partnership or foreign limited
17 liability partnership and the state or country under whose law it is formed.

18 (2) The street address, and the mailing address if different from the street address,
19 of the registered ~~office,~~office in this State, the county in which the registered
20 office is located, and the name and e-mail address of its registered agent at
21 that ~~office in this State,~~office, and a statement of any change of the registered
22 office or registered ~~agent, or both agent.~~

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

24 (3a) The names, titles, and business street addresses of all its partners and the
25 name, mailing address, e-mail address, and telephone number of an individual
26 who is authorized to provide information regarding persons with the authority
27 to bind the partnership.

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

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

30 (6) An e-mail address for the registered limited liability partnership or foreign
31 limited liability partnership, if different from the e-mail address provided
32 under subdivision (2) of this subsection.

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

37 (a1) Form; Certain Veteran-Owned Businesses. – The Secretary of State shall also provide
38 appropriate space and instructions on the annual report form for a registered limited liability
39 partnership or foreign limited liability partnership to voluntarily indicate whether or not it is a
40 veteran-owned small business or a service-disabled veteran-owned small business.

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

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

47 (d) Incomplete Information. – If an annual report does not contain the information
48 required by this section, the Secretary of State shall promptly notify the reporting registered or
49 foreign limited liability partnership in writing and return the report to it for correction. If the
50 report is corrected to contain the information required by this section and ~~delivered~~submitted to

1 the Secretary of State within 30 days after the effective date of notice, it ~~is~~ shall be deemed to be
2 timely ~~filed~~ submitted.

3 (e) Amendments. – Amendments to any previously filed annual report may be ~~filed with~~
4 submitted for filing to the Secretary of State at any time for the purpose of correcting, updating,
5 or augmenting the information contained in the annual report.

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

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

12 (2) The registered limited liability partnership or foreign limited liability
13 partnership does not ~~deliver~~ submit its annual report to the Secretary of State
14 ~~on or before the date it is due~~ within 60 days after it is due.

15 (3) The registered limited liability partnership or foreign limited liability
16 partnership has been without a registered agent or registered office in this
17 State for 60 days or ~~more~~ or more.

18 (4) The registered limited liability partnership or foreign limited liability
19 partnership does not notify the Secretary of State within 60 days of the change,
20 resignation, or discontinuance that its registered agent or registered office has
21 been changed, that its registered agent has resigned, or that its registered office
22 has been discontinued.

23 (g) Revocation Process. – If the Secretary of State determines that one or more grounds
24 exist under subsection (f) of this section for revoking the registration of the registered limited
25 liability partnership or foreign limited liability partnership, the Secretary of State shall mail the
26 registered limited liability partnership or foreign limited liability partnership written notice of
27 that determination. If, within 60 days after the notice is mailed, the registered limited liability
28 partnership or foreign limited liability partnership does not correct each ground for revocation or
29 demonstrate to the reasonable satisfaction of the Secretary of State that each ground does not
30 exist, the Secretary of State shall revoke the registration of a registered limited liability
31 partnership or foreign limited liability partnership by signing a certificate of revocation that
32 recites the ground or grounds for revocation and its effective date. The Secretary of State shall
33 file the original certificate of revocation and mail a copy to the registered limited liability
34 partnership or foreign limited liability partnership.

35 (h) Application for Reinstatement. – A registered limited liability partnership or foreign
36 limited liability partnership whose registration is revoked under this section may apply to the
37 Secretary of State for reinstatement. If, at the time the registered limited liability partnership
38 applies for reinstatement, the name of the registered limited liability partnership is not
39 distinguishable from the name of another entity authorized to be used under G.S. 55D-21, ~~then~~
40 the registered limited liability partnership must change its name to a name that is distinguishable
41 upon the records of the Secretary of State from the name of the other entity before the Secretary
42 of State may prepare a certificate of reinstatement. The procedures for reinstatement and for the
43 appeal of any denial of the registered limited liability partnership or foreign limited liability
44 partnership's application for reinstatement ~~shall be~~ are the same procedures applicable to business
45 corporations under G.S. 55-14-22, 55-14-23, and 55-14-24. Any penalties, fees, or other
46 payments due under this Chapter shall be paid prior to reinstatement. The effect of reinstatement
47 of a limited liability partnership ~~shall be~~ is the same as for a corporation under G.S. 55-14-22.

48 (i) E-Mail; Confidentiality. – The Secretary of State may provide by e-mail any notice
49 or form required under this section if the submitting registered limited liability partnership or
50 foreign limited liability partnership to be notified has consented to receiving notices and forms
51 via e-mail and has provided the Secretary of State an e-mail address for receiving the notices or

1 forms. Any e-mail address provided by a submitting registered limited liability partnership or
2 foreign limited liability partnership in accordance with this section is confidential information
3 and is not a public record under Chapter 132 of the General Statutes."

4 SECTION 4.(b) G.S. 59-35.2 reads as rewritten:

5 "§ 59-35.2. Filing, service, and copying fees.

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

Document	Fee
8 ...	
9 ...	
10 (18) Annual report	200.00125.00
11"	

12 SECTION 4.(c) For entities having gross revenues of at least one hundred
13 seventy-five thousand dollars (\$175,000) in their fiscal year ending in 2018, the requirement to
14 file annual reports electronically under G.S. 59-84.4, as amended by subsection (a) of this
15 section, becomes effective January 1, 2020, and applies to annual reports due on or after that
16 date. For entities having gross revenues less than one hundred seventy-five thousand dollars
17 (\$175,000) in their fiscal year ending in 2018, the requirement to file annual reports electronically
18 under G.S. 59-84.4, as amended by subsection (a) of this section, becomes effective January 1,
19 2021, and applies to annual reports due on or after that date. The remainder of this section
20 becomes effective January 1, 2020, and applies to annual reports due on or after that date.

21
22 **PART V. LIMITED PARTNERSHIPS**

23 SECTION 5.(a) Part 1 of Article 5 of Chapter 59 of the General Statutes is amended
24 by adding new sections to read:

25 "§ 59-109. Annual report to the Secretary of State.

26 (a) Requirement. – Each limited partnership and each foreign limited partnership
27 authorized to transact business in this State shall submit an annual report to the Secretary of State
28 in an electronic form as prescribed by the Secretary of State. The following information shall be
29 included in each annual report:

- 30 (1) The name of the limited partnership, and in the case of a foreign limited
31 partnership, any different name that the foreign limited partnership is
32 authorized under Article 3 of Chapter 55D of the General Statutes to use to
33 transact business in this State, as provided in the foreign limited partnership's
34 certificate of authority.
- 35 (2) In the case of a foreign limited partnership, the name of the jurisdiction under
36 whose law the foreign limited partnership is organized.
- 37 (3) The street address, and the mailing address if different from the street address,
38 of the registered office in this State, the county in which the registered office
39 is located, and the name and e-mail address of its registered agent at that
40 office, and a statement of any change of the registered office or registered
41 agent.
- 42 (4) The address and telephone number of its principal office.
- 43 (5) The names, titles, and business street address of all general partners and the
44 name, mailing address, e-mail address, and telephone number of an individual
45 who is authorized to provide information regarding persons with the authority
46 to bind the partnership.
- 47 (6) A brief description of the nature of its business.
- 48 (7) The fiscal year end of the limited partnership.
- 49 (8) The year for which the annual report applies.

1 (9) An e-mail address for the limited partnership or foreign limited partnership, if
2 different from the e-mail address provided under subdivision (3) of this
3 subsection.

4 (b) Currency of Information. – Information in the annual report shall be current as of the
5 date the annual report is submitted on behalf of the limited partnership or the foreign limited
6 partnership.

7 (c) Due Date. – The annual report shall be submitted to the Secretary of State by the
8 fifteenth day of the fourth month following the close of the limited partnership's fiscal year.

9 (d) Incomplete Information. – If an annual report does not contain the information
10 required by this section, the Secretary of State shall promptly notify the limited partnership in
11 writing and return the report to it for correction. If the report is corrected to contain the
12 information required by this section and submitted to the Secretary of State within 30 days after
13 the effective date of notice, it shall be deemed to be timely submitted.

14 (e) Amendments. – Amendments to any previously filed annual report may be submitted
15 for filing to the Secretary of State at any time for the purpose of correcting, updating, or
16 augmenting the information contained in the annual report.

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

24 **"§ 59-110. Grounds for revocation.**

25 (a) The Secretary of State may revoke the registration of a limited partnership or the
26 certificate of authority of a foreign limited partnership if the Secretary of State determines that
27 any of the following has occurred:

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

31 (2) The limited partnership or foreign limited partnership does not submit its
32 annual report to the Secretary of State within 60 days after it is due.

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

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

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

50 (c) A limited partnership or foreign limited partnership whose registration is revoked
51 under this section may apply to the Secretary of State for reinstatement. The procedures for

1 reinstatement and for the appeal of any denial of the limited partnership's application for
2 reinstatement are the same as those applicable to a domestic corporation under G.S. 55-14-22,
3 55-14-23, and 55-14-24. Any penalties, fees, or other payments due under this Chapter shall be
4 paid prior to reinstatement.

5 (d) If, at the time the limited partnership applies for reinstatement, the name of the limited
6 partnership or foreign limited partnership is not distinguishable from the name of another entity
7 authorized to be used under G.S. 55D-21, the limited partnership or foreign limited partnership
8 shall change its name to a name that is distinguishable upon the records of the Secretary of State
9 from the name of the other entity before the Secretary of State may prepare a certificate of
10 reinstatement. The effect of reinstatement of a limited partnership or foreign limited partnership
11 is the same as for a corporation under G.S. 55-14-22."

12 **SECTION 5.(b)** G.S. 59-1106 reads as rewritten:

13 **"§ 59-1106. Filing, service, and copying fees.**

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

Document	Fee
16 ...	
17 ...	
18 (22) Annual report for a limited liability limited partnership	200.00 <u>125.00</u>
19 ...	

20 (c) The Secretary of State shall collect the following fees for copying, comparing, and
21 certifying a copy of any filed document relating to a domestic or foreign limited partnership:

- 22 (1) One dollar (\$1.00) a page for copying or comparing a copy to the ~~original;~~
23 and original.
- 24 (2) Fifteen dollars (\$15.00) for a paper certificate.
- 25 (3) Ten dollars (\$10.00) for an electronic certificate.

26 (d) Repealed by Session Laws 2001-387, s. 171(b), effective January 1, 2002."

27 **SECTION 5.(c)** This section becomes effective January 1, 2021, and applies to
28 annual reports due on or after that date.

29
30 **PART VI. NONPROFIT CORPORATIONS RECEIVING REFUNDS OF SALES AND**
31 **USE TAX**

32 **SECTION 6.(a)** G.S. 105-164.14(b) reads as rewritten:

33 "(b) Nonprofit Entities and Hospital Drugs. – A nonprofit entity is allowed a semiannual
34 refund of sales and use taxes paid by it under this Article on direct purchases of tangible personal
35 property and services for use in carrying on the work of the nonprofit entity. Sales and use tax
36 liability indirectly incurred by a nonprofit entity through reimbursement to an authorized person
37 of the entity for the purchase of tangible personal property and services for use in carrying on the
38 work of the nonprofit entity is considered a direct purchase by the entity. Sales and use tax
39 liability indirectly incurred by a nonprofit entity on building materials, supplies, fixtures, and
40 equipment that become a part of or annexed to any building or structure that is owned or leased
41 by the nonprofit entity and is being erected, altered, or repaired for use by the nonprofit entity
42 for carrying on its nonprofit activities is considered a sales or use tax liability incurred on direct
43 purchases by the nonprofit entity. The refund allowed under this subsection does not apply to
44 purchases of electricity, telecommunications service, ancillary service, piped natural gas, video
45 programming, or a prepaid meal plan. A request for a refund must be in writing and must include
46 ~~any information~~ the following information: (i) name, (ii) mailing address, (iii) e-mail address,
47 (iv) registration number issued by the Secretary of State, if applicable, and (v) other information
48 and documentation required by the Secretary. A request for a refund for the first six months of a
49 calendar year is due the following October 15; a request for a refund for the second six months
50 of a calendar year is due the following April 15. The aggregate annual refund amount allowed an

1 entity under this subsection for the State's fiscal year may not exceed thirty-one million seven
2 hundred thousand dollars (\$31,700,000).

3"

4 **SECTION 6.(b)** G.S. 105-259(b) reads as rewritten:

5 "(b) Disclosure Prohibited. – An officer, an employee, or an agent of the State who has
6 access to tax information in the course of service to or employment by the State may not disclose
7 the information to any other person except as provided in this subsection. Standards used or to
8 be used for the selection of returns for examination and data used or to be used for determining
9 the standards may not be disclosed for any purpose. All other tax information may be disclosed
10 only if the disclosure is made for one of the following purposes:

11 ...

12 (16) To furnish to the Department of Secretary of State the name, address, tax year
13 end, and account and identification numbers of a corporation liable for
14 corporate income or franchise taxes or of a limited liability company liable for
15 a corporate or a partnership tax return to enable the Secretary of State to notify
16 the corporation or the limited liability company of the annual report filing
17 requirement or that its articles of incorporation or articles of organization or
18 its certificate of authority has been suspended.

19 (16a) To furnish to the Department of the Secretary of State, annually, the following
20 information regarding nonprofit entities receiving a refund of sales and use
21 tax pursuant to G.S. 105-164.14(b): the entity's name, mailing address, e-mail
22 address, and, if applicable, registration number issued by the Secretary of
23 State.

24 ~~(16a)~~(16b) To provide the North Carolina Self-Insurance Security Association
25 information on self-insurers' premiums as determined under
26 G.S. 105-228.5(b), (b1), and (c) for the purpose of collecting the assessments
27 authorized in G.S. 97-133(a).

28"

29 **SECTION 6.(c)** This section becomes effective January 1, 2021, and applies to
30 requests for refunds submitted on or after that date.

31 **PART VII. REINSTATEMENT FEE REVISION**

32 **SECTION 7.(a)** G.S. 105-232 reads as rewritten:

33 "**§ 105-232. Rights restored; receivership and liquidation.**

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

49 (a1) The Secretary of Revenue shall remit twenty-five dollars (\$25.00) from each fee
50 collected under subsection (a) of this section to the Secretary of State to be used solely to cover
51

1 the Secretary of State's share of the cost of reinstatement under subsection (a) of this section, and
2 any funds received under this subsection are appropriated for the maximum amount necessary to
3 achieve this purpose. Any funds received by the Secretary of State under this subsection that are
4 in excess of the amount needed to cover the Secretary of State's share of the cost of reinstatement
5 under subsection (a) of this section shall revert to the General Fund.

6"

7 **SECTION 7.(b)** This section is effective when it becomes law and applies to fees
8 collected on or after that date.

9 10 **PART VIII. ENFORCEMENT**

11 **SECTION 8.(a)** G.S. 55D-18 reads as rewritten:

12 **"§ 55D-18. Penalty for signing false document.**

13 (a) A person commits an offense if the person signs a document the person knows is false
14 in any material respect with intent that the document be ~~delivered~~ submitted to the Secretary of
15 State for filing.

16 (b) An offense under this section is a Class 1 misdemeanor.

17 (c) For purposes of enforcing this section, the Department of the Secretary of State's law
18 enforcement agents have statewide jurisdiction. These law enforcement agents may assist local
19 law enforcement agencies in their investigations and may initiate and carry out, in coordination
20 with local law enforcement agencies, investigations of violations of this section. These law
21 enforcement agents have all of the powers and authority of law enforcement officers when
22 executing arrest warrants. These agents may have fictitious licenses, license tags, and
23 registrations, pursuant to G.S. 20-39(h) or G.S. 14-250, for the purpose of conducting criminal
24 investigations."

25 **SECTION 8.(b)** The amendments to G.S. 55D-18(a) in subsection (a) of this section
26 become effective December 1, 2019, and apply to offenses committed on or after that date. The
27 remainder of this section is effective when it becomes law.

28 29 **PART IX. EFFECTIVE DATE**

30 **SECTION 9.** Except as otherwise provided, this act is effective when it becomes
31 law.