

HCS SCS SB 368 -- CORPORATIONS

SPONSOR: Barnitz (Pratt)

COMMITTEE ACTION: Voted "do pass" by the Committee on Judiciary by a vote of 11 to 0.

This substitute allows a corporation to change the month of its corporate registration report by designating the desired month and paying an additional \$20 fee. Beginning January 1, 2007, a corporation will also be allowed to file a corporate registration report on a biennial basis. A corporation incorporated in an even-numbered year may only file a report in an even-numbered year, and a corporation incorporated in an odd-numbered year may only file a report in odd-numbered years. The fee for filing the biennial report will be \$80 if filed in a written format and \$30 if in an electronic format. Any corporation filing a biennial report must maintain the registration for two years, but may choose to file an annual registration in subsequent years.

The Secretary of State is authorized to charge a \$45 fee for a corporate filing of the original articles of organization in an electronic format.

An additional method for the dissolution of a limited liability company (LLC) is authorized in the event that there are no members and the LLC is not already dissolved and not required to be wound up. The substitute also changes the definition of "issuing public corporation" in the general provisions for business corporations in Section 351.015, RSMo, and defines "domestic corporation" as a corporation incorporated under Missouri laws in the merger and consolidation provisions in Section 351.459.

Donation receptacles operating for profit are required to display on the receptacle that the donations are not for charitable organizations and will be resold for profit. A violation of this provision will be considered an unfair business practice under Section 407.202. If any of the proceeds from resale are donated to a not-for-profit organization, the donation receptacle must display the percentage of proceeds donated and the name of the not-for-profit organization.

FISCAL NOTE: Estimated Effect on General Revenue Fund of an income of \$265,300 in FY 2008, a cost of \$347,374 in FY 2009, and a cost of \$778,735 in FY 2010. Estimated Income on Other State Funds of \$112,500 in FY 2008, \$77,500 in FY 2009, and \$0 in FY 2010.

PROPONENTS: Supporters say that the bill is pro-business by

allowing corporations to file corporate business license biannually instead of annually. The registration option is similar to the license renewal option currently used by the Department of Revenue. The Secretary of State will also allow electronic filing to expedite service and to reduce the cost of filing. The electronic filing process is currently in use in many states including Iowa, Nebraska, and Indiana.

Testifying for the bill were Senator Barnitz; Representative Pratt; Office of the Secretary of State; Missouri Chamber of Commerce and Industry; and St. Louis Regional Commerce and Growth Association.

OPPONENTS: There was no opposition voiced to the committee.