

AMENDED IN ASSEMBLY APRIL 9, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 554

Introduced by Assembly Member Mullin

February 20, 2013

An act to amend *Sections 1502 and 2117 of the Corporations Code, and to amend, repeal, and add Section 12182 of the Government Code, relating to state government.*

LEGISLATIVE COUNSEL'S DIGEST

AB 554, as amended, Mullin. State government: Secretary of State: ~~Business Fees Fund. fees.~~

(1) Existing law requires every corporation to file a specified statement of information with the Secretary of State and pay a \$5 disclosure fee in addition to any other required fees. Existing law requires one-half of the amount of this disclosure fee to be used for specified purposes, including the development and maintenance of an online database, and the other one-half to be deposited in the Victims of Corporate Fraud Compensation Fund.

This bill would instead require the first half of the disclosure fee to be deposited in the Business Programs Modernization Fund, which would be established by this bill. Moneys deposited in the fund would be made available, upon appropriation, to the Secretary of State of the purposes specified in existing law.

~~Existing~~

(2) Existing law states that it is the intent of the Legislature that moneys deposited into the Secretary of State's Business Fees Fund be used to support the programs from which the fees are collected and

provides that they shall be expended to the extent that appropriations are made in the annual Budget Act.

Existing law authorizes the Secretary of State to charge and collect fees for preclearance of documents and expedited filings if the special handling does not cause disruption or delay in the process of the normal handling of documents, and if the implementation of the special handling is supported by an appropriation in the annual Budget Act. Existing law also specifies that copying and special handling fees shall be accounted as Secretary of State expenditure reimbursements.

This bill would instead provide that, *operative July 1, 2014*, copying and special handling fees be paid into the Secretary of State’s Business Fees Fund and would delete the requirement that the implementation of special handling be supported by an appropriation in the annual Budget Act.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1502 of the Corporations Code is amended
- 2 to read:
- 3 1502. (a) Every corporation shall file, within 90 days after the
- 4 filing of its original articles and annually thereafter during the
- 5 applicable filing period, on a form prescribed by the Secretary of
- 6 State, a statement containing all of the following:
- 7 (1) The name of the corporation and the Secretary of State’s
- 8 file number.
- 9 (2) The names and complete business or residence addresses of
- 10 its incumbent directors.
- 11 (3) The number of vacancies on the board, if any.
- 12 (4) The names and complete business or residence addresses of
- 13 its chief executive officer, secretary, and chief financial officer.
- 14 (5) The street address of its principal executive office.
- 15 (6) The mailing address of the corporation, if different from the
- 16 street address of its principal executive office.
- 17 (7) If the address of its principal executive office is not in this
- 18 state, the street address of its principal business office in this state,
- 19 if any.
- 20 (8) If the corporation chooses to receive renewal notices and
- 21 any other notifications from the Secretary of State by electronic

1 mail instead of by United States mail, the corporation shall include
2 a valid electronic mail address for the corporation or for the
3 corporation's designee to receive those notices.

4 (9) A statement of the general type of business that constitutes
5 the principal business activity of the corporation (for example,
6 manufacturer of aircraft; wholesale liquor distributor; or retail
7 department store).

8 (b) The statement required by subdivision (a) shall also
9 designate, as the agent of the corporation for the purpose of service
10 of process, a natural person residing in this state or a corporation
11 that has complied with Section 1505 and whose capacity to act as
12 an agent has not terminated. If a natural person is designated, the
13 statement shall set forth that person's complete business or
14 residence street address. If a corporate agent is designated, no
15 address for it shall be set forth.

16 (c) If there has been no change in the information in the last
17 filed statement of the corporation on file in the Secretary of State's
18 office, the corporation may, in lieu of filing the statement required
19 by subdivisions (a) and (b), advise the Secretary of State, on a
20 form prescribed by the Secretary of State, that no changes in the
21 required information have occurred during the applicable filing
22 period.

23 (d) For the purposes of this section, the applicable filing period
24 for a corporation shall be the calendar month during which its
25 original articles were filed and the immediately preceding five
26 calendar months. The Secretary of State shall provide a notice to
27 each corporation to comply with this section approximately three
28 months prior to the close of the applicable filing period. The notice
29 shall state the due date for compliance and shall be sent to the last
30 address of the corporation according to the records of the Secretary
31 of State or to the last electronic mail address according to the
32 records of the Secretary of State if the corporation has elected to
33 receive notices from the Secretary of State by electronic mail. The
34 failure of the corporation to receive the notice is not an excuse for
35 failure to comply with this section.

36 (e) Whenever any of the information required by subdivision
37 (a) is changed, the corporation may file a current statement
38 containing all the information required by subdivisions (a) and
39 (b). In order to change its agent for service of process or the address
40 of the agent, the corporation must file a current statement

1 containing all the information required by subdivisions (a) and
2 (b). Whenever any statement is filed pursuant to this section, it
3 supersedes any previously filed statement and the statement in the
4 articles as to the agent for service of process and the address of
5 the agent.

6 (f) The Secretary of State may destroy or otherwise dispose of
7 any statement filed pursuant to this section after it has been
8 superseded by the filing of a new statement.

9 (g) This section shall not be construed to place any person
10 dealing with the corporation on notice of, or under any duty to
11 inquire about, the existence or content of a statement filed pursuant
12 to this section.

13 (h) The statement required by subdivision (a) shall be available
14 and open to the public for inspection. The Secretary of State shall
15 provide access to all information contained in this statement by
16 means of an online database.

17 (i) In addition to any other fees required, a corporation shall
18 pay a five-dollar (\$5) disclosure fee when filing the statement
19 required by subdivision (a). One-half of the fee shall,
20 *notwithstanding Section 12176 of the Government Code, be utilized*
21 ~~to further the provisions of this section, including the development~~
22 ~~and maintenance of the online database required by subdivision~~
23 ~~(h) deposited into the Business Programs Modernization Fund~~
24 *established in subdivision (k), and one-half shall be deposited into*
25 *the Victims of Corporate Fraud Compensation Fund established*
26 *in Section 2280.*

27 (j) A corporation shall certify that the information it provides
28 pursuant to subdivisions (a) and (b) is true and correct. No claim
29 may be made against the state for inaccurate information contained
30 in the statements.

31 *(k) There is hereby established the Business Programs*
32 *Modernization Fund in the State Treasury. Moneys deposited into*
33 *the fund shall, upon appropriation by the Legislature, be available*
34 *to the Secretary of State to further the purposes of this section,*
35 *including the development and maintenance of the online database*
36 *required by subdivision (h), and by subdivision (c) of Section 2117.*

37 *SEC. 2. Section 2117 of the Corporations Code is amended to*
38 *read:*

39 2117. (a) Every foreign corporation (other than a foreign
40 association) qualified to transact intrastate business shall file,

1 within 90 days after the filing of its original statement and
2 designation of foreign corporation and annually thereafter during
3 the applicable filing period, on a form prescribed by the Secretary
4 of State, a statement containing the following:

5 (1) The name of the corporation as registered in California and
6 the California Secretary of State's file number.

7 (2) The names and complete business or residence addresses of
8 its chief executive officer, secretary, and chief financial officer.

9 (3) The street address of its principal executive office.

10 (4) The mailing address of the corporation, if different from the
11 street address of its principal executive office.

12 (5) The street address of its principal business office in this
13 state, if any.

14 (6) If the corporation chooses to receive renewal notices and
15 any other notifications from the Secretary of State by electronic
16 mail instead of by United States mail, the corporation shall include
17 a valid electronic mail address for the corporation or for the
18 corporation's designee to receive those notices.

19 (7) A statement of the general type of business that constitutes
20 the principal business activity of the corporation (for example,
21 manufacturer of aircraft; wholesale liquor distributor; or retail
22 department store).

23 (b) The statement required by subdivision (a) shall also
24 designate, as the agent of the corporation for the purpose of service
25 of process, a natural person residing in this state or a corporation
26 that has complied with Section 1505 and whose capacity to act as
27 the agent has not terminated. If a natural person is designated, the
28 statement shall set forth the person's complete business or
29 residence street address. If a corporate agent is designated, no
30 address for it shall be set forth.

31 (c) The statement required by subdivision (a) shall be available
32 and open to the public for inspection. The Secretary of State shall
33 provide access to all information contained in the statement by
34 means of an online database.

35 (d) In addition to any other fees required, a foreign corporation
36 shall pay a five-dollar (\$5) disclosure fee upon filing the statement
37 required by subdivision (a). One-half of the fee shall,
38 *notwithstanding Section 12176 of the Government Code*, be utilized
39 ~~to further the provisions of this section, including the development~~
40 ~~and maintenance of the online database required by subdivision~~

1 ~~(d)~~ deposited into the Business Programs Modernization Fund
2 established in subdivision (k) of Section 1502, and one-half shall
3 be deposited into the Victims of Corporate Fraud Compensation
4 Fund established in Section 2280.

5 (e) Whenever any of the information required by subdivision
6 (a) is changed, the corporation may file a current statement
7 containing all the information required by subdivisions (a) and
8 (b). In order to change its agent for service of process or the address
9 of the agent, the corporation shall file a current statement
10 containing all the information required by subdivisions (a) and
11 (b). Whenever any statement is filed pursuant to this section, it
12 supersedes any previously filed statement and the statement in the
13 filing pursuant to Section 2105.

14 (f) Subdivisions (c), (d), (f), and (g) of Section 1502 apply to
15 statements filed pursuant to this section, except that “articles” shall
16 mean the filing pursuant to Section 2105, and “corporation” shall
17 mean a foreign corporation.

18 *SEC. 3. Section 12182 of the Government Code is amended to*
19 *read:*

20 12182. (a) The Secretary of State shall charge and collect fees
21 as provided in this article and may also by regulation establish fees
22 to be charged and collected for copying and special handling in
23 connection with filing documents, issuing of certificates, and other
24 services performed by the office.

25 (b) Except as provided in subdivision (c), the fees shall
26 approximate the estimated cost of copying and special handling.

27 (c) Fees charged for preclearance of documents and expedited
28 filings may be in different amounts, which shall not exceed one
29 thousand dollars (\$1,000). Those fees may be charged only if the
30 special handling does not cause disruption or delay in the process
31 of normal handling of documents, and if the implementation of
32 the special handling is supported by an appropriation in the Budget
33 Act.

34 (d) Copying and special handling fees shall be accounted as
35 Secretary of State expenditure reimbursements.

36 (e) The preclearance or expedited filing of documents by the
37 Secretary of State or his or her employees pursuant to this section
38 shall be considered discretionary pursuant to Section 820.2.

39 (f) *This section shall become inoperative on June 30, 2014 and,*
40 *as of January 1, 2015, is repealed.*

1 SEC. 4. Section 12182 is added to the Government Code, to
2 read:

3 12182. (a) The Secretary of State shall charge and collect fees
4 as provided in this article and may also by regulation establish
5 fees to be charged and collected for copying and special handling
6 in connection with filing documents, issuing of certificates, and
7 other services performed by the office.

8 (b) Except as provided in subdivision (c), the fees shall
9 approximate the estimated cost of copying and special handling.

10 (c) Fees charged for preclearance of documents and expedited
11 filings may be in different amounts, that shall not exceed one
12 thousand dollars (\$1,000). Those fees may be charged only if the
13 special handling does not cause disruption or delay in the process
14 of normal handling of documents.

15 (d) Copying and special handling fees shall be paid into the
16 Secretary of State's Business Fees Fund.

17 (e) The preclearance or expedited filing of documents by the
18 Secretary of State or his or her employees pursuant to this section
19 shall be considered discretionary pursuant to Section 820.2.

20 (f) This section shall become operative commencing July 1,
21 2014.

22 SECTION 1. ~~Section 12182 of the Government Code is~~
23 ~~amended to read:~~

24 ~~12182. (a) The Secretary of State shall charge and collect fees~~
25 ~~as provided in this article and may also by regulation establish fees~~
26 ~~to be charged and collected for copying and special handling in~~
27 ~~connection with filing documents, issuing of certificates, and other~~
28 ~~services performed by the office.~~

29 ~~(b) Except as provided in subdivision (c), the fees shall~~
30 ~~approximate the estimated cost of copying and special handling.~~

31 ~~(c) Fees charged for preclearance of documents and expedited~~
32 ~~filings may be in different amounts, that shall not exceed one~~
33 ~~thousand dollars (\$1,000). Those fees may be charged only if the~~
34 ~~special handling does not cause disruption or delay in the process~~
35 ~~of normal handling of documents.~~

36 ~~(d) Copying and special handling fees shall be paid into the~~
37 ~~Secretary of State's Business Fees Fund.~~

38 ~~(e) The preclearance or expedited filing of documents by the~~
39 ~~Secretary of State or his or her employees pursuant to this section~~
40 ~~shall be considered discretionary pursuant to Section 820.2.~~

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