

AMENDED IN ASSEMBLY MAY 1, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2180

Introduced by Assembly Member Brown
(Coauthor: Assembly Member Medina)
(Coauthor: Senator Anderson)

February 20, 2014

An act to amend Sections 1502, 6210, 8210, 12570, and 17702.09 of the Corporations Code, and to amend Section 14101.6 of the Financial Code, relating to business filings.

LEGISLATIVE COUNSEL'S DIGEST

AB 2180, as amended, Brown. Business filings: statement of information.

Existing law requires a corporation, a nonprofit public benefit corporation, a nonprofit mutual benefit corporation, a nonprofit religious corporation, a consumer cooperative corporation, other specified corporations, a limited liability company, and a credit union, to file a return with the Franchise Tax Board within a specified period following the close of its taxable year, except as otherwise specifically provided, and to file annually or biennially, as provided, a statement with the Secretary of State containing specified information during the calendar month during which the organization's original articles were filed or during the immediately preceding 5 calendar months. Existing law requires the Secretary of State to provide notice to each organization to comply with this provision approximately 3 months prior to the close of the applicable filing period.

This bill would instead require those corporations, limited liability companies, and credit unions to file the statement with the Secretary

of State during the calendar month of, or within the 5 months preceding, the organization's due date for filing its return, excluding extensions, with the Franchise Tax Board or if no return is required, by May 15, as provided.

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
2 amended 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
22 mail instead of by United States mail, the corporation shall include
23 a valid electronic mail address for the corporation or for the
24 corporation's designee to receive those notices.
25 (9) A statement of the general type of business that constitutes
26 the principal business activity of the corporation (for example,
27 manufacturer of aircraft; wholesale liquor distributor; or retail
28 department store).
29 (b) The statement required by subdivision (a) shall also
30 designate, as the agent of the corporation for the purpose of service
31 of process, a natural person residing in this state or a corporation

1 that has complied with Section 1505 and whose capacity to act as
2 an agent has not terminated. If a natural person is designated, the
3 statement shall set forth that person's complete business or
4 residence street address. If a corporate agent is designated, no
5 address for it shall be set forth.

6 (c) If there has been no change in the information in the last
7 filed statement of the corporation on file in the Secretary of State's
8 office, the corporation may, in lieu of filing the statement required
9 by subdivisions (a) and (b), advise the Secretary of State, on a
10 form prescribed by the Secretary of State, that no changes in the
11 required information have occurred during the applicable filing
12 period.

13 (d) For the purposes of this section, the applicable filing period
14 for a corporation shall be the calendar month during which the
15 corporation is required to file a return with the Franchise Tax
16 Board, as required by Article 2 (commencing with Section 18601)
17 of Chapter 2 of Part 10.2 of Division 2 of the Revenue and Taxation
18 Code and the immediately preceding five calendar months,
19 excluding extensions. The Secretary of State shall provide a notice
20 to each corporation to comply with this section approximately
21 three months prior to the close of the applicable filing period. The
22 notice shall state the due date for compliance and shall be sent to
23 the last address of the corporation according to the records of the
24 Secretary of State or to the last electronic mail address according
25 to the records of the Secretary of State if the corporation has elected
26 to receive notices from the Secretary of State by electronic mail.
27 The failure of the corporation to receive the notice is not an excuse
28 for failure to comply with this section.

29 (e) Whenever any of the information required by subdivision
30 (a) is changed, the corporation may file a current statement
31 containing all the information required by subdivisions (a) and
32 (b). In order to change its agent for service of process or the address
33 of the agent, the corporation must file a current statement
34 containing all the information required by subdivisions (a) and
35 (b). Whenever any statement is filed pursuant to this section, it
36 supersedes any previously filed statement and the statement in the
37 articles as to the agent for service of process and the address of
38 the agent.

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

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

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

12 (i) In addition to any other fees required, a corporation shall
13 pay a five-dollar (\$5) disclosure fee when filing the statement
14 required by subdivision (a). One-half of the fee shall,
15 notwithstanding Section 12176 of the Government Code, be
16 deposited into the Business Programs Modernization Fund
17 established in subdivision (k), and one-half shall be deposited into
18 the Victims of Corporate Fraud Compensation Fund established
19 in Section 2280.

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

24 (k) There is hereby established the Business Programs
25 Modernization Fund in the State Treasury. Moneys deposited into
26 the fund shall, upon appropriation by the Legislature, be available
27 to the Secretary of State to further the purposes of this section,
28 including the development and maintenance of the online database
29 required by subdivision (h), and by subdivision (c) of Section 2117.

30 SEC. 2. Section 6210 of the Corporations Code is amended to
31 read:

32 6210. (a) Every corporation shall, within 90 days after the
33 filing of its original articles and biennially thereafter during the
34 applicable filing period, file, on a form prescribed by the Secretary
35 of State, a statement containing: (1) the name of the corporation
36 and the Secretary of State's file number; (2) the names and
37 complete business or residence addresses of its chief executive
38 officer, secretary, and chief financial officer; (3) the street address
39 of its principal office in this state, if any; (4) the mailing address
40 of the corporation, if different from the street address of its

1 principal executive office or if the corporation has no principal
2 office address in this state; and (5) if the corporation chooses to
3 receive renewal notices and any other notifications from the
4 Secretary of State by electronic mail instead of by United States
5 mail, a valid electronic mail address for the corporation or for the
6 corporation's designee to receive those notices.

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

16 (c) For the purposes of this section, the applicable filing period
17 for a corporation shall be the calendar month during which the
18 corporation is required to file a return with the Franchise Tax
19 Board, as required by Article 3 (commencing with Section 23771)
20 of Chapter 4 of Part 11 of Division 2 of the Revenue and Taxation
21 Code and the immediately preceding five calendar months,
22 excluding extensions. If the corporation is not required to file a
23 return with the Franchise Tax Board, then the applicable filing
24 period is May 15 and the immediately preceding five calendar
25 months. The Secretary of State shall provide a notice to each
26 corporation to comply with this section approximately three months
27 prior to the close of the applicable filing period. The notice shall
28 state the due date for compliance and shall be sent to the last
29 address of the corporation according to the records of the Secretary
30 of State or to the last electronic mail address according to the
31 records of the Secretary of State if the corporation has elected to
32 receive notices from the Secretary of State by electronic mail.
33 Neither the failure of the Secretary of State to send the notice nor
34 the failure of the corporation to receive it is an excuse for failure
35 to comply with this section.

36 (d) 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 (e) 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 (f) 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 SEC. 3. Section 8210 of the Corporations Code is amended to
14 read:

15 8210. (a) Every corporation shall, within 90 days after the
16 filing of its original articles and biennially thereafter during the
17 applicable filing period, file, on a form prescribed by the Secretary
18 of State, a statement containing: (1) the name of the corporation
19 and the Secretary of State's file number; (2) the names and
20 complete business or residence addresses of its chief executive
21 officer, secretary, and chief financial officer; (3) the street address
22 of its principal office in this state, if any; (4) the mailing address
23 of the corporation, if different from the street address of its
24 principal executive office or if the corporation has no principal
25 office address in this state; and (5) if the corporation chooses to
26 receive renewal notices and any other notifications from the
27 Secretary of State by electronic mail instead of by United States
28 mail, a valid electronic mail address for the corporation or for the
29 corporation's designee to receive those notices.

30 (b) The statement required by subdivision (a) shall also
31 designate, as the agent of the corporation for the purpose of service
32 of process, a natural person residing in this state or any domestic
33 or foreign or foreign business corporation that has complied with
34 Section 1505 and whose capacity to act as an agent has not
35 terminated. If a natural person is designated, the statement shall
36 set forth the person's complete business or residence street address.
37 If a corporate agent is designated, no address for it shall be set
38 forth.

39 (c) For the purposes of this section, the applicable filing period
40 for a corporation shall be the calendar month during which the

1 corporation is required to file a return with the Franchise Tax
2 Board, as required by Article 3 (commencing with Section 23771)
3 of Chapter 4 of Part 11 of Division 2 of the Revenue and Taxation
4 Code and the immediately preceding five calendar months,
5 excluding extensions. The Secretary of State shall provide a notice
6 to each corporation to comply with this section approximately
7 three months prior to the close of the applicable filing period. The
8 notice shall state the due date for compliance and shall be sent to
9 the last address of the corporation according to the records of the
10 Secretary of State or to the last electronic mail address according
11 to the records of the Secretary of State if the corporation has elected
12 to receive notices from the Secretary of State by electronic mail.
13 Neither the failure of the Secretary of State to send the notice nor
14 the failure of the corporation to receive it is an excuse for failure
15 to comply with this section.

16 (d) Whenever any of the information required by subdivision
17 (a) is changed, the corporation may file a current statement
18 containing all the information required by subdivisions (a) and
19 (b). In order to change its agent for service of process or the address
20 of the agent, the corporation must file a current statement
21 containing all the information required by subdivisions (a) and
22 (b). Whenever any statement is filed pursuant to this section, it
23 supersedes any previously filed statement and the statement in the
24 articles as to the agent for service of process and the address of
25 the agent.

26 (e) The Secretary of State may destroy or otherwise dispose of
27 any statement filed pursuant to this section after it has been
28 superseded by the filing of a new statement.

29 (f) This section shall not be construed to place any person
30 dealing with the corporation on notice of, or under any duty to
31 inquire about, the existence or content of a statement filed pursuant
32 to this section.

33 SEC. 4. Section 12570 of the Corporations Code is amended
34 to read:

35 12570. (a) Every corporation shall, within 90 days after the
36 filing of its original articles and annually thereafter during the
37 applicable filing period in each year, file, on a form prescribed by
38 the Secretary of State, a statement containing: (1) the name of the
39 corporation and the Secretary of State's file number; (2) the names
40 and complete business or residence addresses of its chief executive

1 officer or general manager, secretary, and chief financial officer;
2 (3) the street address of its principal office in this state, if any; (4)
3 the mailing address of the corporation, if different from the street
4 address of its principal office in this state; and (5) if the corporation
5 chooses to receive renewal notices and any other notifications from
6 the Secretary of State by electronic mail instead of by United States
7 mail, the corporation shall include a valid electronic mail address
8 for the corporation or for the corporation's designee to receive
9 those notices.

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

18 (c) For the purposes of this section, the applicable filing period
19 for a corporation shall be the calendar month during which the
20 corporation is required to file a return with the Franchise Tax
21 Board, as required by Chapter 11 (commencing with Section
22 23771) of Part 10.2 11 of Division 2 of the Revenue and Taxation
23 Code and the immediately preceding five calendar months,
24 excluding extensions. The Secretary of State shall provide a notice
25 to each corporation to comply with this section approximately
26 three months prior to the close of the applicable filing period. The
27 notice shall state the due date for compliance and shall be sent to
28 the last address of the corporation according to the records of the
29 Secretary of State or to the last electronic mail address according
30 to the records of the Secretary of State if the corporation has elected
31 to receive notices from the Secretary of State by electronic mail.
32 Neither the failure of the Secretary of State to send the notice nor
33 the failure of the corporation to receive it is an excuse for failure
34 to comply with this section.

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

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

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

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

12 SEC. 5. Section 17702.09 of the Corporations Code is amended
13 to read:

14 17702.09. (a) Every limited liability company and every
15 foreign limited liability company registered to transact intrastate
16 business in this state shall deliver to the Secretary of State for filing
17 within 90 days after the filing of its original articles of organization
18 or registering to transact intrastate business and biennially
19 thereafter during the applicable filing period, on a form prescribed
20 by the Secretary of State, a statement of information containing:

21 (1) The name of the limited liability company and the Secretary
22 of State's file number and, in the case of a foreign limited liability
23 company, the name under which the foreign limited liability
24 company is authorized to transact intrastate business in this state
25 and the state or other jurisdiction under the laws of which it is
26 organized.

27 (2) The name and street address of the agent in this state for
28 service of process required to be maintained pursuant to Section
29 17701.13. If a corporate agent is designated, only the name of the
30 agent shall be set forth.

31 (3) The street address of its principal office. In the case of a
32 foreign limited liability company, the street address of its principal
33 business office in this state, if any, and, in the case of a domestic
34 limited liability company, the street address of the office required
35 to be maintained pursuant to Section 17701.13.

36 (4) The mailing address of the limited liability company or
37 foreign limited liability company, if different from the street
38 address of its principal office, or principal business office in this
39 state, or, in the case of a domestic limited liability company, the

1 street address of the office required to be maintained pursuant to
2 Section 17701.13.

3 (5) The name and complete business or residence addresses of
4 any manager or managers and the chief executive officer, if any,
5 appointed or elected in accordance with the articles of organization
6 or operating agreement or, if no manager has been so elected or
7 appointed, the name and business or residence address of each
8 member.

9 (6) If the limited liability company or foreign limited liability
10 company chooses to receive renewal notices and any other
11 notifications from the Secretary of State by electronic mail instead
12 of by United States mail, the limited liability company or foreign
13 limited liability company shall include a valid electronic mail
14 address for the limited liability company or foreign limited liability
15 company, or for the limited liability company's or foreign limited
16 liability company's designee to receive those notices.

17 (7) The general type of business that constitutes the principal
18 business activity or the limited liability company or foreign limited
19 liability company, such as, for example, manufacture of aircraft,
20 wholesale liquor distributor, or retail department store.

21 (b) If there has been no change in the information contained in
22 the last filed statement of information of the limited liability
23 company or foreign limited liability company on file in the office
24 of Secretary of State, the limited liability company or foreign
25 limited liability company may, in lieu of filing the statement of
26 information required by subdivision (a), advise the Secretary of
27 State, on a form prescribed by the Secretary of State, that no
28 changes in the required information have occurred during the
29 applicable filing period.

30 (c) For purposes of this section, the applicable filing period for
31 a limited liability company or a foreign limited liability company
32 shall be the calendar month during which the limited liability
33 company or foreign limited liability company is required to file a
34 return with the Franchise Tax Board, as required by Chapter 2
35 (commencing with Section 18501) of Part 10.2 of Division 2 of
36 the Revenue and Taxation Code and the immediately preceding
37 five calendar months, excluding extensions. The Secretary of State
38 shall provide a notice to each limited liability company or foreign
39 limited liability company to comply with this section approximately
40 three months prior to the close of the applicable filing period. The

notice shall state the due date for compliance and shall be sent to the last mailing address of the limited liability company or foreign limited liability company according to the records of the Secretary of State, or if none, to the street address of the principal office, or, in the case of a domestic limited liability company, the office required to be maintained pursuant to Section 17701.13, or to the last electronic mail address according to the records of the Secretary of State if the limited liability company or foreign limited liability company has elected to receive notices from the Secretary of State by electronic mail. The failure of the limited liability company or foreign limited liability company to receive the notice shall not exempt the limited liability company or foreign limited liability company from complying with this section.

(d) Whenever any of the information required by subdivision (a) changes, other than the name and address of the agent for service of process, the limited liability company or foreign limited liability company may file a current statement containing all the information required by subdivision (a). When changing its agent for service of process or when the address of the agent changes, the limited liability company or foreign limited liability company shall file a current statement containing all the information required by subdivision (a). Whenever any statement is filed pursuant to this section, that statement supersedes any previously filed statement pursuant to this section, the statement in the original articles of organization, and the statement in any previously filed amended or restated articles of organization that have been filed, or in the case of a foreign limited liability company, in the application for registration.

(e) If a statement of information delivered to the Secretary of State for filing under this section does not contain the information required by subdivision (a), the Secretary of State shall promptly return the statement of information to the reporting limited liability company or foreign limited liability company for correction.

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

SEC. 6. Section 14101.6 of the Financial Code is amended to read:

14101.6. (a) Every credit union shall, within 90 days after the filing of its original articles and annually thereafter during the

1 applicable filing period in each year, file, in a form prescribed by
2 the Secretary of State, a statement containing: (1) the name of the
3 credit union and the Secretary of State's file number; (2) the names
4 and complete business or residence addresses of its chief executive
5 officers, secretary, and chief financial officer; (3) the street address
6 of its principal office, if any; (4) if the credit union chooses to
7 receive renewal notices and any other notifications from the
8 Secretary of State by electronic mail instead of by United States
9 mail, a valid electronic mail address for the credit union or for the
10 credit union's designee to receive those notices; and (5) the mailing
11 address of the credit union, if different from the street address of
12 its principal office.

13 (b) The statement required by subdivision (a) shall also
14 designate, as the agent of the credit union for the purpose of service
15 of process, a natural person residing in this state or any domestic
16 or foreign business corporation that has complied with Section
17 1505 of the Corporations Code and whose capacity to act as an
18 agent has not terminated. If a natural person is designated, the
19 statement shall set forth that person's complete business or
20 residence street address. If a corporate agent is designated, no
21 address for it shall be set forth.

22 (c) For the purposes of this section, the applicable filing period
23 for a credit union shall be the calendar month during which the
24 credit union is required to file a return with the Franchise Tax
25 Board, as required by Chapter 11 (commencing with Section
26 23771) of Part 10 of Division 2 of the Revenue and Taxation
27 Code and the immediately preceding five calendar months,
28 excluding extensions. The Secretary of State shall provide a notice
29 to each credit union to comply with this section approximately
30 three months prior to the close of the applicable filing period. The
31 notice shall state the due date for compliance and shall be sent to
32 the last address of the credit union according to the records of the
33 Secretary of State if the credit union has elected to receive notices
34 from the Secretary of State by electronic mail. Neither the failure
35 of the Secretary of State to provide the notice nor the failure of
36 the credit union to receive it is an excuse for failure to comply
37 with this section.

38 (d) Whenever any of the information required by subdivision
39 (a) is changed, the credit union may file a current statement
40 containing all the information required thereby. In order to change

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

7 (e) An agent designated for service of process pursuant to
8 subdivision (b) may file a signed and acknowledged written
9 statement of resignation as such agent. Thereupon the authority
10 of the agent to act in such capacity shall cease and the Secretary
11 of State forthwith shall notify the credit union of the filing of the
12 statement of resignation.

13 (f) If a natural person who has been designated agent for service
14 of process pursuant to subdivision (b) dies or resigns or no longer
15 resides in the state, or if the corporate agent for such purpose
16 resigns, dissolves, withdraws from the state, forfeits its right to
17 transact intrastate business, has its corporate rights, powers, and
18 privileges suspended or ceases to exist, the credit union shall
19 forthwith file a new statement designating a new agent conforming
20 to the requirements of subdivision (a).

21 (g) Under regulations adopted by the Secretary of State, the
22 resignation of an agency may be effective if the agent disclaims
23 having been properly appointed as the agent.

24 (h) The Secretary of State may destroy or otherwise dispose of
25 any statement filed pursuant to this section after it has been
26 superseded by the filing of a new statement.

27 (i) This section shall not be construed to place any person
28 dealing with the credit union on notice of or in any duty to inquire
29 about the existence or content of the statement filed pursuant to
30 this section.