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Short Title: Annual Reports/Prop. Tax/Recodification Comm.

(Public)

Sponsors:

Referred to:

February 22, 2017

1 A BILL TO BE ENTITLED
2 AN ACT REVISING THE LAWS GOVERNING THE SUBMISSION OF ANNUAL
3 REPORTS BY VARIOUS BUSINESS ENTITIES TO THE SECRETARY OF STATE;
4 CONFORMING THE TREATMENT OF LEASEHOLD INTERESTS IN EXEMPT
5 PROPERTY TO THAT OF OTHER TYPES OF INTANGIBLE PERSONAL PROPERTY
6 FOR PURPOSES OF THE PROPERTY TAX; AND CREATING THE CRIMINAL CODE
7 RECODIFICATION COMMISSION.

8 The General Assembly of North Carolina enacts:

9
10 **PART I. BUSINESS CORPORATIONS**

11 **SECTION 1.(a)** G.S. 55-16-22 reads as rewritten:

12 "**§ 55-16-22. Annual report.**

13 (a) Requirement. – Except as provided in ~~subsections (a1) and subsection~~ (a2) of this
14 section, each domestic corporation and each foreign corporation authorized to transact business
15 in this State shall ~~deliver~~ submit an annual report to the Secretary of Revenue in paper form or,
16 ~~in the alternative, directly to the Secretary of State in electronic form as prescribed by the~~
17 Secretary of State under this section.

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

20 (a2) Professional Corporations Exempt. – A ~~domestic~~ corporation governed by Chapter
21 55B of the General Statutes is exempt from this section.

22 (a3) Form; Required Information. – The annual report required by this section shall be in
23 ~~a an electronic form jointly prescribed by the Secretary of Revenue and the Secretary of State.~~
24 ~~The Secretary of Revenue shall provide the form needed to file an annual report. The State, and~~
25 ~~the Secretary of State shall prescribe the form needed to file an annual report electronically and~~
26 shall provide this form by electronic means. The annual report shall set forth all of the
27 following:

- 28 (1) The name of the corporation and the state or country under whose law it is
29 incorporated.
- 30 (2) The street address, and the mailing address if different from the street
31 address, of the registered office, the county in which its registered office is
32 located, ~~and the name~~ and e-mail address of its registered agent at that office



1 in this State, and a statement of any change of ~~such the~~ registered office or
2 registered agent, or both agent.

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

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

8 ...

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

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

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

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

17 (c) Due Date. – An annual report ~~eligible to be delivered to the Secretary of Revenue is~~
18 ~~due by the due date for filing the corporation's income and franchise tax returns. An extension~~
19 ~~of time to file a return is an extension of time to file an annual report. At the option of the filer,~~
20 ~~an annual report may be filed directly with the Secretary of State in electronic form. An annual~~
21 ~~report required to be delivered to the Secretary of State is due by the fifteenth day of the fourth~~
22 ~~month following the close of the domestic or foreign corporation's fiscal year.~~

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

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

31 ...

32 (g) ~~When a statement of change of registered office or registered agent is filed in the~~
33 ~~annual report, the change shall become effective when the statement is received by the~~
34 ~~Secretary of State.~~

35 (h) Delinquency. – If the Secretary of State does not receive an annual report within
36 ~~120-60~~ days of the date the ~~return report~~ is due, the Secretary of State may presume that the
37 annual report is delinquent. This presumption may be rebutted ~~by receipt of the annual report~~
38 ~~from the Secretary of Revenue or by evidence satisfactory to the Secretary of State of delivery~~
39 submission presented by the filing corporation.

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

47 **SECTION 1.(b)** G.S. 55-14-22 reads as rewritten:

48 "**§ 55-14-22. Reinstatement following administrative dissolution.**

49 ...

50 (b) If the Secretary of State determines that the application contains the information
51 required by subsection (a) of this section, that the information is correct, ~~and~~ that the name of

1 the corporation complies with G.S. 55D-21 and any other applicable section, and that any
 2 penalties, fees, or other payments due under this Chapter have been paid, the Secretary of State
 3 shall cancel the certificate of dissolution and prepare a certificate of reinstatement that recites
 4 the Secretary of State's determination and the effective date of reinstatement, file the original of
 5 the certificate, and mail a copy to the corporation.

6"

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

8 "**§ 55-1-22. Filing, service, and copying fees.**

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

11 Document	12 Fee
13 ...	
13 (23) Annual report (paper)	25.00
14 (23a) Annual report (electronic)	18.00 125.00
15 ...	

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

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

19
 20 **PART II. LIMITED LIABILITY COMPANIES**

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

22 "**§ 57D-2-24. Annual report for Secretary of State.**

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

33 (a1) Required Information. – The following information must be included in each annual
 34 report:

- 35 (1) The name of the limited liability company and, in the case of a foreign LLC,
 36 any different name that the foreign LLC is authorized under Article 3 of
 37 Chapter 55D of the General Statutes to use to transact business in this State,
 38 as provided in the foreign LLC's certificate of authority.
- 39 (2) In the case of a foreign LLC, the name of the jurisdiction under whose law
 40 the foreign LLC is organized.
- 41 (3) The street address, and the mailing address if different from the street
 42 address, of the limited liability company's registered office in the State, the
 43 county in which the registered office is located, the name and e-mail address
 44 of its registered agent at that office, and a statement of any change of the
 45 registered office or registered agent.
- 46 (4) The address and telephone number of its principal office.
- 47 (5) The names, titles, and business street addresses of the limited liability
 48 company's ~~principal company officials/managers, principal company~~
 49 officials, and the name, mailing address, e-mail address, and telephone
 50 number of an individual who is authorized to provide information regarding
 51 persons with the authority to bind the LLC.

(6) A brief description of the nature of its business.

(7) A valid e-mail address for the limited liability company, if different from the e-mail address provided under subdivision (3) of this subsection.

(b) Due Date for Initial Annual Report. – The Secretary of State must notify limited liability companies of the annual report filing requirement. The first annual report of a limited liability company is due to be ~~delivered~~submitted to the Secretary of State by April 15 of the year following (i) in the case of an LLC, the calendar year in which the LLC's articles of organization or articles of organization and conversion filed by the Secretary of State become effective or (ii) in the case of a foreign LLC, the calendar year in which the Secretary of State issues to the foreign LLC a certificate of authority to transact business in this State.

(b1) Due Date for Subsequent Annual Reports. – The limited liability company shall ~~deliver~~submit an annual report by April 15 of each subsequent year until (i) in the case of an LLC, the effective date of its articles of dissolution filed by the Secretary of State or the effective date of either a certificate of dissolution for an LLC that is not reinstated under G.S. 57D-6-06(c) or a decree of dissolution that is filed by the Secretary of State as provided in G.S. 57D-6-05; (ii) in the case of a foreign LLC, the foreign LLC receives a certificate of withdrawal from the Secretary of State or the Secretary of State revokes the foreign LLC's certificate of authority under Part 3 of Article 7 of this Chapter; or (iii) in the case of either an LLC or foreign LLC, the effective date of a merger or conversion under Article 9 of this Chapter in which the limited liability company is a merging entity or a converting entity but not the surviving entity.

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

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

(e) E-Mail; Confidentiality. – The Secretary of State may provide by e-mail any notice or form required under this section if the submitting LLC 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 LLC in accordance with this section shall be considered confidential information and shall not be subject to disclosure under Chapter 132 of the General Statutes."

SECTION 2.(b) G.S. 57D-1-22(a)(28) reads as rewritten:

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

Document	Fee
...	
(28) Annual report	200.00 <u>125.00</u>
...."	

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

"(c) An LLC administratively dissolved under this section may apply to the Secretary of State for reinstatement. The procedures for reinstatement and for the appeal of any denial of the LLC's application for reinstatement are the same as those applicable to a domestic corporation under G.S. 55-14-22, 55-14-23, and ~~55-14-24~~55-14-24, except that any penalties, fees, or other payments due under this Chapter must have been paid prior to reinstatement. If, at the time the LLC applies for reinstatement, the name of the LLC is not distinguishable from the name of another entity authorized to be used under G.S. 55D-21, then the LLC must change its name to

1 a name that is distinguishable on the records of the Secretary of State from the name of the
2 other entity before the Secretary of State may prepare a certificate of reinstatement. The effect
3 of reinstatement of an LLC is the same as for a domestic corporation under G.S. 55-14-22."
4

5 PART III. NONPROFIT CORPORATIONS

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

8 "§ 55A-16-22.1. Annual report for the Secretary of State.

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

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

14 (2) The street address and the mailing address, if different from the street
15 address of the registered office, the county in which its registered office is
16 located, the name and e-mail address of its registered agent at that office in
17 this State, and a statement of any change of the registered office or registered
18 agent.

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

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

24 (5) A brief description of the nature of its activities.

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

27 (b) Currency of Information. – The information in the annual report shall be current as
28 of the date the annual report is executed on behalf of the corporation.

29 (c) Due Date. – The corporation shall submit an annual report to the Secretary of State
30 by November 15 of each year, beginning with the year following the formation of the
31 corporation. An annual report is due each year until the effective date of a voluntary or judicial
32 dissolution.

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

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

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

45 (g) E-Mail; Confidentiality. – The Secretary of State may provide by e-mail any notice
46 or form required under this section if the submitting domestic or foreign corporation to be
47 notified has consented to receiving notices and forms via e-mail and has provided the Secretary
48 of State an e-mail address for receiving the notices or forms. Any e-mail address provided by a
49 submitting corporation in accordance with this section shall be considered confidential
50 information and shall not be subject to disclosure under Chapter 132 of the General Statutes."

51 SECTION 3.(b) G.S. 55A-14-20 reads as rewritten:

1 **"§ 55A-14-20. Grounds for administrative dissolution.**

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

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

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

23 **"§ 55A-14-22. Reinstatement following administrative dissolution.**

24 ...
 25 (b) If the Secretary of State determines that the application contains the information
 26 required by subsection (a) of this section, that the information is correct, ~~and~~ that the name of
 27 the corporation complies with G.S. 55D-21 and any other applicable section, and that any
 28 penalties, fees, or other payments due under this Chapter have been paid, the Secretary of State
 29 shall cancel the certificate of dissolution and prepare a certificate of reinstatement that recites
 30 the Secretary of State's determination and the effective date of reinstatement, file the original of
 31 the certificate, and mail a copy to the corporation.

32"

33 **SECTION 3.(d)** G.S. 55A-1-22(a) reads as rewritten:

34 "(a) The Secretary of State shall collect the following fees when the documents
 35 described in this subsection are delivered to the Secretary for filing:

Document	Fee
36 ...	
37 (29) <u>Annual Report</u>	<u>No fee</u>

38 **SECTION 3.(e)** Until January 1, 2021, the Secretary of State may waive the fee
 39 payable under G.S. 55A-1-22(17) by a corporation seeking reinstatement following
 40 administrative dissolution for delinquent filing pursuant to G.S. 55A-14-20(2a).
 41
 42
 43

44 **PART IV. LIMITED LIABILITY PARTNERSHIPS**

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

46 **"§ 59-84.4. Annual report for Secretary of State.**

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

- 1 (1) The name of the registered limited liability partnership or foreign limited
2 liability partnership and the state or country under whose law it is formed.
- 3 (2) The street address, and the mailing address if different from the street
4 address, of the registered office, the county in which the registered office is
5 located, and the name and e-mail address of its registered agent at that office
6 in this State, and a statement of any change of the registered office or
7 registered agent, or both.
- 8 (3) The street address and telephone number of its principal office.
- 9 (3a) The names, titles, and business street addresses of its partners and the name,
10 mailing address, e-mail address, and telephone number of an individual who
11 is authorized to provide information regarding persons with authority to bind
12 the partnership.
- 13 (4) A brief description of the nature of its business.
- 14 (5) The fiscal year end of the partnership.
- 15 (6) A valid e-mail address for the registered limited liability partnership or
16 foreign limited liability partnership, if different from the e-mail address
17 provided under subdivision (2) of this subsection.

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

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

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

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

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

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

- 40 (1) The registered limited liability partnership or foreign limited liability
41 partnership has not paid, within 60 days after they are due, any penalties,
42 fees, or other payments due under this ~~Chapter;~~ Chapter.
- 43 (2) The registered limited liability partnership or foreign limited liability
44 partnership does not ~~deliver~~ submit its annual report to the Secretary of State
45 on or before the ~~date~~ sixtieth day after it is due; ~~due.~~
- 46 (3) The registered limited liability partnership or foreign limited liability
47 partnership has been without a registered agent or registered office in this
48 State for 60 days or ~~more;~~ or more.
- 49 (4) The registered limited liability partnership or foreign limited liability
50 partnership does not notify the Secretary of State within 60 days of the
51 change, resignation, or discontinuance that its registered agent or registered

office has been changed, that its registered agent has resigned, or that its registered office has been discontinued.

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

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

(i) E-Mail; Confidentiality. – The Secretary of State may provide by e-mail any notice or form required under this section if the submitting registered limited liability partnership or foreign limited liability partnership 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 registered limited liability partnership or foreign limited liability partnership in accordance with this section shall be considered confidential information and shall not be subject to disclosure under Chapter 132 of the General Statutes."

SECTION 4.(b) G.S. 59-35.2(a)(18) reads as rewritten:

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

Document	Fee
...	
(18) Annual report	200.00 <u>125.00</u>
...."	

SECTION 4.(c) G.S. 59-1106(a)(22) reads as rewritten:

"(22) Annual report for a limited liability limited partnership~~200.00~~125.00"

PART V. REPORTING REQUIREMENTS FOR LIMITED PARTNERSHIPS

SECTION 5. Article 5 of Chapter 59 of the General Statutes is amended by adding the following sections to read:

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

1 (a) Each limited partnership and each foreign limited partnership authorized to transact
2 business in this State shall submit an annual report to the Secretary of State in electronic form
3 as prescribed by the Secretary of State and as otherwise provided in this subsection. The
4 following information must be included in each annual report:

5 (1) The name of the limited partnership, and in the case of a foreign limited
6 partnership, any different name that the foreign limited partnership is
7 authorized under Article 3 of Chapter 55D of the General Statutes to use to
8 transact business in this State, as provided in the foreign limited partnership's
9 certificate of authority.

10 (2) In the case of a foreign limited partnership, the name of the jurisdiction
11 under whose law the foreign limited partnership is organized.

12 (3) The street address, and the mailing address if different from the street
13 address, of the registered office, the county in which the registered office is
14 located, and the name and e-mail address of its registered agent at that office
15 in this State, and a statement of any change of the registered office or
16 registered agent, or both.

17 (4) The address and telephone number of its principal office.

18 (5) The names, titles, and business street addresses of all general partners and
19 the name, mailing address, e-mail address, and telephone number of an
20 individual who is authorized to provide information regarding persons with
21 authority to bind the partnership.

22 (6) A brief description of the nature of its business.

23 (7) The fiscal year end of the limited partnership.

24 (8) The year for which the annual report applies.

25 (9) A valid e-mail address for the limited partnership or foreign limited
26 partnership, if different from the e-mail address provided under subdivision
27 (3) of this subsection.

28 (b) Information in the annual report must be current as of the date the annual report is
29 executed on behalf of the limited partnership or the foreign limited partnership.

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

32 (d) If an annual report does not contain the information required by this section, the
33 Secretary of State shall promptly notify the limited partnership in writing and return the report
34 to it for correction. If the report is corrected to contain the information required by this section
35 and submitted to the Secretary of State within 30 days after the effective date of notice, it is
36 deemed to be timely submitted.

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

40 (f) E-Mail; Confidentiality. – The Secretary of State may provide by e-mail any notice
41 or form required under this section if the submitting limited partnership or foreign limited
42 partnership to be notified has consented to receiving notices and forms via e-mail and has
43 provided the Secretary of State an e-mail address for receiving the notices or forms. Any e-mail
44 address provided by a limited partnership or foreign limited partnership in accordance with this
45 section shall be considered confidential information and shall not be subject to disclosure under
46 Chapter 132 of the General Statutes.

47 **§ 59-110. Grounds for revocation.**

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

- 1 (1) The limited partnership or foreign limited partnership has not paid, within 60
2 days after they are due, any penalties, fees, or other payments due under this
3 Chapter.
- 4 (2) The limited partnership or foreign limited partnership does not submit its
5 annual report to the Secretary of State on or before the date sixtieth day after
6 it is due.
- 7 (3) The limited partnership or foreign limited partnership has been without a
8 registered agent or registered office in this State for 60 days or more.
- 9 (4) The limited partnership or foreign limited partnership does not notify the
10 Secretary of State within 60 days of the change, resignation, or
11 discontinuance that its registered agent or registered office has been
12 changed, that its registered agent has resigned, or that its registered office
13 has been discontinued.

14 (b) If the Secretary of State determines that one or more grounds exist under subsection
15 (a) of this section for revoking the registration of the limited partnership or the certificate of
16 authority of a foreign limited partnership, the Secretary of State shall mail the registered limited
17 partnership or foreign limited partnership written notice of that determination. If, within 60
18 days after the notice is mailed, the limited partnership or foreign limited partnership does not
19 correct each ground for revocation or demonstrate to the reasonable satisfaction of the
20 Secretary of State that each ground does not exist, the Secretary of State shall revoke the
21 registration of a limited partnership or foreign limited partnership by signing a certificate of
22 revocation that recites the ground or grounds for revocation and its effective date. The
23 Secretary of State shall file the original certificate of revocation and mail a copy to the limited
24 partnership or foreign limited partnership.

25 (c) A limited partnership or foreign limited partnership whose registration is revoked
26 under this section may apply to the Secretary of State for reinstatement. The procedures for
27 reinstatement and for the appeal of any denial of the limited partnership's application for
28 reinstatement are the same as those applicable to a domestic corporation under G.S. 55-14-22
29 and G.S. 55-14-23.

30 (d) If, at the time the limited partnership applies for reinstatement, the name of the
31 limited partnership or foreign limited partnership is not distinguishable from the name of
32 another entity authorized to be used under G.S. 55D-21, then the limited partnership or foreign
33 limited partnership must change its name to a name that is distinguishable upon the records of
34 the Secretary of State from the name of the other entity before the Secretary of State may
35 prepare a certificate of reinstatement. The effect of reinstatement of a limited partnership or
36 foreign limited partnership shall be the same as for a corporation under G.S. 55-14-22."

37

38 **PART VI. DISALLOWANCE OF REFUNDS OF PAID SALES AND USE TAXES**

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

40 "(b) Nonprofit Entities and Hospital Drugs. – A nonprofit entity is allowed a semiannual
41 refund of sales and use taxes paid by it under this Article on direct purchases of tangible
42 personal property and services for use in carrying on the work of the nonprofit entity. Sales and
43 use tax liability indirectly incurred by a nonprofit entity through reimbursement to an
44 authorized person of the entity for the purchase of tangible personal property and services for
45 use in carrying on the work of the nonprofit entity is considered a direct purchase by the entity.
46 Sales and use tax liability indirectly incurred by a nonprofit entity on building materials,
47 supplies, fixtures, and equipment that become a part of or annexed to any building or structure
48 that is owned or leased by the nonprofit entity and is being erected, altered, or repaired for use
49 by the nonprofit entity for carrying on its nonprofit activities is considered a sales or use tax
50 liability incurred on direct purchases by the nonprofit entity. The refund allowed under this
51 subsection does not apply to purchases of electricity, telecommunications service, ancillary

1 service, piped natural gas, video programming, or a prepaid meal plan. A request for a refund
2 must be in writing and must include any information and documentation required by the
3 Secretary. A request for a refund for the first six months of a calendar year is due the following
4 October 15; a request for a refund for the second six months of a calendar year is due the
5 following April 15. The aggregate annual refund amount allowed an entity under this
6 subsection for a fiscal year may not exceed thirty-one million seven hundred thousand dollars
7 (\$31,700,000).

8 Before issuance of a timely filed request for refund, the Secretary must verify that a
9 nonprofit entity is not delinquent for failure to file annual reports with the Secretary of State
10 based on information received at least 30 days prior to issuance of any refund. If a nonprofit
11 entity is delinquent for failure to file an annual report, then the Secretary must deny the request
12 for a refund and notify the entity that the request has been denied for failure of the entity to
13 submit any required annual reports to the Secretary of State. The denial of a request for a
14 refund may be cancelled, and the refund granted, upon the Secretary's receipt of information
15 from the Secretary of State that the nonprofit entity has submitted all required annual reports. A
16 refund may not be issued after one year from the date a request for a refund was denied due to
17 failure to file annual reports with the Secretary of State.

18 The refunds allowed under this subsection do not apply to an entity that is owned and
19 controlled by the United States or to an entity that is owned or controlled by the State and is not
20 listed in this subsection. A hospital that is not listed in this subsection is allowed a semiannual
21 refund of sales and use taxes paid by it on over-the-counter drugs purchased for use in carrying
22 out its work. The following nonprofit entities are allowed a refund under this subsection:

23"

24 **SECTION 6.(b)** The Secretary of State and the Department of Revenue shall
25 jointly develop a process for verifying whether an applicant for a refund under G.S. 105-164.14
26 has submitted all required annual reports. The Secretary of State and the Department of
27 Revenue shall share with one another, upon request and to the extent permitted by federal law,
28 information that is in their possession that is relevant to verifying whether an applicant for a
29 refund under G.S. 105-164.14 has submitted all required annual reports. The Secretary of State
30 and the Department of Revenue shall have the process required under this section operational
31 prior to the effective date of subsection (a) of this section.

32 **PART VII. REINSTATEMENT FEE REVISION**

33 **SECTION 7.** G.S. 105-232 reads as rewritten:

34 **"§ 105-232. Rights restored; receivership and liquidation.**

35 (a) Any corporation or limited liability company whose articles of incorporation,
36 articles of organization, or certificate of authority to do business in this State has been
37 suspended by the Secretary of State under G.S. 105-230, that complies with all the
38 requirements of this Subchapter and pays all State taxes, fees, or penalties due from it (which
39 total amount due may be computed, for years prior and subsequent to the suspension, in the
40 same manner as if the suspension had not taken place), and pays to the Secretary of Revenue a
41 fee of ~~twenty five fifty~~ dollars ~~(\$25.00)-(\$50.00)~~ to cover the cost of reinstatement, is entitled
42 to exercise again its rights, privileges, and franchises in this State. The Secretary of Revenue
43 shall notify the Secretary of State of this compliance and the Secretary of State shall reinstate
44 the corporation or limited liability company by appropriate entry upon the records of the office
45 of the Secretary of State. Upon entry of reinstatement, it relates back to and takes effect as of
46 the date of the suspension by the Secretary of State and the corporation or limited liability
47 company resumes carrying on its business as if the suspension had never occurred, subject to
48 the rights of any person who reasonably relied, to that person's prejudice, upon the suspension.
49 The Secretary of State shall immediately notify by mail the corporation or limited liability
50 company of the reinstatement.
51

1 (a1) The Secretary of Revenue shall remit twenty-five dollars (\$25.00) from each fee
2 collected under subsection (a) of this section to the Secretary of State to be used solely to cover
3 its share of the cost of reinstatement under subsection (a) of this section, and any funds
4 received under this subsection are hereby appropriated for the maximum amount necessary to
5 achieve this purpose. Any funds received by the Secretary of State under this subsection that
6 are in excess of the amount needed to cover the Secretary of State's share of the cost of
7 reinstatement under subsection (a) of this section shall revert to the General Fund.

8 "

10 **PART VIII. PROGRAM EVALUATION DIVISION STUDY**

11 **SECTION 8.** The Joint Legislative Program Evaluation Oversight Committee shall
12 amend the 2018-2019 Program Evaluation Division work plan to direct the Program Evaluation
13 Division to study the effect implementation of this act will have on the staffing levels and
14 customer service demands at the Office of the Secretary of State and the Department of
15 Revenue. The Program Evaluation Division shall report the results of the study to the chairs of
16 the Joint Legislative Program Evaluation Oversight Committee and the Joint Legislative
17 Oversight Committee on General Government on or before August 1, 2019.

19 **PART IX. CONFORM TREATMENT OF LEASEHOLD INTERESTS IN EXEMPT** 20 **PROPERTY TO THAT OF OTHER TYPES OF INTANGIBLE PERSONAL** 21 **PROPERTY FOR PURPOSES OF THE PROPERTY TAX**

22 **SECTION 9.(a)** G.S. 105-275 reads as rewritten:

23 "**§ 105-275. Property classified and excluded from the tax base.**

24 The following classes of property are designated special classes under Article V, Sec. 2(2),
25 of the North Carolina Constitution and are excluded from tax:

26 ...

27 (31) Intangible personal property other than a ~~leasehold interest that is in~~
28 ~~exempted real property and is not excluded under subdivision (31e) of this~~
29 ~~section. This subdivision does not affect the taxation of software not~~
30 ~~otherwise excluded by subdivision (40) of this section.~~

31 (31e) ~~A leasehold interest in real property that is exempt under G.S. 105-278.1 and~~
32 ~~is used to provide affordable housing for employees of the unit of~~
33 ~~government that owns the property.~~

34 "

35 **SECTION 9.(b)** This section is effective for taxes imposed for taxable years
36 beginning on or after July 1, 2017.

38 **PART X. CREATE THE CRIMINAL CODE RECODIFICATION COMMISSION**

39 **SECTION 10.(a)** There is established the Criminal Code Recodification
40 Commission (Commission) within the North Carolina Administrative Office of the Courts.

41 **SECTION 10.(b)** The Commission shall be composed of the following members:

- 42 (1) Four members of the Senate appointed by the President Pro Tempore of the
43 Senate, one of which shall be a member of the minority party.
- 44 (2) Four members of the House of Representatives appointed by the Speaker of
45 the House of Representatives, one of which shall be a member of the
46 minority party.
- 47 (3) Two members appointed by the Governor.
- 48 (4) The Lieutenant Governor, or the Lieutenant Governor's designee, and one
49 additional member appointed by the Lieutenant Governor.
- 50 (5) A sitting sheriff appointed by the Speaker of the House.
- 51 (6) A sitting police chief appointed by the President Pro Tempore of the Senate.

- 1 (7) A member appointed by the North Carolina Chamber Legal Institute.
2 (8) Eleven members appointed by the Chief Justice of the Supreme Court as
3 follows:
4 a. A sitting district court judge.
5 b. A sitting superior court judge.
6 c. A sitting judge in the appellate division.
7 d. A sitting district attorney.
8 e. A public defender or representative from Indigent Defense Services.
9 f. A sitting magistrate.
10 g. A member of the private criminal defense bar.
11 h. A victims' rights advocate.
12 i. Two additional members the Chief Justice deems appropriate.
13 j. A sitting clerk of superior court.

14 **SECTION 10.(c)** The Chief Justice shall appoint a chair of the Commission. The
15 Commission may meet at any time upon the call of the chair and at a location specified by the
16 chair.

17 **SECTION 10.(d)** The Commission shall produce the following:

- 18 (1) A fully drafted, new, streamlined, comprehensive, orderly, and principled
19 criminal code.
20 (2) Official commentary to the new code explaining how each new section
21 operates. Where the proposed code suggests a change in current law, special
22 commentary shall note this and identify the suggested change and the
23 reasoning for it. Special commentary shall include impact analysis provided
24 by the Sentencing Commission.
25 (3) Conversion tables to facilitate the comparison between current law and the
26 draft code.
27 (4) An offense grading table, grouping all offenses covered by the new code by
28 offense grade. Offenses shall be graded within existing sentencing classes
29 and with the recommendations of the Sentencing Commission.

30 **SECTION 10.(e)** In conducting its work and producing the items required by
31 subsection (d) of this section, the Commission shall do all of the following:

- 32 (1) Include necessary provisions not contained in the current code, such as
33 mental states, defenses, and definitions of offenses and key terminology.
34 (2) Eliminate unnecessary, inconsistent, or unlawful provisions in the current
35 code.
36 (3) Revise existing language and structure to make the law easier to understand
37 and apply.
38 (4) Ensure that criminal offenses and legal rules are cohesive and relate to one
39 another in a consistent and rational manner.
40 (5) Incorporate within the proposed new code all major criminal offenses
41 contained in existing law.
42 (6) Make recommendations regarding whether any existing offenses should be
43 reclassified as infractions punishable only by a fine.
44 (7) Make recommendations regarding whether any limitations should be placed
45 on the ability of administrative boards, agencies, local governments, or other
46 entities to create crimes.
47 (8) Seek to preserve the North Carolina General Assembly's substantive policy
48 judgments as reflected in the existing code and legal principles established in
49 the case law.
50 (9) Address any other matter deemed necessary to carry out the work of the
51 Commission.

1 **SECTION 10.(f)** To the extent that funds are available, the Commission members
2 shall receive per diem, subsistence, and travel allowances in accordance with G.S. 120-3.1,
3 138-5, or 138-6, as appropriate.

4 **SECTION 10.(g)** The North Carolina Administrative Office of the Courts is
5 authorized to seek funding to support the Commission's work and may contract for
6 professional, administrative, and consultant services.

7 **SECTION 10.(h)** The Commission shall make an interim report no later than
8 December 1, 2018, to the Joint Legislative Oversight Committee on Justice and Public Safety.
9 The Commission shall make a final report of its findings and recommendations, including the
10 items required by subsection (d) of this section, no later than December 1, 2019, to the Joint
11 Legislative Oversight Committee on Justice and Public Safety and the General Statutes
12 Commission. The Commission shall expire upon submitting its final report.

13 **SECTION 10.(i)** All agencies, boards, and commissions that have the power to
14 establish criminal penalties in the North Carolina Administrative Code shall provide to the
15 Commission a list of all criminal penalties that are currently in effect or are pending
16 implementation no later than December 1, 2017.

17 18 **PART XI. EFFECTIVE DATE**

19 **SECTION 11.** For entities having gross revenues of at least one hundred
20 seventy-five thousand dollars (\$175,000) in their fiscal year ending in 2017, Parts I, II, and IV
21 of this act become effective January 1, 2018, and apply to annual reports due on or after that
22 date. For entities having gross revenues less than one hundred seventy-five thousand dollars
23 (\$175,000) in their fiscal year ending in 2017, Parts I, II, and IV of this act become effective
24 January 1, 2019, and apply to annual reports due on or after that date. Parts III and V of this act
25 become effective January 1, 2019, and apply to annual reports due on or after that date. Section
26 6(a) of Part VI of this act becomes effective January 1, 2019, and applies to requests for
27 refunds submitted on or after that date. Section 7 of this act is effective when it becomes law
28 and applies to fees collected on or after that date. Except as otherwise provided, the remainder
29 of this act is effective when it becomes law.