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### FISCAL IMPACT REPORT

SPONSOR:	HBIC	DATE TYPED:	02/16/00	HB	490/HBICS
SHORT TITLE:	Amend Filing Requirements for Corporations			SB	
				ANALYST:	Dunbar

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00		
	NFI			

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to

### SOURCES OF INFORMATION

LFC files

Public Regulations Commission (PRC)

Attorney General (AG)

## SUMMARY

### Synopsis of HBIC Substitute

The amends corporation statutes which would eliminate certain filing requirements associated with incorporation. The bill would also require corporations to list their agents and office for service of process on their articles of incorporation. The bill removes the requirement that a corporation file a supplemental corporate report if it changes its name or the character of its business (articles of amendment are currently used for these changes).

The bill also allows a successor registered agent to notify the PRC by statement, instead of by affidavit, pursuant to sections 53-11-13 and 53-17-10. The bill requires shareholders to convene pursuant to 53-11-28 at the principal place of business, not the registered office, of the corporation.

The bill changes "duplicate originals" to "an original...and a copy" under the filing requirements pursuant to 53-12-3, 53-13-7, 53-13-8, 53-14-4, 53-14-5, 53-16-1, 53-16-12, 53-17-6 and 53-17-16 and makes other stylistic changes to those sections. The bill makes changes focusing on the proposed substitution of the term "authorized officer" for a list of corporate officers and also makes stylistic changes in the following sections: 53-5-2, 53-11-2, 53-13-4, 53-16-1, 53-16-2, 53-16-3, 53-16-7, 53-16-8, 53-16-11 and 53-17-5. The bill eliminates the requirement that articles of dissolution be verified according to section 53-16-1. The bill requires an application for a certificate of authority to set forth the address of the registered office, instead of the principal office of business in accordance with 53-17-5.

Foreign corporations in their application for a certificate of authority are required to list the registered office and the address of the principal office, if different.

In the original bill, amendments for the non-profit corporation Act were in advertently left out of the bill. 490 \HIBCS includes the non-profit corporation Act amendments. Therefore, the following sections were amended to include the same changes identified above in the Business Corporation Act for non-profit

corporations:

Section 53-8-2, Section 53-8-9, Section 53-8-13, Section 53-8-32, Section 53-8-37, Section 53-8-38, Section 53-8-39, Section 53-8-43, Section 53-8-52, Section 53-8-68, Section 53-8-69, Section 53-8-72, Section 53-8-77, Section 53-8-78

### Significant Issues

The Attorney General's (AG) reports that amending current section 53-11-13 which references "53-21-5" NMSA 1953 to read "53-5-5 NMSA 1978" may be incorrect. AG states that a current statute should reference the 1978 laws, not the 1953 laws, and the parallel tables indicate that section 53-5-5 is the 1978 NMSA section which corresponds to 51-21-5 in the NMSA 1953; however, the proper reference should be section 53-5-2, which sets forth the requirements for supplemental corporate reports.

NM Public Regulation Commission specifies that the changes would simplify filing requirements and make NM Corporation statutes more consistent with what other states require.

BD/gm