



LOUISIANA DEPARTMENT OF STATE
LEGISLATIVE OVERSIGHT REPORT

RULE
(Intended Action)

TITLE 19

CORPORATION AND BUSINESS

PART V. SECRETARY OF STATE

(LAC 19:V.100, 500, 700, 900, 1100, and 1300)

SECURED BUSINESS FILINGS
(Brief Description)

SECOND REPORT

ON APRIL 10, 2018, THE DEPARTMENT TRANSMITTED THE ATTACHED INITIAL LEGISLATIVE OVERSIGHT REPORT TO THE LEGISLATIVE OVERSIGHT COMMITTEES.

SUMMARY OF ALL TESTIMONY AT ANY HEARING CONDUCTED (If a public hearing is held, attach a copy of the minutes.)

On April 20, 2018, the Department published the original Notice of Intent in the *Louisiana Register* regarding amending the rule on Secured Business Filings.

In accordance with the Notice of Intent, the Department held a public hearing on Wednesday, May 30, 2018 at 10:00 a.m. to solicit comments and testimony on the proposed amendment to the Rule. Attached is a copy of the agenda and minutes of the meeting. No one outside of the Department's staff attended the public hearing. The public had until 4:30 p.m. on Thursday, May 31, 2018 to submit written comments to the Department; however, the Department did not receive any comments orally or in writing.

SUMMARY OF ALL COMMENTS RECEIVED BY THE AGENCY, COPY OF THE AGENCY'S RESPONSE TO THE SUMMARIZED COMMENTS, AND STATEMENT OF ANY TENTATIVE OR PROPOSED ACTION OF DEPARTMENT RESULTING FROM ORAL OR WRITTEN COMMENTS RECEIVED

Prior to the public hearing on Wednesday, May 30, 2018, the Department had not received any comments. In addition, no oral or written comments were presented at the public hearing. The deadline for the public to submit written comments was close of business on Thursday May 31, 2018; however, the Department did not receive any comments as the close of business on Thursday, May 31, 2018.

Since the Department did not receive any oral or written comments, the Department proposes to adopt the Notice of Intent as published in the *Louisiana Register*. In accordance with the provisions of R.S. 49:969(C)(1), the Department has attached the proposed Rule and a marked copy of the proposed Rule.

REVISION OF THE PROPOSED RULE, IF ANY CHANGES, TO THE RULE HAVE BEEN MADE SINCE THE INITIAL REPORT SUBMITTED BY THE DEPARTMENT OR A STATEMENT THAT NO CHANGES HAVE BEEN MADE

After a thorough review and careful consideration by the Department, the Department proposes to adopt the rule as published. The marked copy of the Rule was included in the Initial Report.

CONCISE STATEMENT OF THE PRINCIPAL REASONS FOR AND AGAINST ADOPTION OF ANY AMENDMENTS OR CHANGES SUGGESTED

Since the Department did not receive any written or oral comments to the Notice of Intent published in the April 20, 2018 issue of the *Louisiana Register*, the Department proposes to adopt the attached Proposed Rule in the July 20, 2018 issue of the *Louisiana Register*. This Proposed Rule should become effective upon publication in the *Louisiana Register* on July 20, 2018.



LOUISIANA DEPARTMENT OF STATE

LEGISLATIVE OVERSIGHT REPORT

NOTICE OF INTENT
(Intended Action)

TITLE 19

CORPORATIONS AND BUSINESS
Part V. Secretary of State

LAC 19:V.Chapters 1-13

Secure Business Filings
(Brief Description)

INITIAL REPORT

COPY OF THE RULE AS IT IS PROPOSED FOR ADOPTION, AMENDMENT, OR REPEAL AND STATEMENT OF THE AMOUNT OF THE FEE TO BE ADOPTED OR THE AMOUNT OF THE PROPOSED INCREASE OR DECREASE *(The rule shall be coded with any new rule or language that is to be added to an existing agency rule underscored and any language that is to be deleted from an existing agency rule in struck-through type.)*

Attached is a copy of the rule as it is proposed for Secure Business Filings (SBF). In addition, a coded copy showing proposed revisions to the rule is also attached.

STATEMENT OF THE PROPOSED ACTION *(Whether the rule is proposed for adoption, amendment, or repeal; a brief summary of the content of the rule if proposed for adoption or repeal; and a brief summary of the change in the rule if proposed for amendment.)*

The Department of State is proposing to amend the rule relating to the Secure Business Filings Service administered by the Department eliminating a one-time enrollment fee of \$35, which will allow corporations and businesses to take part in this service for no charge. The Secured Business Filings Services was designed to discourage fraudulent business filings in Louisiana on the geauxBIZ system.

SPECIFIC CITATION OF THE ENABLING LEGISLATION PURPORTING TO AUTHORIZE THE ADOPTION, AMENDING, OR REPEAL OF THE RULE OR PURPORTING TO AUTHORIZE THE ADOPTION, INCREASING, OR DECREASING THE FEE

Under the authority of R.S. 49:222 and R.S. 36:742, the Department of State is proposing to eliminate the one-time registration fee of \$35 for business entities to sign up for the Secure Business Filings Service.

STATEMENT OF CIRCUMSTANCES WHICH REQUIRE ADOPTION, AMENDING, OR REPEAL OF THE RULE OR THE ADOPTION, INCREASING, OR DECREASING OF THE FEE

Businesses and corporations will benefit from the proposed rule change. Entities will now be able to participate in the Secure Business Filings Service without having to pay an associated enrollment fee.

STATEMENT OF FISCAL IMPACT OF THE PROPOSED ACTION AND STATEMENT OF THE ECONOMIC IMPACT OF THE PROPOSED ACTION, BOTH APPROVED BY THE LEGISLATIVE FISCAL OFFICE

There will be a decrease in revenues to the Department of State; however, the decrease is anticipated to be minimal. The Department will no longer collect the \$35 enrollment fee for businesses and corporations participating in the Secure Business Filings Service. In FY 17, the Department collected \$5,365 and as of March 2018, the Department has collected \$4,375 in FY 2018.



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COMPOSE

Fwd: Notice of Intent for Secured Business Filings Service for 04.20.2018

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- EAVS Reports
- LEAD
- Legislature

Carol +

Carol Guidry <cguidry@sos.la.gov>
to apa.s-s&g

----- Forwarded message -----

From: Carol Guidry <cguidry@sos.la.gov>

Date: Tue, Apr 10, 2018 at 1:58 PM

Subject: Notice of Intent for Secured Business Filings Service for 04.20.2018

To: "apa.h-hg@legis.la.gov" <apa.h-hg@legis.la.gov>, "APA.Housespeaker@legis.la.gov" <apa.housespeaker@legis.la.gov>, "apa.senatepresident@legis.la.gov" <dixon@legis.la.gov>

Cc: Tom Schedler <tom.schedler@sos.la.gov>, Kyle Ardoin <kyle.ardoin@sos.la.gov>, Joe Salter <joe.salter@sos.louisiana.gov>, Merietta Norton <mnorton@sos.la.gov>, Patricia Daigle <patricia.daigle@sos.la.gov>, Meg Casper Sunstrom <meg.casper@sos.la.gov>

Attached is the Initial Legislative Oversight Report for the Secured Business Filings Service for 04.20.2018. Please call me if you hav

-
Carol

Carol Guidry
Director of HAVA
Legal Division
Secretary of State Tom Schedler
(225) 362-5142 (Office)
(225) 922-1180 (Fax)
(225) 229-8085 (Cell)
www.sos.la.gov

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Carol

Carol Guidry
Director of HAVA

NOTICE OF INTENT

Department of State Business Services Division

Corporations Secure Business Filings Service (LAC 19:V.100-1300)

Pursuant to the provisions of the Administrative Procedures Act (R.S.49:950 et seq.) and under the authority of R.S. 49:222 and R.S. 36:742, the Secretary of State proposes to eliminate the fee for the secure business filings (SBF) service. With the development of the Secure Business Filings (SBF) service, the Department charged a one-time optional \$35 fee for the service; however, it was determined that this security service should be made available free of charge to all Louisiana business filings in the geauxBIZ system to insure the integrity of our geauxBIZ system.

Title 19

CORPORATIONS AND BUSINESS

Part V. Secretary of State

Chapter 1. Domestic Corporations

§100. Secure Business Filings Service

A. The Department of State has developed and now offers a Secure Business Filings (SBF) service designed to discourage fraudulent business filings in Louisiana. The service will notify a corporation via email whenever amendments are submitted on the corporation through geauxBIZ. The corporation will have the opportunity to review the filing and approve or reject further processing by the Department of State.

B. Any person who has a geauxBIZ account with a verified email address can enroll in the optional SBF service. The enrollment application must be authorized by a person who is a named officer, director, member, manager, or partner of record (the authorizing authority). The identity of the authorizing authority must be verified by completing a Secure Business Filing Service Enrollment Application Authorization which must be verified by a licensed notary public in the state where the authorizing authority resides. A copy of the authorization form can be found on the department's website. The authorization application is required for all SBF applicants, even if the applicant is the approval authority.

C. Business entities will have an opportunity to review the filing and approve or reject further processing by the Department of State. To approve a filing, the corporation must provide the PIN assigned to the corporation within five days of receiving notification of a pending file. If the corporation rejects a filing or if five days passes with no action performed, the filing will not be processed by the Department of State.

D. The corporation is responsible for PIN usage and security. The Department of State will not be responsible for unauthorized usage of the PIN or changes made to the corporation's business record as a result of an unauthorized user entering the correct PIN. The department reserves the right to cancel the SBF service, change the PIN, remove an SBF enrollee, change the SBF service terms and conditions, or act to prevent or prosecute fraudulent activity at any time.

E. An enrollment does not expire; however, it can be cancelled by the enrollee, by another authorized applicant, or by the Department of State. Enrollments are non-transferrable.

A new SBF enrollment application must be completed to reinstate a cancelled enrollment or to change the SBF enrollment to a different *geauxBIZ* user. Once the enrollment application is approved by the department, the department will provide the corporation with a personal identification number (PIN) that will be unique to the corporation. The corporation can give the PIN to any person filing amendments on the corporation's behalf.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:222 and R.S. 36:742.

HISTORICAL NOTE: Promulgated by the Department of State, Business Services Division, LR 42:905 (June 2016), amended LR 44:

Chapter 5. Nonprofit Corporations

§500. Secure Business Filings Service

A. The Department of State has developed and now offers a Secure Business Filings (SBF) service designed to discourage fraudulent business filings in Louisiana. The service will notify a corporation via email whenever amendments are submitted on the corporation through *geauxBIZ*. The corporation will have the opportunity to review the filing and approve or reject further processing by the Department of State.

B. Any person who has a *geauxBIZ* account with a verified email address can enroll in the optional SBF service. The enrollment application must be authorized by a person who is a named officer, director, member, manager, or partner of record (the authorizing authority). The identity of the authorizing authority must be verified by completing a Secure Business Filing Service Enrollment Application Authorization which must be verified by a licensed notary public in the state where the authorizing authority resides. A copy of the authorization form can be found on the department's website. The authorization application is required for all SBF applicants, even if the applicant is the approval authority.

C. Business entities will have an opportunity to review the filing and approve or reject further processing by the Department of State. To approve a filing, the corporation must provide the PIN assigned to the corporation within five days of receiving notification of a pending file. If the corporation rejects a filing or if five days passes with no action performed, the filing will not be processed by the Department of State.

D. The corporation is responsible for PIN usage and security. The Department of State will not be responsible for unauthorized usage of the PIN or changes made to the corporation's business record as a result of an unauthorized user entering the correct PIN. The department reserves the right to cancel the SBF service, change the PIN, remove an SBF enrollee, change the SBF service terms and conditions, or act to prevent or prosecute fraudulent activity at any time.

E. An enrollment does not expire; however, it can be cancelled by the enrollee, by another authorized applicant, or by the Department of State. Enrollments are non-transferrable. A new SBF enrollment application must be completed to reinstate a cancelled enrollment or to change the SBF enrollment to a different *geauxBIZ* user. Once the enrollment application is approved by the department, the department will provide the corporation with a personal identification number (PIN) that will be unique to the corporation. The corporation can give the PIN to any person filing amendments on the corporation's behalf.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:222 and R.S. 36:742.

HISTORICAL NOTE: Promulgated by the Department of State, Business Services Division, LR 42:906 (June 2016), amended LR 44:

Chapter 7. Foreign Corporations

§700. Secure Business Filings Service

A. The Department of State has developed and now offers a Secure Business Filings (SBF) service designed to discourage fraudulent business filings in Louisiana. The service will notify a corporation via email whenever amendments are submitted on the corporation through **geauxBIZ**. The corporation will have the opportunity to review the filing and approve or reject further processing by the Department of State.

B. Any person who has a **geauxBIZ** account with a verified email address can enroll in the optional SBF service. The enrollment application must be authorized by a person who is a named officer, director, member, manager, or partner of record (the authorizing authority). The identity of the authorizing authority must be verified by completing a Secure Business Filing Service Enrollment Application Authorization which must be verified by a licensed notary public in the state where the authorizing authority resides. A copy of the authorization form can be found on the department's website. The authorization application is required for all SBF applicants, even if the applicant is the approval authority.

C. Business entities will have an opportunity to review the filing and approve or reject further processing by the Department of State. To approve a filing, the corporation must provide the PIN assigned to the corporation within five days of receiving notification of a pending file. If the corporation rejects a filing or if five days passes with no action performed, the filing will not be processed by the Department of State.

D. The corporation is responsible for PIN usage and security. The Department of State will not be responsible for unauthorized usage of the PIN or changes made to the corporation's business record as a result of an unauthorized user entering the correct PIN. The department reserves the right to cancel the SBF service, change the PIN, remove an SBF enrollee, change the SBF service terms and conditions, or act to prevent or prosecute fraudulent activity at any time.

E. An enrollment does not expire; however, it can be cancelled by the enrollee, by another authorized applicant, or by the Department of State. Enrollments are non-transferrable. A new SBF enrollment application must be completed to reinstate a cancelled enrollment or to change the SBF enrollment to a different **geauxBIZ** user. Once the enrollment application is approved by the department, the department will provide the corporation with a personal identification number (PIN) that will be unique to the corporation. The corporation can give the PIN to any person filing amendments on the corporation's behalf.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:222 and R.S. 36:742.

HISTORICAL NOTE: Promulgated by the Department of State, Business Services Division, LR 42:906 (June 2016), amended LR 44:

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Chapter 9. Special Corporations

§900. Secure Business Filings Service

A. The Department of State has developed and now offers a Secure Business Filings (SBF) service designed to discourage fraudulent business filings in Louisiana. The service will notify a corporation via email whenever amendments are submitted on the corporation through **geauxBIZ**. The corporation will have the opportunity to review the filing and approve or reject further processing by the Department of State.

B. Any person who has a **geauxBIZ** account with a verified email address can enroll in the optional SBF service. The enrollment application must be authorized by a person who is a named officer, director, member, manager, or partner of record (the authorizing authority). The identity of the authorizing authority must be verified by completing a Secure Business Filing Service Enrollment Application Authorization which must be verified by a licensed notary public

in the state where the authorizing authority resides. A copy of the authorization form can be found on the department's website. The authorization application is required for all SBF applicants, even if the applicant is the approval authority.

C. Business entities will have an opportunity to review the filing and approve or reject further processing by the Department of State. To approve a filing, the corporation must provide the PIN assigned to the corporation within five days of receiving notification of a pending file. If the corporation rejects a filing or if five days passes with no action performed, the filing will not be processed by the Department of State.

D. The corporation is responsible for PIN usage and security. The Department of State will not be responsible for unauthorized usage of the PIN or changes made to the corporation's business record as a result of an unauthorized user entering the correct PIN. The department reserves the right to cancel the SBF service, change the PIN, remove an SBF enrollee, change the SBF service terms and conditions, or act to prevent or prosecute fraudulent activity at any time.

E. An enrollment does not expire; however, it can be cancelled by the enrollee, by another authorized applicant, or by the Department of State. Enrollments are non-transferrable. A new SBF enrollment application must be completed to reinstate a cancelled enrollment or to change the SBF enrollment to a different *geauxBIZ* user. Once the enrollment application is approved by the department, the department will provide the corporation with a personal identification number (PIN) that will be unique to the corporation. The corporation can give the PIN to any person filing amendments on the corporation's behalf.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:222 and R.S. 36:742.

HISTORICAL NOTE: Promulgated by the Department of State, Business Services Division, LR 42:907 (June 2016), LR 44:

Chapter 11. Limited Liability Companies

§1100. Secure Business Filings Service

A. The Department of State has developed and now offers a Secure Business Filings (SBF) service designed to discourage fraudulent business filings in Louisiana. The service will notify a limited liability company via email whenever amendments are submitted on the limited liability company through *geauxBIZ*. The limited liability company will have the opportunity to review the filing and approve or reject further processing by the Department of State.

B. Any person who has a *geauxBIZ* account with a verified email address can enroll in the optional SBF service. The enrollment application must be authorized by a person who is a named officer, director, member, manager, or partner of record (the authorizing authority). The identity of the authorizing authority must be verified by completing a Secure Business Filing Service Enrollment Application Authorization which must be verified by a licensed notary public in the state where the authorizing authority resides. A copy of the authorization form can be found on the department's website. The authorization application is required for all SBF applicants, even if the applicant is the approval authority.

C. Business entities will have an opportunity to review the filing and approve or reject further processing by the Department of State. To approve a filing, the limited liability company must provide the PIN assigned to the limited liability company within five days of receiving notification of a pending file. If the limited liability company rejects a filing or if five days passes with no action performed, the filing will not be processed by the Department of State.

D. The limited liability company is responsible for PIN usage and security. The Department of State will not be responsible for unauthorized usage of the PIN or changes made to the limited liability company's business record as a result of an unauthorized user entering the correct PIN. The department reserves the right to cancel the SBF service, change the PIN,

remove an SBF enrollee, change the SBF service terms and conditions, or act to prevent or prosecute fraudulent activity at any time.

E. An enrollment does not expire; however, it can be cancelled by the enrollee, by another authorized applicant, or by the Department of State. Enrollments are non-transferrable. A new SBF enrollment application must be completed to reinstate a cancelled enrollment or to change the SBF enrollment to a different *geauxBIZ* user. Once the enrollment application is approved by the department, the department will provide the limited liability company with a personal identification number (PIN) that will be unique to the limited liability company. The limited liability company can give the PIN to any person filing amendments on the limited liability company's behalf.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:222 and R.S. 36:742.

HISTORICAL NOTE: Promulgated by the Department of State, Business Services Division, LR 42:907 (June 2016), amended LR 44:

Chapter 13. Partnerships

§1300. Secure Business Filings Service

A. The Department of State has developed and now offers a Secure Business Filings (SBF) service designed to discourage fraudulent business filings in Louisiana. The service will notify a partnership via email whenever amendments are submitted on the partnership through *geauxBIZ*. The partnership will have the opportunity to review the filing and approve or reject further processing by the Department of State.

B. Any person who has a *geauxBIZ* account with a verified email address can enroll in the optional SBF service. The enrollment application must be authorized by a person who is a named officer, director, member, manager, or partner of record (the authorizing authority). The identity of the authorizing authority must be verified by completing a Secure Business Filing Service Enrollment Application Authorization which must be verified by a licensed notary public in the state where the authorizing authority resides. A copy of the authorization form can be found on the department's website. The authorization application is required for all SBF applicants, even if the applicant is the approval authority.

C. Business entities will have an opportunity to review the filing and approve or reject further processing by the Department of State. To approve a filing, the partnership must provide the PIN assigned to the partnership within five days of receiving notification of a pending file. If the partnership rejects a filing or if five days passes with no action performed, the filing will not be processed by the Department of State.

D. The partnership is responsible for PIN usage and security. The Department of State will not be responsible for unauthorized usage of the PIN or changes made to the partnership's business record as a result of an unauthorized user entering the correct PIN. The department reserves the right to cancel the SBF service, change the PIN, remove an SBF enrollee, change the SBF service terms and conditions, or act to prevent or prosecute fraudulent activity at any time.

E. An enrollment does not expire; however, it can be cancelled by the enrollee, by another authorized applicant, or by the Department of State. Enrollments are non-transferrable. A new SBF enrollment application must be completed to reinstate a cancelled enrollment or to change the SBF enrollment to a different *geauxBIZ* user. Once the enrollment application is approved by the department, the department will provide the partnership with a personal identification number (PIN) that will be unique to the partnership. The partnership can give the PIN to any person filing amendments on the partnership's behalf.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:222 and R.S. 36:742.

HISTORICAL NOTE: Promulgated by the Department of State, Business Services Division, LR 42:907 (June 2016), amended LR 44:

Family Impact Statement

The proposed Rule regarding the Secure Business Filing Service should not have any known or foreseeable impact on any family as defined by R.S. 49:927 or on family formation, stability and autonomy. Specifically, there should be no known or foreseeable effect on:

1. the stability of the family;
2. the authority and rights of parents regarding the education and supervision of their children;
3. the functioning of the family;
4. family earnings and family budget;
5. the behavior and personal responsibility of children; and
6. the ability of the family or a local government to perform the function as contained in the proposed amendments to the Rule.

Poverty Impact Statement

The proposed Rule regarding the Secure Business Filing Service should not have any known or foreseeable impact on poverty as defined by R.S. 49:973. Specifically, there should be no known or foreseeable effect on:

1. the household income, assets and financial security;
2. early childhood development and preschool through postsecondary education development;
3. employment and workforce development;
4. taxes and tax credits; and
5. child and dependent care, housing, health care, nutrition, transportation, and utilities assistance.

Small Business Statement

The proposed Rule on small business has been considered and it is estimated that the proposed action is not expected to have a significant adverse impact on small business as defined in the Regulatory Flexibility Act. The agency, consistent with health, safety, environmental and economic welfare factors has considered and, where possible, utilized regulatory methods in the drafting of the proposed Rule that will accomplish the objectives of applicable statutes while minimizing the adverse impact of the proposed Rule on small business.

Provider Impact Statement

The proposed Rule does not have any known or unforeseeable impact on providers as defined by HCR 170 of the 2014 Regular Legislative Session. In particular, there should be no known or foreseeable effect on:

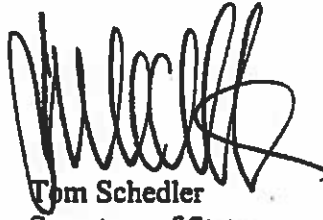
1. the effect on the staffing level requirements or qualifications required to provide the same level of service;
2. the total direct and indirect effect on the cost to the providers to provide the same level of service; or
3. the overall effect on the ability of the provider to provide the same level of service.

Public Comments

Interested persons may submit written comments to Steve Hawkland, Deputy General Counsel, Legal Division, Department of State, P.O. Box 94125, Baton Rouge, LA 70804-9125. He will be responsible for responding to inquiries regarding the proposed Rule. The deadline for the Department of State to receive written comments is 4:30 p.m. on Thursday, May 31, 2018 after the public hearing.

Public Hearing

A public hearing on the proposed Rule is scheduled for Wednesday, May 30, 2018 at 10:00 a.m. in the Auditorium at the State Archives Building, 3851 Essen Lane, Baton Rouge, LA. At that time, all interested persons will be afforded the opportunity to submit data, views, or arguments, either orally or in writing.

A handwritten signature in black ink, appearing to read 'Tom Schedler', is written over the printed name and title.

Tom Schedler
Secretary of State

Title 19
Part V. Secretary of State

Chapter 1. Domestic Corporations

§100. Secure Business Filings Service

A. The Department of State has developed and now offers ~~an optional~~ a Secure Business Filings (SBF) service designed to discourage fraudulent business filings in Louisiana. The service will notify a corporation via email whenever amendments are submitted on the corporation through geauxBIZ. The corporation will have the opportunity to review the filing and approve or reject further processing by the Department of State.

B. Any person who has a geauxBIZ account with a verified email address can enroll in the optional SBF service. The enrollment application must be authorized by a person who is a named officer, director, member, manager, or partner of record (the authorizing authority). The identity of the authorizing authority must be verified by completing a Secure Business Filing Service Enrollment Application Authorization which must be verified by a licensed notary public in the state where the authorizing authority resides. A copy of the authorization form can be found on the department's website. The authorization application is required for all SBF applicants, even if the applicant is the approval authority.

C. Business entities will have an opportunity to review the filing and approve or reject further processing by the Department of State. To approve a filing, the corporation must provide the PIN assigned to the corporation within five days of receiving notification of a pending file. If the corporation rejects a filing or if five days passes with no action performed, the filing will not be processed by the Department of State.

D. The corporation is responsible for PIN usage and security. The Department of State will not be responsible for unauthorized usage of the PIN or changes made to the corporation's business record as a result of an unauthorized user entering the correct PIN. The department reserves the right to cancel the SBF service, change the PIN, remove an SBF enrollee, change the SBF service terms and conditions, or act to prevent or prosecute fraudulent activity at any time.

E. ~~The service has a one-time enrollment fee of \$35.~~ An enrollment does not expire; however, it can be cancelled by the enrollee, by another authorized applicant, or by the Department of State. Enrollments are non-transferrable. A new SBF enrollment application must be completed to reinstate a cancelled enrollment or to change the SBF enrollment to a different geauxBIZ user. Once the enrollment application is approved by the department, the department will provide the corporation with a personal identification number (PIN) that will be unique to the corporation. The corporation can give the PIN to any person filing amendments on the corporation's behalf.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:222 and R.S. 36:742.

HISTORICAL NOTE: Promulgated by the Department of State, Business Services Division, LR 42:905 (June 2016), amended LR 44:-

§101. Uniform Statutory Form Power of Attorney for Military Personnel
Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 9:3865.

HISTORICAL NOTE: Promulgated by the Department of State, Office of the Secretary of State, LR 17:1227 (December 1991), repealed LR 43:1986 (October 2017).

Chapter 5. Nonprofit Corporations

§500. Secure Business Filings Service

A. The Department of State has developed and now offers ~~an optional~~ a Secure Business Filings (SBF) service designed to discourage fraudulent business filings in Louisiana. The service will notify a corporation via email whenever amendments are submitted on the corporation through *geauxBIZ*. The corporation will have the opportunity to review the filing and approve or reject further processing by the Department of State.

B. Any person who has a *geauxBIZ* account with a verified email address can enroll in the optional SBF service. The enrollment application must be authorized by a person who is a named officer, director, member, manager, or partner of record (the authorizing authority). The identity of the authorizing authority must be verified by completing a Secure Business Filing Service Enrollment Application Authorization which must be verified by a licensed notary public in the state where the authorizing authority resides. A copy of the authorization form can be found on the department's website. The authorization application is required for all SBF applicants, even if the applicant is the approval authority.

C. Business entities will have an opportunity to review the filing and approve or reject further processing by the Department of State. To approve a filing, the corporation must provide the PIN assigned to the corporation within five days of receiving notification of a pending file. If the corporation rejects a filing or if five days passes with no action performed, the filing will not be processed by the Department of State.

D. The corporation is responsible for PIN usage and security. The Department of State will not be responsible for unauthorized usage of the PIN or changes made to the corporation's business record as a result of an unauthorized user entering the correct PIN. The department reserves the right to cancel the SBF service, change the PIN, remove an SBF enrollee, change the SBF service terms and conditions, or act to prevent or prosecute fraudulent activity at any time.

E. ~~The service has a one-time enrollment fee of \$35.~~ An enrollment does not expire; however, it can be cancelled by the enrollee, by another authorized applicant, or by the Department of State. Enrollments are non-transferrable. A new SBF enrollment application must be completed to reinstate a cancelled enrollment or to change the SBF enrollment to a different *geauxBIZ* user. Once the enrollment application is approved by the department, the department will provide the corporation with a personal identification number (PIN) that will be unique to the corporation. The corporation can give the PIN to any person filing amendments on the corporation's behalf.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:222 and R.S. 36:742.

HISTORICAL NOTE: Promulgated by the Department of State, Business Services Division, LR 42:906 (June 2016), amended LR 44:

Chapter 7. Foreign Corporations

§700. Secure Business Filings Service

A. The Department of State has developed and now offers ~~an optional~~ a Secure Business Filings (SBF) service designed to discourage fraudulent business filings in Louisiana. The service will notify a corporation via email whenever amendments are submitted on the corporation through *geauxBIZ*. The corporation will have the opportunity to review the filing and approve or reject further processing by the Department of State.

B. Any person who has a **geauxBIZ** account with a verified email address can enroll in the optional SBF service. The enrollment application must be authorized by a person who is a named officer, director, member, manager, or partner of record (the authorizing authority). The identity of the authorizing authority must be verified by completing a Secure Business Filing Service Enrollment Application Authorization which must be verified by a licensed notary public in the state where the authorizing authority resides. A copy of the authorization form can be found on the department's website. The authorization application is required for all SBF applicants, even if the applicant is the approval authority.

C. Business entities will have an opportunity to review the filing and approve or reject further processing by the Department of State. To approve a filing, the corporation must provide the PIN assigned to the corporation within five days of receiving notification of a pending file. If the corporation rejects a filing or if five days passes with no action performed, the filing will not be processed by the Department of State.

D. The corporation is responsible for PIN usage and security. The Department of State will not be responsible for unauthorized usage of the PIN or changes made to the corporation's business record as a result of an unauthorized user entering the correct PIN. The department reserves the right to cancel the SBF service, change the PIN, remove an SBF enrollee, change the SBF service terms and conditions, or act to prevent or prosecute fraudulent activity at any time.

E. ~~The service has a one-time enrollment fee of \$35.~~ An enrollment does not expire; however, it can be cancelled by the enrollee, by another authorized applicant, or by the Department of State. Enrollments are non-transferrable. A new SBF enrollment application must be completed to reinstate a cancelled enrollment or to change the SBF enrollment to a different **geauxBIZ** user. Once the enrollment application is approved by the department, the department will provide the corporation with a personal identification number (PIN) that will be unique to the corporation. The corporation can give the PIN to any person filing amendments on the corporation's behalf.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:222 and R.S. 36:742.

HISTORICAL NOTE: Promulgated by the Department of State, Business Services Division, LR 42:906 (June 2016); amended LR 44:

§701. Notification of Foreign Corporation Not Registered with the Department of State

A. When the Department of State is made aware that a foreign corporation is transacting business in this state without a valid certificate of authority, the secretary of state shall notify the foreign corporation by certified mail (return receipt requested) that a certificate of authority is required and must be obtained within 30 days of receipt of the notification.

B. If the foreign corporation does not comply and obtain the certificate of authority within the 30-day period after notification, the Department of State shall investigate the foreign corporation and determine the penalty to be assessed in accordance with the penalty schedule detailed in §703. The foreign corporation shall be notified by certified mail (return receipt requested) that the penalty has been assessed and will have 60 days in which to pay the penalty to the Department of State.

C. If the foreign corporation does not pay the penalty as assessed within the 60-day period, the secretary of state shall notify the attorney general to institute proceedings against the foreign corporation to collect such penalty.

AUTHORITY NOTE: Promulgated in accordance with R.S. 12:314.1 and R.S. 36:742.

HISTORICAL NOTE: Promulgated by the Department of State, Business Services Division, LR 412:69 (January 2016).

§703. Foreign Corporation Penalty Schedule

A. The secretary of state hereby adopts the following penalty schedule for foreign corporations transacting business in this state without a valid certificate of authority.

1. For a foreign corporation transacting business in the state for less than one year, the penalty fee shall be \$500.

2. For a foreign corporation transacting business in the state for greater than one year but less than three years, the penalty fee shall be \$750.

3. For a foreign corporation transacting business in the state for greater than three years, the penalty fee shall be \$1,000.

B. The acceptable forms of payment are: check, money orders, cashier's check, and credit card. For any check returned to the department as NSF, there will be a charge of \$25. There will be a \$5 service charge for payments by credit card. Payment shall either be hand delivered to the department (Business Services Division, Twelve United Plaza, 8585 Archives Avenue, Baton Rouge, LA) or mailed to the department (Department of State, Business Services Division, P.O. Box 94125, Baton Rouge, LA 70804-9095).

AUTHORITY NOTE: Promulgated in accordance with R.S. 12:314.1 and R.S. 36:742.

HISTORICAL NOTE: Promulgated by the Department of State, Business Services Division, LR 42:69 (January 2016).

Chapter 9. Special Corporations

§900. Secure Business Filings Service

A. The Department of State has developed and now offers ~~an optional~~ a Secure Business Filings (SBF) service designed to discourage fraudulent business filings in Louisiana. The service will notify a corporation via email whenever amendments are submitted on the corporation through *geauxBIZ*. The corporation will have the opportunity to review the filing and approve or reject further processing by the Department of State.

B. Any person who has a *geauxBIZ* account with a verified email address can enroll in the optional SBF service. The enrollment application must be authorized by a person who is a named officer, director, member, manager, or partner of record (the authorizing authority). The identity of the authorizing authority must be verified by completing a Secure Business Filing Service Enrollment Application Authorization which must be verified by a licensed notary public in the state where the authorizing authority resides. A copy of the authorization form can be found on the department's website. The authorization application is required for all SBF applicants, even if the applicant is the approval authority.

C. Business entities will have an opportunity to review the filing and approve or reject further processing by the Department of State. To approve a filing, the corporation must provide the PIN assigned to the corporation within five days of receiving notification of a pending file. If the corporation rejects a filing or if five days passes with no action performed, the filing will not be processed by the Department of State.

D. The corporation is responsible for PIN usage and security. The Department of State will not be responsible for unauthorized usage of the PIN or changes made to the corporation's business record as a result of an unauthorized user entering the correct PIN. The department

reserves the right to cancel the SBF service, change the PIN, remove an SBF enrollee, change the SBF service terms and conditions, or act to prevent or prosecute fraudulent activity at any time.

E. ~~The service has a one-time enrollment fee of \$35.~~ An enrollment does not expire; however, it can be cancelled by the enrollee, by another authorized applicant, or by the Department of State. Enrollments are non-transferrable. A new SBF enrollment application must be completed to reinstate a cancelled enrollment or to change the SBF enrollment to a different geauxBIZ user. Once the enrollment application is approved by the department, the department will provide the corporation with a personal identification number (PIN) that will be unique to the corporation. The corporation can give the PIN to any person filing amendments on the corporation's behalf.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:222 and R.S. 36:742.

HISTORICAL NOTE: Promulgated by the Department of State, Business Services Division, LR 42:907 (June 2016)-, amended LR 44:

Chapter 11. Limited Liability Companies

§1100. Secure Business Filings Service

A. The Department of State has developed and now offers ~~an optional a~~ Secure Business Filings (SBF) service designed to discourage fraudulent business filings in Louisiana. The service will notify a limited liability company via email whenever amendments are submitted on the limited liability company through geauxBIZ. The limited liability company will have the opportunity to review the filing and approve or reject further processing by the Department of State.

B. Any person who has a geauxBIZ account with a verified email address can enroll in the optional SBF service. The enrollment application must be authorized by a person who is a named officer, director, member, manager, or partner of record (the authorizing authority). The identity of the authorizing authority must be verified by completing a Secure Business Filing Service Enrollment Application Authorization which must be verified by a licensed notary public in the state where the authorizing authority resides. A copy of the authorization form can be found on the department's website. The authorization application is required for all SBF applicants, even if the applicant is the approval authority.

C. Business entities will have an opportunity to review the filing and approve or reject further processing by the Department of State. To approve a filing, the limited liability company must provide the PIN assigned to the limited liability company within five days of receiving notification of a pending file. If the limited liability company rejects a filing or if five days passes with no action performed, the filing will not be processed by the Department of State.

D. The limited liability company is responsible for PIN usage and security. The Department of State will not be responsible for unauthorized usage of the PIN or changes made to the limited liability company's business record as a result of an unauthorized user entering the correct PIN. The department reserves the right to cancel the SBF service, change the PIN, remove an SBF enrollee, change the SBF service terms and conditions, or act to prevent or prosecute fraudulent activity at any time.

E. ~~The service has a one-time enrollment fee of \$35.~~ An enrollment does not expire; however, it can be cancelled by the enrollee, by another authorized applicant, or by the Department of State. Enrollments are non-transferrable. A new SBF enrollment application must be completed to reinstate a cancelled enrollment or to change the SBF enrollment to a different geauxBIZ user. Once the enrollment application is approved by the department, the

department will provide the limited liability company with a personal identification number (PIN) that will be unique to the limited liability company. The limited liability company can give the PIN to any person filing amendments on the limited liability company's behalf.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:222 and R.S. 36:742.

HISTORICAL NOTE: Promulgated by the Department of State, Business Services Division, LR 42:907 (June 2016); amended LR 44:

Chapter 13. Partnerships

§1300. Secure Business Filings Service

A. The Department of State has developed and now offers ~~an optional~~ Secure Business Filings (SBF) service designed to discourage fraudulent business filings in Louisiana. The service will notify a partnership via email whenever amendments are submitted on the partnership through *geauxBIZ*. The partnership will have the opportunity to review the filing and approve or reject further processing by the Department of State.

B. Any person who has a *geauxBIZ* account with a verified email address can enroll in the optional SBF service. The enrollment application must be authorized by a person who is a named officer, director, member, manager, or partner of record (the authorizing authority). The identity of the authorizing authority must be verified by completing a Secure Business Filing Service Enrollment Application Authorization which must be verified by a licensed notary public in the state where the authorizing authority resides. A copy of the authorization form can be found on the department's website. The authorization application is required for all SBF applicants, even if the applicant is the approval authority.

C. Business entities will have an opportunity to review the filing and approve or reject further processing by the Department of State. To approve a filing, the partnership must provide the PIN assigned to the partnership within five days of receiving notification of a pending file. If the partnership rejects a filing or if five days passes with no action performed, the filing will not be processed by the Department of State.

D. The partnership is responsible for PIN usage and security. The Department of State will not be responsible for unauthorized usage of the PIN or changes made to the partnership's business record as a result of an unauthorized user entering the correct PIN. The department reserves the right to cancel the SBF service, change the PIN, remove an SBF enrollee, change the SBF service terms and conditions, or act to prevent or prosecute fraudulent activity at any time.

E. ~~The service has a one-time enrollment fee of \$35.~~ An enrollment does not expire; however, it can be cancelled by the enrollee, by another authorized applicant, or by the Department of State. Enrollments are non-transferrable. A new SBF enrollment application must be completed to reinstate a cancelled enrollment or to change the SBF enrollment to a different *geauxBIZ* user. Once the enrollment application is approved by the department, the department will provide the partnership with a personal identification number (PIN) that will be unique to the partnership. The partnership can give the PIN to any person filing amendments on the partnership's behalf.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:222 and R.S. 36:742.

HISTORICAL NOTE: Promulgated by the Department of State, Business Services Division, LR 42:907 (June 2016); amended LR 44:

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

Person Preparing Statement: Carol H. Guldry Dept: Department of State
Phone: (225) 229-8085 Office: Business Division
Return Address: P. O. Box 94125 Rule Title: Business Entities
Secured Business Filings
Baton Rouge, LA 70804-9125
Date Rule Takes Effect: Upon Promulgation
(Possibly 08/20/2018)

SUMMARY
(Use complete sentences)

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

There are no anticipated implementation costs as a result of the proposed rule change.

The proposed rule change relating to the Secured Business Filings Service administered by the Department of State eliminates a one-time enrollment fee of \$35, which will allow corporations and businesses to take part in this service for no charge. The Secured Business Filings service is designed to discourage fraudulent business filings in Louisiana.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

There will be a decrease in revenues to the Department of State; however, the decrease is anticipated to be minimal. The department will no longer collect the \$35 enrollment fee for businesses and corporations participating in the secure business filings service. In FY 17, the department collected \$5,365 and as of March 2018, the department has collected \$4,375 in FY 18.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NON-GOVERNMENTAL GROUPS (Summary)

Businesses and corporations will benefit from the proposed rule change. Entities will now be able to participate in the Secure Business Filings service without having to pay an associated enrollment fee.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule change will not affect competition or employment.


Signature of Agency Head or Designee

Joe R. Satter, Undersecretary of M & F

Typed Name & Title of Agency Head or Designee

4/4/18
Date of Signature


Legislative Fiscal Officer or Designee

4/9/18
Date of Signature

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES**

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberation on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption, or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

On June 20, 2016, the Department adopted the rule for the Secured Business Filings (SBF) service on geauxBIZ system. On July 6, 2016, the secured business filings software program went into effect and was offered to all business entities in the State of Louisiana that are required to be registered with the Department of State and are reported on the geauxBIZ system. Due to the increasing incidences of identity theft issues and the Department's interest in discouraging fraudulent business filings in Louisiana, it was determined that the optional \$35 one-time fee for Secured Business Filings would be repealed. Since all software has been developed and implemented, there will be no anticipated effect on implementation costs or savings to state and local governmental units.

- B. Summarize the circumstances, which require this action, if the Action is required by federal regulation, attach a copy of the applicable regulation.

See A above.

- C. Compliance with Act 11 of the 1986 First Extraordinary Session

- (1) Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

N/A

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

(a) _____ Yes. If yes, attach documentation.

(b) _____ NO. If no, provide justification as to why this rule change should be published at this time

FISCAL AND ECONOMIC IMPACT STATEMENT

WORKSHEET

I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

COSTS	FY 18	FY 19	FY 20
Personal Services			
Operating Expenses			
Professional Services			
Other Charges			
Equipment			
Major Repairs & Constr.			
TOTAL	0	0	0
POSITIONS (#)	0	0	0

2. Provide a narrative explanation of the costs or savings shown in "A. 1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

There are no anticipated implementation costs as a result of the proposed rule change.

3. Sources of funding for implementing the proposed rule or rule change.

SOURCE	FY 18	FY 19	FY 20
State General Fund			
Agency Self-Generated			
Dedicated			
Federal Funds			
Other (Specify)			
TOTAL	0	0	0

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

Since the software has been developed and has been implemented, the Department anticipates utilizing self-generated revenues from other sources to fully fund the maintenance of the SBF system.

B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

The proposed rule change will retain the SBF system; however, the department proposes to repeal the \$35 one-time fee. The business entities in Louisiana who have enrolled in the SBF system will have an opportunity to review all filings and approve or reject further processing of documents, including potentially fraudulent and harmful business filings. Business entities statewide will be able to participate in the SBF service without being required to pay the one-time \$35 fee.

2. Indicate the sources of funding of the local governmental unit, which will be affected by these costs or savings.

N/A

FISCAL AND ECONOMIC IMPACT STATEMENT

WORKSHEET

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS

A. What increase (decrease) in revenues can be anticipated from the proposed action?

REVENUE INCREASE/DECREASE	FY 18	FY 19	FY 20
State General Fund			
Agency Self-Generated		Decrease	Decrease
Dedicated Funds*			
Federal Funds			
Local Funds			
TOTAL	0	0	0

*Specify the particular fund being impacted.

B. Provide a narrative explanation of each increase or decrease in revenues shown in "A." Describe all data, assumptions, and methods used in calculating these increases or decreases.

There will be a decrease in revenues to the Department of State; however, the decrease is anticipated to be minimal. The department will no longer collect the \$35 enrollment fee for businesses and corporations participating in the secure business filings service. In FY 17 the department collected \$5,365 and as of March 2018, the department has collected \$4,375 in FY 18.

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS

- A. What persons or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.), they may have to incur as a result of the proposed action.

Businesses and corporations will benefit from the proposed rule change. Entities will now be able to participate in the Secure Business Filings service without having to pay an associated enrollment fee.

- B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

See A above.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

The proposed rule change will not affect competition or employment.

**LOUISIANA DEPARTMENT OF STATE
BUSINESS DIVISION**

NOTICE OF INTENT

**TITLE 19
CORPORATIONS AND BUSINESS
PART V. SECRETARY OF STATE
CHAPTERS 1-13**

**AGENDA
PUBLIC HEARING ON PROPOSED RULES**

State Archives Building

Auditorium

3851 Essen Lane

Baton Rouge, Louisiana

Date: Wednesday, May 30, 2018 Time: 10:00 a.m.

I. CALL TO ORDER AND INTRODUCTIONS

II. PUBLIC HEARING PROCEDURES (SEE ATTACHMENT #1)

III. PURPOSE OF HEARING

- A. Discussion of Notice of Intent or Potpourri
- B. To receive public comments on proposed amendments to the rules and regulations of the Department of State, Business Division, specifically Louisiana Administrative Code, Title 19, Part V, Chapter 1 – 13, Secure Business Filings.
- C. All written and oral comments and submissions regarding the proposed rule shall be fully considered by the Department.
- D. A response to the comments and submission shall be filed with the House and Governmental Affairs and Senate and Governmental Affairs Oversight Committees.
- E. A copy of the response will be sent to each person who presented comments or submission on the rules, if an address, fax, or email is provided to the Department.

IV. TECHNICAL AMENDMENTS (If there are any technical amendments, explain them.)

V. CALL FOR COMMENTS AND SUBMISSIONS

- A. At this time, the Department is asking for any written comments and submissions to the notice of intent and/or amendments.
- B. At this time, the Department will call up persons who have signed a slip asking to speak.
- C. The deadline for written comments is close of business on Thursday, May 31, 2018.

VI. DISCUSS TIMETABLE FOR THE ADOPTION OF THE PROPOSED RULE

VII. CLOSING COMMENTS

ATTACHMENT #1

DEPARTMENT OF STATE

PUBLIC HEARING PROCEDURES

- A. This hearing is being recorded so that all comments can be fully considered.
- B. Everyone who wishes to speak shall have the opportunity to do so.
- C. Each person wanting to speak must fill out a request slip (Attachment #2).
 - 1. If you have not already done so, please fill out a slip now.
 - 2. If you need a slip, please raise your hand and a slip will be provided to you.
- D. Limitation on Time
 - 1. Everyone's time is valuable so speakers will be limited to 10 minutes, unless the presiding officer determines that the time needs to be reduced or increased. Time will be reduced if the speaker is merely repeating what he has already said. Time will be increased if the comments are productive and are not repetitive.
 - 2. A speaker is to state:
 - a. whether he or she is for or against the proposed rule or any of the amendments being proposed;
 - b. specific provisions being commented on;
 - c. the specific reasons for the speaker's position; and/or
 - d. any recommendations by the speaker regarding the amendments.
 - 3. A speaker who starts to repeat himself or herself will be asked to move on to any other comments.
 - 4. A speaker who merely states that he or she is against the proposed rule and/or any amendments or any part of the amendments but does not provide specific reasons for doing so, may be asked to supply specific reasons for the position.
- E. Discussion of matters unrelated to the amendments will not be allowed.
- F. No response to the comments or submissions will be made today. As stated earlier, all comments and submissions will be fully considered before any response is made.

ATTACHMENT #2

DEPARTMENT OF STATE

PUBLIC HEARING REQUEST SLIP

NAME: _____

ORGANIZATION: _____

EMAIL: _____

TELEPHONE NUMBER: _____

FOR PROPOSED NOTICE OF INTENT OR AMENDMENT

AGAINST PROPOSED NOTICE OF INTENT OR AMENDMENT

WOULD LIKE TO SPEAK AT PUBLIC HEARING

SIGNATURE

DATE

**LOUISIANA DEPARTMENT OF STATE
BUSINESS DIVISION
PUBLIC HEARING
NOTICE OF INTENT
TITLE 19
CORPORATIONS AND BUSINESS
PART V. SECRETARY OF STATE
CHAPTERS 1-13
SECURE BUSINESS FILINGS
MINUTES OF HEARING HELD 5/30/18**

The public hearing was held at the State Archives Building Auditorium, 3851 Essen Lane, Baton Rouge and was called to order at 10:00 a.m. by Carol Guidry.

PRESENT:

Carla Bonaventure, Secretary of State's Office
Patricia Daigle, Secretary of State's Office
Carol Guidry, Secretary of State's Office
Brad Harris, Secretary of State's Office
Jodie Henderson, Secretary of State's Office
Scott Mayers, Secretary of State's Office

Carol Guidry presented the Notice of Intent and discussed the legislative requirements for adoption of rules and regulations, as well as, new procedures regarding public hearings. The deadline for submission of comments was discussed and is the close of business on May 31, 2018.

There were no oral comments made at the hearing. In addition, there were no written comments received prior to the public hearing. Carol Guidry also discussed the timetable for the submission of the Second Legislative Oversight Report and legislative oversight hearing timeframe. She also announced that the proposed rule publication date is July 20, 2018. She also informed Brad that the software changes for geauxBIZ need to be ready to go online on July 20, 2018.

The meeting adjourned at 10:05 a.m.

PROPOSED RULE

Department of State Business Services Division

Corporations Secure Business Filings Service (LAC 19:V.100, 500, 700, 900, 1100, and 1300)

Pursuant to the provisions of the Administrative Procedures Act (R.S.49:950 et seq.) and under the authority of R.S. 49:222 and R.S. 36:742, the Secretary of State hereby adopts this Rule to eliminate the fee for the secure business filings (SBF) service. With the development of the secure business filings (SBF) service, the department charged a one-time optional \$35 fee for the service; however, it was determined that this security service should be made available free of charge to all Louisiana business filings in the *geauxBIZ* system to insure the integrity of our *geauxBIZ* system. This Rule shall become effective upon publication in the *Louisiana Register* on July 20, 2018.

Title 19

CORPORATIONS AND BUSINESS

Part V. Secretary of State

Chapter 1. Domestic Corporations

§100. Secure Business Filings Service

A. The Department of State has developed and now offers a secure business filings (SBF) service designed to discourage fraudulent business filings in Louisiana. The service will notify a corporation via email whenever amendments are submitted on the corporation through *geauxBIZ*. The corporation will have the opportunity to review the filing and approve or reject further processing by the Department of State.

B. Any person who has a *geauxBIZ* account with a verified email address can enroll in the optional SBF service. The enrollment application must be authorized by a person who is a named officer, director, member, manager, or partner of record (the authorizing authority). The identity of the authorizing authority must be verified by completing a secure business filing service enrollment application authorization which must be verified by a licensed notary public in the state where the authorizing authority resides. A copy of the authorization form can be found on the department's website. The authorization application is required for all SBF applicants, even if the applicant is the approval authority.

C. Business entities will have an opportunity to review the filing and approve or reject further processing by the Department of State. To approve a filing, the corporation must provide the PIN assigned to the corporation within five days of receiving notification of a pending file. If the corporation rejects a filing or if five days passes with no action performed, the filing will not be processed by the Department of State.

D. The corporation is responsible for PIN usage and security. The Department of State will not be responsible for unauthorized usage of the PIN or changes made to the corporation's business record as a result of an unauthorized user entering the correct PIN. The department reserves the right to cancel the SBF service, change the PIN, remove an SBF enrollee, change the SBF service terms and conditions, or act to prevent or prosecute fraudulent activity at any time.

E. An enrollment does not expire; however, it can be cancelled by the enrollee, by another authorized applicant, or by the Department of State. Enrollments are non-transferrable. A new SBF enrollment application must be completed to reinstate a cancelled enrollment or to change the SBF enrollment to a different *geauxBIZ* user. Once the enrollment application is approved by the department, the department will provide the corporation with a personal identification number (PIN) that will be unique to the corporation. The corporation can give the PIN to any person filing amendments on the corporation's behalf.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:222 and R.S. 36:742.

HISTORICAL NOTE: Promulgated by the Department of State, Business Services Division, LR 42:905 (June 2016), amended LR 44:

Chapter 5. Nonprofit Corporations

§500. Secure Business Filings Service

A. The Department of State has developed and now offers a secure business filings (SBF) service designed to discourage fraudulent business filings in Louisiana. The service will notify a corporation via email whenever amendments are submitted on the corporation through *geauxBIZ*. The corporation will have the opportunity to review the filing and approve or reject further processing by the Department of State.

B. Any person who has a *geauxBIZ* account with a verified email address can enroll in the optional SBF service. The enrollment application must be authorized by a person who is a named officer, director, member, manager, or partner of record (the authorizing authority). The identity of the authorizing authority must be verified by completing a secure business filing service enrollment application authorization which must be verified by a licensed notary public in the state where the authorizing authority resides. A copy of the authorization form can be found on the department's website. The authorization application is required for all SBF applicants, even if the applicant is the approval authority.

C. Business entities will have an opportunity to review the filing and approve or reject further processing by the Department of State. To approve a filing, the corporation must provide the PIN assigned to the corporation within five days of receiving notification of a pending file. If the corporation rejects a filing or if five days passes with no action performed, the filing will not be processed by the Department of State.

D. The corporation is responsible for PIN usage and security. The Department of State will not be responsible for unauthorized usage of the PIN or changes made to the corporation's business record as a result of an unauthorized user entering the correct PIN. The department reserves the right to cancel the SBF service, change the PIN, remove an SBF enrollee, change the SBF service terms and conditions, or act to prevent or prosecute fraudulent activity at any time.

E. An enrollment does not expire; however, it can be cancelled by the enrollee, by another authorized applicant, or by the Department of State. Enrollments are non-transferrable. A new SBF enrollment application must be completed to reinstate a cancelled enrollment or to change the SBF enrollment to a different *geauxBIZ* user. Once the enrollment application is approved by the department, the department will provide the corporation with a personal identification number (PIN) that will be unique to the corporation. The corporation can give the PIN to any person filing amendments on the corporation's behalf.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:222 and R.S. 36:742.

HISTORICAL NOTE: Promulgated by the Department of State, Business Services Division, LR 42:906 (June 2016), amended LR 44:

Chapter 7. Foreign Corporations

§700. Secure Business Filings Service

A. The Department of State has developed and now offers a secure business filings (SBF) service designed to discourage fraudulent business filings in Louisiana. The service will notify a corporation via email whenever amendments are submitted on the corporation through *geauxBIZ*. The corporation will have the opportunity to review the filing and approve or reject further processing by the Department of State.

B. Any person who has a *geauxBIZ* account with a verified email address can enroll in the optional SBF service. The enrollment application must be authorized by a person who is a named officer, director, member, manager, or partner of record (the authorizing authority). The identity of the authorizing authority must be verified by completing a secure business filing service enrollment application authorization which must be verified by a licensed notary public in the state where the authorizing authority resides. A copy of the authorization form can be found on the department's website. The authorization application is required for all SBF applicants, even if the applicant is the approval authority.

C. Business entities will have an opportunity to review the filing and approve or reject further processing by the Department of State. To approve a filing, the corporation must provide the PIN assigned to the corporation within five days of receiving notification of a pending file. If the corporation rejects a filing or if five days passes with no action performed, the filing will not be processed by the Department of State.

D. The corporation is responsible for PIN usage and security. The Department of State will not be responsible for unauthorized usage of the PIN or changes made to the corporation's business record as a result of an unauthorized user entering the correct PIN. The department reserves the right to cancel the SBF service, change the PIN, remove an SBF enrollee, change the SBF service terms and conditions, or act to prevent or prosecute fraudulent activity at any time.

E. An enrollment does not expire; however, it can be cancelled by the enrollee, by another authorized applicant, or by the Department of State. Enrollments are non-transferrable. A new SBF enrollment application must be completed to reinstate a cancelled enrollment or to change the SBF enrollment to a different *geauxBIZ* user. Once the enrollment application is approved by the department, the department will provide the corporation with a personal identification number (PIN) that will be unique to the corporation. The corporation can give the PIN to any person filing amendments on the corporation's behalf.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:222 and R.S. 36:742.

HISTORICAL NOTE: Promulgated by the Department of State, Business Services Division, LR 42:906 (June 2016), amended LR 44:

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Chapter 9. Special Corporations

§900. Secure Business Filings Service

A. The Department of State has developed and now offers a secure business filings (SBF) service designed to discourage fraudulent business filings in Louisiana. The service will notify a corporation via email whenever amendments are submitted on the corporation through *geauxBIZ*. The corporation will have the opportunity to review the filing and approve or reject further processing by the Department of State.

B. Any person who has a *geauxBIZ* account with a verified email address can enroll in the optional SBF service. The enrollment application must be authorized by a person who is a named officer, director, member, manager, or partner of record (the authorizing authority). The

identity of the authorizing authority must be verified by completing a secure business filing service enrollment application authorization which must be verified by a licensed notary public in the state where the authorizing authority resides. A copy of the authorization form can be found on the department's website. The authorization application is required for all SBF applicants, even if the applicant is the approval authority.

C. Business entities will have an opportunity to review the filing and approve or reject further processing by the Department of State. To approve a filing, the corporation must provide the PIN assigned to the corporation within five days of receiving notification of a pending file. If the corporation rejects a filing or if five days passes with no action performed, the filing will not be processed by the Department of State.

D. The corporation is responsible for PIN usage and security. The Department of State will not be responsible for unauthorized usage of the PIN or changes made to the corporation's business record as a result of an unauthorized user entering the correct PIN. The department reserves the right to cancel the SBF service, change the PIN, remove an SBF enrollee, change the SBF service terms and conditions, or act to prevent or prosecute fraudulent activity at any time.

E. An enrollment does not expire; however, it can be cancelled by the enrollee, by another authorized applicant, or by the Department of State. Enrollments are non-transferrable. A new SBF enrollment application must be completed to reinstate a cancelled enrollment or to change the SBF enrollment to a different *geauxBIZ* user. Once the enrollment application is approved by the department, the department will provide the corporation with a personal identification number (PIN) that will be unique to the corporation. The corporation can give the PIN to any person filing amendments on the corporation's behalf.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:222 and R.S. 36:742.

HISTORICAL NOTE: Promulgated by the Department of State, Business Services Division, LR 42:907 (June 2016), LR 44:

Chapter 11. Limited Liability Companies

§1100. Secure Business Filings Service

A. The Department of State has developed and now offers a secure business filings (SBF) service designed to discourage fraudulent business filings in Louisiana. The service will notify a limited liability company via email whenever amendments are submitted on the limited liability company through *geauxBIZ*. The limited liability company will have the opportunity to review the filing and approve or reject further processing by the Department of State.

B. Any person who has a *geauxBIZ* account with a verified email address can enroll in the optional SBF service. The enrollment application must be authorized by a person who is a named officer, director, member, manager, or partner of record (the authorizing authority). The identity of the authorizing authority must be verified by completing a secure business filing service enrollment application authorization which must be verified by a licensed notary public in the state where the authorizing authority resides. A copy of the authorization form can be found on the department's website. The authorization application is required for all SBF applicants, even if the applicant is the approval authority.

C. Business entities will have an opportunity to review the filing and approve or reject further processing by the Department of State. To approve a filing, the limited liability company must provide the PIN assigned to the limited liability company within five days of receiving notification of a pending file. If the limited liability company rejects a filing or if five days passes with no action performed, the filing will not be processed by the Department of State.

D. The limited liability company is responsible for PIN usage and security. The Department of State will not be responsible for unauthorized usage of the PIN or changes made

to the limited liability company's business record as a result of an unauthorized user entering the correct PIN. The department reserves the right to cancel the SBF service, change the PIN, remove an SBF enrollee, change the SBF service terms and conditions, or act to prevent or prosecute fraudulent activity at any time.

E. An enrollment does not expire; however, it can be cancelled by the enrollee, by another authorized applicant, or by the Department of State. Enrollments are non-transferrable. A new SBF enrollment application must be completed to reinstate a cancelled enrollment or to change the SBF enrollment to a different *geauxBIZ* user. Once the enrollment application is approved by the department, the department will provide the limited liability company with a personal identification number (PIN) that will be unique to the limited liability company. The limited liability company can give the PIN to any person filing amendments on the limited liability company's behalf.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:222 and R.S. 36:742.

HISTORICAL NOTE: Promulgated by the Department of State, Business Services Division, LR 42:907 (June 2016), amended LR 44:

Chapter 13. Partnerships

§1300. Secure Business Filings Service

A. The Department of State has developed and now offers a secure business filings (SBF) service designed to discourage fraudulent business filings in Louisiana. The service will notify a partnership via email whenever amendments are submitted on the partnership through *geauxBIZ*. The partnership will have the opportunity to review the filing and approve or reject further processing by the Department of State.

B. Any person who has a *geauxBIZ* account with a verified email address can enroll in the optional SBF service. The enrollment application must be authorized by a person who is a named officer, director, member, manager, or partner of record (the authorizing authority). The identity of the authorizing authority must be verified by completing a secure business filing service enrollment application authorization which must be verified by a licensed notary public in the state where the authorizing authority resides. A copy of the authorization form can be found on the department's website. The authorization application is required for all SBF applicants, even if the applicant is the approval authority.

C. Business entities will have an opportunity to review the filing and approve or reject further processing by the Department of State. To approve a filing, the partnership must provide the PIN assigned to the partnership within five days of receiving notification of a pending file. If the partnership rejects a filing or if five days passes with no action performed, the filing will not be processed by the Department of State.

D. The partnership is responsible for PIN usage and security. The Department of State will not be responsible for unauthorized usage of the PIN or changes made to the partnership's business record as a result of an unauthorized user entering the correct PIN. The department reserves the right to cancel the SBF service, change the PIN, remove an SBF enrollee, change the SBF service terms and conditions, or act to prevent or prosecute fraudulent activity at any time.

E. An enrollment does not expire; however, it can be cancelled by the enrollee, by another authorized applicant, or by the Department of State. Enrollments are non-transferrable. A new SBF enrollment application must be completed to reinstate a cancelled enrollment or to change the SBF enrollment to a different *geauxBIZ* user. Once the enrollment application is approved by the department, the department will provide the partnership with a personal identification number (PIN) that will be unique to the partnership. The partnership can give the PIN to any person filing amendments on the partnership's behalf.

AUTHORITY NOTE: Promulgated in accordance with R.S. 49:222 and R.S. 36:742.
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Secretary of State