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ARIZONA CORPORATION COMMISSION

NEW LEGISLATION SUMMARY – MAY 2016

There were a few bills passed this last session that affect certain filing requirements for corporations and LLCs. We've summarized the pertinent provisions below.

[SB1356](#) passed into law the Arizona Business Entities Competitive Omnibus Act. Its **effective date is August 6, 2016**. The bill addresses several statutes within title 10 that affect the internal governance of corporations. Many of those provisions do not address filing requirements, so they are not discussed herein. To view the entire bill, click on the bill number.

CERTIFICATE OF DISCLOSURE (all corporations): The period for disclosure of felony convictions for fraud in the Certificate of Disclosure required under 10-202 (and 10-3202 for nonprofits) is changed to five years instead of seven. The intent was to bring it more in line with a disclosure period under securities laws.

FOREIGN CORPORATIONS:

- 10-1503 is modified to reflect current practice with respect to foreign addresses. The foreign corporation is required to provide the address of its principal office in its state of incorporation, or, if none, the corporation must provide the street address of its registered agent in the foreign jurisdiction.
- Par value of shares is no longer required on the application for authority.
- 10-1504 -- The bill eliminates the application for new authority, and replaces it with Articles of Amendment to Application for Authority. The bill clarifies that both certified copies from the foreign jurisdiction and articles of amendment will be required if the corporation changes its name, duration, or domicile, or if anything on the original Application was inaccurate when filed. The A.C.C. will offer a form for the Articles of Amendment to Application for Authority.

FALSE FILINGS – the bill creates a right of action that the corporation or LLC, its creditors, and shareholders or members, may exercise against any person that authorizes or signs a document delivered for filing with the A.C.C. that the person knows contains false or misleading information. The prevailing party may be awarded reasonable attorney fees. The corporation statute is 10-1636, and the LLC statute is 29-858.

[HB2614](#), dealing with **cooperative marketing associations**, has been modified to allow the creation of a for-profit association. The Articles of Incorporation must state whether the association is nonprofit or for-profit, and the for-profit association must state the number of authorized shares. **The effective date is August 6, 2016.**

[HB2447](#) – this bill requires the A.C.C. to establish a searchable database for certain document types that must be published. When one of the applicable document types is filed, that document must either be published in a newspaper or the Commission must input the information into the new database. **The effective date is January 1, 2017.** As the effective date approaches, more information on any new process associated with this bill will be posted. Until the effective date of the bill, there will be no changes in A.C.C. processes or in statutory requirements.