

Amendment No. 31

Assembly Amendment to Assembly Bill No. 25

(BDR 7-544)

Proposed by: Assembly Committee on Judiciary**Amends:** Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will MAINTAIN a 2/3s majority vote requirement for final passage of A.B. 25 (§§ 2, 3, 6).

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) *green bold italic underlining* is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) *green bold* is newly added transitory language.

RRY/RBL



Date: 4/5/2007

A.B. No. 25—Makes various changes to provisions governing business associations. (BDR 7-544)



ASSEMBLY BILL NO. 25—COMMITTEE ON JUDICIARY

(ON BEHALF OF THE SECRETARY OF STATE)

PREFILED JANUARY 26, 2007

Referred to Committee on Judiciary

SUMMARY—Makes various changes to provisions governing business associations. (BDR 7-544)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to business associations; revising certain fees charged by the Office of the Secretary of State; revising the provisions pertaining to the name of a foreign limited partnership; making various other changes pertaining to business associations; providing for the correction of certain records filed with the Office of the Secretary of State; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

~~This~~ Sections 2, 3 and 6 of this bill ~~revises~~ revise the fees for filing and certifying certain documents with the Office of the Secretary of State. (NRS 87.4318, 87.4328, 104.9525) ~~This~~
Section 4 of this bill ~~also~~ allows a foreign limited partnership to abbreviate its name. (NRS 88.585)
Section 7 of this bill authorizes the Secretary of State to adopt regulations prescribing procedures for correcting certain fraudulent or false records filed with the Office of the Secretary of State.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 86.263 is hereby amended to read as follows:
86.263 1. A limited-liability company shall, on or before the last day of the first month after the filing of its articles of organization with the Secretary of State, file with the Secretary of State, on a form furnished by him, a list that contains:
(a) The name of the limited-liability company;
(b) The file number of the limited-liability company, if known;
(c) The names and titles of all of its managers or, if there is no manager, all of its managing members;

(d) The address, either residence or business, of each manager or managing member listed, following the name of the manager or managing member;

(e) The name and street address of its lawfully designated resident agent in this State; and

(f) The signature of a manager or managing member of the limited-liability company certifying that the list is true, complete and accurate.

2. The limited-liability company shall ~~annually~~ thereafter, on or before the last day of the month in which the anniversary date of its organization occurs, file with the Secretary of State, on a form furnished by him, an ~~amended~~ **annual** list containing all of the information required in subsection 1.

3. Each list required by subsections 1 and 2 must be accompanied by a declaration under penalty of perjury that the limited-liability company:

(a) Has complied with the provisions of NRS 360.780; and

(b) Acknowledges that pursuant to NRS 239.330, it is a category C felony to knowingly offer any false or forged instrument for filing in the Office of the Secretary of State.

4. Upon filing:

(a) The initial list required by subsection 1, the limited-liability company shall pay to the Secretary of State a fee of \$125.

(b) Each annual list required by subsection 2, the limited-liability company shall pay to the Secretary of State a fee of \$125.

5. If a manager or managing member of a limited-liability company resigns and the resignation is not reflected on the annual or amended list of managers and managing members, the limited-liability company or the resigning manager or managing member shall pay to the Secretary of State a fee of \$75 to file the resignation.

6. The Secretary of State shall, 90 days before the last day for filing each list required by subsection 2, cause to be mailed to each limited-liability company which is required to comply with the provisions of this section, and which has not become delinquent, a notice of the fee due under subsection 4 and a reminder to file a list required by subsection 2. Failure of any company to receive a notice or form does not excuse it from the penalty imposed by law.

7. If the list to be filed pursuant to the provisions of subsection 1 or 2 is defective or the fee required by subsection 4 is not paid, the Secretary of State may return the list for correction or payment.

8. An annual list for a limited-liability company not in default received by the Secretary of State more than 90 days before its due date shall be deemed an amended list for the previous year.

Sec. 2. NRS 87.4318 is hereby amended to read as follows:

87.4318 1. A statement may be filed in the Office of the Secretary of State. A certified copy of a statement that is filed in an office in another state may be filed in the Office of the Secretary of State. Either filing has the effect provided in NRS 87.4301 to 87.4357, inclusive, with respect to partnership property located in or transactions that occur in this State.

2. A certified copy of a statement that has been filed in the Office of the Secretary of State and recorded in the office of the applicable county recorder has the effect provided for recorded statements in NRS 87.4301 to 87.4357, inclusive. A recorded statement that is not a certified copy of a statement filed in the Office of the Secretary of State does not have the effect provided for recorded statements in NRS 87.4301 to 87.4357, inclusive.

3. A statement filed by a partnership must be executed by at least two partners. Other statements must be executed by a partner or other person authorized by NRS 87.4301 to 87.4357, inclusive. A natural person who executes a statement

as, or on behalf of, a partner or other person named as a partner in a statement shall personally declare under penalty of perjury that the contents of the statement are accurate. *The fee for filing a statement of partnership authority is \$75.*

4. A person authorized by NRS 87.4301 to 87.4357, inclusive, to file a statement may amend or cancel the statement by filing an amendment or cancellation that names the partnership, identifies the statement and states the substance of the amendment or cancellation. *The fee for filing an amendment or cancellation of a statement of partnership authority is \$175.*

5. A person who files a statement pursuant to this section shall promptly send a copy of the statement to every nonfiling partner and to any other person named as a partner in the statement. Failure to send a copy of a statement to a partner or other person does not limit the effectiveness of the statement as to a person not a partner.

Sec. 3. NRS 87.4328 is hereby amended to read as follows:

87.4328 A partner or other person named as a partner in a filed statement of partnership authority or in a list maintained by an agent pursuant to subsection 2 of NRS 87.4327 may file a statement of denial stating the name of the partnership and the fact that is being denied, which may include denial of a person's authority or status as a partner. A statement of denial is a limitation on authority as provided in subsections 4 and 5 of NRS 87.4327. *The fee for filing a statement of denial is \$75.*

Sec. 4. NRS 88.585 is hereby amended to read as follows:

88.585 Except as otherwise provided in NRS 88.609, a foreign limited partnership may register with the Secretary of State under any name, whether or not it is the name under which it is registered in its state of organization, that ~~includes without abbreviation~~ contains the words "limited partnership" or the abbreviation "LP" or "L.P." and that could be registered by a domestic limited partnership.

Sec. 5. NRS 92A.205 is hereby amended to read as follows:

92A.205 1. After a plan of conversion is approved as required by this chapter, if the resulting entity is a domestic entity, the constituent entity shall deliver to the Secretary of State for filing:

(a) Articles of conversion setting forth:

(1) The name and jurisdiction of organization of the constituent entity and the resulting entity; and

(2) That a plan of conversion has been adopted by the constituent entity in compliance with the law of the jurisdiction governing the constituent entity.

(b) The charter document of the domestic resulting entity required by the applicable provisions of chapter 78, 78A, ~~{82-}~~ 86, 88, 88A or 89 of NRS.

(c) A certificate of acceptance of appointment of a resident agent for the resulting entity which is signed by the resident agent.

2. After a plan of conversion is approved as required by this chapter, if the resulting entity is a foreign entity, the constituent entity shall deliver to the Secretary of State for filing articles of conversion setting forth:

(a) The name and jurisdiction of organization of the constituent entity and the resulting entity;

(b) That a plan of conversion has been adopted by the constituent entity in compliance with the laws of this State; and

(c) The address of the resulting entity where copies of process may be sent by the Secretary of State.

3. If the entire plan of conversion is not set forth in the articles of conversion, the filing party must include in the articles of conversion a statement that the complete signed plan of conversion is on file at the registered office or principal place of business of the resulting entity or, if the resulting entity is a domestic

1 limited partnership, the office described in paragraph (a) of subsection 1 of
2 NRS 88.330.

3 4. If the conversion takes effect on a later date specified in the articles of
4 conversion pursuant to NRS 92A.240, the charter document to be filed with the
5 Secretary of State pursuant to paragraph (b) of subsection 1 must state the name and
6 the jurisdiction of the constituent entity and that the existence of the resulting entity
7 does not begin until the later date.

8 5. Any records filed with the Secretary of State pursuant to this section must
9 be accompanied by the fees required pursuant to this title for filing the charter
10 document.

11 **Sec. 6.** NRS 104.9525 is hereby amended to read as follows:

12 104.9525 1. Except as otherwise provided in subsection ~~5.5~~ 6, the fee for
13 filing and indexing a record under this part, other than an initial financing statement
14 of the kind described in subsection 2 of NRS 104.9502, is:

15 (a) Forty dollars if the record is communicated in writing and consists of one or
16 two pages;

17 (b) Sixty dollars if the record is communicated in writing and consists of more
18 than two pages, and \$2 for each page over 20 pages;

19 (c) Twenty dollars if the record is communicated by another medium
20 authorized by filing-office rule; and

21 (d) Two dollars for each additional debtor, trade name or reference to another
22 name under which business is done.

23 2. The filing officer may charge and collect \$2 for each page of copy or
24 record of filings produced by him at the request of any person.

25 3. Except as otherwise provided in subsection ~~5.5~~ 6, the fee for filing and
26 indexing an initial financing statement of the kind described in subsection 3 of NRS
27 104.9502 is ~~4~~:

28 ~~(a) Sixty dollars~~ \$40 if the financing statement indicates that it is filed in
29 connection with a public-finance transaction ~~4~~; and

30 ~~(b) Forty dollars if the financing statement indicates that it is filed in
31 connection with~~ or a manufactured-home transaction.

32 4. The fee for responding to a request for information from the filing office,
33 including for issuing a certificate showing whether there is on file any financing
34 statement naming a particular debtor, is:

35 (a) Forty dollars if the request is communicated in writing; and

36 (b) Twenty dollars if the request is communicated by another medium
37 authorized by filing-office rule.

38 5. *The fee for certifying a copy of a financing statement, amendment or*
39 *other record on file in the Office of the Secretary of State pursuant to chapter 104*
40 *of NRS is \$30.*

41 6. This section does not require a fee with respect to a mortgage that is
42 effective as a financing statement filed as a fixture filing or as a financing statement
43 covering as-extracted collateral or timber to be cut under subsection 3 of NRS
44 104.9502. However, the fees for recording and satisfaction which otherwise would
45 be applicable to the mortgage apply.

46 **Sec. 7.** NRS 225.084 is hereby amended to read as follows:

47 225.084 1. A person shall not willfully file, promote the filing of, or cause
48 to be filed, or attempt or conspire to file, promote the filing of, or cause to be filed,
49 any record in the Office of the Secretary of State if the person has actual knowledge
50 that the record:

51 (a) Is forged or fraudulently altered;

52 (b) Contains a false statement of material fact; or

(c) Is being filed in bad faith or for the purpose of harassing or defrauding any person.

2. Any person who violates this section is liable in a civil action brought pursuant to this section for:

(a) Actual damages caused by each separate violation of this section, or \$10,000 for each separate violation of this section, whichever is greater;

(b) All costs of bringing and maintaining the action, including investigative expenses and fees for expert witnesses;

(c) Reasonable attorney's fees; and

(d) Any punitive damages that the facts may warrant.

3. A civil action may be brought pursuant to this section by:

(a) Any person who is damaged by a violation of this section, including, without limitation, any person who is damaged as the result of an action taken in reliance on a record filed in violation of this section; or

(b) The Attorney General, in the name of the State of Nevada, if the matter is referred to the Attorney General by the Secretary of State and if the Attorney General, after due inquiry, determines that a civil action should be brought pursuant to this section. Any money recovered by the Attorney General pursuant to this paragraph, after deducting all costs and expenses incurred by the Attorney General and the Secretary of State to investigate and act upon the violation, must be deposited in the State General Fund.

4. For the purposes of this section, each filing of a single record that constitutes a violation of this section shall be deemed to be a separate violation.

5. The rights, remedies and penalties provided pursuant to this section are cumulative and do not abrogate and are in addition to any other rights, remedies and penalties that may exist at law or in equity, including, without limitation, any criminal penalty that may be imposed pursuant to NRS 239.330.

6. *The Secretary of State may adopt regulations prescribing procedures for correcting any record filed in violation of this section.*

7. As used in this section, "record" means information that is:

(a) Inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form; and

(b) Filed or offered for filing by a person pursuant to any provision of title 7 of NRS or Article 9 of the Uniform Commercial Code.