

SB

112

TESTIMONY OF JULIUS J. BRECHT, DIRECTOR  
DIVISION OF BANKING AND SECURITIES  
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

BEFORE  
SENATE COMMERCE COMMITTEE

March 1, 1979

Good afternoon. My name is Julius J. Brecht, Director of the Division of Banking and Securities within the Department of Commerce and Economic Development. I would first like to take this opportunity to thank you for the opportunity to appear before this committee to offer comment on SB 112.

The Corporations and Associations Title, AS 10, requires the department to accept filings for incorporation of domestic corporations (incorporated in Alaska) and registrations of articles of incorporation for foreign corporations (incorporated outside of Alaska) doing business in the State and to maintain those files as official files of the State. The title also requires that corporations and associations keep the information on file current through the submission of annual reports and other filings.

The duties of the department in the context of AS 10 are carried out through the Corporations Section within the Division of Banking and Securities. All of the files maintained by the division in this respect are open to the public.

Fees are charged for the reproduction of various documents and certification of documents or the certification of the status of corporations on file with the division. These fees are supposedly set to cover the cost incurred by the division in administering AS 10. Those fees were set in many cases a number of years ago. Several fees were increased by statute in 1976. However, we again find ourselves faced with the situation where the dollars generated by the combined fee structure provided by AS 10 are not adequate to cover the costs incurred by the division in administering the title. These costs if not paid by the corporations in the form of fees are, of course, ultimately borne by the Alaska taxpayer.

The department, therefore, finds itself once more having to go the Legislature to seek a change in the fees at a time when the Legislature has many extremely important issues to resolve and limited time in which to accomplish those tasks.

The present bill would remedy this situation by replacing all references to specific fees in AS 10 by a directive to the department to adopt regulations setting forth the fees. Of course, those regulations are

reviewable by the Legislature pursuant to AS 44.62.190(a). The bill does not attempt to relegate to regulation the setting of taxes or penalties for late filings. Those are clear prerogatives of the Legislature. However, since the fees provided for in AS 10 are specifically to cover the cost of administering that title, setting those fees by regulation would allow the department to adjust the fees from time to time to pay the reasonable costs of administration of the title. In this way, those who enjoy the advantages of incorporation, e.g., limited personal liability, will pay for the service rather than the Alaska taxpayer.

Another provision of the bill allows for the distribution of assets of a business or non-profit corporation by the board of directors of the corporation after the corporation has been either voluntarily or involuntarily dissolved. In effect, the provision allows the corporate existence to continue up to seven years after the corporation has been dissolved for the sole purpose of distribution of assets discovered after dissolution. After that time period has lapsed, interested parties could go to court to get a determination on the discovered assets.

In summary, the provisions of the bill before you are of a housekeeping nature and will aid the corporations and associations served through a streamlined fee structure as well as aid the department in administering the title. By keeping the fees current, the corporations and not the Alaska taxpayer will pay the reasonable cost of the services rendered by the department through the Corporations Section within this division. A section-by-section analysis of the bill is attached dated January 19, 1979 and is submitted for your information.

I, therefore, urge the members of the committee to carefully consider the provisions of SB 112 and take affirmative action on it.

JJB/slp27U

STATE  
of ALASKA

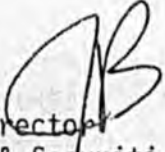
## MEMORANDUM

TO:  Members of the Committee

DATE: January 19, 1979

FILE NO:

TELEPHONE NO:

FROM: Julius J. Brecht, Director   
Division of Banking & Securities  
Department of Commerce &  
Economic Development

SUBJECT: SB-112  
Corporations and  
Associations Title  
10 Amendment Bill  
Narrative Supplement

The proposed corporations and associations legislation before you provides a number of changes to the Alaska Corporations and Associations Title, AS 10. Much of the present law was enacted in 1959 and has undergone a number of changes from time to time. A large portion of the provisions of this bill are of a "housekeeping" nature and are proposed to streamline the fee structure set out in the various chapters of AS 10.

The major provisions of the bill include (1) provision for a procedure for profit and nonprofit corporations to dispose of assets discovered after dissolution; (2) the repeal of references throughout the Title to specific fees for various services rendered by the Department of Commerce and Economic Development ("department") to corporations, cooperatives and associations doing business in the state and to the public; (3) provision that those fees will be established by the department by regulation; and (4) provision for the department to charge a fixed average annual fee per corporation, cooperative or association to each of them subject to the Title in place of charging them the various fees specified in the Title with certain exceptions. Those exceptions go mainly to the fees required for incorporation.

The following is a section-by-section review of the provisions of the bill.

Section 1. (AS 10.05.039(a)). This section repeals the reference to the specific fee for the registration of a corporation name under the Alaska Business Corporation Act ("ABCA") and replaces that provision with a requirement that the fee shall be established by the department by regulation.

Section 2. (AS 10.05.042). This section repeals the reference to a specific fee for the renewal of a registered name under ABCA and replaces it with a requirement that the fee be established by regulation.

Section 3. (AS 10.05.519(d)). This section repeals the explicit reference to "limited partnership" in the context of corporate name availability upon reinstatement of a corporation under ABCA. The department does not have the authority to regulate and does not maintain files on limited partnership names. Therefore the reference to limited partnerships in Sec. 519(d) is meaningless.

Section 4. (AS 10.05.594). This section provides a procedure for a corporation to dispose of assets discovered after dissolution of a corporation under ABCA. Presently, Alaskan corporations may not be reinstated if they have been dissolved for more than two years, and therefore timely distribution of assets is severely hampered. There have been several instances in the recent past where good title could not be given to property discovered after dissolution. This section continues the corporate existence for an additional five years after dissolution solely for the purpose of disposing of the property. After that five year period, the section provides that a court resolution could be obtained. See, Section 19 of this memorandum for a similar provision for nonprofit corporations under AS 10.20.

Section 5. (AS 10.05.708(a)). This section repeals the reference in ABCA to specific filing fees for the filing of articles of incorporation for domestic and foreign corporations, with the exception of nonprofit corporations regulated under AS 10.20, based on the capital stock of a corporation. That provision is replaced with the requirement that the department establish these fees by regulation based on the amount of authorized capital stock.

Section 6. (AS 10.05.711(a)). This section repeals the reference in ABCA to specific filing fees for filing amendatory or supplemental articles of incorporation for domestic and foreign corporations, with the exception of nonprofit corporations regulated under AS 10.20, based on the capital stock of a corporation. That provision is replaced with the requirement that the department establish these fees by regulation based on the amount of change in the authorized capital stock.

Section 7. (AS 10.05.714). This section repeals the reference to the specific fees for appointment, amendment, or revocation of appointment of a process agent for a foreign corporation under ABCA and replaces those provisions by the requirement that the fees be established by the department by regulation.

Section 8. (AS 10.05.720). This section repeals the reference to the explicit fee for the issuance of a certificate or a duplicate of a certificate of the payment of the annual tax and filing of the annual

report required of business corporations under ABCA. In place of the explicit fee there is established the requirement that the department set the fee by regulation.

Section 9. (AS 10.05.747). In (a) of this section, the reference to a specific filing fee for instruments not otherwise provided in ABCA is repealed and replaced by a requirement that the fee be established by regulation. In (b) of the section, the department is given authority to establish by regulation and charge a fixed average annual fee per corporation to each corporation subject to ABCA. This fee would be charged by the department in place of charging corporations the various fees specified in ABCA with certain exceptions. Those exceptions go to the following: (1) the fee required for the registration of a corporate name, (2) the incorporation fee based on the initial capitalization of a corporation, and (3) the fee based on a subsequent change of the capitalization of the corporation. The fixed annual fee would also cover the cost of routine administrative services rendered to the corporation by the department. For example, a given corporation may require numerous services of the department throughout the year including change of registered agent, amendment of the articles of incorporation (other than changes of capitalization), etc. All of these various fees require the department's corporation staff to expend considerable time maintaining a system to collect the correct fees required by statute for approximately 10,000 corporations. With one flat fee, the accounting system would be far easier and less burdensome on both the department and the corporation in that separate accounting of each and every fee on a case-by-case basis could be avoided. See, Sections 18, 21 and 23 of this memorandum for similar provisions under AS 10.15, 10.20, and 10.25.

Section 10. (AS 10.05.750). This section repeals the requirement of ABCA that a certificate of withdrawal of a foreign corporation from registration be filed with the Office of the Clerk of the Superior Court, in addition to a filing with the department. At the present time, the department maintains the primary files on foreign corporations and is required to provide the Superior Court with an updated list pursuant to AS 10.05.630. The additional filing with the Superior Court under Sec. 750 is therefore redundant and unnecessary. In addition, this section repeals the reference to the specific fee for the filing of the certificate and replaces it with the requirement that the department establish the fee by regulation.

Section 11. (AS 10.05.753). This section repeals the reference in ABCA to the specific fee for the dissolution of a domestic business corporation and replaces it by a requirement that the fee be established by the department by regulation.

Section 12. (AS 10.05.756). This section repeals the reference in ABCA to the specific fee for filing a certificate of dissolution from the state of origin of a foreign corporation and replaces it with the requirement that the fee be established by the department by regulation.

Section 13. (AS 10.05.762). This section repeals the fee required for furnishing a certified copy of any instrument under ABCA and replaces it with the requirement that the fee be established by the department by regulation.

Section 14. (AS 10.15.255). This section repeals the reference in the Alaska Cooperative Corporation Act ("ACCA") to the specific fee for filing of terminated contracts and replaces it with the requirement that the fee be established by the department by regulation.

Section 15. (AS 10.15.260). This section repeals the reference in ACCA to a specific fee for filing of a list of names of all persons whose contracts have been terminated and replaces it with the requirement that the fees be established by the department by regulation.

Section 16. (AS 10.15.535). This section repeals and reenacts the requirement in ACCA that a license fee be charged to each cooperative authorized by its articles to issue stock, and the fee is to be established by the department by regulation based on the amount of stock issued.

Section 17. (AS 10.15.545). This section repeals the reference in ACCA to the specific license fee for cooperatives having no authorized shares of capital stock and replaces it by the requirement that the fee will be established by the department by regulation.

Section 18. (AS 10.15.555). In (a) of this section, the reference in ACCA to the specific fees for various services rendered to cooperative corporations are repealed and replaced by the requirement that the fees will be established by regulation. Those services include the filing of the articles of incorporation or articles of consolidation for a new cooperative, articles of amendment, restated articles, or articles of merger, statement of intent to dissolve, statement of revocation of voluntary dissolution proceedings, articles of dissolution, and other statements. In (b) of this section, the department is given the authority to establish by regulation and charge a fixed average annual fee per cooperative corporation to each corporation subject to ACCA. This fee would be charged by the department in place of charging the corporations the various fees specified in ACCA with the exception of fees related to the initial incorporation of the corporation. The fixed annual fee would also cover the cost of routine administrative services rendered to the cooperative by the department. See, Section 9 of this memorandum for further explanation.

Section 19. (AS 10.20.450). This section provides a procedure for a nonprofit corporation under the Alaska Nonprofit Corporations Act ("ANCA") to dispose of assets discovered after dissolution. Presently an Alaskan nonprofit corporation may not be reinstated if it has been dissolved for more than two years, and therefore the timely distribution of assets is severely hampered. There have been several instances in the recent past where good title could not be given to property discovered after dissolution. This section continues the corporate existence for an additional five years after dissolution solely for the purpose of disposing of the property. After that five year period, the section provides that a court resolution could be obtained. See, Section 4 of this memorandum for a similar provision for business corporations under ABCA.

Section 20. (AS 10.20.530). This section repeals the reference in ANCA to the specific fee for service of process on the commissioner for nonprofit corporations and replaces that provision with a requirement that the fee be established by the department by regulation.

Section 21. (AS 10.20.635). In (a) of this section, the reference to the specific fees for various services rendered by the department are repealed and replaced by the requirement that the fees will be established by the department by regulation. In (b) of this section, the department is given authority to establish by regulation and charge a fixed average annual fee per corporation for each corporation subject to ANCA. The fixed annual fee would be charged by the department in place of charging corporations the various fees specified in ANCA with the exception of the fee for incorporation. The fixed annual fee would also cover the cost of routine administrative services rendered by the department to the corporation. See, Section 9 of this memorandum for further explanation.

Section 22. (AS 10.20.640). This section repeals the reference in ANCA to the specific fee structure to be charged for certified copies of instruments and requires the department to establish a fee structure by regulation.

Section 23. (AS 10.25.530). In (a) of this section, reference in the Alaska Electric and Telephone Cooperative Act ("AETCA") to various specific fees is repealed and replaced by the requirement that the fees will be established by the department by regulation. In (b) of this section, the department is given authority to establish by regulation and charge a fixed annual fee per cooperative for each cooperative subject to AETCA. This fee would be charged by the department in place of charging cooperatives the various fees that are specified in AETCA with one exception. A cooperative would still have to pay the initial incorporation fee required by Sec. 530(a)(1). The fixed annual fee would also cover the cost of routine administrative services rendered to the corporation by the department. See, Section 9 of this memorandum for further information.

Section 24. (AS 10.35.060). This section repeals the reference in the Alaska Business Act ("ABA") to the specific fee for the registration of a business name and replaces it with the requirement that the fee be established by the department by regulation.

Section 25. (AS 10.35.070). This section repeals the reference in ABA to the specific fee for the renewal of a registered business name and replaces it by the requirement that the fee be established by the department by regulation.

Section 26. (AS 10.40.140(a)). This section repeals the reference in the Alaska Religious Corporations Act to the specific fee for a filing of any document and requires that the fee be established by the department by regulation.

Section 27. This section states the effective date of the Act as July 1, 1979. This date is chosen as the beginning of FY '80. It is felt that regulations establishing the various fees could be in finalized form by that time, and if necessary the fees could be adopted by emergency regulation.

In summary, the bill before you is basically a housekeeping measure to aid in the better administration of the Corporations and Associations Title and to provide a reasonable mechanism for the distribution of assets discovered after dissolution of a business or nonprofit corporation.

I urge the committee to consider thoughtfully the provisions of the bill. I stand ready to answer any questions you may have concerning this legislation.

JJB/mh4/2

*Δ fees to adm from statutory control.*

Introduced: 2/6/79  
Referred: Commerce and Finance

BY THE COMMERCE  
COMMITTEE

1 IN THE SENATE

2 SENATE BILL NO. 112

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

A BILL

6 For an Act entitled. "An Act relating to corporate dissolution and rein-  
7 statement, and fees paid by businesses and corpora-  
8 tions; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \*Section 1. AS 10.05.039(a) is amended to read:

11 (a) The fee for registration of a corporate name shall be esta-  
12 blished by the department by regulation [IS \$2 FOR EACH MONTH, OR FRAC-  
13 TION OF EACH MONTH, BETWEEN THE DATE OF FILING THE APPLICATION AND  
14 DECEMBER 31 OF THE CALENDAR YEAR IN WHICH THE APPLICATION IS FILED].

15 \* Sec. 2. AS 10.05.042 is amended to read:

16 Sec. 10.05.042. RENEWAL OF REGISTERED NAME. A corporation which  
17 has registered its corporate name may renew the registration from year  
18 to year by filing an application for renewal each year setting out the  
19 facts required in an original application for registration and a certi-  
20 ficate of good standing required for an original registration and by  
21 paying a fee established by the department by regulation [OF \$10]. An  
22 application for renewal may be filed between October 1 and December 31  
23 in each year. The renewal of the registration extends the registration  
24 for the following calendar year.

25 \* Sec. 3. AS 10.05.519(d) is amended to read:

26 (d) A corporation dissolved by the commissioner under the pro-  
27 visions of this section may be reinstated by the commissioner at any  
28 time within two years from the date of the certificate of involuntary  
29 dissolution whenever it is established to the satisfaction of the com-

1 missioner that in fact there was no cause for the dissolution, or when-  
2 ever the neglect or delinquency resulting in dissolution has been cor-  
3 rected and payment made of double the amount delinquent along with  
4 the amount the corporation would have paid had it not been dissolved.

5 Reinstatement may not be authorized if the same or a deceptively similar  
6 corporate, [LIMITED PARTNERSHIP,] reserved or registered name is cur-  
7 rently on file with the commissioner, unless the corporation being  
8 reinstated contemporaneously amends its articles of incorporation to  
9 change its name to conform with the provisions of this chapter.

10 \* Sec. 4. AS 10.05.59' is amended by adding new subsections to read:

11 (b) If a dissolved corporation is the owner of real or personal  
12 property, or claims an interest in or lien upon any real or personal  
13 property, the corporation through its board of directors, continues to  
14 exist for five years after the date of dissolution for the purpose of  
15 conveying, transferring, or releasing the real or personal property or  
16 interest in or lien upon that property. A dissolved corporation through  
17 its board of directors, continues to exist for the purpose of being made  
18 a party in any action or proceeding arising before its dissolution and  
19 involving the title to real or personal property or any interest in it.  
20 The action or proceeding may be instituted and maintained in the same  
21 manner as the dissolution of the corporation. This subsection does not  
22 affect or suspend any statute of limitations applicable to a claim.

23 (c) For the purpose of service of process, notice, or demand  
24 within the prescribed time following dissolution, the commissioner is an  
25 agent of the dissolved corporation upon whom service may be made in the  
26 manner prescribed in AS 10.05.057(b).

27 \* Sec. 5. AS 10.05.708(a) is amended to read:

28 (a) A domestic or foreign corporation which is required by law to  
29 file articles of incorporation with the department, except corporations

1 organized under AS 10.20 and foreign corporations organized under the  
2 laws of the United States or the laws of a state or territory of the  
3 United States or the laws of a foreign country for the same purposes as  
4 those allowed under AS 10.20, shall pay to the commissioner a filing  
5 fee established by the department by regulation. The filing fee shall  
6 be based on the amount of authorized capital stock of the corporation.

7 [(1) IF THE AUTHORIZED CAPITAL STOCK OF THE CORPORATION IS  
8 \$100,000, OR LESS, A FILING FEE OF \$30;

9 (2) IF THE AUTHORIZED CAPITAL STOCK OF THE CORPORATION EX-  
10 CEEDS \$100,000, THE FEE SET FORTH IN (1) OF THIS SUBSECTION PLUS AN  
11 ADDITIONAL FEE OF 20 CENTS FOR EACH \$1,000, OR FRACTION OF \$1,000, OF  
12 AUTHORIZED CAPITAL STOCK ABOVE \$100,000;

13 (3) IF THE AUTHORIZED CAPITAL STOCK EXCEEDS \$1,000,000, THE  
14 FEES SET FORTH IN (1) AND (2) OF THIS SUBSECTION PLUS AN ADDITIONAL FEE  
15 OF \$15 FOR EACH \$1,000,000, OR FRACTION OF \$1,000,000, OF AUTHORIZED  
16 CAPITAL STOCK OVER \$1,000,000.]

17 \* Sec. 6. AS 10.05.711(a) is amended to read:

18 (a) A domestic or foreign corporation, except corporations organi-  
19 zed under AS 10.20 and foreign corporations organized under the laws of  
20 the United States or the laws of a state or territory of the United  
21 States or the laws of a foreign country for the same purposes as those  
22 allowed under AS 10.20, filing amendatory or supplemental articles of  
23 incorporation, or certificates of increase or decrease of capital stock  
24 with the department, shall pay to the commissioner

25 (1) for filing amendatory or supplemental articles which do  
26 not increase capital stock, or for filing a certificate of decrease of  
27 capital stock, a fee established by the department by regulation [OF  
28 \$10];

29 (2) for filing amendatory or supplemental articles which do

1 not increase capital stock, or for filing a certificate of increase of  
2 capital stock, a fee established by the department by regulation based  
3 on the amount of change in the authorized stock of the corporation. [OF  
4 \$10, PLUS

5 (A) A FURTHER FEE OF 20 CENTS PER \$1,000 OR FRACTION OF  
6 \$1,000 OF AUTHORIZED INCREASE OF CAPITAL STOCK ABOVE \$100,000 AND  
7 LESS THAN \$1,000,000;

8 (B) A FURTHER FEE OF \$15 PER \$1,000,000 OR AUTHORIZED  
9 INCREASE OVER \$1,000,000.]

10 \* Sec. 7. AS 10.05.714 is amended to read:

11 Sec. 10.05.714. FEES ON APPOINTMENT OR REVOCATION OF APPOINTMENT  
12 OF PROCESS AGENT. (a) A foreign corporation filing with the department  
13 a certificate of the appointment and consent of the agent residing in  
14 the state, or a certificate of revocation of the appointment of the  
15 resident agent shall pay a fee [OF \$5] to the commissioner established  
16 by the department by regulation.

17 (b) For filing a statement, mentioned in AS 10.05.054(a) and (b),  
18 of change of address of registered agent, the agent shall pay a fee [OF  
19 \$25] to the commissioner established by the department by regulation.

20 \* Sec. 8. AS 10.05.720 is amended to read:

21 Sec. 10.05.720. FAILURE TO PAY TAX OR MAKE REPORT AS PRECLUDING  
22 SUIT BY CORPORATION AND CERTIFICATE OF PAYMENT OR FILING AS EVIDENCE.  
23 No domestic or foreign corporation may commence or maintain a suit,  
24 action or proceeding in a court in the state without alleging and prov-  
25 ing that it has paid its annual corporation tax last due and has filed  
26 it annual report for the last calendar or fiscal year for which the  
27 report became due. A certificate of the payment of the annual tax and  
28 filing of the annual report is prima facie evidence of the payment of  
29 the tax and the filing of the annual report. The commissioner shall

1 issue the certificate or a duplicate for a fee established by the depart-  
2 ment by regulation [OF 25 CENTS].

3 \* Sec. 9. AS 10.05.747 is amended to read:

4 Sec. 10.05.747. OTHER FILING FEES [FOR INSTRUMENTS NOT OTHERWISE  
5 PROVIDED FOR]. (a) The filing fee for an instrument not otherwise pro-  
6 vided for in this chapter shall be established by the department by  
7 regulation [IS \$10].

8 (b) The department may by regulation charge each corporation  
9 subject to this chapter a fixed fee in place of the various fees speci-  
10 fied in this chapter, with the exception of AS 10.05.039, 10.05.708,  
11 and 10.05.711, and for routine administrative services rendered to a  
12 corporation by the department.

13 \* Sec. 10. As 10.05.750 is amended to read:

14 Sec. 10.05.750. FEES AND PENALTIES PAYABLE ON WITHDRAWAL OF FOR-  
15 EIGN CORPORATION. A registered foreign corporation may withdraw from  
16 the state upon payment of all annual coporation taxes and penalties due  
17 at the time of desired withdrawal, and by filing with the department  
18 [AND IN THE OFFICE OF THE CLERK OF THE SUPERIOR COURT WHERE ITS ARTICLES  
19 ARE ON FILE,] a certificate of withdrawal, signed by its proper officers  
20 and under its corporate seal. The fee for filing the certificate with  
21 the department shall be established by the department by regulation [IS  
22 \$5. HOWEVER, ALL WITHDRAWALS MADE IN THE STATE BEFORE MARCH 29, 1957,  
23 ARE VALIDATED AND CONFIRMED].

24 \* Sec. 11. AS 10.05.753 is amended to read:

25 Sec. 10.05.753. FEES ON DISSOLUTION OF DOMESTIC CORPORATION. A  
26 domestic corporation shall pay to the commissioner for the use of the  
27 state a fee established by the department by regulation [OF \$5] for  
28 filing the instruments mentioned in this chapter providing for the  
29 dissolution of domestic corporations.

1 \* Sec. 12. AS 10.05.756 is amended to read:

2       Sec. 10.05.756. TAXES, PENALTIES AND FEES ON FILING CERTIFICATE OF  
3 DISSOLUTION OF FOREIGN CORPORATION. A foreign corporation desiring to  
4 file a certificate of dissolution from the state of its origin may file  
5 the certificate, when signed by the proper state officer, under seal,  
6 upon payment of all annual corporation taxes and penalties due at the  
7 time of dissolution. The filing fee in the office of the commissioner  
8 shall be established by the department by regulation [IS \$5].

9 \* Sec. 13. AS 10.05.762 is amended to read:

10       Sec. 10.05.762. FEES FOR CERTIFIED COPIES OF INSTRUMENTS. The fee  
11 for furnishing a certified copy of any instrument shall be established  
12 by the department by regulation [IS \$1 FOR THE FIRST THREE FOLIOS OR  
13 LESS AND 20 CENTS A FOLIO FOR EACH ADDITIONAL FOLIO. HOWEVER, THE  
14 CHARGE FOR A CERTIFIED COPY OF ARTICLES OF INCORPORATION IS \$5 FOR THE  
15 FIRST 20 FOLIOS OR LESS AND 20 CENTS A FOLIO FOR EACH ADDITIONAL FOLIO].

16 \* Sec. 14. As 10.15.255 is amended to read:

17       Sec. 10.15.255. TERMINATION OF FILED CONTRACT. When a contract  
18 filed under AS 10.15.230 - 10.15.260 has been terminated in any manner,  
19 the cooperative shall upon demand, give a statement of termination to  
20 the member party to the contract, who may file the statement in the  
21 office of the precinct recorder where the contract was originally filed.  
22 The precinct recorder shall stamp "expired" after the name of the member  
23 in the alphabetical record. The fee for the filing and stamping shall  
24 be established by the department by regulation [IS 25 CENTS].

25 \* Sec. 15. AS 10.15.260 is amended to read:

26       Sec. 10.15.260. FILING OF LIST OF TERMINATED CONTRACTS. A cooper-  
27 ative may file in the office of the precinct recorder where the contract  
28 was originally filed a sworn list of the names of all persons whose  
29 contracts have been terminated in a manner other than by expiration of

1 their term. The precinct recorder shall stamp "expired" after the name  
2 of each of those persons in the alphabetical record. The fee for the  
3 filing and stamping shall be established by the department by regulation  
4 [IS TWO CENTS FOR EACH NAME].

5 \* Sec. 16. AS 10.15.535 is repealed and re-enacted to read:

6 Sec. 10.15.535. DETERMINATION OF LICENSE FEE FOR COOPERATIVE  
7 AUTHORIZED TO ISSUE CAPITAL STOCK. The license fee of each cooperative  
8 authorized by its articles to issue capital stock shall be established  
9 by the department by regulation based on the amount of authorized capi-  
10 tal stock.

11 \* Sec. 17. AS 10.15.545 is amended to read:

12 Sec. 10.15.545. LICENSE FEE FOR COOPERATIVE WITHOUT CAPITAL STOCK.  
13 The license fee of each cooperative having no authorized shares of  
14 capital stock shall be established by the department by regulation [IS  
15 \$25].

16 \* Sec. 18. AS 10.15.555 is amended to read:

17 Sec. 10.15.555. MISCELLANEOUS FEES AND CHARGES. (a) The depart-  
18 ment shall establish by regulation and charge and collect from a cooper-  
19 ative fees for filing

20 (1) articles of incorporation or articles of consolidation  
21 for a new cooperative [,\$15 TOGETHER WITH THE PROPORTIONATE PART OF THE  
22 ANNUAL LICENSE FEE PAYABLE FOR THE SUCCEEDING FRACTION OF THE FISCAL  
23 YEAR];

24 (2) articles of amendment, restated articles, or articles of  
25 merger, [\$10,] and, if the articles provide for an increase of the  
26 amount of authorized capital stock of the cooperative, the filing coop-  
27 erative shall also pay the proportionate part of the annual license fee  
28 for the succeeding fraction of the fiscal year, payable by a cooperative  
29 whose authorized shares equal the newly increased authorized shares of

1 the filing cooperative, less the annual license fee already paid for the  
2 succeeding fraction of the fiscal year by the filing cooperative; but  
3 filing articles decreasing the authorized shares does not reduce the  
4 annual license fee of the filing cooperative until the beginning of the  
5 fiscal year following that in which the articles were filed;

6 (3) statement of intent to dissolve [,\$5];

7 (4) statement of revocation of voluntary dissolution pro-  
8 ceedings [,\$5];

9 (5) articles of dissolution [,\$10];

10 (6) all other statements, except an annual statement [,\$5].

11 (b) The department may by regulation charge each cooperative  
12 corporation subject to this chapter a fixed annual fee in place of  
13 charging cooperative corporations the various fees specified in this  
14 chapter, with the exception of AS 10.15.535, (a)(1) of this section, and  
15 for routine administrative services rendered to the cooperative corpora-  
16 tion by the department.

17 \* Sec. 19. AS 10.20.450 is amended by adding new subsections to read:

18 (b) If a dissolved corporation is the owner of real or personal  
19 property, or claims any interest in or lien upon any real or personal  
20 property, the corporation through its board of directors, continues to  
21 exist for five years after the date of dissolution for the purpose of  
22 conveying, transferring, or releasing the real or personal property or  
23 interest in or lien upon that property. In addition, a dissolved cor-  
24 poration through its board of directors, continues to exist for the  
25 purpose of being made a party in any action or proceeding arising before  
26 dissolution and involving the title to real or personal property or any  
27 interest in it. The action or proceeding may be instituted and main-  
28 tained in the same manner as before the dissolution of the corporation.  
29 This subsection does not affect or suspend any statute of limitations

1 applicable to a claim.

2 (c) For the purpose of service of process, notice, or demand  
3 within the prescribed time following dissolution, the commissioner is an  
4 agent of the dissolved corporation upon whom service may be made in the  
5 manner prescribed in AS 10.05.057(b).

6 \* Sec. 20. AS 10.20.530 is amended to read:

7 Sec. 10.20.530. SERVICE ON COMMISSIONER. When a foreign corpora-  
8 tion authorized to transact business in the state, or not authorized to  
9 transact business in the state but doing so, fails to appoint or main-  
10 tain a registered agent in the state, or when a registered agent cannot  
11 with reasonable diligence be found at the registered office, or when the  
12 certificate of authority of a foreign corporation is suspended or re-  
13 voked, the commissioner is an agent upon whom process, notice, or demand  
14 may be served. Service on the commissioner shall be made by delivering  
15 to and leaving with him, or with a person designated by him in the  
16 corporation division of his office, duplicate copies of the process,  
17 notice or demand, accompanied by a fee established by the department  
18 by regulation [OF \$10]. The commissioner shall immediately have one  
19 copy forwarded by registered or certified mail, addressed to the cor-  
20 poration at its principal office in the state or country under whose  
21 laws it is incorporated. Service on the commissioner is returnable in  
22 not less than 30 days.

23 \* Sec. 21. AS 10.20.635 is amended to read:

24 Sec. 10.20.635. FEES FOR FILING DOCUMENTS AND ISSUING CERTIFI-  
25 CATES. (a) The commissioner shall establish by regulation, charge and  
26 collect for

27 (1) filing articles of incorporation and issuing a certifi-  
28 cate of incorporation [,\$30];

29 (2) filing articles of amendment and issuing a certificate of

1 amendment [,\$15];

2 (3) filing restated articles of incorporation and issuing  
3 restated certificate of incorporation [,\$15];

4 (4) filing articles of merger or consolidation and issuing a  
5 certificate of merger or consolidation [,\$15];

6 (5) filing a statement of change of address of registered  
7 office or change of registered agent, or both [,\$10];

8 (6) filing articles of dissolution [,\$10];

9 (7) filing an application of a foreign corporation for a  
10 certificate of authority to conduct affairs in this state and issuing a  
11 certificate of authority [,\$30];

12 (8) filing an application of a foreign corporation for an  
13 amended certificate of authority to conduct affairs in this state and  
14 issuing an amended certificate of authority [,\$15];

15 (9) filing a copy of an amendment to the articles of incorpo-  
16 ration of a foreign corporation holding a certificate of authority to  
17 conduct affairs in this state [,\$15];

18 (10) filing a copy of articles of merger of a foreign corpo-  
19 ration holding a certificate of authority to conduct affairs in this  
20 state [,\$15];

21 (11) filing an application for withdrawal of a foreign corpo-  
22 ration and issuing a certificate of withdrawal [,\$10];

23 (12) filing any other statement or report, including an  
24 annual report, of a domestic or foreign corporation [,\$5].

25 (b) The department may by regulation charge each corporation  
26 subject to this chapter a fixed annual fee in place of the various  
27 fees specified in this chapter, with the exception of (a)(1) of this  
28 section and for routine administrative services rendered to the corpo-  
29 ration by the department.

1 \* Sec. 22. AS 10.20.640 is amended to read:

2       Sec. 10.20.640. FEE FOR CERTIFIED COPIES OF INSTRUMENTS. The fee  
3 for furnishing a certified copy of any instrument shall be established  
4 by the department by regulation [IS \$1 FOR THE FIRST THREE FOLIOS OR  
5 LESS AND 20 CENTS A FOLIO FOR EACH ADDITIONAL FOLIO. HOWEVER, THE  
6 CHARGE FOR A CERTIFIED COPY OF ARTICLES OF INCORPORATION IS \$5 FOR THE  
7 FIRST 20 FOLIOS OR LESS AND 20 CENTS A FOLIO FOR EACH ADDITIONAL FOLIO].

8 \* Sec. 23. AS 10.25.530 is amended to read:

9       Sec. 10.25.530. FEES. (a) The commissioner shall establish by  
10 regulation, charge and collect filing fees for

- 11           (1) filing articles of incorporation [,\$15];  
12           (2) filing articles of amendment [,\$10];  
13           (3) filing articles of consolidation or merger [,\$10];  
14           (4) filing articles of conversion [,\$15];  
15           (5) filing certificate of election to dissolve [,\$5];  
16           (6) filing articles of dissolution [,\$10];  
17           (7) filing certificate of change of principal office and  
18 designation or change of registered office and registered agent [,\$5];  
19 and

- 20           (8) acting as agent for service of process [,\$10].

21       (b) The department may by regulation charge each cooperative  
22 subject to this chapter a fixed annual fee in place of the various  
23 fees specified in this chapter, with the exception of (a)(1) of this  
24 section, and for the routine administrative services rendered to the  
25 corporation by the department.

26 \* Sec. 24. AS 10.35.060 is amended to read:

27       Sec. 10.35.060. FEE FOR AND DURATION OF REGISTERED NAME. The fee  
28 for the initial registration of a business name shall be established  
29 by the department by regulation [IS \$20]. The year in which the regis-

1       tration becomes effective is considered a full year of registration and  
2       the registration is effective until the close of the fifth calendar year  
3       beginning with the year of initial registration.

4       \* Sec. 25. AS 10.35.070 is amended to read:

5               Sec. 10.35.070. RENEWAL OF REGISTERED NAME. A registered business  
6       name may be renewed every five years if an application for renewal is  
7       filed. An application for renewal must set out the facts required in an  
8       original application for registration and be accompanied by a renewal  
9       fee to be established by the department by regulation [OF \$20]. An  
10      application for renewal may be filed between October 1 and December 31  
11      of any year. The renewal of the registration extends the registration  
12      for the following five calendar years.

13      \* Sec. 26. AS 10.40.140(a) is amended to read:

14              (a) Any document required to be filed with the commissioner under  
15      this chapter shall be accompanied by a fee to be established by the  
16      department by regulation [OF \$10].

17      \* Sec. 27. This Act takes effect July 1, 1979.

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

*Received  
Senate Commerce  
4/26/80*

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Senate Bill 112 am  
Title "An Act relating to corporate dissolution and reinstatement, and fees.."  
Requested by House Commerce Committee Date 4/24/80

... paid by businesses and corporations; and providing for an effective date."

II. FISCAL DETAIL

Agency Affected Department of Law  
Program Category Affected General Government  
BRU, Program, or Subprogram(s) Affected Legal Services  
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL		7.5	8.1	8.7	9.4	10.2
300 CONTRACTUAL		5.0	5.4	5.8	6.3	6.8
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND		12.5	13.5	14.5	15.7	17.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

It is estimated that between one and two additional days per week of attorney time will be required to enforce the corporate records discovery provisions of this bill. Since this time is less than one-half of an attorney's time, no additional personal services expense has been shown. If this new work is undertaken, however, some delay in existing workload will occur. Direct out-of-pocket expenses are estimated \$7,500 for travel and \$5,000 for deposition/reporter services, during the first year. Since many of the corporations to be examined are headquartered out of state, substantial travel will be required. Costs have been increased by 8% annually for inflation.

IV. DATE April 24, 1980 PREPARED BY Richard L. Reynolds, Admin. Officer  
AGENCY DEPT. OF LAW  
PHONE 465-3695

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

LAW OFFICES OF  
**FINDLEY & PASTORINO**  
110 SEWARD STREET  
JUNEAU, ALASKA 99801  
(907) 586-3811

THOMAS W. FINDLEY  
RAYMOND C. PASTORINO

February 8, 1979

Senator Brad Bradley  
Pouch "V"  
Juneau, Alaska 99811

RE: Senate Bill 112

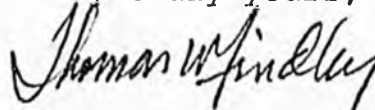
Dear Senator Bradley:

Thank you for your kindness in offering me the opportunity to comment on Senate Bill 112. At this time I do not anticipate filing any comments or position papers.

You asked if I knew of any persons interested in this legislation. William B. Rozell, a partner in Faulkner, Banfield, Doogan and Holmes, 311 Franklin Street, Juneau, Alaska 99801, may wish to offer his comments.

Again, thank you for giving me this opportunity.

Very truly yours,



Thomas W. Findley

TWF:km