

LOUISIANA DEPARTMENT OF STATE
LEGISLATIVE OVERSIGHT SUMMARY REPORT
(SECOND REPORT)

RULE
(Intended Action)

TITLE 19
CORPORATIONS AND BUSINESS

PART V. SECRETARY OF STATE

CHAPTERS 1 - 13

SECURED BUSINESS FILINGS
(Brief Description)

ATTACHED IS A COPY OF THE INITIAL REPORT SUBMITTED TO THE OVERSIGHT COMMITTEES.

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

The Notice of Intent was published in the March 20, 2016 issue of the *Louisiana Register* to authorize the use of an optional Secure Business Filings (SBF) service designed to discourage fraudulent business filings in Louisiana through *geauxBIZ*.

According to the Notice of Intent, a public hearing was held on Tuesday, April 26, 2016 at 1:00 p.m. A copy of the agenda and minutes are attached. The public hearing was not attended by anyone outside of Department staff.

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 AGENCY RESULTING FROM ORAL OR WRITTEN COMMENTS RECEIVED

The last day for accepting written comments from the public was the close of business on Wednesday, April 27, 2016. According to Steve Hawkland, no written comments were received from the public.

Since no written or oral comments were received, the Department proposes to adopt the Notice of Intent as published in the *Louisiana Register*. In addition, a coded copy of the proposed Rule is attached in accordance with R.S. 49:969(C)(1). Please note that this is a new 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

The Department is not proposing any changes to the Notice of Intent. Attached is a draft copy of the proposed Rule.

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

The Department is not proposing any changes to the Notice of Intent and intends to publish the proposed Rule in the June 20, 2016 issue of the *Louisiana Register*.



LOUISIANA DEPARTMENT OF STATE
LEGISLATIVE OVERSIGHT REPORT

NOTICE OF INTENT
(Intended Action)

TITLE 19

CORPORATIONS AND BUSINESS

PART V. SECRETARY OF STATE
CHAPTERS 1-13

SECURED 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 Secured Business Filings (SBF). Since this is a new rule, there is no coded copy.

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 Secretary of State is proposing to adopt a rule to authorize the use of an optional Secure Business Filings (SBF) service designed to discourage fraudulent business filings in Louisiana through *geauxBIZ*.

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 Secretary of State is proposing an optional one-time registration fee of \$35 for business entities to sign up for the Secure Business Filings (SBF) service.

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

The proposed rule creates an optional service designed to discourage fraudulent business filings in Louisiana. This service will notify enrolled business entity via email whenever amendments are submitted on the geauxBIZ system. Business entities will have an opportunity to review the filing and approve or reject further processing of documents by the Department of State, including potentially fraudulent and harmful business filings.

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

Attached is a copy of the approved Fiscal and Economic Impact Statement for Administrative Rules.

NOTICE OF INTENT

Department of State Business Services Division

Business Entities (LAC 19:V.Chapters 1 - 13)

The Secretary of State, pursuant to the provisions of the Administrative Procedure Act (R.S. 49:950 et seq.) and under the authority of R.S. 49:222 and R.S. 36:742, is proposing to adopt a Rule to authorize the use of an optional Secure Business Filings (SBF) service designed to discourage fraudulent business filings in Louisiana through *geauxBIZ*.

Title 19

CORPORATION 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 an optional 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:

Chapter 5. Nonprofit Corporations

§500. 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 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:

Chapter 7. Foreign Corporations

§700. 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 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:

Chapter 9. Special Corporations

§900. 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 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:

Chapter 11. Limited Liability Companies

§1100. 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 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:

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:

Family Impact Statement

The proposed Rule cited in LAC 19:V.Chapters 1-13 regarding secured business filings for geauxBIZ 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 cited in LAC 19:V.Chapters 1-13 regarding secured business filings for geauxBIZ 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 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:

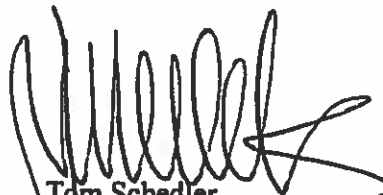
1. the effect on the staffing level requirements or qualifications required to provide the same level of service;
2. the total direct and indirect effect on the cost to the providers to provide the same level of service; or
3. the overall effect on the ability of the provider to provide the same level 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 amendments to various sections of the Rule. The deadline for the Department of State to receive written comments is 4:30 p.m. on Wednesday, April 27, 2016 after the public hearing.

Public Hearing

A public hearing on the proposed Rule is scheduled for Tuesday, April 26, 2016 at 1:00 p.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.



Tom Schedler
Secretary of State

Title 19

CORPORATIONS AND BUSINESS

Part V. Secretary of State

Chapter 1. ~~Powers of Attorney~~Domestic Corporations

§100. 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 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:

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

A. The form to be used for the Uniform Statutory Form Power of Attorney for Military Personnel, as provided in R.S. 9:3862, shall be as follows.

STATUTORY FORM POWER OF ATTORNEY
FOR MILITARY PERSONNEL
STATE OF LOUISIANA
PARISH OF _____

BE IT KNOWN THAT on this _____ DAY OF _____ in
the year of our Lord Nineteen Hundred and _____ before me,
Notary Public in and for said Parish and State, duly commissioned and qualified as
such, personally came and appeared

_____, who declared that he is a
member of the _____, a branch of
the military designated in R.S. 29:3861, and did execute and sign the following
Statutory Form Power of Attorney.

NOTICE: THE POWERS GRANTED BY THIS DOCUMENT ARE BROAD AND SWEEPING. THEY
ARE EXPLAINED IN THE UNIFORM STATUTORY FORM POWER OF ATTORNEY ACT. IF YOU
HAVE ANY QUESTIONS ABOUT THESE POWERS, OBTAIN COMPETENT LEGAL ADVICE. THIS
DOCUMENT DOES NOT AUTHORIZE ANYONE TO MAKE MEDICAL AND OTHER HEALTH-CARE
DECISIONS FOR YOU. YOU MAY REVOKE THIS POWER OF ATTORNEY IF YOU LATER WISH TO
DO SO.

I _____ (YOUR NAME AND ADDRESS) appoint
_____ (NAME AND ADDRESS
OF THE PERSON APPOINTED, OR OF EACH PERSON APPOINTED IF YOU
WANT TO DESIGNATE MORE THAN ONE) as my agent (Attorney-in-fact) to act
for me in any lawful way with respect to the following initialed subjects:

TO GRANT ALL OF THE FOLLOWING POWERS, INITIAL THE LINE IN FRONT OF (M) AND
IGNORE THE LINES IN FRONT OF THE OTHER POWERS.

TO GRANT ONE OR MORE, BUT FEWER THAN ALL, OF THE FOLLOWING POWERS, INITIAL
THE LINE IN FRONT OF EACH POWER YOU ARE GRANTING.

TO WITHHOLD A POWER, DO NOT INITIAL THE LINE IN FRONT OF IT, YOU MAY, BUT NEED
NOT, CROSS OUT EACH POWER WITHHELD.

INITIAL

- ___ (A) Tangible personal property transactions.
- ___ (B) Stock and bond transactions.
- ___ (C) Commodity and option transactions.
- ___ (D) Banking and other financial institution transactions.
- ___ (E) Business operating transactions.
- ___ (F) Insurance and annuity transactions.

- (G) Estate, trust, and other beneficiary transactions.
- (H) Claims and litigation.
- (I) Personal and family maintenance.
- (J) Benefits from social security, Medicare, Medicaid, or other governmental programs, or civil or military service.
- (K) Retirement plan transactions.
- (L) Tax matters.
- (M) ALL OF THE POWERS LISTED ABOVE.

YOU NEED NOT INITIAL ANY OTHER LINES IF YOU INITIAL LINE (M)
SPECIAL INSTRUCTIONS:

ON THE FOLLOWING LINES YOU MAY GIVE SPECIAL INSTRUCTION LIMITING OR
EXTENDING THE POWERS GRANTED TO YOUR AGENT.

UNLESS YOU DIRECT OTHERWISE ABOVE, THIS POWER OF ATTORNEY IS EFFECTIVE
IMMEDIATELY AND WILL CONTINUE UNTIL IT IS REVOKED.

This Power of Attorney will:

- continue to be effective even though I become incapacitated.
- terminate when I become incapacitated.

EXERCISE OF POWER OF ATTORNEY WHERE MORE THAN ONE AGENT DESIGNATED

If I have designated more than one agent, the agents are to act:

- separately.
- jointly.

I agree that my third party, who receives a copy of this document, may act under it. Revocation of the Power of Attorney is not effective as to a third party until the third party has actual knowledge of the revocation. I agree to indemnify the third party for any claims that arise against the third party because of reliance on this Power of Attorney.

(YOUR SIGNATURE)

(YOUR SOCIAL SECURITY NUMBER)

Done and passed at the Parish of _____, Louisiana, on the day
and date first above written, in the presence of _____ and
_____, competent witnesses, who sign with appearer and me, officer,
after due reading of the whole.

WITNESSES:

(ADDRESS)

(ADDRESS)

NOTARY SEAL:

(SIGNATURE OF NOTARY PUBLIC)

B. The form to be used for the Uniform Statutory Form Power of Attorney for Military Personnel shall be available free of charge from the Administrative Services Division of the Office of the Secretary of State upon request. This rule is to become effective December 20, 1991.

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).

Chapter 5. Nonprofit Corporations

§500. 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 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:

Chapter 7. Foreign Corporations ~~Not Registered with the Department of State~~

§700. 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 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:

§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 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:

Chapter 11. Limited Liability Companies

§1100. 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 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:

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:

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

Person
Preparing
Statement: Carol H. Guidry Dept: Dept. of State

Phone: (225) 229-8085 Office: Business Division

Return
Address: P.O. Box 94125 Rule
Title: Business Entities
Baton Rouge, LA Secure Business Filings

70804-9125 Date Rule
Takes Effect: June 20, 2016

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)

The proposed rule will increase expenditures for the Secretary of State's Business Division by an indeterminable amount in FY 17 and subsequent fiscal years. The expenditures are associated with software development and maintenance for the geauxBIZ system's Secured Business Filings (SBF) service. This is a new service that business entities can choose to enroll in at their discretion. The Secretary of State projects 15,300 businesses will enroll in FY 17. Projections further indicate an additional 1,920 businesses will enroll in FY 18.

All expenditures for the SBF program are dependent upon self-generated revenues collected via a \$35 enrollment fee and the number of business entities electing to participate in the program. To the extent businesses enroll in the SBF program according to the Secretary of State's projections, the department will realize expenditures of approximately \$428,400 in FY 17 ($\$35 \times 12,240$ businesses), and \$67,200 ($\$35 \times 1,920$ businesses) in FY 18 associated with enrolling business entities. The Secretary of State projects that startup costs to add the SBF service to the geauxBIZ system would total \$428,400 and anticipates enough businesses will enroll to fund the addition of the service. In addition, the Secretary of State anticipates that approximately \$67,200 will fund maintenance on the system in FY 18 and in subsequent fiscal years. To the extent fewer businesses enroll than the Secretary of State projects, the department anticipates utilizing self-generated revenues from other sources to fully fund the SBF system.

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

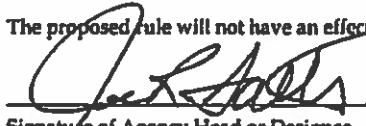
The proposed rule will increase self-generated revenue collections by an indeterminable amount. To the extent businesses participate in the Secured Business Filings (SBF) program based upon the Secretary of State's projections, the department will realize a revenue increase of approximately \$428,400 in FY 17 and \$67,200 in FY 18. The exact revenue increase is indeterminable and dependent upon the number of businesses choosing to enroll in the SBF program. The Secretary of State anticipates funds generated from the \$35 enrollment fee will adequately fund expenditures associated with the SBF program.

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

The proposed rule creates an optional service designed to discourage fraudulent business filings in Louisiana. This service will notify enrolled business entity via email whenever amendments are submitted on the geauxBIZ system. Business entities will have an opportunity to review the filing and approve or reject further processing of documents by the Department of State, including potentially fraudulent and harmful business filings. Businesses entities statewide must pay a one-time registration fee of \$35 if they choose to participate in the Secured Business Filings service.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule will not have an effect on competition and employment.



Signature of Agency Head or Designee
Joe R. Salter, Undersecretary of M & F

Typed Name & Title of Agency Head or Designee
02/19/2016

Date of Signature

Evan Brasel, Staff Director
Legislative Fiscal Officer or Designee

3/10/16
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 this 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).

The Secure Business Filings (SBF) service is an optional service designed to discourage fraudulent business filings in Louisiana. The service will notify the enrollee via email whenever an amendment is submitted on the entity's business through the geauxBIZ system. The enrollee will have any opportunity to review the filing and approve or reject further processing by the Department of State. To approve a filing, the enrollee will be required to provide a Personal Identification Number (PIN) (assigned to the enrollee by the Department of State) within five days of receiving notification of a pending filing. If the enrollee rejects the filing or if they allow five days to pass without performing an action, the filing will not be processed by the Department of State. The enrollee can give the PIN to any person filing amendments on behalf of the enrollee to bypass the SBF review period and approval step; however, the enrollee will still be notified when filings are received, regardless of whether or not the correct PIN was entered by the submitter. This service has a one-time enrollment fee of \$35 and enrollments do not expire; however, they can be cancelled.

It is anticipated that the implementation of this proposed Rule will result in an increase in expenditures for the Business Division of \$428,400 for FY 17 and \$67,200 for FY 18. These costs are associated with software development and maintenance for the geauxBIZ system. The above dollar amounts reflect the projected number of business entities electing to participate in the optional Secure Business Filings (SBF) program.

- 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 this proposed Rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

It is anticipated that this proposed Rule will increase self-generated revenues to fund expenses associated with the development and maintenance of security software for the geauxBIZ system. It is anticipated that the implementation of this proposed Rule will result in an increase in expenditures for the Business Division of \$428,400 for FY 17 and \$67,200 for FY 18. These costs are associated with software development and maintenance for the geauxBIZ system.

- (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 16	FY 17	FY 18
Personal Services			
Operating Expenses			
Professional Services	\$0	\$428,400	\$67,200
Other Charges			
Equipment			
Major Repairs & Constr.			
TOTAL	0	\$428,400	\$67,200
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.

The proposed rule will increase expenditures for the Secretary of State's Business Division by an indeterminable amount in FY 17 and subsequent fiscal years. The expenditures are associated with software development and maintenance for the geauxBIZ system's Secured Business Filings (SBF) service. This is a new service that business entities can choose to enroll in at their discretion. The Secretary of State projects 15,300 businesses will enroll in FY 17. Projections further indicate an additional 1,920 businesses will enroll in FY 18. All expenditures for the SBF program are dependent upon self-generated revenues collected via a \$35 enrollment fee and the number of business entities electing to participate in the program.

3. Sources of funding for implementing this proposed Rule or rule change.

SOURCE	FY 16	FY 17	FY 18
State General Fund			
Agency Self-Generated	SEE BELOW	SEE BELOW	SEE BELOW
Dedicated			
Federal Funds			
Other (Specify)			
TOTAL			

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

All expenditures for the SBF program are dependent upon self-generated revenues collected via a \$35 enrollment fee and the number of business entities electing to participate in the program. To the extent businesses enroll in the SBF program according to the Secretary of State's projections, the department will realize expenditures of approximately \$428,400 in FY 17 (\$35 * 12,240 businesses), and \$67,200 (\$35 * 1,920 businesses) in FY 18 associated with enrolling business entities. The Secretary of State projects that startup costs to add the SBF service to the geauxBIZ system would total \$428,400 and anticipates enough businesses will enroll to fund the addition of the service. In addition, the Secretary of State anticipates that approximately \$67,200 will fund maintenance on the system in FY 18 and in subsequent fiscal years. To the extent fewer businesses enroll than the Secretary of State projects, the department anticipates utilizing self-generated revenues from other sources to fully fund 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.

There is no estimated effect on revenue collections of local governmental units.

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 16	FY 17	FY 18
State General Fund			
Agency Self-Generated	INCREASE	INCREASE	INCREASE
Dedicated Funds*			
Federal Funds			
Local Funds			
TOTAL			

*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.

The proposed rule will increase self-generated revenue collections by an indeterminable amount. To the extent businesses participate in the Secured Business Filings (SBF) program based upon the Secretary of State's projections, the department will realize a revenue increase of approximately \$428,400 in FY 17 and \$67,200 in FY 18. The exact revenue increase is indeterminable and dependent upon the number of businesses choosing to enroll in the SBF program. The Secretary of anticipates funds generated from the \$35 enrollment fee will adequately fund expenditures associated with the SBF program.

FISCAL AND ECONOMIC IMPACT STATEMENT

WORKSHEET

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.

The proposed rule creates an optional service designed to discourage fraudulent business filings in Louisiana. This service will notify enrolled business entity via email whenever amendments are submitted on the geauxBIZ system. Business entities will have an opportunity to review the filing and approve or reject further processing of documents by the Department of State, including potentially fraudulent and harmful business filings. Businesses entities statewide must pay a one-time registration fee of \$35 if they choose to participate the Secured Business Filings service.

- 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.

There will be no impact of the proposed policy on competition and employment.



**DEPARTMENT OF STATE
PUBLIC MEETING**

NOTICE OF INTENT

TITLE 19

CORPORATION AND BUSINESS

PART V. SECRETARY OF STATE

CHAPTERS 1-13. SECURED BUSINESS FILINGS

**State Archives Building
Auditorium
3851 Essen Lane
Baton Rouge, Louisiana**

**April 26, 2016
1:00 PM**

- I. Introduction**
- II. Discussion of legislation and the legislative requirement for the adoption of rules and regulations**
- III. Presentation of Notice of Intent**
- IV. Presentation of the Fiscal and Economic Impact Statement for Administrative Rules**
- V. Receive oral comments from interested parties**
- VI. Acknowledge the receipt of comments received as of April 26, 2016**
- VII. Announcement of the deadline for written comments (April 27, 2016)**
- VIII. Open discussion**
- IX. Timetable for the adoption of the rule**
- X. Closing Comments**

DEPARTMENT OF STATE, SECRETARY OF STATE
PUBLIC HEARING, NOTICE OF INTENT, SECURED BUSINESS FILINGS
MINUTES OF HEARING HELD APRIL 26, 2016

The Public Hearing was held at the State Archives Building Auditorium, 3851 Essen Lane, Baton Rouge and was called to order at 1:00 p.m. by Steve Hawkland.

PRESENT:

Secretary of State Employees -

Brad Harris, Secretary of State's Office
Scott Myers, Secretary of State's Office
Steve Hawkland (SH) Secretary of State's Office
Patricia Daigle, Secretary of State's Office

Steve Hawkland presented the Notice of Intent and discussed the legislative requirements for adoption of rules and regulations, as well as, the Fiscal and Economic Impact Statement for Administrative Rules.

SH: Today is April 26, 2016, at 1:00 in the afternoon. We are here to hold a public meeting on the rule proposed by the Secretary of State for secured business filings. All attendees will now introduce themselves. (Steve Hawkland, Scott Myers, Brad Harris, Patricia Daigle) All attendees are Department of State employees. There are no members of the general public attending the meeting.

Under the provisions of the Administrative Procedures Act, the Secretary of State is proposing to adopt a rule authorizing the use of an optional secure business filing service referred to as SBF. The key word here is optional. The SBF service is designed to discourage fraudulent business filings in Louisiana through geauxBIZ. The optional one time registration fee will be \$35.00 for business entities to sign up for the SBF service. The service will notify the enrolled business entity via email when amendments are submitted on the geauxBIZ system. Business entities will have the opportunity to review the files and approve or reject further processing of the documents by the Department of State including potentially fraudulent or harmful business filings. The proposed rule will increase expenditures for the Secretary of State's Business Division by an indeterminable amount for Fiscal Year 2017 and subsequent Fiscal Years. The expenditures associated with software development and maintenance through the geauxBIZ system, secured business filings service. This is a new service that business entities can choose to enroll in at their discretion. The Secretary of State projects 15,300 businesses will enroll in Fiscal Year 2017 and projects further that an additional 1,920 businesses will enroll in Fiscal Year 2018. All expenditures for the SBF program are dependent upon self-generated revenue collected via the \$35.00 enrolment fee and the number of business entities

electing to participate in the program. To the extent business enroll in the SBF program, the Department will realize expenditures of approximately \$428,400 in Fiscal Year 2017 and \$67,200 dollars in Fiscal Year 2018. At this time, we will accept any written or oral comments, none being heard. As of noon today, we have not received any written comments from the public regarding the SBF program. The deadline for receiving written comments is tomorrow, April 27, 2016 at 4:30 p.m. The Department will mail out responses to all written comments received. Is there any discussion for the proposed rule? No discussion was made. As to the timetable to adopt the rule, we hope to send the legislative narrative report later this week. If we get it out by then, the earliest we could adopt the rule is June 20, 2016. If there are no comments to be heard, the meeting is hereby closed.

Carol Guidry

From: Steve Hawkland
Sent: Tuesday, May 3, 2016 10:39 AM
To: Carol Guidry
Subject: RE: Written Comments on Secured Business Filings Notice of Intent

There were no written comments received.

Steve Hawkland
Deputy General Counsel
Legal Division
Secretary of State Tom Schedler
225.287.7475 (o)
225.922.1180 (f)



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From: Carol Guidry
Sent: Tuesday, May 03, 2016 10:32 AM
To: Steve Hawkland
Subject: Written Comments on Secured Business Filings Notice of Intent

Steve,

The deadline for receiving written comments on the notice of intent for secured business filings was 4:30 p.m. on Wednesday, April 27, 2016. Did you receive any written comments by that deadline?

Carol

Carol H. Guidry
Director of HAVA
Legal Division
Secretary of State Tom Schedler
(225) 362-5142
(800) 883-2805 (Ext. #614)
(225) 922-1180 (FAX)

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**PROPOSED
RULE**

**Department of State
Business Services Division**

**Business Entities
(LAC 19:V.Chapters 1 - 13)**

The Secretary of State, pursuant to the provisions of the Administrative Procedure Act (R.S. 49:950 et seq.) and under the authority of R.S. 49:222 and R.S. 36:742, has adopted a Rule to authorize the use of an optional Secure Business Filings (SBF) service designed to discourage fraudulent business filings in Louisiana through *geauxBIZ*.

Title 19

CORPORATION 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 an optional 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:

Chapter 5. Nonprofit Corporations

§500. 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 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:

Chapter 7. Foreign Corporations

§700. 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 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:

Chapter 9. Special Corporations

§900. 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 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:

Chapter 11. Limited Liability Companies

§1100. 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 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:

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:

Tom Schedler
Secretary of State