

FILED

**JANICE K. BREWER
SECRETARY OF STATE**

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

CHAPTER 320

HOUSE BILL 2273

AN ACT

AMENDING SECTIONS 10-122.01, 10-124, 10-401, 10-402 AND 10-403, ARIZONA REVISED STATUTES; REPEALING SECTION 10-504, ARIZONA REVISED STATUTES; AMENDING TITLE 10, CHAPTER 5, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 10-504; AMENDING SECTIONS 10-720 AND 10-1506, ARIZONA REVISED STATUTES; REPEALING SECTION 10-1510, ARIZONA REVISED STATUTES; AMENDING TITLE 10, CHAPTER 15, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 10-1510; AMENDING TITLE 10, CHAPTER 15, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 10-1521; AMENDING SECTIONS 10-1622, 10-2054, 10-2124 AND 10-2215, ARIZONA REVISED STATUTES; REPEALING SECTION 10-3122, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2005, CHAPTER 253, SECTION 5; AMENDING SECTION 10-3122, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2005, CHAPTER 262, SECTION 2; AMENDING SECTIONS 10-3124, 10-3401, 10-3402 AND 10-3403, ARIZONA REVISED STATUTES; REPEALING SECTION 10-3504, ARIZONA REVISED STATUTES; AMENDING TITLE 10, CHAPTER 28, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 10-3504; AMENDING SECTION 10-11506, ARIZONA REVISED STATUTES; REPEALING SECTION 10-11510, ARIZONA REVISED STATUTES; AMENDING TITLE 10, CHAPTER 38, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 10-11510; AMENDING TITLE 10, CHAPTER 38, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 10-11521; AMENDING SECTIONS 10-11632, 29-601, 29-602, 29-603, 29-606, 29-633, 29-634, 29-637, 29-681, 29-781, 29-781.01, 29-783, 29-802, 29-803, 29-805, 29-841, 29-841.01, 29-845 AND 29-851, ARIZONA REVISED STATUTES; RELATING TO CORPORATIONS AND LIMITED LIABILITY COMPANIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 10-122.01, Arizona Revised Statutes, is amended to
3 read:
4 10-122.01. Public access fund; purpose; exemption; money on
5 deposit account
6 A. A public access fund is established. The commission shall
7 administer the fund. The fund consists of monies received pursuant to:
8 1. Section 10-122, subsections F, G, H and K.
9 2. Section 10-3122, subsections ~~E, F, G~~ I and ~~J~~ K.
10 3. Section 29-851, subsections E and F.
11 B. Except as provided in subsection C of this section:
12 1. Monies in the fund are subject to legislative appropriation.
13 2. The commission shall spend monies in the fund for a part of the
14 general administrative and legal expenses of the commission and to purchase,
15 install and maintain an improved data processing system on the premises of
16 the commission. The data processing system shall be designed to allow direct
17 on-line access by any person at a remote location to all public records that
18 are filed with the commission pursuant to this title and title 29, chapter 4.
19 3. When sufficient monies have been collected pursuant to section
20 10-122, subsections F, G and H, section 10-3122, ~~subsections E, F and G~~
21 SUBSECTION I and section 29-851, subsection E to pay for the purchase and
22 installation of the data processing system, the commission shall not charge
23 and collect the fees prescribed in section 10-122, subsection H or section
24 10-3122, subsection ~~G~~ H.
25 4. Monies in the fund are exempt from the provisions of section 35-190
26 relating to lapsing of appropriations, except that any unencumbered monies in
27 excess of two hundred thousand dollars at the end of each fiscal year revert
28 to the state general fund.
29 C. The money on deposit account is established in the public access
30 fund as a separate account consisting of monies received pursuant to section
31 10-122, subsection K, section 10-3122, subsection ~~J~~ K and section 29-851,
32 subsection F. Monies in the money on deposit account:
33 1. Are held in trust by the commission.
34 2. May be withdrawn by the commission only:
35 (a) To cover fees that are due pursuant to this title or title 29,
36 chapter 4 on delivery of documents for filing or on a request for services by
37 a person who advanced monies to the commission pursuant to section 10-122,
38 subsection K, section 10-3122, subsection ~~J~~ K or section 29-851,
39 subsection F.
40 (b) To refund the monies advanced in subdivision (a) OF THIS PARAGRAPH
41 if the person who requested services pursuant to subdivision (a) OF THIS
42 PARAGRAPH requests the refund.
43 (c) For the disposition of unclaimed property pursuant to title 44,
44 chapter 3.

1 3. Are not subject to either:
2 (a) Legislative appropriation.
3 (b) Reversion to the state general fund.
4 Sec. 2. Section 10-124, Arizona Revised Statutes, is amended to read:
5 10-124. Correcting filed document; articles of incorporation;
6 authority to transact business
7 A. A domestic or foreign corporation may correct a document that ~~is~~
8 ~~delivered to the commission for filing or a document that~~ has been filed by
9 the commission PURSUANT TO CHAPTERS 1 THROUGH 17 OF THIS TITLE if the
10 document either:
11 1. Contains an incorrect statement and the correction does not
12 materially alter a substantive provision.
13 2. Was defectively executed, attested, verified or acknowledged.
14 B. A document is corrected by both:
15 1. Preparing articles of correction that:
16 (a) Describe the document or attach a copy of it to the articles.
17 (b) Specify the date the document was delivered to the commission.
18 (c) Specify the incorrect statement and the reason it is incorrect or
19 the manner in which the execution was defective.
20 (d) Correct the incorrect statement or other defect.
21 2. Delivering the articles to the commission for filing.
22 C. Articles of correction are effective on the effective date of the
23 document they correct except as to persons who rely on the incorrect
24 statement or other defect and who are adversely affected by the correction.
25 As to those persons, articles of correction are effective as provided in
26 section 10-123.
27 ~~D. If a document is corrected after it has been delivered to the~~
28 ~~commission but before it is reviewed by the commission for filing, the~~
29 ~~commission shall file the document and the articles of correction~~
30 ~~simultaneously and both the document and the articles of correction are~~
31 ~~effective on the effective date of the document that has been corrected.~~
32 E. ~~D. If a document~~ ARTICLES OF INCORPORATION, ARTICLES OF
33 DOMESTICATION OR AN APPLICATION FOR AUTHORITY TO TRANSACT BUSINESS is
34 rejected for filing by the commission, ~~because of a defect that can be~~
35 ~~corrected by articles of correction, the document~~ THE ARTICLES OR APPLICATION
36 may be ~~refiled~~ RESUBMITTED within thirty days of the date of rejection
37 together with ~~articles of correction~~ A COPY OF THE REJECTED DOCUMENT. If the
38 ~~articles of correction cure~~ RESUBMITTED ARTICLES OR APPLICATION CURES the
39 defect that caused the rejection, ~~both the document and the articles of~~
40 ~~correction~~ THE RESUBMITTED ARTICLES OR APPLICATION shall be filed by the
41 commission and, ~~except as provided in subsection C of this section, are~~ IS
42 effective on the date that would have been the effective date of filing the
43 ~~document~~ ARTICLES OR APPLICATION if ~~it~~ THE ARTICLES OR APPLICATION had not
44 been rejected.

1 Sec. 3. Section 10-401, Arizona Revised Statutes, is amended to read:
2 10-401. Corporate name
3 A. A corporate name:
4 1. Shall contain the word "association", "bank", "company",
5 "corporation", "limited" or "incorporated" or an abbreviation of one of these
6 words or words or abbreviations of like import in another language.
7 2. Shall not contain language stating or implying that the corporation
8 is organized for a purpose other than that permitted by section 10-301 and
9 its articles of incorporation.
10 3. Notwithstanding paragraph 1 of this subsection, shall not include
11 the words "bank", "deposit", "CREDIT UNION", "trust" or "trust company"
12 separately or in combination to indicate or convey the idea that the
13 corporation is engaged in banking or trust business unless the corporation is
14 to be and becomes actively and substantially engaged in the banking, CREDIT
15 UNION or trust business or the corporation is a holding company holding
16 substantial interest in companies actively and substantially engaged in the
17 banking or trust business.
18 4. SHALL NOT CONTAIN THE WORDS "LIMITED LIABILITY COMPANY" OR "LIMITED
19 COMPANY" OR THE ABBREVIATIONS "L.L.C.", "L.C.", "LLC" OR "LC", IN UPPERCASE
20 OR LOWERCASE LETTERS.
21 B. Except as authorized by subsections C and D of this section, a
22 corporate name shall be distinguishable from all of the following:
23 1. The corporate name of a corporation incorporated in this state or a
24 foreign corporation authorized to transact business in this state.
25 2. A corporate name reserved under section 10-402 or registered under
26 section 10-403.
27 3. A fictitious name adopted by a foreign corporation under section
28 10-1506.
29 4. The corporate name of a nonprofit corporation incorporated under
30 this title or a foreign nonprofit or not for profit corporation authorized to
31 conduct affairs in this state.
32 5. The partnership name of a limited partnership organized and
33 registered under the laws of this state or of a foreign limited partnership
34 authorized to transact business in this state.
35 6. The name of a limited liability company organized under title 29,
36 chapter 4 or a foreign limited liability company authorized to transact
37 business in this state.
38 7. A trade name registered pursuant to title 44, chapter 10,
39 article 3.1.
40 8. The name of a registered limited liability partnership registered
41 under title 29, chapter ~~2~~ 5, article ~~7~~ 10 or a foreign registered limited
42 liability partnership authorized to transact business in this state.
43 C. A corporation may apply to the commission for authorization to use
44 a name that is not distinguishable from one or more of the names described in

1 subsection B of this section. The commission shall authorize use of the name
2 applied for if either:

3 1. The other ~~corporation~~ ENTITY consents to the use in writing and
4 submits an undertaking in a form satisfactory to the commission to change its
5 name to a name that is distinguishable from the name of the applying
6 corporation.

7 2. The applicant delivers to the commission a certified copy of the
8 final judgment of a court of competent jurisdiction establishing the
9 applicant's right to use the name applied for in this state.

10 D. A corporation may use the name, including a fictitious name, of
11 another domestic or foreign corporation that is used in this state if the
12 other corporation is incorporated or authorized to transact business in this
13 state and the proposed user corporation either has:

- 14 1. Merged with the other corporation.
15 2. Been formed by reorganization of the other corporation.
16 3. Acquired all or substantially all of the assets, including the
17 corporate name, of the other corporation.

18 E. Chapters 1 through 17 of this title do not control the use of
19 fictitious names.

20 Sec. 4. Section 10-402, Arizona Revised Statutes, is amended to read:
21 10-402. Reserved name

22 A. A person may reserve the exclusive use of a corporate name,
23 including a fictitious name to be adopted by a foreign corporation under
24 section 10-1506, by delivering an application to the commission for
25 filing. The application shall BE EXECUTED BY THE APPLICANT OR AN AUTHORIZED
26 AGENT OF THE APPLICANT AND SHALL set forth the name and address of the
27 applicant and the name proposed to be reserved. If the commission finds that
28 the corporate name applied for is available, it shall reserve the name for
29 the applicant's exclusive use for a nonrenewable one hundred twenty day
30 period.

31 B. The owner of a reserved corporate name may transfer the reservation
32 to another person by delivering to the commission a ~~signed~~ notice of the
33 transfer THAT SHALL BE EXECUTED BY THE APPLICANT OR AN AUTHORIZED AGENT OF
34 THE APPLICANT AND that states the name and address of the transferee. The
35 transfer shall not extend the period for which the name is reserved.

36 Sec. 5. Section 10-403, Arizona Revised Statutes, is amended to read:
37 10-403. Registered name

38 A. A foreign corporation may register its corporate name or its
39 corporate name with any addition required by section 10-1506, if the name is
40 distinguishable on the records of the commission from the corporate names
41 that are not available under section 10-401, subsection B.

42 B. A foreign corporation ~~registers~~ MAY REGISTER its corporate name or
43 its corporate name with any addition required by section 10-1506 by
44 delivering to the commission for filing an application both:

1 1. Setting forth its corporate name or its corporate name with any
2 addition required by section 10-1506, the state or country OF DOMICILE and
3 date of its incorporation and a brief description of the nature of the
4 business in which it is engaged.

5 2. Accompanied by a certificate of existence or a similar document
6 from the state or country of incorporation THAT HAS BEEN ISSUED WITHIN SIXTY
7 DAYS OF DELIVERING THE APPLICATION FOR FILING WITH THE COMMISSION.

8 C. The name is registered for the applicant's exclusive use on the
9 effective date of the application. THE REGISTRATION EXPIRES ONE YEAR AFTER
10 THE EFFECTIVE DATE OF THE APPLICATION UNLESS IT IS RENEWED PURSUANT TO
11 SUBSECTION D OF THIS SECTION.

12 D. A foreign corporation whose registration is effective may renew it
13 for successive years by delivering to the commission for filing a renewal
14 application that complies with the requirements of subsection B of this
15 section ~~between October 1 and December 31 of the preceding year.~~ The renewal
16 application when filed renews the registration for ~~the following calendar~~
17 ~~year~~ ONE YEAR AFTER THE EFFECTIVE DATE OF THE RENEWAL APPLICATION.

18 E. A foreign corporation whose registration is effective may qualify
19 as a foreign corporation under the registered name or consent in writing to
20 the use of that name by a corporation incorporated under chapters 1 through
21 17 of this title or by another foreign corporation authorized to transact
22 business in this state. The registration terminates when the domestic
23 corporation is incorporated or the foreign corporation qualifies or consents
24 to the qualification of another foreign corporation under the registered
25 name.

26 Sec. 6. Repeal

27 Section 10-504, Arizona Revised Statutes, is repealed.

28 Sec. 7. Title 10, chapter 5, article 1, Arizona Revised Statutes, is
29 amended by adding a new section 10-504, to read:

30 10-504. Service on corporation

31 A. THE STATUTORY AGENT APPOINTED BY A CORPORATION IS AN AGENT OF THE
32 CORPORATION ON WHOM PROCESS, NOTICE OR DEMAND THAT IS REQUIRED OR PERMITTED
33 BY LAW TO BE SERVED ON THE CORPORATION MAY BE SERVED AND THAT, WHEN SO
34 SERVED, IS LAWFUL PERSONAL SERVICE ON THE CORPORATION.

35 B. IF A CORPORATION FAILS TO APPOINT OR MAINTAIN A STATUTORY AGENT AT
36 THE ADDRESS SHOWN ON THE RECORDS OF THE COMMISSION, THE COMMISSION IS AN
37 AGENT OF THE CORPORATION ON WHOM PROCESS, NOTICE OR DEMAND MAY BE SERVED.
38 PURSUANT TO THE ARIZONA RULES OF CIVIL PROCEDURE, SERVICE ON THE COMMISSION
39 OF ANY PROCESS, NOTICE OR DEMAND FOR AN ENTITY THAT IS REGISTERED PURSUANT TO
40 THIS TITLE SHALL BE MADE BY DELIVERING TO AND LEAVING WITH THE COMMISSION
41 DUPLICATE COPIES OF THE PROCESS, NOTICE OR DEMAND, AND THE COMMISSION SHALL
42 IMMEDIATELY CAUSE ONE OF THE COPIES OF THE PROCESS, NOTICE OR DEMAND TO BE
43 FORWARDED BY MAIL, ADDRESSED TO THE CORPORATION AT ITS KNOWN PLACE OF
44 BUSINESS. SERVICE MADE ON THE COMMISSION IS RETURNABLE PURSUANT TO
45 APPLICABLE LAW RELATIVE TO PERSONAL SERVICE ON THE CORPORATION. IF SERVICE

1 IS MADE ON THE COMMISSION, WHETHER UNDER THIS CHAPTER OR A RULE OF COURT, THE
2 CORPORATION HAS THIRTY DAYS TO RESPOND IN ADDITION TO THE TIME OTHERWISE
3 PROVIDED BY LAW.

4 C. THE COMMISSION SHALL KEEP A PERMANENT RECORD OF ALL PROCESSES,
5 NOTICES AND DEMANDS SERVED ON IT UNDER THIS SECTION AND SHALL RECORD IN THE
6 RECORD THE TIME OF THE SERVICE AND ITS ACTION WITH REFERENCE TO THE SERVICE.

7 Sec. 8. Section 10-720, Arizona Revised Statutes, is amended to read:
8 10-720. Shareholders' list for meeting

9 A. After fixing a record date for a meeting, a corporation shall
10 prepare an alphabetical list of the names of all of its shareholders who are
11 entitled to notice of a shareholders' meeting. The list shall be arranged by
12 voting group, and within each voting group by class or series of shares, and
13 shall show the address of and number of shares held by each shareholder.

14 B. The shareholders' list shall be available for inspection by any
15 shareholder, beginning two business days after notice of the meeting is given
16 for which the list was prepared and continuing through the meeting, at the
17 corporation's principal office, the office of the corporation's transfer
18 agent if specified in the meeting notice or at another place identified in
19 the meeting notice in the city where the meeting will be held. A
20 shareholder, its agent or its attorney on written demand may inspect and,
21 subject to the requirements of section 10-1602, subsection C, may copy the
22 list, during regular business hours and at his expense, during the period it
23 is available for inspection.

24 C. The corporation shall make the shareholders' list available at the
25 meeting, and any shareholder, its agent or its attorney may inspect the list
26 at any time during the meeting or any adjournment.

27 D. If the corporation refuses to allow a shareholder, its agent or its
28 attorney to inspect the shareholders' list before or at the meeting or copy
29 the list as permitted by subsection B of this section, the court in the
30 county where a corporation's principal office, or, if none in this state, its
31 ~~registered office~~ KNOWN PLACE OF BUSINESS, is located, on application of the
32 shareholder, may summarily order the inspection or copying at the
33 corporation's expense and may postpone the meeting for which the list was
34 prepared until the inspection or copying is complete.

35 E. Refusal or failure to prepare or make available the shareholders'
36 list does not affect the validity of action taken at the meeting.

37 Sec. 9. Section 10-1506, Arizona Revised Statutes, is amended to read:
38 10-1506. Corporate name of foreign corporation

39 A. If the corporate name of a foreign corporation does not satisfy the
40 requirements of section 10-401, to obtain or maintain a grant of authority to
41 transact business in this state the foreign corporation:

42 1. Shall either:

43 (a) Add the word "association", "bank", "company", "corporation" or
44 "incorporated" or an abbreviation of one of these words to its corporate name
45 for use in this state.

1 (b) Use a fictitious name that satisfies the requirements of section
2 10-401 to transact business in this state if its real name is unavailable and
3 it delivers to the commission for filing a copy of the resolution of its
4 board of directors, certified by its secretary, adopting the fictitious name.
5 2. Shall not include language in its corporate name stating or
6 implying that the foreign corporation is organized for a purpose other than
7 that permitted by section 10-301 and its articles of incorporation.
8 3. Notwithstanding paragraph 1, subdivision (a) of this subsection,
9 shall not include the words "bank", "deposit", "CREDIT UNION", "trust" or
10 "trust company" separately or in combination in its corporate name to
11 indicate or convey the idea that the foreign corporation is engaged in
12 banking or trust business unless the foreign corporation is to be and becomes
13 actively and substantially engaged in the banking, CREDIT UNION or trust
14 business or the foreign corporation is a holding company holding a
15 substantial interest in companies actively and substantially engaged in the
16 banking or trust business.
17 B. Except as authorized by subsections C and D of this section, the
18 corporate name, including a fictitious name, of a foreign corporation shall
19 be distinguishable from:
20 1. The corporate name of a corporation incorporated in this state or a
21 foreign corporation authorized to transact business in this state.
22 2. A corporate name reserved under section 10-402 or registered under
23 section 10-403.
24 3. The fictitious name adopted by another foreign corporation under
25 this section.
26 4. The corporate name of a nonprofit corporation incorporated under
27 this title or a foreign nonprofit or not for profit corporation authorized to
28 conduct affairs in this state.
29 5. The partnership name of a limited partnership organized and
30 registered under the laws of this state or of a foreign limited partnership
31 authorized to transact business in this state.
32 6. The name of a limited liability company organized under title 29,
33 chapter 4 or a foreign limited liability company authorized to transact
34 business in this state.
35 7. A trade name registered pursuant to title 44, chapter 10,
36 article 3.1.
37 8. The name of a registered limited liability partnership registered
38 under title 29, chapter ~~2~~ 5, article ~~7~~ 10 or a foreign registered limited
39 liability partnership authorized to transact business in this state.
40 C. Notwithstanding subsection B of this section, the commission shall
41 authorize the use of a name that is not distinguishable under subsection B of
42 this section from one or more of the names described in subsection B of this
43 section if the applicant delivers to the commission a certified copy of a
44 final judgment of a court of competent jurisdiction establishing the
45 applicant's right to use the name applied for in this state.

1 D. If a foreign corporation authorized to transact business in this
2 state changes its corporate name to one that does not satisfy the
3 requirements of section 10-401, it may not transact business in this state
4 under the changed name until it adopts a name satisfying the requirements of
5 section 10-401 and obtains new authority under section 10-1504.

6 Sec. 10. Repeal

7 Section 10-1510, Arizona Revised Statutes, is repealed.

8 Sec. 11. Title 10, chapter 15, article 1, Arizona Revised Statutes, is
9 amended by adding a new section 10-1510, to read:

10 10-1510. Service on foreign corporation

11 A. THE STATUTORY AGENT APPOINTED BY A FOREIGN CORPORATION IS AN AGENT
12 OF THE FOREIGN CORPORATION ON WHOM PROCESS, NOTICE OR DEMAND THAT IS REQUIRED
13 OR PERMITTED BY LAW TO BE SERVED ON THE FOREIGN CORPORATION MAY BE SERVED AND
14 THAT, WHEN SO SERVED, IS LAWFUL PERSONAL SERVICE ON THE FOREIGN CORPORATION.

15 B. IF A FOREIGN CORPORATION FAILS TO APPOINT OR MAINTAIN A STATUTORY
16 AGENT AT THE ADDRESS SHOWN ON THE RECORDS OF THE COMMISSION, THE COMMISSION
17 IS AN AGENT OF THE FOREIGN CORPORATION ON WHOM ANY PROCESS, NOTICE OR DEMAND
18 MAY BE SERVED. PURSUANT TO THE ARIZONA RULES OF CIVIL PROCEDURE, SERVICE ON
19 THE COMMISSION OF ANY PROCESS, NOTICE OR DEMAND SHALL BE MADE BY DELIVERING
20 TO AND LEAVING WITH THE COMMISSION DUPLICATE COPIES OF THE PROCESS, NOTICE OR
21 DEMAND, AND THE COMMISSION SHALL IMMEDIATELY CAUSE ONE OF THE COPIES OF THE
22 PROCESS, NOTICE OR DEMAND TO BE FORWARDED BY MAIL, ADDRESSED TO THE FOREIGN
23 CORPORATION AT ITS KNOWN PLACE OF BUSINESS. SERVICE MADE ON THE COMMISSION IS
24 RETURNABLE PURSUANT TO APPLICABLE LAW RELATIVE TO PERSONAL SERVICE ON THE
25 CORPORATION. IF SERVICE IS MADE ON THE COMMISSION, WHETHER UNDER THIS CHAPTER
26 OR A RULE OF COURT, THE FOREIGN CORPORATION HAS THIRTY DAYS TO RESPOND IN
27 ADDITION TO THE TIME OTHERWISE PROVIDED BY LAW.

28 C. THE COMMISSION SHALL KEEP A PERMANENT RECORD OF ALL PROCESSES,
29 NOTICES AND DEMANDS SERVED ON IT UNDER THIS SECTION AND SHALL RECORD IN THE
30 RECORD THE TIME OF THE SERVICE AND ITS ACTION WITH REFERENCE TO THE SERVICE.

31 Sec. 12. Title 10, chapter 15, article 2, Arizona Revised Statutes, is
32 amended by adding section 10-1521, to read:

33 10-1521. Withdrawal by duly authorized officers; foreign
34 corporations

35 A. A MAJORITY OF THE DULY AUTHORIZED OFFICERS OF A FOREIGN CORPORATION
36 THAT HAS NOT ISSUED SHARES OR THAT HAS NOT COMMENCED TRANSACTING BUSINESS IN
37 THIS STATE MAY WITHDRAW THE FOREIGN CORPORATION BY DELIVERING TO THE
38 COMMISSION FOR FILING AN APPLICATION FOR WITHDRAWAL THAT SETS FORTH ALL OF
39 THE FOLLOWING:

40 1. THE NAME OF THE FOREIGN CORPORATION AND THE NAME OF THE STATE OR
41 COUNTRY UNDER WHOSE LAWS IT IS INCORPORATED.

42 2. THAT THE FOREIGN CORPORATION REVOKES THE AUTHORITY OF ITS STATUTORY
43 AGENT TO ACCEPT SERVICE ON ITS BEHALF AND APPOINTS THE COMMISSION AS ITS
44 AGENT FOR SERVICE OF PROCESS IN ANY PROCEEDING BASED ON A CAUSE OF ACTION
45 ARISING DURING THE TIME IT WAS AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE.

1 3. A MAILING ADDRESS TO WHICH THE COMMISSION MAY MAIL A COPY OF ANY
2 PROCESS SERVED ON THE COMMISSION PURSUANT TO ITS APPOINTMENT AS THE FOREIGN
3 CORPORATION'S AGENT FOR SERVICE OF PROCESS.

4 4. A COMMITMENT TO NOTIFY THE COMMISSION IN THE FUTURE OF ANY CHANGE
5 IN THE FOREIGN CORPORATION'S MAILING ADDRESS.

6 5. EITHER OF THE FOLLOWING:

7 (a) THAT NONE OF THE FOREIGN CORPORATION'S SHARES HAVE BEEN ISSUED IN
8 THIS STATE.

9 (b) THAT THE FOREIGN CORPORATION HAS NOT COMMENCED BUSINESS IN THIS
10 STATE AND THAT IT SURRENDERS ITS AUTHORITY TO TRANSACT BUSINESS IN THIS
11 STATE.

12 6. THAT NO DEBT OF THE FOREIGN CORPORATION ACQUIRED IN THIS STATE
13 REMAINS UNPAID.

14 7. THAT A MAJORITY OF THE DULY AUTHORIZED OFFICERS AUTHORIZED THE
15 WITHDRAWAL.

16 B. THE APPLICATION FOR WITHDRAWAL FILED PURSUANT TO THIS SECTION MUST
17 BE EXECUTED PURSUANT TO SECTION 10-120, SUBSECTION F.

18 C. AFTER DETERMINING THAT THE APPLICATION APPEARS IN ALL RESPECTS TO
19 CONFORM TO THE REQUIREMENTS OF THIS CHAPTER AND WHEN ALL FEES HAVE BEEN PAID
20 AS ARE PRESCRIBED BY THIS CHAPTER, THE COMMISSION SHALL FILE THE APPLICATION
21 IN THE MANNER PROVIDED IN SECTION 10-120. ON THE FILING OF THE APPLICATION
22 FOR WITHDRAWAL, THE AUTHORITY OF THE FOREIGN CORPORATION TO TRANSACT BUSINESS
23 IN THIS STATE CEASES.

24 Sec. 13. Section 10-1622, Arizona Revised Statutes, is amended to
25 read:

26 10-1622. Annual report

27 A. Each domestic corporation and each foreign corporation authorized
28 to transact business in this state shall deliver to the commission for filing
29 an annual report that sets forth all of the following:

30 1. The name of the corporation and the state or country under whose
31 law it is incorporated.

32 2. The address of its known place of business and the name and address
33 of its statutory agent in this state.

34 3. The address of its principal office.

35 4. The names and business addresses of its directors and principal
36 officers.

37 5. A brief description of the nature of its business.

38 6. The total number of authorized shares, itemized by class and
39 series, if any, within each class.

40 7. The total number of issued and outstanding shares, itemized by
41 class or series, if any, within each class.

42 8. A certificate of disclosure containing the information set forth in
43 section 10-202, subsection D.

1 9. The names of shareholders of record of the corporation holding more
2 than twenty per cent of any class of shares issued by the corporation,
3 including persons beneficially holding the shares through nominees.

4 10. A statement that all corporate income tax returns required by title
5 43 have been filed with the department of revenue.

6 B. Information in the annual report shall be current as of the date
7 the annual report is executed on behalf of the corporation.

8 C. The annual report for all corporations shall be delivered to the
9 commission for filing, and the annual fee shall be paid on or before the date
10 assigned by the commission. The commission may stagger the annual report
11 filing date for all corporations and adjust the annual registration fee on a
12 pro rata basis. The corporation shall deliver the annual report to the
13 commission for filing each subsequent year in the anniversary month on the
14 date determined by the commission. If a corporation is unable to file the
15 annual report required by this section on or before the date prescribed by
16 this section, the corporation may file, but only on or before this date, a
17 written request with the commission for an extension of time, not to exceed
18 six months, in which to file the annual report. The request for an extension
19 of time shall be accompanied by the annual registration fee required by law.
20 After filing the request for an extension of time and on receipt of the
21 annual registration fee, the commission shall grant the request.

22 D. If an annual report does not contain the information required by
23 this section, the commission shall promptly notify the reporting domestic or
24 foreign corporation in writing and shall return the report to it for
25 correction. If the report is corrected to contain the information required
26 by this section and delivered to the commission within thirty days after the
27 effective date of notice, it is deemed to be timely filed.

28 E. Any corporation that is exempt from the requirement of filing an
29 annual report shall deliver annually a certificate of disclosure that
30 contains the information set forth in section 10-202, subsection D and that
31 is executed by any two executive officers or directors of the corporation on
32 or before May 31. If the certificate is not delivered within ninety days
33 after the due date of the annual report or within ninety days after May 31 in
34 the case of any corporation that is exempt from the requirement of filing an
35 annual report, the commission shall initiate administrative dissolution of
36 that corporation in accordance with chapters 1 through 17 of this title.

37 F. If the annual report is not delivered for filing and the fee is not
38 paid within the time specified by this section, the commission shall assess
39 and, upon collection, deposit, pursuant to sections 35-146 and 35-147,
40 penalties of twenty per cent per month or fraction of the month of the fees
41 then due until EITHER THE payment is made, OR the domestic corporation is
42 administratively dissolved or the authority of the foreign corporation is
43 revoked, WHICHEVER OCCURS FIRST. Beginning January 1, 1999, this subsection
44 does not apply to nonprofit corporations organized under chapters 24 through
45 42 of this title.

1 Sec. 14. Section 10-2054, Arizona Revised Statutes, is amended to
2 read:

3 10-2054. Name

4 A. The name of a cooperative shall include the words "electric" and
5 "cooperative," and the abbreviation "inc.," unless, in a statement executed
6 by the cooperative and filed with the corporation commission, or in an
7 affidavit made by a person signing the articles of incorporation,
8 consolidation, merger or conversion, which relate to the cooperative, and
9 filed, together with the articles, with the corporation commission, it
10 appears that the cooperative desires to do business in another state and is
11 or would be precluded from doing so by reason of the inclusion of either or
12 both of those words in its name.

13 B. The name of a cooperative shall be ~~distinct~~ DISTINGUISHABLE from
14 the name of any other cooperative or corporation organized under the laws of,
15 or authorized to do business in, this state. Only a cooperative doing
16 business in this state pursuant to this article shall use both the words
17 "electric" and "cooperative" in its name, but this section shall not apply to
18 any corporation which becomes subject to this article by complying with ~~the~~
19 ~~provisions of~~ section 10-2076 and which elects to retain a corporate name
20 which does not comply with this section. The restriction on the use of the
21 words "electric" and "cooperative" does not apply to generation and
22 transmission cooperatives organized under article 4 of this chapter.

23 Sec. 15. Section 10-2124, Arizona Revised Statutes, is amended to
24 read:

25 10-2124. Use of name

26 A. The name of a generation and transmission cooperative shall include
27 the word "cooperative" and the abbreviation "inc.," unless, in a statement
28 executed by the cooperative and filed with the corporation commission, it
29 appears that the generation and transmission cooperative desires to transact
30 business in another state and would be precluded from doing so by reason of
31 including these words in its name.

32 B. The name of the generation and transmission cooperative must be
33 ~~distinct~~ DISTINGUISHABLE from the name of any other cooperative or
34 corporation organized under the laws of or authorized to do business in this
35 state. Only a generation and transmission cooperative doing business in this
36 state pursuant to this article may use all of the words "electric", "power"
37 and "cooperative" in its name.

38 Sec. 16. Section 10-2215, Arizona Revised Statutes, is amended to
39 read:

40 10-2215. Corporation name

41 A. The name of a domestic professional corporation and of a foreign
42 professional corporation authorized to transact business in this state, in
43 addition to satisfying the requirements of sections 10-401 and 10-1506,
44 shall:

1 1. Contain the words "professional corporation", "professional
2 association", "service corporation", "limited" or "chartered" or the
3 abbreviation "P.C.", "P.A.", "S.C.", "Ltd.", ~~or~~ "Chtd.", "PC", "PA", "SC",
4 "LTD" OR "CHTD".

5 2. Not contain language stating or implying that it is incorporated
6 for a purpose other than that authorized by section 10-2211 and its articles
7 of incorporation.

8 3. Conform with any rule adopted by the licensing authority having
9 jurisdiction over a professional service described in the corporation's
10 articles of incorporation.

11 B. Sections 10-401 and 10-1506 do not prevent the use of a name
12 otherwise prohibited by those sections if it is the personal name of a
13 shareholder or former shareholder of the domestic or foreign professional
14 corporation or the name of an individual who was associated with a
15 predecessor of the corporation.

16 Sec. 17. Repeal
17 Section 10-3122, Arizona Revised Statutes, as amended by Laws 2005,
18 chapter 253, section 5, is repealed.

19 Sec. 18. Section 10-3122, Arizona Revised Statutes, as amended by Laws
20 2005, chapter 262, section 2, is amended to read:

21 10-3122. Filing, service and copying fees; public access fund;
22 expedited report filing and access; same day and
23 next day services

24 A. The commission shall collect and deposit, pursuant to sections
25 35-146 and 35-147, in the state general fund the following fees when the
26 documents described in this subsection are delivered for filing or issuance:

Document	Fee
27	
28 1. Articles of incorporation	\$ 30
29 2. Application for use of indistinguishable name	\$ 10
30 3. Application for reserved name	\$ 10
31 4. Notice of transfer of reserved name	\$ 10
32 5. Application for registered name	\$ 10
33 6. Application for renewal of registered name	\$ 10
34 7. Agent's statement of resignation	\$ 10
35 8. Amendment of articles of incorporation	\$ 25
36 9. Restatement of articles of incorporation	
37 with amendment of articles	\$ 25
38 10. Articles of merger or membership exchange	\$100
39 11. Articles of dissolution	\$ 25
40 12. Articles of domestication	\$100
41 13. Articles of revocation of dissolution	\$ 25
42 14. Application for reinstatement following	
43 administrative dissolution or revocation in	
44 addition to other fees and penalties due	\$ 25
45 15. Application for authority	\$150

1 equipment and personnel necessary to provide this service or product as
2 determined by the commission.

3 ~~5-~~ H. EXCEPT AS PROVIDED IN SECTION 10-122.01, SUBSECTION B,
4 PARAGRAPH 3, in addition to any fee charged pursuant to this section, the
5 commission may charge and collect the following fees to help defray the cost
6 of the improved data processing system THAT IS MAINTAINED PURSUANT TO SECTION
7 10-122.01:

8 (a) 1. Filing articles of incorporation of a domestic corporation,
9 ten dollars.

10 (b) 2. Filing an application of a foreign corporation for authority
11 to transact business in this state, twenty-five dollars.

12 ~~6-~~ I. All monies received pursuant to paragraphs 2, 3, 4 and 5 of
13 this subsection SUBSECTIONS E THROUGH H OF THIS SECTION shall be deposited,
14 pursuant to sections 35-146 and 35-147, in the public access fund ESTABLISHED
15 BY SECTION 10-122.01. ~~The commission shall use the monies deposited in the~~
16 ~~fund for the purposes provided in this section. Fees charged pursuant to~~
17 ~~this section are exempt from section 39-121.03, subsection A, paragraph 3,~~
18 ~~relating to a charge for value of a reproduction on the commercial market.~~
19 ~~Monies in the fund are exempt from the provisions of section 35-190 relating~~
20 ~~to lapsing of appropriations, except that any unencumbered monies in excess~~
21 ~~of two hundred thousand dollars at the end of each fiscal year revert to the~~
22 ~~state general fund.~~

23 ~~7-~~ When sufficient monies have been collected pursuant to paragraphs
24 ~~2, 4 and 5 of this subsection to pay for the purchase and installation of the~~
25 ~~data processing system, the commission shall not charge and collect the fees~~
26 ~~prescribed in paragraph 5 of this subsection.~~

27 J. FEES CHARGED PURSUANT TO THIS SECTION ARE EXEMPT FROM SECTION
28 39-121.03, SUBSECTION A, PARAGRAPH 3.

29 K. ANY PERSON MAY ADVANCE MONIES TO THE COMMISSION TO PAY FEES
30 REQUIRED PURSUANT TO THIS SECTION FOR FUTURE FILINGS AND SERVICES. ALL
31 MONIES RECEIVED PURSUANT TO THIS SUBSECTION SHALL BE DEPOSITED, PURSUANT TO
32 SECTIONS 35-146 AND 35-147, IN THE MONEY ON DEPOSIT ACCOUNT IN THE PUBLIC
33 ACCESS FUND ESTABLISHED BY SECTION 10-122.01.

34 Sec. 19. Section 10-3124, Arizona Revised Statutes, is amended to
35 read:

36 10-3124. Correcting filed document; articles of incorporation;
37 application for authority to conduct affairs

38 A. A domestic or foreign corporation may correct a document ~~that is~~
39 ~~delivered to the commission for filing or a document that has been filed by~~
40 the commission if the document either:

41 1. Contains an incorrect statement and the correction does not
42 materially alter a substantive provision.

43 2. Was defectively executed, attested, sealed, verified or
44 acknowledged.

1 B. A document is corrected by both:
2 1. Preparing articles of correction that:
3 (a) Describe the document or attach a copy of it to the articles.
4 (b) Specify the date the document was delivered to the commission.
5 (c) Specify the incorrect statement and the reason it is incorrect or
6 the manner in which the execution was defective.
7 (d) Correct the incorrect statement or other defect.
8 2. Delivering the articles to the commission for filing.
9 C. Articles of correction are effective on the effective date of the
10 document they correct except as to persons who rely on the incorrect
11 statement or other defect and who are adversely affected by the correction.
12 As to those persons, articles of correction are effective as provided in
13 section 10-123.
14 ~~D. If a document is corrected after it has been delivered to the~~
15 ~~commission but before it is reviewed by the commission for filing, the~~
16 ~~commission shall file the document and the articles of correction~~
17 ~~simultaneously and both the document and the articles of correction are~~
18 ~~effective on the effective date of the document that has been corrected.~~
19 E. ~~D. If a document~~ ARTICLES OF INCORPORATION, ARTICLES OF
20 DOMESTICATION OR AN APPLICATION FOR AUTHORITY TO CONDUCT AFFAIRS is rejected
21 for filing by the commission, ~~because of a defect that can be corrected by~~
22 ~~articles of correction, the document~~ THE ARTICLES OR APPLICATION may be
23 ~~refiled~~ RESUBMITTED within thirty days of the date of rejection together with
24 ~~articles of correction~~ A COPY OF THE REJECTED DOCUMENT. If the ~~articles of~~
25 ~~correction cure~~ RESUBMITTED ARTICLES OR APPLICATION CURES the defect that
26 caused the rejection, ~~both the document and the articles of correction~~ THE
27 RESUBMITTED ARTICLES OR APPLICATION shall be filed by the commission and,
28 ~~except as provided in subsection C of this section, are~~ IS effective on the
29 date that would have been the effective date of filing the ~~document~~ ARTICLES
30 OR APPLICATION if ~~it~~ THE ARTICLES OR APPLICATION had not been rejected.
31 Sec. 20. Section 10-3401, Arizona Revised Statutes, is amended to
32 read:
33 10-3401. Corporate name
34 A. A corporate name shall not contain language that states or implies
35 that the corporation is organized for a purpose other than the purpose
36 permitted by section 10-3301 and in its articles of incorporation.
37 B. Except as authorized by subsection C of this section, a corporate
38 name must be distinguishable from all of the following:
39 1. The corporate name of a corporation incorporated in this state or a
40 foreign corporation authorized to conduct affairs in this state.
41 2. A corporate name reserved under section 10-402 or 10-3402 or
42 registered under section 10-403 or 10-3403.
43 3. A fictitious name of a foreign corporation under section 10-1506 or
44 10-11506.

1 4. The corporate name of a business corporation incorporated under
2 this title or a foreign business corporation authorized to transact business
3 in this state.

4 5. The partnership name of a limited partnership organized and
5 registered under the laws of this state or of a foreign limited partnership
6 authorized to transact business in this state.

7 6. The name of a limited liability company organized under title 29,
8 chapter 4 or a foreign limited liability company authorized to transact
9 business in this state.

10 7. A trade name registered pursuant to title 44, chapter 10,
11 article 3.1.

12 8. The name of a registered limited liability partnership registered
13 under title 29, chapter ~~2~~ 5, article ~~7~~ 10 or a foreign registered limited
14 liability partnership authorized to transact business in this state.

15 C. A corporation may apply to the commission for authorization to use
16 a name that is not distinguishable from one or more of the names described in
17 subsection B of this section. The commission shall authorize use of the name
18 applied for if either:

19 1. The other corporation consents to the use in writing and submits an
20 undertaking in a form satisfactory to the commission to change its name to a
21 name that is distinguishable from the name of the applying corporation.

22 2. The applicant delivers to the commission a certified copy of a
23 final judgment of a court of competent jurisdiction establishing the
24 applicant's right to use the name applied for in this state.

25 D. A corporation may use the name, including a fictitious name, of
26 another domestic or foreign business or nonprofit corporation that is used in
27 this state if the other corporation is incorporated or authorized to transact
28 business or conduct affairs in this state and the proposed user corporation
29 either has:

30 1. Merged with the other corporation.

31 2. Been formed by reorganization of the other corporation.

32 3. Acquired all or substantially all of the assets, including the
33 corporate name, of the other corporation.

34 E. Chapters 24 through ~~40~~ 42 of this title do not control the use of
35 fictitious names.

36 Sec. 21. Section 10-3402, Arizona Revised Statutes, is amended to
37 read:

38 10-3402. Reserved name

39 A. A person may reserve the exclusive use of a corporate name,
40 including a fictitious name to be adopted by a foreign corporation under
41 section 10-11506, by delivering an application to the commission for filing.
42 The application shall BE EXECUTED BY THE APPLICANT OR AN AUTHORIZED AGENT OF
43 THE APPLICANT AND SHALL set forth the name and address of the applicant and
44 the name proposed to be reserved. If the commission finds that the corporate

1 name applied for is available, it shall reserve the name for the applicant's
2 exclusive use for a nonrenewable one hundred twenty day period.

3 B. The owner of a reserved corporate name may transfer the reservation
4 to another person by delivering to the commission a signed notice of the
5 transfer THAT SHALL BE EXECUTED BY THE APPLICANT OR AN AUTHORIZED AGENT OF
6 THE APPLICANT AND that states the name and address of the transferee. The
7 transfer shall not extend the period for which the name is reserved.

8 Sec. 22. Section 10-3403, Arizona Revised Statutes, is amended to
9 read:

10 10-3403. Registered name

11 A. A foreign corporation may register its corporate name, or its
12 corporate name with any change required by section 10-11506, if the name is
13 distinguishable from the corporate names that are not available under section
14 10-3401, subsection B.

15 B. A foreign corporation registers its corporate name or its corporate
16 name with any change required by section 10-11506, by delivering to the
17 commission an application both:

18 1. Setting forth its corporate name or its corporate name with any
19 change required by section 10-11506, the state or country and date of its
20 incorporation and a brief description of the nature of the activities in
21 which it is engaged.

22 2. Accompanied by a certificate of existence or a similar document
23 from the state or country of incorporation THAT HAS BEEN ISSUED WITHIN SIXTY
24 DAYS OF DELIVERING THE APPLICATION FOR FILING WITH THE COMMISSION.

25 C. The name is registered for the applicant's exclusive use on the
26 effective date of the application. THE REGISTRATION EXPIRES ONE YEAR AFTER
27 THE EFFECTIVE DATE OF THE APPLICATION UNLESS IT IS RENEWED PURSUANT TO
28 SUBSECTION D OF THIS SECTION.

29 D. A foreign corporation whose registration is effective may renew it
30 for successive years by delivering to the commission for filing a renewal
31 application that complies with the requirements of subsection B of this
32 section ~~between October 1 and December 31 of the preceding year.~~ The renewal
33 application renews the registration for ~~the following calendar year~~ ONE YEAR
34 AFTER THE EFFECTIVE DATE OF THE RENEWAL APPLICATION.

35 E. A foreign corporation whose registration is effective may qualify
36 as a foreign corporation under the registered name or consent in writing to
37 the use of that name by a corporation thereafter incorporated under chapters
38 24 through 40 42 of this title or by another foreign corporation authorized
39 to conduct affairs in this state. The registration terminates when the
40 domestic corporation is incorporated or the foreign corporation qualifies or
41 consents to the qualification of another foreign corporation under the
42 registered name.

43 Sec. 23. Repeal

44 Section 10-3504, Arizona Revised Statutes, is repealed.

1 Sec. 24. Title 10, chapter 28, article 1, Arizona Revised Statutes, is
2 amended by adding a new section 10-3504, to read:

3 10-3504. Service on corporation

4 A. THE STATUTORY AGENT APPOINTED BY A CORPORATION IS AN AGENT OF THE
5 CORPORATION ON WHOM PROCESS, NOTICE OR DEMAND THAT IS REQUIRED OR PERMITTED
6 BY LAW TO BE SERVED ON THE CORPORATION MAY BE SERVED AND THAT, WHEN SO
7 SERVED, IS LAWFUL PERSONAL SERVICE ON THE CORPORATION.

8 B. IF A CORPORATION FAILS TO APPOINT OR MAINTAIN A STATUTORY AGENT AT
9 THE ADDRESS SHOWN ON THE RECORDS OF THE COMMISSION, THE COMMISSION IS AN
10 AGENT OF THE CORPORATION ON WHOM ANY PROCESS, NOTICE OR DEMAND MAY BE SERVED.
11 PURSUANT TO THE ARIZONA RULES OF CIVIL PROCEDURE, SERVICE ON THE COMMISSION
12 OF ANY PROCESS, NOTICE OR DEMAND FOR AN ENTITY THAT IS REGISTERED PURSUANT TO
13 THIS TITLE SHALL BE MADE BY DELIVERING TO AND LEAVING WITH THE COMMISSION
14 DUPLICATE COPIES OF THE PROCESS, NOTICE OR DEMAND, AND THE COMMISSION SHALL
15 IMMEDIATELY CAUSE ONE OF THE COPIES OF THE PROCESS, NOTICE OR DEMAND TO BE
16 FORWARDED BY MAIL, ADDRESSED TO THE CORPORATION AT ITS KNOWN PLACE OF
17 BUSINESS. SERVICE MADE ON THE COMMISSION IS RETURNABLE PURSUANT TO APPLICABLE
18 LAW RELATIVE TO PERSONAL SERVICE ON THE CORPORATION. IF SERVICE IS MADE ON
19 THE COMMISSION, WHETHER UNDER THIS CHAPTER OR A RULE OF COURT, THE
20 CORPORATION HAS THIRTY DAYS TO RESPOND IN ADDITION TO THE TIME OTHERWISE
21 PROVIDED BY LAW.

22 C. THE COMMISSION SHALL KEEP A PERMANENT RECORD OF ALL PROCESSES,
23 NOTICES AND DEMANDS SERVED ON IT UNDER THIS SECTION AND SHALL RECORD IN THE
24 RECORD THE TIME OF THE SERVICE AND ITS ACTION WITH REFERENCE TO THE SERVICE.

25 Sec. 25. Section 10-11506, Arizona Revised Statutes, is amended to
26 read:

27 10-11506. Corporate name of foreign corporation

28 A. If the corporate name of a foreign corporation does not satisfy the
29 requirements of section 10-3401, to obtain or maintain a grant of authority
30 to conduct affairs in this state the foreign corporation shall use a
31 fictitious name that satisfies the requirements of section 10-3401 to conduct
32 affairs in this state if its real name is unavailable and it delivers to the
33 commission for filing a copy of the resolution of its board of directors,
34 certified by ~~its secretary~~ A DULY AUTHORIZED OFFICER, adopting the fictitious
35 name. The foreign corporation shall not include language in its corporate
36 name stating or implying that the foreign corporation is organized for a
37 purpose other than that permitted by section 10-3301 and its articles of
38 incorporation.

39 B. Except as authorized by subsection C of this section, the corporate
40 name, including a fictitious name, of a foreign corporation shall be
41 distinguishable from:

42 1. The corporate name of a corporation incorporated under this title
43 or a foreign nonprofit, not for profit, business or close corporation
44 authorized to transact business or conduct affairs in this state.

1 2. A corporate name reserved under section 10-402 or 10-3402 or
2 registered under section 10-403 or 10-3403.

3 3. The fictitious name of another foreign business or nonprofit
4 corporation.

5 4. The partnership name of a limited partnership organized and
6 registered under the laws of this state or of a foreign limited partnership
7 authorized to transact business in this state.

8 5. The name of a limited liability company organized under title 29,
9 chapter 4 or a foreign limited liability company authorized to transact
10 business in this state.

11 6. The name of a registered limited liability partnership registered
12 under title 29, chapter ~~2~~ 5, article ~~7~~ 10 or a foreign registered limited
13 liability partnership authorized to transact business in this state.

14 7. A trade name registered pursuant to title 44, chapter 10,
15 article 3.1.

16 C. A corporation may apply to the commission for authorization to use
17 a name that is not distinguishable from one or more of the names described in
18 subsection B of this section. The commission shall authorize use of the name
19 applied for if either:

20 1. The other corporation consents to the use in writing and submits an
21 undertaking in a form satisfactory to the commission to change its name to a
22 name that is distinguishable from the name of the applying corporation.

23 2. The applicant delivers to the commission a certified copy of a
24 final judgment of a court of competent jurisdiction establishing the
25 applicant's right to use the name applied for in this state.

26 D. A corporation may use the name, including a fictitious name, of
27 another domestic or foreign business or nonprofit corporation that is used in
28 this state if the other corporation is incorporated or authorized to transact
29 business or conduct affairs in this state and the proposed user corporation
30 either has:

31 1. Merged with the other corporation.

32 2. Been formed by reorganization of the other corporation.

33 3. Acquired all or substantially all of the assets, including the
34 corporate name, of the other corporation.

35 E. Chapters 24 through ~~40~~ 42 of this title do not control the use of
36 fictitious names.

37 F. If a foreign corporation authorized to transact business in this
38 state changes its corporate name to one that does not satisfy the
39 requirements of section 10-3401, it may not transact business in this state
40 under the changed name until it adopts a name satisfying the requirements of
41 section 10-3401 and obtains new authority under section 10-11504.

42 Sec. 26. Repeal

43 Section 10-11510, Arizona Revised Statutes, is repealed.

1 6. THAT NO DEBT OF THE FOREIGN CORPORATION ACQUIRED IN THIS STATE
2 REMAINS UNPAID.

3 7. THAT A MAJORITY OF THE DIRECTORS OR MEMBERS AUTHORIZED THE
4 WITHDRAWAL.

5 B. THE APPLICATION FOR WITHDRAWAL FILED PURSUANT TO THIS SECTION MUST
6 BE EXECUTED PURSUANT TO SECTION 10-3120, SUBSECTION F.

7 C. AFTER DETERMINING THAT THE APPLICATION APPEARS IN ALL RESPECTS TO
8 CONFORM TO THE REQUIREMENTS OF THIS CHAPTER AND WHEN ALL FEES HAVE BEEN PAID
9 AS ARE PRESCRIBED BY THIS CHAPTER, THE COMMISSION SHALL FILE THE APPLICATION
10 IN THE MANNER PROVIDED IN SECTION 10-3120. ON THE FILING OF THE APPLICATION
11 FOR WITHDRAWAL, THE AUTHORITY OF THE FOREIGN CORPORATION TO CONDUCT AFFAIRS
12 IN THIS STATE CEASES.

13 Sec. 29. Section 10-11632, Arizona Revised Statutes, is amended to
14 read:

15 10-11632. Interrogatory or signature violations; corporate
16 records; classification

17 A. A person who knowingly fails or refuses within the time prescribed
18 by this chapter to answer truthfully any interrogatories propounded to that
19 person by the commission in accordance with this chapter or who signs any
20 articles, statement, report, application or other document filed with the
21 commission that is known to the person as false in any material respect is
22 guilty of a class 5- 4 felony.

23 B. A person who with the intent to defraud or deceive knowingly
24 falsifies, alters, steals, destroys, mutilates, defaces, removes or secretes
25 the books, records or accounts of a corporation is guilty of a class 5
26 felony.

27 Sec. 30. Section 29-601, Arizona Revised Statutes, is amended to read:

28 29-601. Definitions

29 In this chapter, unless the context otherwise requires:

30 1. "Articles of organization" means the initial articles of
31 organization as amended or restated from time to time.

32 2. "Assignee" means any person who acquires in any manner the
33 ownership of an interest in a limited liability company and who has not been
34 admitted as a member.

35 3. "Capital contribution" means cash, other property, the use of
36 property, services rendered or any other valuable consideration transferred
37 to a limited liability company as consideration for issuing an interest in a
38 limited liability company.

39 4. "Commission" means the corporation commission.

40 5. "Court" includes any court and judge with jurisdiction in the case.

41 6. "Domestic limited liability company" or "limited liability company"
42 means a limited liability company organized and existing under this chapter.

43 7. "Event of withdrawal" means an event that causes a person to cease
44 to be a member as provided in section 29-733.

1 8. "EXECUTED" MEANS EXECUTED BY MANUAL OR FACSIMILE SIGNATURE ON
2 BEHALF OF THE LIMITED LIABILITY COMPANY BY A DULY AUTHORIZED MEMBER IF
3 MANAGEMENT OF THE LIMITED LIABILITY COMPANY IS RESERVED TO THE MEMBERS OR
4 MANAGER IF MANAGEMENT OF THE LIMITED LIABILITY COMPANY IS VESTED IN A
5 MANAGER, OR IF THE LIMITED LIABILITY COMPANY IS IN THE HANDS OF A RECEIVER OR
6 TRUSTEE, BY THE RECEIVER OR TRUSTEE.

7 9. "FILING" MEANS THE COMMISSION COMPLETING THE FOLLOWING PROCEDURE
8 WITH RESPECT TO ANY DOCUMENT DELIVERED FOR THAT PURPOSE:

9 (a) DETERMINING THAT THE FILING FEE REQUIREMENTS OF THIS CHAPTER HAVE
10 BEEN SATISFIED.

11 (b) DETERMINING THAT THE DOCUMENT APPEARS IN ALL RESPECTS TO CONFORM
12 TO THE REQUIREMENTS OF THIS CHAPTER.

13 (c) ON MAKING THE DETERMINATIONS REQUIRED BY THIS PARAGRAPH,
14 ENDORSEMENT OF THE WORD "FILED" WITH THE APPLICABLE DATE ON OR ATTACHED TO
15 THE DOCUMENT AND THE RETURN OF COPIES TO THE PERSON WHO DELIVERED THE
16 DOCUMENT OR THE PERSON'S REPRESENTATIVE.

17 ~~8-~~ 10. "Foreign limited liability company" means either:

18 (a) An unincorporated entity or association that is owned by one or
19 more persons that have limited liability for the debts of the business, other
20 than a partnership or trust, and that is formed under the laws of a
21 jurisdiction other than this state for any lawful purpose, including the
22 rendering of professional services as defined in that jurisdiction.

23 (b) An entity or unincorporated association that is formed under the
24 laws of a jurisdiction other than this state for any lawful purpose,
25 including the rendering of professional services as defined in that
26 jurisdiction, and that is characterized as a limited liability company by
27 those laws.

28 ~~9-~~ 11. "Initial articles of organization" means the articles of
29 organization filed with the commission at the time a limited liability
30 company is formed, including articles of organization that are corrected to
31 conform to the filing provisions of this chapter pursuant to section 29-634,
32 subsection B, paragraph 2.

33 ~~10-~~ 12. "Member" means a person who is admitted as a member in a
34 limited liability company pursuant to this chapter until an event of
35 withdrawal occurs with respect to the person and, if reference is made to
36 members, that reference means a member in the case of a limited liability
37 company that has a single member.

38 ~~11-~~ 13. "Member's interest", "interest in a limited liability company"
39 or "interest in the limited liability company" means a member's share of the
40 profits and losses of a limited liability company and the right to receive
41 distributions of limited liability company assets.

42 ~~12-~~ 14. "Operating agreement" means either:

43 (a) Any written or oral agreements among all members concerning the
44 affairs of a limited liability company or the conduct of its business.

1 (b) In the case of a limited liability company that has a single
2 member, any written or oral statement of the member MADE in good faith
3 purporting to govern the affairs of a limited liability company or the
4 conduct of its business as of the effective time of the statement.

5 ~~13-~~ 15. "Person" includes any individual, general partnership, limited
6 partnership, domestic or foreign limited liability company, corporation,
7 trust, business trust, real estate investment trust, estate and other
8 association.

9 ~~14-~~ 16. "Real property" includes land, any interest, leasehold or
10 estate in land and any improvements on it.

11 ~~15-~~ 17. "State" means a state, possession or territory of the United
12 States, the District of Columbia or the Commonwealth of Puerto Rico.

13 Sec. 31. Section 29-602, Arizona Revised Statutes, is amended to read:

14 29-602. Limited liability company name

15 A. The name of a limited liability company as set forth in its
16 articles of organization shall:

17 1. Contain the words "limited liability company" or "limited company"
18 or the abbreviations "L.L.C.", "L.C.", "LLC" or "LC", in uppercase or
19 lowercase letters.

20 2. Not contain the words "association", "corporation" or
21 "incorporated" or an abbreviation of these words.

22 3. NOT INCLUDE THE WORDS "BANK", "DEPOSIT", "CREDIT UNION", "TRUST" OR
23 "TRUST COMPANY" SEPARATELY OR IN COMBINATION TO INDICATE OR CONVEY THE IDEA
24 THAT THE LIMITED LIABILITY COMPANY IS ENGAGED IN BANKING, CREDIT UNION OR
25 TRUST BUSINESS UNLESS THE LIMITED LIABILITY COMPANY IS TO BE AND BECOMES
26 ACTIVELY AND SUBSTANTIALLY ENGAGED IN THE BANKING, CREDIT UNION OR TRUST
27 BUSINESS OR THE LIMITED LIABILITY COMPANY IS A HOLDING COMPANY HOLDING
28 SUBSTANTIAL INTEREST IN COMPANIES ACTIVELY AND SUBSTANTIALLY ENGAGED IN THE
29 BANKING, CREDIT UNION OR TRUST BUSINESS.

30 B. Except as authorized by subsections C and D of this section, the
31 name of the limited liability company shall be distinguishable from all of
32 the following:

33 1. The corporate name of a corporation incorporated in this state or a
34 foreign corporation authorized to transact business in this state.

35 2. A corporate name reserved under section 10-402 or registered under
36 section 10-403.

37 3. A fictitious name adopted by a foreign corporation under section
38 10-1506.

39 4. The corporate name of a nonprofit corporation incorporated in this
40 state or a foreign nonprofit or not for profit corporation authorized to
41 conduct affairs in this state.

42 5. The partnership name of a limited partnership organized and
43 registered under the laws of this state or of a foreign limited partnership
44 authorized to transact business in this state.

1 6. The name of a limited liability company organized in this state or
2 a foreign limited liability company authorized to transact business in this
3 state.

4 7. A trade name registered pursuant to title 44, chapter 10,
5 article 3.1.

6 8. The name of a REGISTERED limited liability partnership organized in
7 this state or a foreign limited liability partnership authorized to transact
8 business in this state.

9 C. A limited liability company may apply to the commission for
10 authorization to use a name that is not distinguishable from one or more of
11 the names described in subsection B of this section. The commission shall
12 authorize use of the name applied for if either:

13 1. The other entity consents to the use in writing and submits an
14 undertaking in a form satisfactory to the commission to change its name to a
15 name that is distinguishable from the name of the applying limited liability
16 company.

17 2. The applicant delivers to the commission a certified copy of the
18 final judgment of a court of competent jurisdiction that establishes the
19 applicant's right to use the name applied for in this state.

20 D. A limited liability company may use the name, including a
21 fictitious name, of another domestic or foreign entity that is used in this
22 state if the other entity is incorporated or authorized to transact business
23 in this state and the ~~proposed user~~ limited liability company that proposes
24 to use the name has either:

25 1. Merged with the other entity.

26 2. Been formed by reorganization of the other entity.

27 3. Acquired all or substantially all of the assets, including the
28 name, of the other entity.

29 E. This chapter does not control the use of fictitious names.

30 Sec. 32. Section 29-603, Arizona Revised Statutes, is amended to read:
31 29-603. Reservation of name

32 A. The exclusive right to use a name may be reserved by:

33 1. A person intending to organize a limited liability company under
34 this chapter and to adopt the name.

35 2. A domestic limited liability company or any foreign limited
36 liability company registered in this state that intends to adopt the name.

37 3. A foreign limited liability company intending to register in this
38 state and to adopt the name.

39 4. A person intending to organize a foreign limited liability company
40 and to have it registered in this state and to adopt the name.

41 B. The reservation shall be made by filing with the commission an
42 application that is executed by the applicant OR AN AUTHORIZED AGENT OF THE
43 APPLICANT to reserve a specified name. If the commission finds that the name
44 is available for use by a domestic or foreign limited liability company, it
45 shall reserve the name for the exclusive use of the applicant for a period of

1 one hundred twenty days from and after the date the application is filed with
2 the commission.

3 C. The right to the exclusive use of a reserved name may be
4 transferred to another person by filing with the commission a notice of the
5 transfer that is executed by the applicant OR AN AUTHORIZED AGENT OF THE
6 APPLICANT for whom the name was reserved and that specifies the name to be
7 transferred and the name and address of the transferee. The transfer shall
8 not extend the term during which the name is reserved.

9 D. The reservation of a specified name may be cancelled by filing with
10 the commission a notice of cancellation that is executed by the applicant OR
11 AN AUTHORIZED AGENT OF THE APPLICANT and that specifies the name reservation
12 to be cancelled and the name and address of the applicant.

13 Sec. 33. Section 29-606, Arizona Revised Statutes, is amended to read:
14 29-606. Service of process on limited liability company

15 A. The statutory agent appointed by a limited liability company is an
16 agent of the limited liability company on whom process, notice or demand that
17 is required or permitted by law to be served on the limited liability company
18 may be served and that, when so served, is lawful personal service on the
19 limited liability company.

20 B. In lieu of service on the statutory agent, process, notice or
21 demand may be served either on a manager of a limited liability company if
22 management of the limited liability company is vested in one or more managers
23 or on a member of the limited liability company if management of the limited
24 liability company is reserved to the members. If a limited liability company
25 fails to appoint or maintain a statutory agent at the address shown on the
26 records of the commission, the commission is an agent of the limited
27 liability company on whom any process, notice or demand may be served.
28 Service on the commission of any process, notice or demand FOR AN ENTITY THAT
29 IS REGISTERED PURSUANT TO THIS CHAPTER shall be made by delivering to and
30 leaving with the commission duplicate copies of the process, notice or
31 demand, and the commission shall immediately cause one of the copies of the
32 process, notice or demand to be forwarded by mail, addressed to the limited
33 liability company at its known place of business. Service made on the
34 commission is returnable pursuant to applicable law relative to personal
35 service on the limited liability company. If service is made on the
36 commission, whether under this chapter or a rule of court, the limited
37 liability company has thirty days to respond in addition to the time
38 otherwise provided by law.

39 C. The commission shall keep a permanent record of all processes,
40 notices and demands served on it under this section and shall record in the
41 record the time of the service and its action with reference to the service.

1 Sec. 34. Section 29-633, Arizona Revised Statutes, is amended to read:
2 29-633. Amendment of articles of organization; restatement;
3 publication

4 A. The articles of organization of a limited liability company are
5 amended by filing with the commission ~~an original and one copy of the~~
6 articles of amendment, signed on behalf of the limited liability company by a
7 manager if management of the limited liability company is vested in one or
8 more managers or by a member if management of the limited liability company
9 is reserved to the members. The articles of amendment shall set forth:

- 10 1. The name of the limited liability company.
11 ~~2. The date the initial articles of organization were filed.~~
12 ~~3.~~ 2. The TEXT OF THE amendment to the articles of organization.

13 B. A limited liability company shall amend its articles of
14 organization if there is a statement in the articles of organization that was
15 false or erroneous when it was made or within thirty days after the ~~happening~~
16 OCCURRENCE of any of the following events:

17 1. Any arrangements or facts have changed making the articles of
18 organization inaccurate in any respect other than those changes required to
19 be set forth in a statement delivered to the commission pursuant to section
20 29-605.

21 2. Management of the limited liability company is reserved to the
22 members and there is a change in the persons who are members.

23 3. Management of the limited liability company is vested in a manager
24 or managers and there is a change in the persons who are managers or in the
25 members who own A twenty per cent or greater interest in the capital or
26 profits interest of the limited liability company.

27 C. A limited liability company may amend its articles of organization
28 if its articles of organization as amended contain only provisions that may
29 be lawfully contained in the articles of organization at the time of making
30 the amendment. In particular and without limitation on the general power of
31 amendment, a limited liability company may amend its articles of organization
32 to:

33 1. Change the name of the limited liability company.

34 2. Change, enlarge or diminish the purposes of the limited liability
35 company.

36 3. If management is reserved to the members of a limited liability
37 company, vest management of the limited liability company in one or more
38 managers.

39 4. If management is vested in one or more managers, vest management of
40 the limited liability company in the members.

41 D. A limited liability company may restate its articles of
42 organization. Restated articles of organization shall be executed and filed
43 in the same manner as articles of amendment. Restated articles of
44 organization shall be specifically designated as such in the heading and
45 shall state either in the heading or in an introductory paragraph the limited

1 liability company's present name and, if it has been changed, all of its
2 former names and ~~the date of the filing of its initial articles of~~
3 ~~organization.~~

4 E. A limited liability company that has not amended its articles of
5 organization as required by this section may not maintain an action upon or
6 on account of a contract or transaction made in the name of the limited
7 liability company in any court of this state until it has first amended its
8 articles of organization as required by this section. No person has any
9 liability because an amendment to articles of organization has not been filed
10 to reflect the occurrence of any event prescribed by subsection B of this
11 section if the amendment is filed within the thirty-day period specified in
12 subsection B of this section.

13 F. Within sixty days after the filing with the commission of the
14 articles of amendment or restated articles of organization there shall be
15 published in a newspaper of general circulation in the county of the known
16 place of business for three consecutive publications, a copy of the articles
17 of amendment or restated articles of organization. An affidavit evidencing
18 publication shall be filed within ninety days after filing of the amendment
19 of the articles of organization. Publication is not required if amendments
20 to the articles of organization are made solely in relation to changes in
21 managers or members of the limited liability company OR CHANGES MADE PURSUANT
22 TO SECTION 29-605.

23 Sec. 35. Section 29-634, Arizona Revised Statutes, is amended to read:
24 29-634. Filing with the commission

25 A. ~~Two copies~~ ONE COPY of the signed original articles of
26 organization, APPLICATION FOR A CERTIFICATE OF REGISTRATION or any other
27 document required to be filed pursuant to this chapter shall be delivered to
28 the commission. If the commission determines that the documents conform to
29 the filing provisions of this chapter, it shall, when all fees required
30 pursuant to section 29-851 have been paid:

- 31 1. Endorse, stamp or attach on the signed original and duplicate copy
32 the word "filed" and the date and time of its acceptance for filing.
33 2. Retain the signed original in the commission's files.
34 3. Return a duplicate copy to the person who filed it or the person's
35 representative.

36 B. If the commission is unable to make the determination required for
37 filing by subsection A of this section at the time any documents are
38 delivered for filing, the documents are deemed to have been filed at the time
39 of delivery if the commission subsequently determines either of the
40 following:

41 1. The documents as delivered conform to the filing provisions of this
42 chapter.

43 2. Within ~~twenty~~ THIRTY days after notification of nonconformance is
44 given by the commission to the person who delivered the documents for filing
45 or the person's representative, the documents are brought into conformance.

1 C. A document may specify a delayed effective time or date, or both,
2 and is effective at that specified time and date. If the document specifies
3 a delayed effective date but does not specify the time, the document is
4 effective on the specified date at 12:01 a.m. mountain standard time. A
5 delayed effective date for a document may not be later than the ninetieth day
6 after the date the document is delivered to the commission for filing.

7 D. If the filing and determination requirements of this chapter are
8 not satisfied completely within the time prescribed in subsection B,
9 paragraph 2 of this section, the documents shall not be filed.

10 Sec. 36. Section 29-637, Arizona Revised Statutes, is amended to read:
11 29-637. Document corrections

12 A. A domestic or foreign limited liability company may correct a
13 document that has been ~~delivered to the commission for filing or a document~~
14 ~~that has been~~ filed by the commission if the document either:

15 1. Contains an incorrect statement and the correction does not
16 materially alter a substantive provision in the document.
17 2. Was defectively executed, attested, verified or acknowledged.

18 B. A document is corrected if the domestic or foreign limited
19 liability company does both of the following:

20 1. Prepares articles of correction that:

21 (a) Describe the document or that have attached a copy of the
22 document.

23 (b) Specify the date the document was delivered to the commission.

24 (c) Specify the incorrect statement and the reason the statement is
25 incorrect or specify the manner in which the execution, attestation,
26 verification or acknowledgment was defective.

27 (d) Correct the incorrect statement or defective execution,
28 attestation, verification or acknowledgment.

29 2. Delivers the ~~article~~ ARTICLES of correction to the commission for
30 filing.

31 C. Articles of correction are effective on the effective date of the
32 document they correct except as to persons who rely on the incorrect
33 statement or other defect and who are adversely affected by the correction.
34 As to those persons, articles of correction are effective as provided in
35 section 29-634.

36 ~~D. If a domestic or foreign limited liability company corrects a~~
37 ~~document after the limited liability company delivers the document to the~~
38 ~~commission but before the commission reviews the document for filing, the~~
39 ~~commission shall file the document and the articles of correction~~
40 ~~simultaneously and both are effective on the effective date of the corrected~~
41 ~~document.~~

42 Sec. 37. Section 29-681, Arizona Revised Statutes, is amended to read:
43 29-681. Management of limited liability company

44 A. Unless the articles of organization provide that management of the
45 limited liability company is vested in one or more managers, management of

1 the limited liability company is vested in the members, subject to any
2 provision in an operating agreement restricting or enlarging the management
3 rights or responsibilities of one or more members or classes of members.

4 B. If the articles of organization provide that management of the
5 limited liability company is vested in one or more managers, management of
6 the limited liability company is vested in a manager or managers, subject to
7 any provisions in an operating agreement restricting or enlarging the
8 management rights or responsibilities of one or more managers or classes of
9 managers or reserving specified management rights to the members or classes
10 of members. A manager need not be a member of the limited liability company
11 unless otherwise required by an operating agreement. A manager shall be
12 designated or elected and may be removed or replaced in the manner provided
13 in an operating agreement. A manager also holds the office and has the
14 responsibilities that are accorded to him by the members and that are
15 provided in an operating agreement. If an operating agreement does not
16 provide a manner for designating or electing additional or replacement
17 managers, on the withdrawal or resignation of a manager, management of the
18 limited liability company continues to be vested in the remaining managers,
19 or if there are no remaining managers, management is vested in one or more
20 new managers to be designated or elected by a majority of the members.

21 C. Except as provided in an operating agreement, the affirmative vote,
22 approval or consent of all members is required to:

23 1. Adopt, amend, amend and restate or revoke an operating agreement or
24 authorize a transaction, agreement or action on behalf of the limited
25 liability company that is unrelated to its purpose or business as stated in
26 an operating agreement or that otherwise violates an operating agreement.

27 2. Issue an interest in the limited liability company to any person.

28 3. Approve a plan of merger or consolidation of the limited liability
29 company with or into one or more business entities as defined in section
30 29-751.

31 4. Authorize an amendment to the articles of organization that changes
32 the status of the limited liability company from or to one in which
33 management is vested in a manager or managers to or from one in which
34 management is reserved to the members.

35 D. Except as provided in an operating agreement, the affirmative vote,
36 approval or consent of a majority of the members, or if management of the
37 limited liability company is vested in one or more managers, the affirmative
38 vote, approval or consent of the sole manager or a majority of the managers,
39 is required to:

40 1. Resolve any difference concerning matters connected with the
41 business of the limited liability company.

42 2. Authorize the distribution of limited liability company cash or
43 property to the members.

44 3. Authorize the limited liability company to repurchase all or part
45 of any member's interest in the limited liability company from that member.

1 4. Authorize the filing of a ~~notice of winding up~~ or articles of
2 termination concerning the limited liability company.

3 5. Subject to subsection C, paragraph 4 of this section, authorize an
4 amendment to the articles of organization, except that an amendment that
5 merely corrects a false or inaccurate statement in the articles of
6 organization may be filed at any time by a manager if management of the
7 limited liability company is vested in one or more managers or by a member if
8 management of the limited liability company is reserved to the members.

9 E. For purposes of subsections B and D of this section, a majority
10 consists of more than one-half of the members or managers, as the case may
11 be, except that if an operating agreement provides for allocation of voting
12 rights among different members or managers or classes of members or managers
13 on any basis other than a per capita basis, a majority consists of one or
14 more members or managers, as the case may be, who control more than one-half
15 of the votes entitled to be cast with respect to general business decisions
16 as provided in an operating agreement.

17 Sec. 38. Section 29-781, Arizona Revised Statutes, is amended to read:

18 29-781. Dissolution

19 A. A limited liability company organized under this chapter is
20 dissolved on the occurrence of the first of the following:

21 1. At the time or on the happening of the events specified for
22 dissolution in the articles of organization or an operating agreement.

23 2. Except as otherwise provided in an operating agreement, the written
24 consent to dissolve by more than one-half of the members and by one or more
25 members who on dissolution and liquidation of the assets of the limited
26 liability company would be entitled to receive assets valued at more than
27 one-half of the value of all assets distributed to all members on
28 liquidation.

29 3. ~~Entry of a judgment of~~ INVOLUNTARY JUDICIAL dissolution under
30 section 29-785 or an administrative dissolution under section 29-786.

31 4. Except as otherwise provided in an operating agreement, an event of
32 withdrawal of the last remaining member unless within ninety days all
33 assignees by written consent admit at least one member pursuant to section
34 29-731, subsection B, paragraph 4 to continue the business of the limited
35 liability company.

36 B. ~~As soon as possible after any of the events specified in this~~
37 ~~section effecting the dissolution of the limited liability company occurs,~~
38 ~~the limited liability company shall file a written notice of winding up with~~
39 ~~the commission signed on behalf of the limited liability company by a manager~~
40 ~~if management of the limited liability company is vested in one or more~~
41 ~~managers or by a member if management of the limited liability company is~~
42 ~~reserved to the members. The notice of winding up shall state all of the~~
43 ~~following:~~

44 1. ~~The name of the limited liability company.~~

45 2. ~~The date of filing the initial articles of organization.~~

1 ~~3. Notice of the dissolution of the limited liability company and the~~
2 ~~commencement of winding up of its business and affairs.~~

3 Sec. 39. Section 29-781.01, Arizona Revised Statutes, is amended to
4 read:

5 29-781.01. Rights of assignee

6 If on dissolution the limited liability company has no manager and no
7 member and none is admitted pursuant to section 29-731, subsection B,
8 paragraph 4, the assignees by unanimous written consent may appoint an agent,
9 which may be an assignee or any other person or entity, including a
10 liquidating trustee, to wind up the business and affairs of the limited
11 liability company. Any such agent is authorized to sign and file on behalf
12 of the limited liability company ~~a notice of winding up under section 29-781,~~
13 ~~subsection B, and articles of termination under section 29-783 and to~~
14 liquidate its business and affairs in accordance with section 29-782,
15 subsection B, and an operating agreement.

16 Sec. 40. Section 29-783, Arizona Revised Statutes, is amended to read:

17 29-783. Articles of termination

18 If all of the known property and assets of a limited liability company
19 have been applied and distributed pursuant to this chapter, written articles
20 of termination shall be signed on behalf of the limited liability company by
21 a manager if management of the limited liability company is vested in one or
22 more managers or by a member if management of the limited liability company
23 is reserved to the members. The articles of termination shall be filed with
24 the commission and shall state:

25 1. The name of the limited liability company.

26 ~~2. That a notice of winding up disclosing the dissolution of the~~
27 ~~limited liability company has been filed with the commission and the date the~~
28 ~~notice was filed.~~

29 2. THAT ALL DEBTS, OBLIGATIONS AND LIABILITIES HAVE BEEN PAID AND
30 DISCHARGED OR THAT ADEQUATE PROVISIONS HAVE BEEN MADE FOR THEM.

31 3. That all of the known properties and assets of the limited
32 liability company have been applied and distributed pursuant to this chapter.

33 4. THAT THERE ARE NO SUITS PENDING AGAINST THE COMPANY IN ANY COURT OR
34 THAT ADEQUATE PROVISIONS HAVE BEEN MADE FOR THE SATISFACTION OF ANY JUDGMENT,
35 ORDER OR DECREE THAT MAY BE ENTERED AGAINST IT IN ANY PENDING SUIT.

36 Sec. 41. Section 29-802, Arizona Revised Statutes, is amended to read:

37 29-802. Certificate of registration; application

38 A. Before transacting business in this state, a foreign limited
39 liability company shall obtain a certificate of registration. An applicant
40 for a certificate of registration shall pay the required filing fee and shall
41 submit to the commission an application for registration as a foreign limited
42 liability company that is signed and acknowledged on its behalf by any
43 manager, member or other authorized agent and that states:

1 1. The name of the foreign limited liability company and, if the
2 company's real name is unavailable or does not satisfy the requirements of
3 section 29-602, a fictitious name adopted by the company pursuant to section
4 29-804.

5 2. The state OR COUNTRY and date of its formation.

6 3. The purpose of the foreign limited liability company or the general
7 character of the business it proposes to transact in this state.

8 4. The name and street address of the foreign limited liability
9 company's statutory agent in this state.

10 5. The address of the office required to be maintained in the state OR
11 COUNTRY of its organization by the laws of that state OR COUNTRY or, if not
12 so required, of the principal office of the foreign limited liability
13 company.

14 6. Either of the following:

15 (a) Management of the foreign limited liability company is vested in a
16 manager or managers.

17 (b) Management of the foreign limited liability company is reserved to
18 the members.

19 7. The name and address of either of the following:

20 (a) If management of the foreign limited liability company is vested
21 in a manager or managers, each person who is a manager of the foreign limited
22 liability company and each member who owns a twenty per cent or greater
23 interest in the capital or profits of the foreign limited liability company.

24 (b) If management of the foreign limited liability company is reserved
25 to the members, each person who is a member of the foreign limited liability
26 company.

27 B. An application FOR A CERTIFICATE OF REGISTRATION that a foreign
28 limited liability company submits to the commission under this section shall
29 include proof that the company existed in the state or country in which the
30 company organized within sixty days of DELIVERING THE APPLICATION FOR filing
31 ~~the application~~ WITH THE COMMISSION.

32 C. IF THE COMMISSION IS UNABLE TO FILE THE APPLICATION FOR A
33 CERTIFICATE OF REGISTRATION AT THE TIME IT IS DELIVERED FOR FILING, THE
34 REGISTRATION IS DEEMED TO HAVE BEEN FILED AT THE TIME OF DELIVERY IF THE
35 COMMISSION SUBSEQUENTLY DETERMINES EITHER OF THE FOLLOWING:

36 1. THE REGISTRATION DELIVERED CONFORMS TO THE FILING PROVISIONS OF
37 THIS ARTICLE.

38 2. WITHIN THIRTY DAYS AFTER NOTIFICATION OF NONCONFORMANCE IS GIVEN BY
39 THE COMMISSION TO THE PERSON WHO DELIVERED THE APPLICATION FOR CERTIFICATE OF
40 REGISTRATION FOR FILING OR THE PERSON'S REPRESENTATIVE, THE REGISTRATION IS
41 BROUGHT INTO CONFORMANCE.

1 Sec. 42. Section 29-803, Arizona Revised Statutes, is amended to read:
2 29-803. Registration of foreign limited liability company;
3 certificate of registration

4 A. If the commission finds that an application for registration
5 conforms to law and that all requisite fees have been paid, it shall:

6 1. Endorse, stamp or attach on the signed original of the application
7 the word "filed" and the month, day and year of the filing.

8 2. Retain the signed original of the application.

9 3. Issue a certificate of registration to transact business in this
10 state.

11 B. ~~The certificate of registration and~~ A duplicate original of the
12 application FOR A CERTIFICATE OF REGISTRATION shall be returned to the person
13 who filed the application or his representative.

14 Sec. 43. Section 29-805, Arizona Revised Statutes, is amended to read:
15 29-805. Amendment or restatement to foreign limited liability

16 companies

17 A. If, after applying for or obtaining a certificate of registration
18 pursuant to section 29-802, a foreign limited liability company amends or
19 restates its articles of organization by merger or otherwise in the state or
20 country in which the company is organized, the foreign limited liability
21 company shall deliver to the commission a copy of the amendment or
22 restatement within sixty days of the effective date of the amendment or
23 restatement.

24 B. IF ANY STATEMENT IN THE APPLICATION FOR A CERTIFICATE OF
25 REGISTRATION FOR A FOREIGN LIMITED LIABILITY COMPANY WAS FALSE WHEN MADE OR
26 ANY ARRANGEMENTS OR OTHER FACTS DESCRIBED HAVE CHANGED, MAKING THE
27 APPLICATION INACCURATE IN ANY RESPECT, THE FOREIGN LIMITED LIABILITY COMPANY
28 SHALL PROMPTLY FILE ARTICLES OF AMENDMENT, CORRECTING THE STATEMENT. THE
29 ARTICLES OF AMENDMENT DELIVERED TO THE COMMISSION PURSUANT TO THIS SECTION
30 SHALL BE SIGNED AND ACKNOWLEDGED BY ANY MANAGER, MEMBER OR OTHER DULY
31 AUTHORIZED AGENT OF THE FOREIGN LIMITED LIABILITY COMPANY.

32 Sec. 44. Section 29-841, Arizona Revised Statutes, is amended to read:
33 29-841. Definitions

34 In this article, unless the context otherwise requires:

35 1. "Board" means the officer, agency, court or other authority in this
36 state empowered by law to license or otherwise authorize the rendition of a
37 professional service.

38 2. "License" means a license, a certificate of registration or any
39 other evidence of the satisfaction of the requirements of a board for the
40 practice of a professional service.

41 3. "Licensed person" means an individual who is duly licensed by at
42 least one board to provide at least one of the categories of professional
43 service rendered by the professional limited liability company. The term
44 shall also include a professional corporation as defined in section ~~10-902~~
45 ~~10-2201~~ or a professional limited liability company qualified to perform at

1 least one of the categories of professional services rendered by the
2 professional limited liability company.

3 4. "Professional limited liability company" means a limited liability
4 company organized under this chapter for purposes that include rendering one
5 or more categories of professional services.

6 5. "Professional service" has the same meaning prescribed in section
7 10-2201.

8 Sec. 45. Section 29-841.01, Arizona Revised Statutes, is amended to
9 read:

10 29-841.01. Professional limited liability company formation

11 A. One or more persons may form a professional limited liability
12 company by filing with the commission ~~two copies~~ ONE COPY of the signed
13 original articles of organization that, in addition to the information
14 required under section 29-632, specify both of the following:

- 15 1. That the company is a professional limited liability company.
16 2. The professional service or services that the company is organized
17 to provide.

18 B. A limited liability company organized under a law of this state
19 other than this article may elect professional limited liability company
20 status by amending its articles of organization pursuant to section 29-633 to
21 comply with subsection A of this section and section 29-845.

22 Sec. 46. Section 29-845, Arizona Revised Statutes, is amended to read:

23 29-845. Name

24 A. A professional limited liability company may adopt a name
25 consisting of the full or last name of one or more of its members or, if not
26 otherwise prohibited by law or the canons of ethics of the profession
27 concerned, may adopt a fictitious name.

28 B. The name of a professional limited liability company AUTHORIZED TO
29 TRANSACT BUSINESS IN THIS STATE SHALL SATISFY THE REQUIREMENTS OF SECTION
30 29-602, EXCEPT THAT THE NAME shall contain the words "professional limited
31 liability company" or the abbreviations "P.L.L.C.", "P.L.C.", "PLLC" or
32 "PLC", in uppercase or lowercase letters.

33 Sec. 47. Section 29-851, Arizona Revised Statutes, is amended to read:

34 29-851. Filing, service and copying fees; expedited filing and
35 services; same day and next day services; posted wait
36 times; advance monies; definition

37 A. The commission shall collect and deposit, pursuant to sections
38 35-146 and 35-147, the following fees when the following documents are
39 delivered to the commission for filing or issuance:

- 40 1. The initial articles of organization, fifty dollars.
41 2. An application for registration of a foreign limited liability
42 company, one hundred fifty dollars.
43 3. An amendment to the articles of organization, twenty-five dollars.
44 4. Articles of termination and a certificate of termination,
45 thirty-five dollars.

- 1 5. A certificate for any purpose not otherwise provided for, ten
2 dollars.
3 ~~6. A notice of winding up, twenty five dollars.~~
4 ~~7.~~ 6. Articles of merger, fifty dollars.
5 ~~8.~~ 7. Written information on any limited liability company, ten
6 dollars.
7 ~~9.~~ 8. A copy of any document or instrument, five dollars plus fifty
8 cents per page.
9 ~~10.~~ 9. An application for reservation of a name or for filing a notice
10 of the transfer or cancellation of any name reservation, ten dollars.
11 ~~11.~~ 10. Five dollars for a statement of change of address of one or
12 more of the following:
13 (a) Known place of business.
14 (b) Statutory agent.
15 (c) Manager.
16 (d) Member.
17 ~~12.~~ 11. Any service of notice, demand or process on the commission as
18 resident agent of a limited liability company, twenty-five dollars. This
19 amount may be recovered as taxable costs by the party to the suit, action or
20 proceeding causing the service to be made if the party prevails in the suit,
21 action or proceeding.
22 ~~13.~~ 12. Articles of correction, the fee prescribed in section 10-122,
23 subsection A, paragraph 18.
24 ~~14.~~ 13. Application for reinstatement following administrative
25 dissolution, in addition to other fees and penalties due, the fee prescribed
26 in section 10-122, subsection A, paragraph 14.
27 B. The commission shall provide for and establish an expedited service
28 for the filing of all documents and services provided pursuant to this
29 chapter as follows:
30 1. The expedited filing shall be a priority service to be completed as
31 soon as possible after the documents are delivered to the commission.
32 2. In addition to any other fees required by this section or any other
33 law, the commission shall charge a fee for expedited services, including
34 those requested by fax. The fee shall be determined by a supermajority vote
35 of the commissioners.
36 C. The commission may provide for and establish same day and next day
37 services for the filing of any documents and services provided pursuant to
38 this chapter as follows:
39 1. The same day and next day services shall not be offered unless all
40 expedited services filed pursuant to this chapter are processed within a
41 maximum of five business days and all other documents and services filed
42 pursuant to this chapter are processed within a maximum of thirty business
43 days.

1 2. The commission shall suspend same day or next day service if the
2 commission determines that it does not have the necessary resources to
3 perform the service within the established time period.

4 3. In addition to any other fees required by this section or any other
5 law, the commissioners may charge a fee for the same day or next day service
6 or both. The fee shall be determined by a supermajority vote of the
7 commissioners.

8 D. The commission shall publicly post the current wait times for
9 processing regular, expedited and same day and next day services.

10 E. All monies received pursuant to ~~subsection~~ SUBSECTIONS B and C of
11 this section shall be deposited, pursuant to sections 35-146 and 35-147, in
12 the public access fund established by section 10-122.01.

13 F. Any person may advance monies to the commission to pay fees
14 required pursuant to this section for future filings and services. All
15 monies received pursuant to this subsection shall be deposited, pursuant to
16 sections 35-146 and 35-147, in the money on deposit account in the public
17 access fund established by section 10-122.01.

18 G. For the purposes of this section, "supermajority" means an
19 affirmative vote of at least four commissioners.

20 Sec. 48. Effective date

21 This act is effective from and after December 31, 2006.

APPROVED BY THE GOVERNOR JUNE 15, 2006.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 15, 2006.