

Senate Engrossed House Bill

FILED

KEN BENNETT

SECRETARY OF STATE

State of Arizona
House of Representatives
Forty-ninth Legislature
First Regular Session
2009

CHAPTER 42

HOUSE BILL 2199

AN ACT

AMENDING SECTIONS 10-125, 10-203, 10-224, 10-504, 10-1006, 10-1007, 10-1008, 10-1105, 10-1403, 10-1420, 10-1503, 10-1510, 10-1520, AND 10-2077, ARIZONA REVISED STATUTES; AMENDING TITLE 10, CHAPTER 19, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 10-2084; AMENDING SECTION 10-2143, ARIZONA REVISED STATUTES; AMENDING TITLE 10, CHAPTER 19, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 10-2150; AMENDING SECTIONS 10-3125, 10-3203, 10-3224, 10-3504, 10-11006, 10-11007, 10-11008, 10-11105, 10-11107, 10-11403, 10-11503, 10-11510, 10-11520, 29-603, 29-609, 29-633, 29-634 AND 29-635, 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 10-125, Arizona Revised Statutes, is amended to
3 read:

4 10-125. Filing duty of commission

5 A. At the time of delivery of a document to the commission, the
6 commission shall stamp, endorse or attach the date and time of delivery of
7 the document.

8 B. The commission shall file a document delivered to the commission
9 for filing if both of the following apply:

10 1. The commission determines that the document satisfies the
11 requirements of chapters 1 through 17 of this title.

12 2. The corporation filing the document or on whose behalf the document
13 is being filed, is in good standing within the meaning of section 10-128 or
14 ~~10-3128~~.

15 C. The commission may file a document delivered to the commission in
16 which either the corporation has filed articles of dissolution or the
17 corporation has filed a document that is required to bring the corporation
18 into good standing. The commission shall deliver a document copy to the
19 domestic or foreign corporation or its representative.

20 D. If the commission refuses to file a document, it shall return it or
21 a copy of the original to the domestic or foreign corporation or its
22 representative within five days after the determination of refusal to file,
23 together with a brief written explanation of the reason for the refusal.

24 E. The filing or refusing to file a document by the commission does
25 not:

26 1. Affect the validity or invalidity of the document in whole or part,
27 except to the extent that filing is required to make the document valid.

28 2. Relate to the correctness or incorrectness of information contained
29 in the document.

30 3. Create a presumption that the document is valid or invalid or that
31 information contained in the document is correct or incorrect.

32 Sec. 2. Section 10-203, Arizona Revised Statutes, is amended to read:

33 10-203. Incorporation

34 A. Unless a delayed effective date is specified in the articles of
35 incorporation, incorporation occurs and the corporate existence begins when
36 the articles of incorporation and certificate of disclosure are delivered to
37 the commission for filing.

38 B. The commission's filing of the articles of incorporation and
39 certificate of disclosure is conclusive proof that the incorporators
40 satisfied all conditions precedent to incorporation except in a proceeding by
41 the state to cancel or revoke the incorporation or involuntarily dissolve the
42 corporation pursuant to chapter 14 of this title.

43 C. Subject to section 10-124, if the commission determines that the
44 requirements of chapters 1 through 17 of this title for filing have not been
45 met, the articles of incorporation and certificate of disclosure shall not be

1 filed and the corporate existence terminates at the time the commission
2 completes the determination. If the corporate existence is terminated
3 pursuant to this subsection, sections 10-1405, 10-1406 and 10-1407 apply.

4 D. Within sixty days after the commission ~~has approved~~ APPROVES the
5 filing, a copy of the articles of incorporation shall be published. An
6 affidavit evidencing the publication ~~shall~~ MAY be filed with the commission
7 ~~within ninety days after approval by the commission of the filing of the~~
8 ~~articles of incorporation.~~

9 Sec. 3. Section 10-224, Arizona Revised Statutes, is amended to read:

10 10-224. Recording and publication of articles of domestication

11 Within sixty days after the commission ~~has approved~~ APPROVES the filing
12 of the articles of domestication, a copy of the articles of domestication
13 shall be published. An affidavit evidencing the publication may be filed
14 with the commission ~~within ninety days after approval by the commission of~~
15 ~~the filing of the articles of domestication.~~ If other laws require the
16 domesticated corporation to record its articles of incorporation, the
17 domesticated corporation shall also record the articles of domestication.

18 Sec. 4. Section 10-504, Arizona Revised Statutes, is amended to read:

19 10-504. Service on corporation

20 A. The statutory agent appointed by a corporation is an agent of the
21 corporation on whom process, notice or demand that is required or permitted
22 by law to be served on the corporation may be served and that, when so
23 served, is lawful personal service on the corporation.

24 B. If a corporation fails to appoint or maintain a statutory agent at
25 the address shown on the records of the commission, the commission is an
26 agent of the corporation on whom process, notice or demand may be served.
27 Pursuant to the Arizona rules of civil procedure, service on the commission
28 of any process, notice or demand for an entity that is registered pursuant to
29 this title shall be made by delivering to and leaving with the commission
30 duplicate copies of the process, notice or demand, and the commission shall
31 immediately cause one of the copies of the process, notice or demand to be
32 forwarded by mail, addressed to the corporation at its known place of
33 business. Service made on the commission is returnable pursuant to
34 applicable law relative to personal service on the corporation. If service
35 is made on the commission, whether under this chapter or a rule of court, the
36 corporation has thirty days to respond in addition to the time otherwise
37 provided by law.

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

41 D. NOTICE REQUIRED TO BE SERVED ON A CORPORATION PURSUANT TO SECTION
42 10-1421 OR 10-1422 MAY BE SERVED:

43 1. BY MAIL ADDRESSED TO THE STATUTORY AGENT OF THE CORPORATION OR, IF
44 THE CORPORATION FAILS TO APPOINT AND MAINTAIN A STATUTORY AGENT, ADDRESSED TO

1 THE KNOWN PLACE OF BUSINESS REQUIRED TO BE MAINTAINED PURSUANT TO SECTION
2 10-501.

3 2. PURSUANT TO THE RULES FOR SERVICE OF PROCESS AUTHORIZED BY THE
4 ARIZONA RULES OF CIVIL PROCEDURE.

5 Sec. 5. Section 10-1006, Arizona Revised Statutes, is amended to read:
6 10-1006. Articles of amendment

7 A. A corporation amending its articles of incorporation shall deliver
8 to the commission for filing articles of amendment setting forth:

9 1. The name of the corporation.

10 2. The text of each amendment adopted.

11 3. If an amendment provides for an exchange, reclassification or
12 cancellation of issued shares, provisions for implementing the amendment if
13 not contained in the amendment itself.

14 4. The date of each amendment's adoption.

15 5. If an amendment was adopted by the incorporators or board of
16 directors without shareholder action, a statement to that effect and that
17 shareholder action was not required.

18 6. If an amendment was approved by the shareholders:

19 (a) The designation of outstanding shares, number of outstanding
20 shares, number of votes entitled to be cast by each voting group entitled to
21 vote separately on the amendment and number of votes of each voting group
22 indisputably represented at the meeting.

23 (b) Either the total number of votes cast for and against the
24 amendment by each voting group entitled to vote separately on the amendment
25 or the total number of undisputed votes cast for the amendment by each voting
26 group and a statement that the number cast for the amendment by each voting
27 group was sufficient for approval by that voting group.

28 B. Within sixty days after the commission ~~has approved~~ APPROVES the
29 filing, a copy of the articles of amendment shall be published. An affidavit
30 evidencing the publication may be filed with the commission ~~within ninety~~
31 ~~days after approval by the commission of the filing of the articles of~~
32 ~~amendment.~~

33 Sec. 6. Section 10-1007, Arizona Revised Statutes, is amended to read:
34 10-1007. Restated articles of incorporation

35 A. A corporation's board of directors may restate its articles of
36 incorporation at any time with or without shareholder action.

37 B. The restatement may include one or more amendments to the articles.
38 If the restatement includes an amendment requiring shareholder approval, it
39 shall be adopted as provided in section 10-1003.

40 C. If the board of directors submits a restatement for shareholder
41 action, the corporation shall notify each shareholder, whether or not
42 entitled to vote, of the proposed shareholders' meeting in accordance with
43 section 10-705. The notice shall also state that the purpose or one of the
44 purposes of the meeting is to consider the proposed restatement and shall

1 contain or be accompanied by a copy of the restatement that identifies any
2 amendment or other change it would make in the articles.

3 D. A corporation restating its articles of incorporation shall deliver
4 to the commission for filing articles of restatement setting forth the name
5 of the corporation and the text of the restated articles of incorporation
6 together with a certificate setting forth:

7 1. Whether the restatement contains an amendment to the articles
8 requiring shareholder approval and, if it does not, that the board of
9 directors adopted the restatement.

10 2. If the restatement contains an amendment to the articles requiring
11 shareholder approval, the information required by section 10-1006.

12 E. Duly adopted restated articles of incorporation supersede the
13 original articles of incorporation and all amendments to them.

14 F. The commission may certify restated articles of incorporation, as
15 the articles of incorporation currently in effect, without including the
16 certificate information required by subsection D of this section.

17 G. Within sixty days after the commission ~~has approved~~ APPROVES the
18 filing, a copy of the articles of restatement shall be published. An
19 affidavit evidencing the publication may be filed with the commission ~~within~~
20 ~~ninety days after the approval by the commission of the filing of the~~
21 ~~articles of restatement.~~

22 Sec. 7. Section 10-1008, Arizona Revised Statutes, is amended to read:
23 10-1008. Amendment pursuant to reorganization

24 A. A corporation's articles of incorporation may be amended pursuant
25 to this section without action by the board of directors or shareholders to
26 carry out a plan of reorganization confirmed by an order or decree of a court
27 of competent jurisdiction under a federal statute or a statute of this state
28 if the articles of incorporation after amendment contain only provisions
29 required or permitted by section 10-202.

30 B. Before the date of entry of a final decree in the reorganization
31 proceeding, the individual or individuals designated by the plan shall
32 deliver to the commission for filing articles of amendment setting forth all
33 of the following:

34 1. The name of the corporation.

35 2. The text of each amendment contained in the plan of reorganization.

36 3. The date of the court's order or decree confirming the plan of
37 reorganization containing the articles of amendment.

38 4. The title of the reorganization proceeding in which the order or
39 decree was entered.

40 5. A statement that the court had jurisdiction of the proceeding under
41 federal or state statute.

42 C. Shareholders of a corporation undergoing reorganization do not have
43 dissenters' rights except as and to the extent provided in the reorganization
44 plan.

1 D. This section does not apply after entry of a final decree in the
2 reorganization proceeding even though the court retains jurisdiction of the
3 proceeding for limited purposes unrelated to consummation of the
4 reorganization plan.

5 E. Within sixty days after the commission ~~has approved~~ APPROVES the
6 filing, a copy of the articles of amendment shall be published. An affidavit
7 evidencing the publication may be filed with the commission ~~within ninety~~
8 ~~days after approval by the commission of the filing of the articles of~~
9 amendment.

10 Sec. 8. Section 10-1105, Arizona Revised Statutes, is amended to read:

11 10-1105. Articles of merger or share exchange; publication

12 A. After a plan of merger or share exchange is approved by the
13 shareholders or adopted by the board of directors if shareholder approval is
14 not required, the surviving or acquiring corporation shall deliver to the
15 commission for filing both:

16 1. The plan of merger or share exchange.

17 2. Articles of merger or share exchange setting forth:

18 (a) The names of the corporations that were parties to the merger or
19 share exchange.

20 (b) The name and address of the known place of business of the
21 surviving or acquiring corporation.

22 (c) The name and address of the statutory agent of the surviving or
23 acquiring corporation.

24 (d) Any amendments to the articles of incorporation of the surviving
25 corporation.

26 (e) If shareholder approval was not required, a statement to that
27 effect.

28 (f) If approval of the shareholders of one or more corporations party
29 to the merger or share exchange was required:

30 (i) The designation, number of outstanding shares and number of votes
31 entitled to be cast by each voting group entitled to vote separately on the
32 plan as to each corporation.

33 (ii) Either the total number of votes cast for and against the plan by
34 each voting group entitled to vote separately on the plan or the total number
35 of undisputed votes cast for the plan separately by each voting group and a
36 statement that the number cast for the plan by each voting group was
37 sufficient for approval by that voting group.

38 B. A merger or share exchange takes effect at the effective time and
39 date of the articles of merger or share exchange, as determined pursuant to
40 section 10-123.

41 C. If the articles of merger include amendments to the articles of
42 incorporation of the surviving corporation, the document required to be filed
43 and published under this section shall be styled "articles of amendment and
44 merger".

1 D. Within sixty days after the commission has approved APPROVES the
2 filing, a copy of the articles of merger or share exchange shall be
3 published. An affidavit evidencing the publication may be filed with the
4 commission ~~within ninety days after approval by the commission of the filing~~
5 ~~of the articles of merger or share exchange.~~

6 Sec. 9. Section 10-1403, Arizona Revised Statutes, is amended to read:
7 10-1403. Articles of dissolution; effective date of dissolution

8 A. At any time after dissolution is authorized, the corporation may
9 dissolve by delivering to the commission for filing articles of dissolution
10 setting forth all of the following:

11 1. The name of the corporation.

12 2. The date dissolution was authorized.

13 3. If dissolution was approved by the shareholders, both:

14 (a) The number of votes entitled to be cast on the proposal to
15 dissolve.

16 (b) Either the total number of votes cast for and against dissolution
17 or the total number of undisputed votes cast for dissolution and a statement
18 that the number cast for dissolution was sufficient for approval.

19 4. If voting by voting groups was required, the information required
20 by paragraph 3 shall be separately provided for each voting group entitled to
21 vote separately on the plan to dissolve.

22 B. A corporation is dissolved on the effective date of its articles of
23 dissolution.

24 C. The articles of dissolution shall not be considered complete until
25 the commission has received a notice from the department of revenue to the
26 effect that the tax levied under title 42, chapter 5, article 1 against the
27 corporation has been paid, or until it is notified by the department of
28 revenue that the corporation is not subject to the tax and until the
29 commission has received from the department of revenue its certificate issued
30 pursuant to section 43-1151.

31 D. WITHIN SIXTY DAYS AFTER THE COMMISSION APPROVES THE FILING, A COPY
32 OF THE ARTICLES OF DISSOLUTION SHALL BE PUBLISHED. AN AFFIDAVIT EVIDENCING
33 THE PUBLICATION MAY BE FILED WITH THE COMMISSION.

34 ~~D. E. The articles of dissolution shall not be considered complete~~
35 ~~until all fees, penalties and costs required to be paid under this title have~~
36 ~~been paid and until the commission has received an affidavit that a copy of~~
37 ~~the articles of dissolution has been published.~~

38 Sec. 10. Section 10-1420, Arizona Revised Statutes, is amended to
39 read:

40 10-1420. Grounds for administrative dissolution

41 The commission may commence a proceeding under section 10-1421 to
42 administratively dissolve a corporation if either:

43 1. The corporation does not pay within sixty days after they are due
44 any fees or penalties imposed by chapters 1 through 17 of this title.

1 2. The corporation does not deliver its annual report to the
2 commission within sixty days after it is due.

3 3. The corporation is without a statutory agent or known place of
4 business in this state for sixty days or more.

5 4. The corporation does not notify the commission within sixty days
6 that its statutory agent or known place of business has been changed, that
7 its statutory agent has resigned or that its principal office has been
8 discontinued.

9 5. The corporation has failed to make any publication required by this
10 title, provided the commission has notified the corporation of the intent of
11 the commission to commence a dissolution proceeding for that reason and the
12 corporation has failed to file an affidavit of publication or other
13 appropriate evidence of publication within sixty days after that notice.

14 6. The corporation's period of duration stated in its articles of
15 incorporation expires.

16 7. The corporation has failed to comply with section 10-202,
17 subsection F.

18 8. Any officer or other representative of the corporation has made any
19 misrepresentation of a material matter in any application, report or other
20 document submitted by the corporation pursuant to chapters 1 through 17 of
21 this title.

22 9. The corporation has failed to comply with section 10-1403,
23 subsection D OR E, or the commission has not received the notice required by
24 section 10-1403, subsection C, within six months after filing articles of
25 dissolution.

26 10. The corporation has failed to file a certificate of disclosure or
27 answer interrogatories as prescribed in chapters 1 through 17 of this title.

28 11. The corporation failed to comply with section 10-1623,
29 subsection A.

30 Sec. 11. Section 10-1503, Arizona Revised Statutes, is amended to
31 read:

32 10-1503. Application for authority to transact business

33 A. A foreign corporation may apply for authority to transact business
34 in this state by delivering an application and a certificate of disclosure to
35 the commission for filing. The certificate of disclosure shall contain the
36 information set forth in section 10-202, subsection D and is subject to the
37 requirements of section 10-202, subsection F. The application shall be
38 executed by the corporation and shall set forth:

39 1. The name of the foreign corporation and, if its name is unavailable
40 for use in this state, a corporate name that satisfies the requirements of
41 section 10-1506.

42 2. The name of the state or country under whose law it is
43 incorporated.

44 3. Its date of incorporation and period of duration.

1 4. The street address of its principal office in its state or country
2 of incorporation.

3 5. The street address of the proposed known place of business of the
4 corporation in this state and the name and street address of its proposed
5 statutory agent in this state.

6 6. If its purpose or purposes are narrower than the transaction of any
7 or all lawful business in which corporations may engage in the state or
8 country under whose law it is incorporated, a statement of the limitations on
9 its purpose.

10 7. The names and usual business addresses of its current directors and
11 officers.

12 8. A statement of the aggregate number of shares that the corporation
13 has authority to issue, itemized by classes, par value of shares, shares
14 without par value and series, if any, within a class.

15 9. A statement of the aggregate number of issued shares itemized by
16 classes, par value of shares, shares without par value and series, if any,
17 within a class.

18 10. A brief statement of the character of business that the corporation
19 initially intends actually to conduct in this state. This statement does not
20 limit the character of business that the corporation ultimately conducts.

21 B. The foreign corporation shall deliver the application and the
22 certificate of disclosure to the commission, together with a copy of its
23 articles of incorporation, any amendments to the articles of incorporation
24 and a certificate of existence or a document of similar import duly
25 authenticated by the secretary of state or other official having custody of
26 corporate records in the state or country under whose law it is incorporated,
27 and the nonrefundable fees required by law.

28 C. After determining that the application sets forth the information
29 required by this section, does not use as the name of the corporation in this
30 state a name that is in violation of section 10-1506 and appears in all other
31 respects to conform to the requirements of this article, the commission shall
32 file the application. The date of filing shall be the date on which the
33 corporation is granted authority to transact business in this state.

34 D. Within sixty days after the commission ~~has approved~~ APPROVES the
35 filing, a copy of the application shall be published. An affidavit
36 evidencing the publication may be filed ~~within ninety days after approval by~~
37 ~~the commission of the filing of the application~~ WITH THE COMMISSION.

38 E. A foreign corporation authorized to transact business in this state
39 is subject to section 10-1623.

40 Sec. 12. Section 10-1510, Arizona Revised Statutes, is amended to
41 read:

42 10-1510. Service on foreign corporation

43 A. The statutory agent appointed by a foreign corporation is an agent
44 of the foreign corporation on whom process, notice or demand that is required

1 or permitted by law to be served on the foreign corporation may be served and
2 that, when so served, is lawful personal service on the foreign corporation.

3 B. If a foreign corporation fails to appoint or maintain a statutory
4 agent at the address shown on the records of the commission, the commission
5 is an agent of the foreign corporation on whom any process, notice or demand
6 may be served. Pursuant to the Arizona rules of civil procedure, service on
7 the commission of any process, notice or demand shall be made by delivering
8 to and leaving with the commission duplicate copies of the process, notice or
9 demand, and the commission shall immediately cause one of the copies of the
10 process, notice or demand to be forwarded by mail, addressed to the foreign
11 corporation at its known place of business. Service made on the commission
12 is returnable pursuant to applicable law relative to personal service on the
13 corporation. If service is made on the commission, whether under this
14 chapter or a rule of court, the foreign corporation has thirty days to
15 respond in addition to the time otherwise provided by law.

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

19 D. NOTICE REQUIRED TO BE SERVED ON A FOREIGN CORPORATION PURSUANT TO
20 SECTION 10-1531 MAY BE SERVED:

21 1. BY MAIL ADDRESSED TO THE STATUTORY AGENT OF THE FOREIGN CORPORATION
22 OR, IF THE FOREIGN CORPORATION FAILS TO APPOINT AND MAINTAIN A STATUTORY
23 AGENT, ADDRESSED TO ITS KNOWN PLACE OF BUSINESS IN THIS STATE OR ITS
24 PRINCIPAL PLACE OF BUSINESS IN ITS STATE OR COUNTRY OF INCORPORATION.

25 2. PURSUANT TO THE RULES FOR SERVICE OF PROCESS AUTHORIZED BY THE
26 ARIZONA RULES OF CIVIL PROCEDURE.

27 Sec. 13. Section 10-1520, Arizona Revised Statutes, is amended to
28 read:

29 10-1520. Withdrawal of foreign corporation

30 A. A foreign corporation authorized to transact business in this state
31 shall not withdraw from this state until the commission files its application
32 for withdrawal.

33 B. A foreign corporation authorized to transact business in this state
34 may apply to surrender the authority by delivering an application to the
35 commission for filing. The application shall set forth:

36 1. The name of the foreign corporation and the name of the state or
37 country under whose law it is incorporated.

38 2. That it is not transacting business in this state and that it
39 surrenders its authority to transact business in this state.

40 3. That the foreign corporation revokes the authority of its statutory
41 agent to accept service on its behalf and appoints the commission as its
42 agent for service of process in any proceeding based on a cause of action
43 arising during the time it was authorized to transact business in this state.

1 4. 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 5. A commitment to notify the commission in the future of any change
5 in the foreign corporation's mailing address.

6 C. The application for withdrawal is not considered complete until the
7 commission has received a notice from the department of revenue to the effect
8 that the tax levied under title 42, chapter 5, article 1 against the foreign
9 corporation has been paid or until it is notified by the department of
10 revenue that the applicant is not subject to the tax and further has received
11 from the department of revenue its certificate issued pursuant to section
12 43-1151.

13 D. The application for withdrawal is not considered complete until all
14 fees, penalties and costs required to be paid under this chapter have been
15 paid.

16 E. After determining that the application appears in all respects to
17 conform to the requirements of this chapter and when all fees have been paid
18 as are prescribed in this chapter, the commission shall file the application
19 in the manner provided in section 10-120. On the filing of the application
20 for withdrawal, the authority of the foreign corporation to transact business
21 in this state ceases.

22 F. WITHIN SIXTY DAYS AFTER THE COMMISSION APPROVES THE FILING, A COPY
23 OF THE APPLICATION FOR WITHDRAWAL SHALL BE PUBLISHED. AN AFFIDAVIT
24 EVIDENCING THE PUBLICATION MAY BE FILED WITH THE COMMISSION.

25 F. G. After withdrawal of the foreign corporation is effective,
26 service of process on the commission under this section is service on the
27 foreign corporation. On receipt of process, the commission shall mail a copy
28 of the process to the foreign corporation at the most recent mailing address
29 provided by the foreign corporation in the application or by notice to the
30 commission.

31 Sec. 14. Section 10-2077, Arizona Revised Statutes, is amended to
32 read:

33 10-2077. Dissolution

34 A. A cooperative which has not commenced business may be dissolved by
35 delivering to the corporation commission articles of dissolution, which shall
36 be executed by the cooperative and which shall state:

37 1. The name of the cooperative.

38 2. The address of its principal office.

39 3. That the cooperative has not commenced business.

40 4. That any monies received by the cooperative, less any part
41 disbursed for expenses of the cooperative, have been returned or paid to
42 those entitled to the monies.

43 5. That no debt of the cooperative is unpaid.

44 6. That a majority of the incorporators elect that the cooperative be
45 dissolved.

1 B. A cooperative which has commenced business may be dissolved in the
2 following manner:

3 1. The proposition to dissolve shall be submitted to the members of
4 the cooperative at any annual or special meeting, the notice of which shall
5 set forth the proposition.

6 2. The members at the meeting shall approve, by the affirmative vote
7 of not less than a majority of all members of the cooperative, the
8 proposition that the cooperative be dissolved.

9 3. Upon approval, a certificate of election to dissolve, designated in
10 this subsection as the "certificate", shall be executed by the cooperative.

11 4. The certificate shall state:

12 (a) The name of the cooperative.

13 (b) The address of its principal office.

14 (c) That the members of the cooperative have duly voted that the
15 cooperative be dissolved.

16 5. The certificate shall be submitted to the corporation commission
17 for filing.

18 6. Upon filing the certificate with the corporation commission the
19 cooperative shall cease to carry on its business except to the extent
20 necessary for winding up, but its corporate existence shall continue until
21 articles of dissolution have been filed with the corporation commission.

22 7. The board of directors shall immediately cause notice of the
23 dissolution proceedings to be mailed to each known creditor of and claimant
24 against the cooperative, and such notice shall be published once a week for
25 two successive weeks in a newspaper of general circulation in the county in
26 which the principal office of the cooperative is located.

27 8. The board of directors shall wind up and settle the affairs of the
28 cooperative, collect monies owing to it, liquidate its property and assets,
29 pay and discharge its debts, obligations and liabilities, other than those to
30 patrons arising by reason of their patronage, and do all other things
31 required to wind up its business. After paying or discharging or adequately
32 providing for the payment or discharge of all its debts, obligations and
33 liabilities, other than those to patrons arising by reason of their
34 patronage, the board of directors shall distribute any remaining sums, first
35 to patrons for the pro rata return of all amounts standing to their credit by
36 reason of their patronage, and second to members for the pro rata repayment
37 of membership fees. Any sums then remaining shall be distributed among its
38 members and former members in proportion to their patronage.

39 9. The board of directors shall thereupon authorize the execution of
40 articles of dissolution, which shall be executed by the cooperative.

41 10. The articles of dissolution shall recite that they are executed
42 pursuant to this article and shall state:

43 (a) The name of the cooperative.

44 (b) The address of its principal office.

1 (c) The date on which the certificate of election to dissolve was
2 filed by the corporation commission.

3 (d) That there are no actions or suits pending against the
4 cooperative.

5 (e) That all debts, obligations and liabilities of the cooperative
6 have been paid and discharged or that adequate provision has been made for
7 payment and discharge.

8 (f) That the preceding provisions of this subsection have been duly
9 complied with.

10 11. THE ARTICLES OF DISSOLUTION PREPARED PURSUANT TO PARAGRAPH 10 OF
11 THIS SUBSECTION SHALL BE DELIVERED TO THE COMMISSION FOR FILING. WITHIN
12 SIXTY DAYS AFTER THE COMMISSION APPROVES THE FILING, A COPY OF THE ARTICLES
13 OF DISSOLUTION SHALL BE PUBLISHED. AN AFFIDAVIT EVIDENCING THE PUBLICATION
14 MAY BE FILED WITH THE COMMISSION.

15 Sec. 15. Title 10, chapter 19, article 2, Arizona Revised Statutes, is
16 amended by adding section 10-2084, to read:

17 10-2084. Electric cooperative nonprofit membership
18 corporations; annual report

19 EACH ELECTRIC COOPERATIVE NONPROFIT MEMBERSHIP CORPORATION INCORPORATED
20 PURSUANT TO THIS ARTICLE SHALL DELIVER TO THE COMMISSION FOR FILING AN ANNUAL
21 REPORT AS REQUIRED BY SECTION 10-11622.

22 Sec. 16. Section 10-2143, Arizona Revised Statutes, is amended to
23 read:

24 10-2143. Dissolution

25 A. A generation and transmission cooperative ~~which~~ THAT has not
26 commenced business may dissolve voluntarily by delivering to the corporation
27 commission articles of dissolution, executed and acknowledged on behalf of
28 the generation and transmission cooperative by a majority of the
29 incorporators, which shall state:

- 30 1. The name of the generation and transmission cooperative.
- 31 2. The address of its principal office.
- 32 3. The date of its incorporation.
- 33 4. That the generation and transmission cooperative has not commenced
34 business.
- 35 5. That the amount, if any, actually paid in on account of membership
36 fees, less any part disbursed for necessary expenses, has been returned to
37 those entitled and that all easements have been released to the grantors.
- 38 6. That no debt of the generation and transmission cooperative remains
39 unpaid.
- 40 7. That a majority of the incorporators ~~elects~~ ELECT that the
41 generation and transmission cooperative be dissolved. The articles of
42 dissolution shall be submitted to the corporation commission for filing as
43 provided in this article.

1 B. A generation and transmission cooperative ~~which~~ THAT has commenced
2 business may dissolve voluntarily and wind up its affairs in the following
3 manner:

4 1. The proposition that the generation and transmission cooperative be
5 dissolved must be submitted to the members of the generation and transmission
6 cooperative at any meeting. The meeting notice shall state the proposition.
7 The proposed voluntary dissolution is deemed to be approved on the
8 affirmative vote of not less than two-thirds of those members acting through
9 their voting delegates voting at the meeting.

10 2. On approval, a certificate of election to dissolve, designated the
11 "certificate", shall be executed by the generation and transmission
12 cooperative. The certificate shall BE SUBMITTED TO THE CORPORATION
13 COMMISSION FOR FILING AS PROVIDED IN THIS ARTICLE AND SHALL state:

14 (a) The name of the generation and transmission cooperative.

15 (b) The address of its principal office.

16 (c) The names and addresses of its directors.

17 (d) The total number of voting delegates of the generation and
18 transmission cooperative and the number of voting delegates who voted for and
19 against the voluntary dissolution of the generation and transmission
20 cooperative.

21 ~~The certificate shall be submitted to the corporation commission for~~
22 ~~filing as provided in this article.~~

23 3. On the filing of the certificate with the corporation commission,
24 the generation and transmission cooperative shall cease to carry on its
25 business except as is necessary for the winding up of business, but its
26 corporate existence continues until articles of dissolution have been filed
27 with the corporation commission.

28 4. After the filing of the certificate with the corporation
29 commission, the board of directors shall immediately mail notice of the
30 winding up of proceedings to each known creditor and claimant and publish
31 notice once a week for two successive weeks in a newspaper of general
32 circulation in the county in which the principal office of the generation and
33 transmission cooperative is located.

34 5. The board of directors has full power to wind up and settle the
35 affairs of the cooperative and shall proceed to collect the debts owing to
36 the generation and transmission cooperative, convey and dispose of its
37 property and assets, pay, satisfy and discharge its debts, obligations and
38 liabilities and do all other things required to liquidate its business and
39 affairs and, after paying or adequately providing for the payment of all its
40 debts, obligations and liabilities, shall distribute the remainder of its
41 property and assets among its members without priority in proportion to the
42 aggregate patronage of each member during the seven years next preceding the
43 date of filing the certificate, or, if the generation and transmission
44 cooperative was not in existence for such period, during the period of its
45 existence.

1 ~~B. If a document delivered to the commission for filing satisfies the~~
2 ~~requirements of chapters 24 through 40 of this title, the commission shall~~
3 ~~file it by stamping, otherwise endorsing or attaching "filed" on the original~~
4 ~~document. Except as provided in sections 10-3503 and 10-11509, after filing~~
5 ~~a document the commission shall deliver the document copy to the domestic or~~
6 ~~foreign corporation or its representative.~~

7 B. THE COMMISSION SHALL FILE A DOCUMENT DELIVERED TO THE COMMISSION
8 FOR FILING IF BOTH OF THE FOLLOWING APPLY:

9 1. THE COMMISSION DETERMINES THAT THE DOCUMENT SATISFIES THE
10 REQUIREMENTS OF CHAPTERS 24 THROUGH 40 OF THIS TITLE.

11 2. THE CORPORATION FILING THE DOCUMENT OR ON WHOSE BEHALF THE DOCUMENT
12 IS BEING FILED IS IN GOOD STANDING PURSUANT TO SECTION 10-3128.

13 C. THE COMMISSION MAY FILE A DOCUMENT DELIVERED TO THE COMMISSION IN
14 WHICH EITHER THE CORPORATION HAS FILED ARTICLES OF DISSOLUTION OR THE
15 CORPORATION HAS FILED A DOCUMENT THAT IS REQUIRED TO BRING THE CORPORATION
16 INTO GOOD STANDING. THE COMMISSION SHALL DELIVER THE DOCUMENT COPY TO THE
17 DOMESTIC OR FOREIGN CORPORATION OR ITS REPRESENTATIVE.

18 ~~D. If the commission refuses to file a document, it shall return~~
19 ~~it or a copy of the original to the domestic or foreign corporation or its~~
20 ~~representative within five days after the determination of the refusal to~~
21 ~~file, together with a brief written explanation of the reason for the~~
22 ~~refusal.~~

23 ~~D. E. The filing or refusing to file a document by the commission~~
24 ~~does not:~~

25 1. Affect the validity or invalidity of the document in whole or in
26 part, except to the extent that filing is required to make the document
27 valid.

28 2. Relate to the correctness or incorrectness of information contained
29 in the document.

30 3. Create a presumption that the document is valid or invalid or that
31 information contained in the document is correct or incorrect.

32 Sec. 19. Section 10-3203, Arizona Revised Statutes, is amended to
33 read:

34 10-3203. Incorporation

35 A. Unless a delayed effective date is specified in the articles of
36 incorporation, incorporation occurs and the corporate existence begins when
37 the articles of incorporation and certificate of disclosure are delivered to
38 the commission for filing.

39 B. The commission's filing of the articles of incorporation and
40 certificate of disclosure is conclusive proof that the incorporators
41 satisfied all conditions precedent to incorporation except in a proceeding by
42 the state to cancel or revoke the incorporation or involuntarily dissolve the
43 corporation pursuant to chapter 37 of this title.

44 C. Subject to section 10-3124, if the commission determines that the
45 requirements of chapters 24 through 42 of this title for filing have not been

1 met, the articles of incorporation and certificate of disclosure shall not be
2 filed and the corporate existence terminates at the time the commission
3 completes the determination. If the corporate existence is terminated
4 pursuant to this subsection, sections 10-11404, 10-11405 and 10-11406 apply.

5 D. Within sixty days after the commission ~~has approved~~ APPROVES the
6 filing, a copy of the articles of incorporation shall be published. An
7 affidavit evidencing the publication may be filed with the commission ~~within~~
8 ~~ninety days after approval by the commission of the filing of the articles of~~
9 ~~incorporation.~~

10 Sec. 20. Section 10-3224, Arizona Revised Statutes, is amended to
11 read:

12 10-3224. Recording and publication of articles of domestication

13 Within sixty days after the commission ~~has approved~~ APPROVES the filing
14 of the articles of domestication, a copy of the articles of domestication
15 shall be published. An affidavit evidencing the publication may be filed
16 with the commission ~~within ninety days after the approval by the commission~~
17 ~~of the filing of the articles of domestication.~~ If other laws require the
18 domesticated corporation to record its articles of incorporation, the
19 domesticated corporation shall also record the articles of domestication.

20 Sec. 21. Section 10-3504, Arizona Revised Statutes, is amended to
21 read:

22 10-3504. Service on corporation

23 A. The statutory agent appointed by a corporation is an agent of the
24 corporation on whom process, notice or demand that is required or permitted
25 by law to be served on the corporation may be served and that, when so
26 served, is lawful personal service on the corporation.

27 B. If a corporation fails to appoint or maintain a statutory agent at
28 the address shown on the records of the commission, the commission is an
29 agent of the corporation on whom any process, notice or demand may be served.
30 Pursuant to the Arizona rules of civil procedure, service on the commission
31 of any process, notice or demand for an entity that is registered pursuant to
32 this title shall be made by delivering to and leaving with the commission
33 duplicate copies of the process, notice or demand, and the commission shall
34 immediately cause one of the copies of the process, notice or demand to be
35 forwarded by mail, addressed to the corporation at its known place of
36 business. Service made on the commission is returnable pursuant to
37 applicable law relative to personal service on the corporation. If service
38 is made on the commission, whether under this chapter or a rule of court, the
39 corporation has thirty days to respond in addition to the time otherwise
40 provided by law.

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

1 D. NOTICE REQUIRED TO BE SERVED ON A CORPORATION PURSUANT TO SECTION
2 10-11421 OR 10-11422 MAY BE SERVED:

3 1. BY MAIL ADDRESSED TO THE STATUTORY AGENT OF THE CORPORATION OR, IF
4 THE CORPORATION FAILS TO APPOINT AND MAINTAIN A STATUTORY AGENT, ADDRESSED TO
5 THE KNOWN PLACE OF BUSINESS REQUIRED TO BE MAINTAINED PURSUANT TO SECTION
6 10-3501.

7 2. PURSUANT TO THE RULES FOR SERVICE OF PROCESS AUTHORIZED BY THE
8 ARIZONA RULES OF CIVIL PROCEDURE.

9 Sec. 22. Section 10-11006, Arizona Revised Statutes, is amended to
10 read:

11 10-11006. Articles of amendment

12 A. A corporation amending its articles of incorporation shall deliver
13 to the commission for filing articles of amendment setting forth:

14 1. The name of the corporation.

15 2. The text of each amendment adopted.

16 3. The date of each amendment's adoption.

17 4. A statement that the amendment was duly adopted by act of the
18 members or act of the board of directors and, if applicable, with the
19 approval required pursuant to section 10-11030.

20 B. Within sixty days after the commission ~~has approved~~ APPROVES the
21 filing, a copy of the articles of amendment shall be published. An affidavit
22 evidencing the publication may be filed with the commission ~~within ninety~~
23 ~~days after approval by the commission of the filing of the articles of~~
24 ~~amendment.~~

25 Sec. 23. Section 10-11007, Arizona Revised Statutes, is amended to
26 read:

27 10-11007. Restated articles of incorporation

28 A. A corporation's board of directors may restate its articles of
29 incorporation at any time with or without approval by the members or any
30 other person.

31 B. The restatement may include one or more amendments to the articles
32 of incorporation. If the restatement includes an amendment requiring
33 approval by the members or any other person, it shall be adopted as provided
34 in section 10-11003.

35 C. If the board of directors submits a restatement for member action,
36 the corporation shall notify each member entitled to vote of the proposed
37 membership meeting in writing in accordance with section 10-3705. The notice
38 shall also state that the purpose or one of the purposes of the meeting is to
39 consider the proposed restatement and shall contain or be accompanied by a
40 copy or summary of the restatement that identifies any amendment or other
41 change it would make in the articles.

42 D. If the board of directors submits a restatement for member action
43 by written ballot or written consent, the material that solicits the approval
44 shall contain or be accompanied by a copy or summary of the restatement that

1 also identifies any amendment or other change it would make in the articles
2 of incorporation.

3 E. A corporation restating its articles of incorporation shall deliver
4 to the commission for filing articles of restatement setting forth the name
5 of the corporation and the text of the restated articles of incorporation
6 together with a certificate setting forth:

7 1. Whether the restatement contains an amendment to the articles
8 requiring approval by any other person other than the board of directors and,
9 if it does not, that the board of directors adopted the restatement.

10 2. If the restatement contains an amendment to the articles requiring
11 approval by the members, a statement that such approval was obtained.

12 3. If the restatement contains an amendment to the articles requiring
13 approval by a person whose approval is required pursuant to section 10-11030,
14 a statement that such approval was obtained.

15 F. Duly adopted restated articles of incorporation supersede the
16 original articles of incorporation and all amendments to them.

17 G. The commission may certify restated articles of incorporation, as
18 the articles of incorporation currently in effect, without including the
19 certificate information required by subsection E of this section.

20 H. Within sixty days after the commission ~~has approved~~ APPROVES the
21 filing, a copy of the articles of restatement shall be published. An
22 affidavit evidencing the publication may be filed with the commission ~~with~~
23 ~~ninety days after approval by the commission of the filing of the articles of~~
24 ~~restatement.~~

25 Sec. 24. Section 10-11008, Arizona Revised Statutes, is amended to
26 read:

27 10-11008. Amendment pursuant to reorganization

28 A. A corporation's articles may be amended pursuant to this section
29 without action by the board of directors or members or approval required
30 pursuant to section 10-11030 to carry out a plan of reorganization ordered or
31 decreed by a court of competent jurisdiction under a federal statute or a
32 statute of this state if the articles of incorporation after amendment
33 contain only provisions required or permitted by section 10-3202.

34 B. Before the date of entry of a final decree in the reorganization
35 proceeding, the individual or individuals designated by the court plan shall
36 deliver to the commission articles of amendment setting forth all of the
37 following:

38 1. The name of the corporation.

39 2. The text of each amendment contained in the plan of reorganization.

40 3. The date of the court's order or decree confirming the plan of
41 reorganization containing the articles of amendment.

42 4. The title of the reorganization proceeding in which the order or
43 decree was entered.

1 5. A statement that the court had jurisdiction of the proceeding under
2 federal or state statute.

3 C. This section does not apply after entry of a final decree in the
4 reorganization proceeding even though the court retains jurisdiction of the
5 proceeding for limited purposes unrelated to consummation of the
6 reorganization plan.

7 D. Within sixty days after the commission ~~has approved~~ APPROVES the
8 filing, a copy of the articles of amendment shall be published. An affidavit
9 evidencing the publication may be filed with the commission ~~within ninety~~
10 ~~days after approval by the commission of the filing of the articles of~~
11 ~~amendment.~~

12 Sec. 25. Section 10-11105, Arizona Revised Statutes, is amended to
13 read:

14 10-11105. Articles of merger or membership exchange;
15 publication

16 A. After a plan of merger or membership exchange is approved by the
17 board of directors and, if required by section 10-11103, by the members and
18 any other persons, the surviving or acquiring corporation shall deliver to
19 the commission for filing both:

20 1. The plan of merger or membership exchange.

21 2. Articles of merger or membership exchange setting forth:

22 (a) The names of the corporations that were parties to the merger or
23 membership exchange.

24 (b) The name and address of the known place of business of the
25 surviving or acquiring corporation.

26 (c) The name and address of the statutory agent of the surviving or
27 acquiring corporation.

28 (d) Any amendments to the articles of incorporation of the surviving
29 corporation.

30 (e) A statement that the amendment was duly adopted by act of the
31 board of directors and, if required by section 10-11103, by act of the
32 members and any other persons.

33 B. A merger takes effect at the effective time and date of the
34 articles of merger, as determined pursuant to section 10-3123.

35 C. If the articles of merger include amendments to the articles of
36 incorporation of the surviving corporation, the document required to be filed
37 and published under this section shall be styled "articles of amendment and
38 merger".

39 D. Within sixty days after the commission ~~has approved~~ APPROVES the
40 filing, a copy of the articles of merger or membership exchange shall be
41 published. An affidavit evidencing the publication may be filed with the
42 commission ~~within ninety days after approval by the commission of the filing~~
43 ~~of the articles of merger or membership exchange.~~

1 Sec. 26. Section 10-11107, Arizona Revised Statutes, is amended to
2 read:

3 10-11107. Merger or exchange with other entities

4 A. In addition to mergers or exchanges governed by sections 10-11101
5 and 10-11102, a domestic corporation may merge or enter into an exchange of
6 memberships and interests with one or more other entities incorporated,
7 formed or organized under the laws of this state, any other state, the United
8 States, any foreign country or any other jurisdiction, if:

9 1. In a merger, the merger is permitted by the law of the jurisdiction
10 under whose laws the other entity is incorporated, formed or organized, and
11 each other entity complies with that law in effecting the merger. For
12 entities incorporated, formed or organized under the laws of this state, this
13 section constitutes permission for the merger.

14 2. Each domestic nonprofit corporation approves the plan of merger or
15 exchange in the manner required by section 10-11103, subsection B.

16 3. Each other entity approves the plan of merger or exchange in the
17 manner required by the laws of the jurisdiction under whose laws it is
18 organized.

19 4. Rights or securities of or interests in an entity that is a party
20 to the merger or exchange may be exchanged for or converted into cash,
21 property, obligations, rights or securities of or interests in the surviving
22 or resulting entity.

23 B. The plan of merger or exchange shall set forth:

24 1. The name and jurisdiction of incorporation, formation or
25 organization of each entity that plans to merge or exchange.

26 2. The name of the surviving or acquiring entity.

27 3. The terms and conditions of the merger or exchange.

28 4. The manner and basis, if any, of converting or exchanging the
29 memberships, rights or securities of or interests in each entity that is a
30 party to the merger or to be acquired in the exchange into or for
31 obligations, memberships, rights or securities of or interest in the
32 surviving or acquiring entity or into or for cash or other property in whole
33 or in part.

34 C. The plan of merger or exchange may set forth:

35 1. In a merger, amendments to the articles or certificate of
36 incorporation or organization, the certificate of limited partnership or
37 similar organizational document of the surviving entity.

38 2. Other provisions relating to the merger or exchange.

39 D. After a plan of merger or exchange is approved as provided in
40 subsection A, paragraphs 2 and 3 of this section, the surviving or acquiring
41 entity shall deliver to the commission for filing both:

42 1. The plan of merger or exchange, or a statement that the plan of
43 merger or exchange is on file at a place of business of the surviving or
44 acquiring entity, including the address of the place of business, and a
45 statement that the surviving or acquiring entity will provide a copy of the

1 plan of merger or exchange on request and without cost to any person who
2 holds an interest in an entity that is a party to the merger or exchange.

3 2. The articles of merger or exchange setting forth:

4 (a) The names of the domestic nonprofit corporations and other
5 entities that were parties to the merger or exchange.

6 (b) The name and a place of business of the surviving or acquiring
7 entity.

8 (c) If the surviving entity in a merger is a domestic nonprofit or
9 business corporation, any amendments to the articles of incorporation of that
10 corporation.

11 3. If the surviving entity in a merger is not an entity organized
12 under the laws of this state, both of the following:

13 (a) A statement that the surviving entity agrees that it may be served
14 with process in this state in an action, suit or proceeding for the
15 enforcement of any obligation of any entity that was organized under the laws
16 of this state and that is a party to the merger and for the enforcement of
17 any obligation of the surviving entity arising from the merger.

18 (b) A statement that the surviving entity irrevocably appoints the
19 commission as its agent to accept service of process in the action, suit or
20 proceeding described in subdivision (a) of this paragraph, including the
21 address to which the commission shall mail a copy of the process.

22 E. The articles of merger shall serve as the articles or certificate
23 of dissolution, termination or cancellation for an entity that is not the
24 surviving entity in a merger.

25 F. A merger or exchange takes effect at the effective time and date of
26 the articles of merger or exchange, as determined pursuant to section
27 10-3123.

28 G. If the articles of merger include amendments to the articles of
29 incorporation of the surviving corporation as described in subsection D,
30 paragraph 2, subdivision (c) of this section, the document required to be
31 filed and published under this section shall be styled "articles of amendment
32 and merger".

33 H. Within sixty days after the commission ~~has approved~~ APPROVES the
34 filing, a copy of the articles of merger or share exchange shall be
35 published. An affidavit evidencing the publication may be filed with the
36 commission ~~within ninety days after approval by the commission of the filing~~
37 ~~of the articles of merger or share exchange.~~

38 I. When a merger takes effect:

39 1. Every other entity that is a party to the merger merges into the
40 surviving entity and the separate existence of every entity except the
41 surviving entity ceases.

42 2. The title to all real estate and other property owned by each
43 entity that is a party to the merger is vested automatically in the surviving
44 entity without reversion or impairment, subject to any and all conditions to
45 which the property was subject prior to the merger.

1 3. The surviving entity automatically has all of the liabilities of
2 each entity that is a party to the merger.

3 4. A proceeding pending against any entity that is a party to the
4 merger may be continued as if the merger did not occur or the surviving
5 entity may be substituted in the proceeding for the entity whose existence
6 ceased.

7 5. The organizational document of the surviving entity is amended to
8 the extent provided in the articles of amendment and merger.

9 6. The memberships, rights or securities of or interests in each
10 entity that is a party to the merger that are to be converted into
11 obligations, memberships, rights or securities of or other interests in the
12 surviving or any other entity or into cash or other property are converted,
13 and the former holders of the memberships, rights, securities or interests
14 are entitled only to the rights provided in the plan of merger.

15 J. If an exchange takes effect, the memberships, rights or securities
16 of or other interests in each acquired entity are exchanged as provided in
17 the plan, and the former holders of the membership, rights, securities or
18 interests are entitled only to the exchange rights provided in the plan of
19 exchange.

20 K. Unless the plan of merger or exchange provides otherwise, each
21 entity that is a party to the merger or exchange may abandon the proposed
22 merger or exchange before the effective date of the merger or exchange in a
23 manner required by the laws of the jurisdiction in which the entity is
24 organized.

25 L. This section does not limit the power of an entity to acquire all
26 or part of the memberships of one or more classes of a domestic corporation
27 through a voluntary exchange or otherwise.

28 Sec. 27. Section 10-11403, Arizona Revised Statutes, is amended to
29 read:

30 10-11403. Articles of dissolution

31 A. At any time after dissolution is authorized, the corporation may
32 dissolve by delivering to the commission articles of dissolution setting
33 forth all of the following:

34 1. The name of the corporation.

35 2. The date dissolution was authorized.

36 3. A statement that the dissolution was duly authorized by an act of
37 the members or an act of the board of directors and, if applicable, with the
38 approval required pursuant to section 10-11402.

39 B. A corporation is dissolved on the effective date of its articles of
40 dissolution.

41 C. The articles of dissolution shall not be considered complete until
42 all fees, penalties and costs required to be paid under this title have been
43 paid.

1 D. Within sixty days after the commission ~~has approved~~ APPROVES the
2 filing, a copy of the articles of dissolution shall be published. An
3 affidavit evidencing the publication may be filed with the commission ~~within~~
4 ~~ninety days after approval by the commission of the filing of the articles of~~
5 ~~dissolution.~~

6 E. The articles of dissolution are not complete until the commission
7 has received a notice from the department of revenue that the tax levied
8 under title 42, chapter 5, article 1 against the corporation has been paid,
9 or until the department of revenue notifies the commission that the
10 corporation is not subject to the tax and the commission has received from
11 the department of revenue a certificate issued by the department of revenue
12 pursuant to section 43-1151.

13 Sec. 28. Section 10-11503, Arizona Revised Statutes, is amended to
14 read:

15 10-11503. Application for certificate of authority

16 A. A foreign corporation may apply for authority to conduct affairs in
17 this state by delivering an application and a certificate of disclosure to
18 the commission for filing. The certificate of disclosure shall contain the
19 information set forth in section 10-3202, subsection D and is subject to the
20 requirements of section 10-3202, subsection F. The application shall be
21 executed by the corporation and shall set forth:

22 1. The name of the foreign corporation and, if its name is unavailable
23 for use in this state, a corporate name that satisfies the requirements of
24 section 10-11506.

25 2. The name of the state or country under whose law it is
26 incorporated.

27 3. Its date of incorporation and period of duration.

28 4. The street address of its principal office in its state or country
29 of incorporation.

30 5. The street address of the proposed known place of business of the
31 corporation in this state and the name and street address of its proposed
32 statutory agent in this state.

33 6. If its purpose or purposes are narrower than the transaction of any
34 or all lawful affairs in which corporations may engage in the state or
35 country under whose law it is incorporated, a statement of the limitations on
36 its purpose.

37 7. The names and usual business addresses of its current directors and
38 officers.

39 8. Whether the foreign corporation has members.

40 9. A brief statement of the character of business that the corporation
41 initially intends actually to conduct in this state. This statement does not
42 limit the character of business that the corporation ultimately conducts.

43 B. The foreign corporation shall deliver the application and the
44 certificate of disclosure to the commission, together with a copy of its
45 articles of incorporation, any amendments to the articles of incorporation

1 and a certificate of existence or a document of similar import duly
2 authenticated by the secretary of state or other official having custody of
3 corporate records in the state or country under whose law it is incorporated,
4 and the nonrefundable fees required by law.

5 C. After determining that the application sets forth the information
6 required by this section, does not use as the name of the corporation in this
7 state a name that is in violation of section 10-11506 and appears in all
8 other respects to conform to the requirements of this article, the commission
9 shall file the application. The date of filing shall be the date on which
10 the corporation is granted authority to transact business in this state.

11 D. Within sixty days after the commission ~~has approved~~ APPROVES the
12 filing, a copy of the application shall be published. An affidavit
13 evidencing the publication may be filed ~~within ninety days after approval by~~
14 ~~the commission of the filing of the application~~ WITH THE COMMISSION.

15 E. A foreign corporation authorized to transact business in this state
16 is subject to section 10-11623.

17 Sec. 29. Section 10-11510, Arizona Revised Statutes, is amended to
18 read:

19 10-11510. Service on foreign corporation

20 A. The statutory agent appointed by a foreign corporation is an agent
21 of the foreign corporation on whom process, notice or demand that is required
22 or permitted by law to be served on the foreign corporation may be served and
23 that, when so served, is lawful personal service on the foreign corporation.

24 B. If a foreign corporation fails to appoint or maintain a statutory
25 agent at the address shown on the records of the commission, the commission
26 is an agent of the foreign corporation on whom any process, notice or demand
27 may be served. Pursuant to the Arizona rules of civil procedure, service on
28 the commission of any process, notice or demand for an entity that is
29 registered pursuant to this title shall be made by delivering to and leaving
30 with the commission duplicate copies of the process, notice or demand, and
31 the commission shall immediately cause one of the copies of the process,
32 notice or demand to be forwarded by mail, addressed to the foreign
33 corporation at its known place of business. Service made on the commission
34 is returnable pursuant to applicable law relative to personal service on the
35 foreign corporation. If service is made on the commission, whether under this
36 chapter or a rule of court, the foreign corporation has thirty days to
37 respond in addition to the time otherwise provided by law.

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

41 D. NOTICE REQUIRED TO BE SERVED ON A FOREIGN CORPORATION PURSUANT TO
42 SECTION 10-11531 MAY BE SERVED:

43 1. BY MAIL ADDRESSED TO THE STATUTORY AGENT OF THE FOREIGN CORPORATION
44 OR, IF THE FOREIGN CORPORATION FAILS TO APPOINT AND MAINTAIN A STATUTORY

1 AGENT, ADDRESSED TO ITS KNOWN PLACE OF BUSINESS IN THIS STATE OR ITS
2 PRINCIPAL PLACE OF BUSINESS IN ITS STATE OR COUNTRY OF INCORPORATION.

3 2. PURSUANT TO THE RULES FOR SERVICE OF PROCESS AUTHORIZED BY THE
4 ARIZONA RULES OF CIVIL PROCEDURE.

5 Sec. 30. Section 10-11520, Arizona Revised Statutes, is amended to
6 read:

7 10-11520. Withdrawal of foreign corporation

8 A. A foreign corporation authorized to conduct affairs in this state
9 shall not withdraw from this state until the commission files its application
10 for withdrawal.

11 B. A foreign corporation authorized to conduct affairs in this state
12 may apply to surrender the authority by delivering an application to the
13 commission for filing. The application shall set forth:

14 1. The name of the foreign corporation and the name of the state or
15 country under whose law it is incorporated.

16 2. That it is not conducting affairs in this state and that it
17 surrenders its authority to conduct affairs in this state.

18 3. That the foreign corporation revokes the authority of its statutory
19 agent to accept service on its behalf and appoints the commission as its
20 agent for service of process in any proceeding based on a cause of action
21 arising during the time it was authorized to conduct affairs in this state.

22 4. A mailing address to which the commission may mail a copy of any
23 process served on the commission pursuant to its appointment as the foreign
24 corporation's agent for service of process.

25 5. A commitment to notify the commission in the future of any change
26 in the foreign corporation's mailing address.

27 C. The application for withdrawal is not considered complete until the
28 commission has received a notice from the department of revenue to the effect
29 that the tax levied under title 42, chapter 5, article 1 against the foreign
30 corporation has been paid or until it is notified by the department of
31 revenue that the applicant is not subject to the tax and further has received
32 from the department of revenue its certificate issued pursuant to section
33 43-1151.

34 D. The application for withdrawal is not considered complete until all
35 fees, penalties and costs required to be paid under this chapter have been
36 paid.

37 E. After determining that the application appears in all respects to
38 conform to the requirements of this chapter and when all fees have been paid
39 as are prescribed in this chapter, the commission shall file the application
40 in the manner provided in section 10-3120. On the filing of the application
41 for withdrawal, the authority of the foreign corporation to transact business
42 in this state ceases.

43 F. WITHIN SIXTY DAYS AFTER THE COMMISSION APPROVES THE FILING, A COPY
44 OF THE APPLICATION FOR WITHDRAWAL SHALL BE PUBLISHED. AN AFFIDAVIT
45 EVIDENCING THE PUBLICATION MAY BE FILED WITH THE COMMISSION.

1 F. G. After the withdrawal of the corporation is effective, service
2 of process on the commission under this section is service on the foreign
3 corporation. On receipt of process, the commission shall mail a copy of the
4 process to the foreign corporation at the mailing address set forth in its
5 application for withdrawal.

6 Sec. 31. Section 29-603, Arizona Revised Statutes, is amended to read:
7 29-603. Reservation of name

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

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

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

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

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

17 B. The reservation shall be made by filing with the commission an
18 application that is executed by the applicant or an authorized agent of the
19 applicant to reserve a specified name. If the commission finds that the name
20 is available for use by a domestic or foreign limited liability company, it
21 shall reserve the name for the exclusive use of the applicant for a
22 NONRENEWABLE period of one hundred twenty days from and after the date the
23 application is filed with the commission.

24 C. The right to the exclusive use of a reserved name may be
25 transferred to another person by filing with the commission a notice of the
26 transfer that is executed by the applicant or an authorized agent of the
27 applicant for whom the name was reserved and that specifies the name to be
28 transferred and the name and address of the transferee. The transfer shall
29 not extend the term during which the name is reserved.

30 D. The reservation of a specified name may be cancelled by filing with
31 the commission a notice of cancellation that is executed by the applicant or
32 an authorized agent of the applicant and that specifies the name reservation
33 to be cancelled and the name and address of the applicant.

34 Sec. 32. Section 29-609, Arizona Revised Statutes, is amended to read:
35 29-609. Purpose; insurance business

36 A. Except as provided in subsection B of this section, a limited
37 liability company may be organized under this chapter and may conduct or
38 promote business and other activities for any lawful purpose, except banking.

39 B. A limited liability company shall not ~~conduct or promote any~~
40 ~~insurance business~~ BE AN INSURER AS DEFINED IN SECTION 20-104 unless as a
41 title insurance agent as defined in section 20-1562 or as a pure captive
42 insurer as defined in section 20-1098 who is expressly authorized by the
43 director of the department of insurance pursuant to title 20. For the
44 purposes of title insurance transactions or pure captive insurance business,
45 the members of the limited liability company are individually responsible,

1 equally and ratably, and not one for another, for all contracts, debts and
2 engagements of the limited liability company, to the extent of the amount of
3 each member's initial investment in the limited liability company.

4 Sec. 33. Section 29-633, Arizona Revised Statutes, is amended to read:
5 29-633. Amendment of articles of organization; restatement;
6 publication

7 A. The articles of organization of a limited liability company are
8 amended by filing with the commission the articles of amendment, signed on
9 behalf of the limited liability company by a manager if management of the
10 limited liability company is vested in one or more managers or by a member if
11 management of the limited liability company is reserved to the members. The
12 articles of amendment shall set forth:

13 1. The name of the limited liability company.

14 2. The text of the amendment to the articles of organization.

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

19 1. Any arrangements or facts have changed making the articles of
20 organization inaccurate in any respect other than those changes required to
21 be set forth in a statement delivered to the commission pursuant to section
22 29-605.

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

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

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

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

36 2. Change, enlarge or diminish the purposes of the limited liability
37 company.

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

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

43 D. A limited liability company may restate its articles of
44 organization. Restated articles of organization shall be executed and filed
45 in the same manner as articles of amendment. Restated articles of

1 organization shall be specifically designated as such in the heading and
2 shall state either in the heading or in an introductory paragraph the limited
3 liability company's present name and, if it has been changed, all of its
4 former names.

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

14 F. Within sixty days after the commission ~~has approved~~ APPROVES the
15 filing, A COPY of the articles of amendment or restated articles of
16 organization ~~there~~ shall be published in a newspaper of general circulation
17 in the county of the known place of business for three consecutive
18 publications ~~a copy of the articles of amendment or restated articles of~~
19 ~~organization.~~ An affidavit evidencing publication ~~shall~~ MAY be filed ~~within~~
20 ~~ninety days after approval by~~ WITH the commission of ~~the filing of the~~
21 ~~amendment of the articles of organization.~~ Publication is not required if
22 amendments to the articles of organization are ~~made solely in relation to~~
23 ~~changes in managers or members of the limited liability company or changes~~
24 ~~made pursuant to section 29-605~~ OR RESTATED ARTICLES OF ORGANIZATION ONLY
25 CHANGE ANY OF THE FOLLOWING:

- 26 1. THE NAME OR ADDRESS OF MEMBERS OR MANAGERS.
- 27 2. THE KNOWN PLACE OF BUSINESS ADDRESS.
- 28 3. THE NAME OR ADDRESS OF THE STATUTORY AGENT.

29 Sec. 34. Section 29-634, Arizona Revised Statutes, is amended to read:
30 29-634. Filing with the commission

31 A. ~~One copy of~~ The signed original articles of organization, THE
32 application for a certificate of registration or any other document required
33 to be filed pursuant to this chapter shall be delivered to the commission.
34 The commission shall file a document delivered to the commission for filing
35 if all of the following apply:

- 36 1. The commission determines that the document conforms to the filing
37 provisions of this chapter.
- 38 2. The limited liability company filing the document or on whose
39 behalf the document is being filed, is in good standing within the meaning
40 of section 29-614.
- 41 3. All fees required pursuant to section 29-851 have been paid.

42 B. The commission may file a document delivered to the commission IN
43 WHICH EITHER THE LIMITED LIABILITY COMPANY HAS FILED ARTICLES OF TERMINATION
44 OR THE LIMITED LIABILITY COMPANY HAS FILED A DOCUMENT that is required to

1 bring the limited liability company into good standing. The commission
2 shall:

3 1. Endorse, stamp or attach on the ~~signed original and duplicate copy~~
4 DOCUMENT the word "filed" and the date and time of its acceptance for filing.
5 2. Retain the signed original DOCUMENT in the commission's files.
6 3. Return a ~~duplicate~~ copy OF THE FILED DOCUMENT to the person who
7 filed it or the person's representative.

8 C. If the commission is unable to make the determination required for
9 filing by subsection A of this section at the time any documents are
10 delivered for filing, the documents are deemed to have been filed at the time
11 of delivery if the commission subsequently determines either of the
12 following:

13 1. The documents as delivered conform to the filing provisions of this
14 chapter.

15 2. Within thirty days after notification of nonconformance is given by
16 the commission to the person who delivered the documents for filing or the
17 person's representative, the documents are brought into conformance.

18 D. A document may specify a delayed effective time or date, or both,
19 and is effective at that specified time and date. If the document specifies
20 a delayed effective date but does not specify the time, the document is
21 effective on the specified date at 12:01 a.m. mountain standard time. A
22 delayed effective date for a document may not be later than the ninetieth day
23 after the date the document is delivered to the commission for filing.

24 E. If the filing and determination requirements of this chapter are
25 not satisfied completely within the time prescribed in subsection B- C,
26 paragraph 2 of this section, the documents shall not be filed.

27 Sec. 35. Section 29-635, Arizona Revised Statutes, is amended to read:

28 29-635. Formation of limited liability company

29 A. Except as provided in section 29-634, subsection D, a limited
30 liability company is formed when the articles of organization are delivered
31 to the commission for filing, even if the commission is unable to make the
32 determination required for filing by section 29-634, subsection A at the time
33 of delivery. If the articles of organization, as delivered to the
34 commission, do not conform to the filing provisions of this chapter and are
35 not brought into conformance within the time period prescribed by section
36 29-634, subsection C, paragraph 2, the existence of the limited liability
37 company terminates at the end of the time period.

38 B. A copy of the articles of organization that is filed with the
39 commission and that is stamped "filed" and marked with the filing date is
40 conclusive evidence that all conditions precedent required to be performed by
41 the organizers have been complied with and that the limited liability company
42 has been legally organized and formed under this chapter. A limited
43 liability company continues perpetually unless otherwise provided in its
44 articles of organization or operating agreement or until the limited

1 liability company is dissolved and terminated in accordance with this
2 chapter.

3 C. Within sixty days after the commission ~~has approved~~ APPROVES the
4 filing, there shall be published in a newspaper of general circulation in the
5 county of the known place of business, for three consecutive publications, a
6 notice of the filing of such articles of organization consisting of the
7 information required in section 29-632, subsection A, paragraphs 1, 2, 3, 5
8 and 6. An affidavit evidencing publication may be filed ~~within ninety days~~
9 ~~after approval by the commission of the filing of the articles of~~
10 ~~organization~~ WITH THE COMMISSION.

APPROVED BY THE GOVERNOR JULY 10, 2009.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JULY 10, 2009.

Passed the House June 15, 20 09

Passed the Senate June 30, 20 09

by the following vote: 49 Ayes,

by the following vote: 24 Ayes,

2 Nays, 9 Not Voting

3 Nays, 3 Not Voting

[Signature]
Speaker of the House
Pro Tempore

[Signature]
President of the Senate

[Signature]
Chief Clerk of the House

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

_____ day of _____, 20_____

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

at _____ o'clock _____ M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this _____ day of _____, 20_____

at _____ o'clock _____ M.

Secretary of State

H.B. 2199

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

June 30, 2009,

by the following vote: 59 Ayes,

0 Nays, 1 Not Voting

[Signature]
Speaker of the House

[Signature]
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

1st day of July, 2009

at 8:25 o'clock A. M.

[Signature]
Secretary to the Governor

Approved this 10th day of

July, 2009,

at 9:45 o'clock A. M.

[Signature]
Governor of Arizona

H.B. 2199

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 10 day of July, 2009,

at 12:30 o'clock P. M.

[Signature]
Secretary of State