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BUSINESS & LABOR

SENATE FILE 2362

BY LUNDBY

Passed Senate, Date _____ Passed House, Date _____
 Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
 Approved _____

A BILL FOR

1 An Act relating to the operation and regulation of certain
2 business entities.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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S.F. 2362-

1 Section 1. Section 9A.4, Code 1997, is amended by striking
2 the subsection and inserting in lieu thereof the following:

3 9A.4 REGISTERED AGENT REQUIRED.

4 1. REGISTERED OFFICE AND REGISTERED AGENT OF ATHLETE
5 AGENT. A person registered under this chapter as an athlete
6 agent must continuously maintain in this state both of the
7 following:

8 a. A registered office that may be the same as any of its
9 places of business.

10 b. A registered agent, who may be any of the following:

11 (1) An individual who resides in this state and whose
12 business office is identical with the registered office.

13 (2) A domestic corporation or not-for-profit domestic
14 corporation whose business office is identical with the
15 registered office.

16 (3) A foreign corporation or foreign not-for-profit
17 corporation authorized to transact business in this state
18 whose business office is identical with the registered office.

19 2. CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT OF
20 ATHLETE AGENT.

21 a. A person registered under this chapter as an athlete
22 agent may change such person's registered office or registered
23 agent by delivering to the secretary of state for filing a
24 statement of change that sets forth:

25 (1) The athlete agent's name.

26 (2) If the current registered office is to be changed, the
27 street address of its new registered office.

28 (3) If the current registered agent is to be changed, the
29 name of its new registered agent and the new agent's written
30 consent, either on the statement or attached to it, to the
31 appointment.

32 (4) That after the change or changes are made, the street
33 addresses of its registered office and the business office of
34 its registered agent will be identical.

35 b. If a registered agent changes the street address of the

1 registered agent's business office, the registered agent may
2 change the street address of the registered office of an
3 athlete agent for which the agent is the registered agent by
4 notifying the athlete agent in writing of the change and
5 signing, either manually or in facsimile, and delivering to
6 the secretary of state for filing a statement of change that
7 complies with the requirements of subsection 1 and recites
8 that the athlete agent has been notified of the change.

9 3. RESIGNATION OF REGISTERED AGENT OF ATHLETE AGENT.

10 a. The registered agent of an athlete agent may resign the
11 agency appointment by signing and delivering to the secretary
12 of state for filing the signed original statement of
13 resignation. The statement of resignation may include a
14 statement that the registered office is also discontinued.
15 The registered agent shall send a copy of the statement of
16 resignation by certified mail to the athlete agent at such
17 agent's principal office and to the registered office, if not
18 discontinued. The registered agent shall certify to the
19 secretary of state that the copies have been sent to the
20 athlete agent, including the date the copies were sent.

21 b. The agency appointment is terminated, and the
22 registered office discontinued if so provided, on the date on
23 which the statement is filed.

24 4. SERVICE ON ATHLETE AGENT.

25 a. The registered agent of an athlete agent authorized to
26 transact business in this state is the athlete agent's agent
27 for service of process, notice, or demand required or
28 permitted by law to be served on the athlete agent.

29 b. An athlete agent may be served by registered or
30 certified mail, return receipt requested, addressed to the
31 athlete agent at its principal office shown in its
32 registration certificate, if the athlete agent meets either of
33 the following conditions:

34 (1) Has no registered agent or its registered agent cannot
35 with reasonable diligence be served.

1 (2) Has withdrawn from transacting business in this state.

2 c. Service is perfected under paragraph "b" at the
3 earliest of the following:

4 (1) The date the athlete agent receives the mail.

5 (2) The date shown on the return receipt, if signed on
6 behalf of the athlete agent.

7 (3) Five days after its deposit in the United States mail,
8 as evidenced by the postmark, if mailed postpaid and correctly
9 addressed.

10 d. An athlete agent may also be served in any other manner
11 permitted by law.

12 Sec. 2. Section 9D.3, subsection 3, Code 1997, is amended
13 by striking the subsection.

14 Sec. 3. Section 261B.11, subsection 8, Code Supplement
15 1997, is amended to read as follows:

16 8. Schools and educational programs conducted by religious
17 organizations solely for the religious instruction of members
18 of that religious organization, so long as such programs are
19 solely of a religious nature.

20 Sec. 4. Section 490.140, subsection 10, Code Supplement
21 1997, is amended to read as follows:

22 10. "Foreign corporation" means a corporation for profit,
23 incorporated business trust, or Massachusetts trust organized
24 under a law other than the law of this state.

25 Sec. 5. Section 490A.1512, subsection 3, Code 1997, is
26 amended to read as follows:

27 3. In order to remain a member of a professional limited
28 liability company, a member shall at all times be licensed to
29 practice in this any state a profession which the professional
30 limited liability company is authorized to practice. When a
31 member does not have or ceases to have this qualification, the
32 professional limited liability company shall immediately
33 purchase all membership interests held by that member.

34 Sec. 6. Section 496C.14, unnumbered paragraph 4, Code
35 1997, is amended to read as follows:

1 In order to remain a shareholder of a professional
2 corporation, a shareholder shall at all times be licensed to
3 practice in this state, or in any other state or territory of
4 the United States or in the district of Columbia, a profession
5 which the corporation is authorized to practice. Whenever any
6 shareholder does not have or ceases to have this
7 qualification, the corporation shall immediately purchase all
8 shares held by that shareholder.

9 Sec. 7. Section 496C.21, Code Supplement 1997, is amended
10 to read as follows:

11 496C.21 ~~ANNUAL~~ BIENNIAL REPORT.

12 Each ~~annual~~ biennial report of a professional corporation
13 or foreign professional corporation shall, in addition to the
14 information required by the Iowa business corporation Act,
15 shall set forth all of the following:

16 1. The name and address of one shareholder.

17 2. In the case of a professional corporation, a statement
18 under oath whether or not all shareholders, directors, and
19 officers, except assistant officers, of the corporation are
20 licensed to practice in this state a profession which the
21 corporation is authorized to practice, and whether or not all
22 employees and agents of the corporation who practice a
23 profession in this state on behalf of the corporation are
24 licensed to practice the profession in this state.

25 3. In the case of a foreign professional corporation, a
26 statement under oath whether or not all shareholders,
27 directors, officers, employees, and agents who practice a
28 profession in this state on behalf of the corporation are
29 licensed to practice the profession in this state.

30 4. Additional information necessary or appropriate to
31 enable the secretary of state or regulating board to determine
32 whether the professional corporation or foreign professional
33 corporation is complying with this chapter.

34 Information shall be set forth on forms prescribed and
35 furnished by the secretary of state.

1 The original of each ~~annual~~ biennial report of a
2 professional corporation or foreign professional corporation
3 shall be delivered to the secretary of state for filing. The
4 provisions of the Iowa business corporation Act relating to
5 ~~annual~~ a license fee apply to professional corporations.

6 Sec. 8. NEW SECTION. 496C.21A FILING OF BIENNIAL REPORT
7 OF DOMESTIC AND FOREIGN CORPORATIONS.

8 The first biennial report of a domestic or foreign
9 professional corporation shall be delivered to the secretary
10 of state between January 1 and April 1 of the first even-
11 numbered year following the calendar year in which a domestic
12 professional corporation was incorporated or a foreign
13 professional corporation was authorized to transact business.
14 Subsequent biennial reports must be delivered to the secretary
15 of state between January 1 and April 1 of the following even-
16 numbered calendar years. A filing fee for the biennial report
17 shall be determined by the secretary of state. For purposes
18 of this section, each biennial report shall contain
19 information related to the two-year period immediately
20 preceding the calendar year in which the report is filed.

21 The report shall be deemed filed within the required time
22 if deposited in the United States mail with postage prepaid in
23 a sealed envelope, properly addressed and postmarked on or
24 prior to the thirty-first day of March of the year the report
25 is due. If the secretary of state finds that the report
26 conforms to the requirements of this chapter, the secretary
27 shall file the report. If a biennial report does not contain
28 the information required by this section and section 496C.21,
29 the secretary of state shall promptly notify the reporting
30 domestic or foreign professional corporation in writing and
31 return the report to the corporation for correction.

32 Sec. 9. Section 496C.22, unnumbered paragraph 2, Code
33 1997, is amended to read as follows:

34 Any corporation subject to ~~the provisions of~~ the Iowa
35 business corporation Act may voluntarily elect to adopt this

1 chapter and become subject to its provisions, by amending its
2 articles of incorporation to be consistent with all provisions
3 of this chapter and by stating in its amended articles of
4 incorporation that the corporation has voluntarily elected to
5 adopt this chapter. However, a corporation organized under
6 this chapter is prohibited from converting to a corporation
7 subject to chapter 490, the Iowa business corporation Act.

8 Sec. 10. Section 548.102, unnumbered paragraph 1, Code
9 1997, is amended to read as follows:

10 A mark by which the goods or services of any applicant for
11 registration may be distinguished from the goods or services
12 of others shall not be registered protected if the mark meets
13 any of the following criteria:

14 Sec. 11. Section 548.104, subsection 1, Code 1997, is
15 amended to read as follows:

16 1. Upon the filing of an application for registration and
17 payment of the application fee, the secretary ~~may cause the~~
18 ~~application to be examined for conformity with this chapter~~
19 shall accept for filing an application which substantially
20 complies with the requirements of section 548.103.

21 EXPLANATION

22 This bill amends general provisions relating to the
23 operation and regulation of certain business entities.

24 Code section 9A.4, relating to the requirements for a
25 resident agent of a person registered as an athlete agent, is
26 rewritten in a manner similar to such requirements under Code
27 chapter 490 for a business corporation.

28 Code section 9D.3 is amended by striking the alternative
29 manner of providing proof of financial security for a travel
30 agency, and retaining existing bonding language.

31 Code section 261B.11 is amended to provide that programs
32 for religious instruction of members provided by a religious
33 organization must be solely of a religious nature for the
34 organization to maintain an exemption from registration of a
35 postsecondary school under Code chapter 261B.

1 Code section 490.140 is amended to add "business trust" and
2 "Massachusetts trust" to the definition of a foreign
3 corporation.

4 Code sections 490A.1512 and 496C.14 are amended to
5 eliminate conflicts with Code sections 490A.1508 and 496C.10,
6 and provide that a member of a professional limited liability
7 company or a professional corporation may be licensed in
8 another state for purposes of qualifying as a member of such
9 company or corporation.

10 Code section 496C.21 is amended, and new Code section
11 496C.21A is created, to require a biennial report from a
12 professional corporation instead of an annual report.

13 Code section 496C.22 is amended to prohibit a professional
14 corporation from converting to a business corporation.

15 Code section 548.102 is amended to provide that a mark by
16 which the goods or services of any applicant for registration
17 may be distinguished from the goods or services of others
18 shall not be protected if certain criteria are met.

19 Currently, such mark shall not be registered if such criteria
20 are met.

21 Code section 548.104 is amended to provide that the
22 secretary of state must file an application for registration
23 of a trademark if such application substantially meets the
24 filing requirements established in the chapter and the
25 application fee is paid.

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