

House Study Bill 632 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED SECRETARY OF
STATE BILL)

A BILL FOR

1 An Act providing for certain business entities by establishing
2 a military service filing fee waiver, and including
3 effective date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 9.11, unnumbered paragraph 1, Code 2024,
2 is amended to read as follows:

3 As used in this ~~subchapter part~~, unless the context
4 otherwise requires:

5 Sec. 2. Section 9.12, Code 2024, is amended to read as
6 follows:

7 **9.12 Rules.**

8 The secretary shall adopt rules pursuant to **chapter 17A**
9 necessary or desirable to administer this ~~subchapter part~~,
10 including by offering and performing extra filing services upon
11 request by filers. The rules may increase the amount of a
12 surcharge implemented, assessed, and collected, or modify the
13 period of service as provided under this ~~subchapter part~~.

14 Sec. 3. **NEW SECTION. 9.21 Definitions.**

15 As used in this part, unless the context otherwise requires:

16 1. "Secretary" means the secretary of state.

17 2. "Waiver" means a military service filing fee waiver as
18 provided in sections 9.22 and 9.23.

19 Sec. 4. **NEW SECTION. 9.22 Rules.**

20 1. The secretary of state shall adopt rules pursuant to
21 chapter 17A necessary or desirable to administer this part.

22 2. The rules adopted pursuant to subsection 1 shall at least
23 provide procedures governing a request by a qualified business
24 entity to receive a military service filing fee waiver from
25 the secretary, the secretary's approval or rejection of that
26 request, and the qualified business entity's receipt and use of
27 that waiver by an eligible filer, all as provided in sections
28 9.24 and 9.25.

29 Sec. 5. **NEW SECTION. 9.23 Fees not subject to waiver.**

30 1. This part does not apply to waive a fee imposed on a
31 filed select document if the qualified business entity receives
32 the waiver after the select document is filed, unless the
33 secretary of state allows for the refund of such fee.

34 2. This part does not prohibit the refund of a filing fee
35 otherwise authorized by another provision of law.

1 Sec. 6. NEW SECTION. **9.24 Military service filing fee**
2 **waiver.**

3 Notwithstanding any other provision of law to the contrary,
4 the secretary of state shall establish a military service
5 filing fee waiver. The waiver shall apply to select documents,
6 if filed on behalf of a qualified business entity by an
7 eligible filer, and approved by the secretary, as provided in
8 section 9.25.

9 Sec. 7. NEW SECTION. **9.25 Qualifications for business**
10 **entities, eligibility for filers, and selection of documents —**
11 **criteria.**

12 1. A business entity qualifies to receive a military
13 service filing fee waiver if the business entity is any of the
14 following:

15 *a.* A domestic limited partnership formed under chapter 488
16 or a foreign limited partnership transacting business in this
17 state under that chapter.

18 *b.* A domestic limited liability company formed under chapter
19 489 or a foreign limited liability company doing business in
20 this state under that chapter.

21 *c.* A domestic corporation formed under chapter 490 or a
22 foreign corporation doing business in this state under that
23 chapter.

24 *d.* A domestic nonprofit corporation formed under chapter 504
25 or a foreign nonprofit corporation transacting business in this
26 state under that chapter.

27 2. An individual is eligible to sign for filing a select
28 document receiving a waiver on behalf of the qualified business
29 entity, if the individual is all of the following:

30 *a.* An interest holder in the qualified business entity.

31 *b.* Any of the following:

32 (1) An officer or enlisted member serving in the armed
33 forces of the United States, including any component, part, or
34 corps of the armed forces of the United States, as described
35 in chapter 29A.

1 (2) An officer or enlisted member of the national guard or
2 organized reserves of the armed forces of the United States;
3 any regular, reserve, or auxiliary member of the United States
4 coast guard; or any member of the civil air patrol.

5 (3) A veteran as defined in section 35.1.

6 3. A document is selected to receive a waiver only if the
7 document is named in the following:

8 a. Section 488.117A, subsection 4, for limited partnerships.

9 b. Section 489.122, subsection 3A, for limited liability
10 companies.

11 c. Section 490.122, subsection 4, for corporations.

12 d. Section 504.113, subsection 4, for nonprofit
13 corporations.

14 4. The secretary by rule may provide for all of the
15 following:

16 a. Additional requirements for the qualifications of a
17 business entity, the eligibility of a filer, or a document's
18 selection for waiver.

19 b. A routine approval process.

20 Sec. 8. Section 488.117A, Code 2024, is amended by adding
21 the following new subsection:

22 NEW SUBSECTION. 4. a. Notwithstanding subsection 1, a
23 limited partnership, filing as a qualified business entity
24 under chapter 9, subchapter II, part 2, may request and shall
25 receive a military service filing fee waiver for a select
26 document.

27 b. For purposes of paragraph "a", a select document is
28 limited to any of the following:

29 (1) A certificate of limited partnership filed pursuant to
30 section 488.201.

31 (2) An amendment to a certificate of limited partnership
32 filed pursuant to section 488.202.

33 (3) A restatement of a certificate of limited partnership
34 filed pursuant to section 488.202.

35 (4) An application for a certificate of authority filed

1 pursuant to section 488.902.

2 Sec. 9. Section 489.122, Code 2024, is amended by adding the
3 following new subsection:

4 NEW SUBSECTION. 3A. a. Notwithstanding subsection 1,
5 a limited liability company, or foreign limited liability
6 company, filing as a qualified business entity under chapter 9,
7 subchapter II, part 2, may request and shall receive a military
8 service filing fee waiver for a select document.

9 b. For purposes of paragraph "a", a select document is
10 limited to any of the following:

11 (1) A certificate of organization filed pursuant to section
12 489.201.

13 (2) An amendment to a certificate of organization filed
14 pursuant to section 489.202.

15 (3) A restatement of a certificate of organization filed
16 pursuant to section 489.202.

17 (4) A foreign registration statement filed pursuant to
18 section 489.903.

19 (5) A statement of domestication filed pursuant to section
20 489.1055.

21 Sec. 10. Section 490.122, Code 2024, is amended by adding
22 the following new subsection:

23 NEW SUBSECTION. 4. a. Notwithstanding subsection 1, a
24 corporation, or a foreign corporation, filing as a qualified
25 business entity under chapter 9, subchapter II, part 2, may
26 request and shall receive a military service filing fee waiver
27 for a select document.

28 b. For purposes of paragraph "a", a select document is
29 limited to any of the following:

30 (1) Articles of incorporation filed pursuant to section
31 490.202.

32 (2) Articles of domestication filed pursuant to section
33 490.922.

34 (3) An amendment to articles of incorporation filed
35 pursuant to section 490.1001.

1 (4) Articles of restatement, with or without amendment,
2 filed pursuant to section 490.1007.

3 (5) A foreign registration statement filed pursuant to
4 section 490.1503.

5 Sec. 11. Section 504.113, Code 2024, is amended by adding
6 the following new subsection:

7 NEW SUBSECTION. 4. *a.* Notwithstanding subsection 1,
8 a corporation, filing as a qualified business entity under
9 chapter 9, subchapter II, part 2, may request and shall receive
10 a military service filing fee waiver for a select document.

11 *b.* For purposes of paragraph “a”, a select document is
12 limited to any of the following:

13 (1) Articles of incorporation filed pursuant to section
14 504.202.

15 (2) An amendment to articles of incorporation filed
16 pursuant to section 504.1005.

17 (3) A restatement of articles of incorporation, with or
18 without amendment, filed pursuant to section 504.1006.

19 (4) An application for a certificate of authority filed
20 pursuant to section 504.1503.

21 Sec. 12. EFFECTIVE DATE. This Act takes effect January 1,
22 2025.

23 EXPLANATION

24 The inclusion of this explanation does not constitute agreement with
25 the explanation’s substance by the members of the general assembly.

26 BACKGROUND (BUSINESS ENTITIES). A business entity is a
27 general term for an association formed to conduct business
28 under several types of organizational structures recognized
29 by law (e.g., partnership and limited partnership, business
30 and nonprofit corporation, limited liability company, and
31 cooperative). Generally, a business entity may be formed as
32 a domestic business entity in its home state or as a foreign
33 business entity doing business in a state although it was
34 formed in another home state. In Iowa, a business entity is
35 governed under its own dedicated Code chapter, often based

1 on model legislation with fee amounts reserved for decision
2 by the enacting body. In Iowa, like most states, a business
3 entity is under the general authority of the secretary of state
4 (secretary).

5 SUMMARY. This bill provides that a qualified business
6 entity that requests and receives a military service filing
7 fee waiver (waiver) from the secretary is not required to
8 submit a fee for filing a number of select documents. The bill
9 specifies qualifications for a business entity, eligibility
10 for the filer of a select document, and the names of select
11 documents having fees waived, subject to further requirements
12 that the secretary may adopt by rule.

13 STATUTORY ORGANIZATION. The bill amends Code chapter
14 9 establishing the secretary's office. Specifically, it
15 enacts new provisions in subchapter II of that Code chapter
16 which currently includes provisions authorizing extra filing
17 services. It also amends various Code chapters each of which
18 governs a specific type of business entity. The bill amends
19 the principal Code section in each such Code chapter that
20 includes a laundry list of fees for filing documents.

21 IN DETAIL — QUALIFIED BUSINESS ENTITIES. First, in order
22 to receive a waiver, the business entity must be qualified,
23 meaning that the waiver is limited to a domestic or foreign
24 limited partnership (Code chapter 488); domestic or foreign
25 limited liability company (Code chapter 489); domestic or
26 foreign business corporation (Code chapter 490); and domestic
27 or foreign nonprofit corporation (Code chapter 504).

28 IN DETAIL — ELIGIBLE FILERS. Second, an individual
29 acting on behalf of the qualified business entity must meet
30 eligibility criteria. The individual must sign the document;
31 must be an interest holder in the qualified business entity;
32 and must be serving in the United States armed forces, the
33 national guard or organized reserves, the United States coast
34 guard, or the civil air patrol, or alternatively must be a
35 veteran.

1 IN DETAIL — SELECT DOCUMENTS FOR FILING. Third, the filed
2 document must be selected to receive the waiver. The bill
3 provides that a number of different documents are subject
4 to waiver as a select document depending upon the type of
5 qualified business entity. A select document may include: an
6 organic document that creates the domestic business entity, and
7 which must include its name, place of business, and the name
8 of its registered agent; an amendment to the organic document;
9 a restatement that changes a document without changing its
10 meaning (e.g., the consolidating amendments) or that changes
11 the document's meaning (the adoption of an amendment engrossed
12 into the document); a certificate of authority that allows a
13 foreign business entity to do or transact business in this
14 state; or a statement of domestication which is required
15 for certain business entities when changing from foreign to
16 domestic status or vice versa.

17 IN DETAIL — FEES ASSOCIATED WITH SELECT DOCUMENTS. For a
18 limited partnership, filing fees are established under Code
19 section 488.117A. Select documents are limited to its organic
20 document referred to as a certificate of limited partnership
21 (Code section 488.201) and subject to a filing fee of \$100
22 or an amendment to the certificate (Code section 488.202)
23 subject to a filing fee in the same amount, a restatement of
24 a certificate of limited partnership (Code section 488.202)
25 subject to a filing fee of \$5 under a catchall provision, and
26 an application for a certificate of authority (Code section
27 488.902) subject to a filing fee of \$100. For a limited
28 liability company, filing fees are established under Code
29 section 489.122. Select documents are limited to its organic
30 document referred to as a certificate of organization (Code
31 section 489.201) and subject to a filing fee of \$50, an
32 amendment to the certificate (Code section 488.202) subject to
33 a filing fee in the same amount, a restatement of a certificate
34 of organization (Code section 489.202) subject to a filing
35 fee of \$50, a foreign registration statement (Code section

1 489.903) subject to a filing fee of \$100, and a statement of
2 domestication (Code section 489.1055) subject to a filing fee
3 of \$5 under a catchall provision. For a business corporation,
4 filing fees are established under Code section 490.122. Select
5 documents are limited to its organic document referred to
6 as articles of incorporation (Code section 490.202) subject
7 to a filing fee of \$50, an amendment to the articles (Code
8 section 490.1001) subject to a filing fee in the same amount,
9 and articles of restatement, with or without amendment (Code
10 section 490.1007), that are subject to a filing fee in the
11 same amount. It also includes articles of domestication (Code
12 section 490.922) subject to a filing fee of \$50, and a foreign
13 registration statement (Code section 490.1503) subject to a
14 filing fee of \$100. For a nonprofit corporation, filing fees
15 are delegated to the secretary under Code section 504.113 and
16 established in 721 IAC 40.6. Select documents are limited to
17 its organic document referred to as articles of incorporation
18 (Code section 490.202) subject to a filing fee of \$20 or an
19 amendment to the articles (Code section 504.1005) subject to a
20 filing fee of \$10. It also includes articles of restatement
21 (Code section 504.1006) subject to a filing fee of \$20 if
22 with amendments or \$5 if not under a catchall provision, and
23 an application for a certificate of authority (Code section
24 504.1503) subject to a filing fee of \$25.

25 EFFECTIVE DATE. The bill takes effect January 1, 2025.