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**Finance Committee**

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**HB 2929**

**Brief Description:** Providing that the department of revenue is the secretary of state's agent for specified legal entity renewals.

**Sponsors:** Representative Lytton.

**Brief Summary of Bill**

- Requires the Office of the Secretary of State to designate the Department of Revenue to administer annual report filings for specified legal entities.

**Hearing Date:** 2/2/18

**Staff:** Richelle Geiger (786-7139).

**Background:**

The Office of the Secretary of State (OSOS) Corporations Division registers certain legal entities, including for-profit corporations, limited liability companies, Massachusetts Trusts, all limited partnerships, and nonprofit organizations. The OSOS also manages annual renewals, commonly referred to as annual report filings, for these legal entities.

Prior to 2011, the OSOS was required to designate the Department of Licensing (DOL) to administer at least a portion of the annual report filings with the Master License Service (MLS) program. In 2011, the Legislature enacted Substitute House Bill 2017, which transferred responsibility for administering the MLS from the DOL to the Department of Revenue (DOR). The bill removed the requirement that the OSOS use the MLS to administer annual report filing, and provided that the DOR and the OSOS may enter into agreement designating the DOR as the OSOS's agent for administering all or a portion of the annual report filing within the jurisdiction of the OSOS. The MLS was renamed the Business Licensing System (BLS) after the transfer in 2011.

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Prior to late 2017, the DOR processed annual report filings on behalf of the OSOS for the following legal entities, both domestic and foreign: for-profit corporations, professional service corporations, limited liability companies, professional limited liability companies, public service corporations, Massachusetts trusts, and for-profit cooperatives. Beginning in late 2017, the OSOS began processing the annual report filings for these legal entities.

**Summary of Bill:**

The OSOS is required to designate the DOR to administer annual report filings for the following entities, both domestic and foreign: for-profit corporations, professional service corporations, limited liability companies, professional limited liability companies, public service corporations, Massachusetts trusts, and for-profit cooperatives.

**Appropriation:** None.

**Fiscal Note:** Preliminary fiscal note available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.