



SPONSOR: Reps. Lee,
Corrozi; Sens.
Sharp, Cook

HOUSE OF REPRESENTATIVES

135TH GENERAL ASSEMBLY

HOUSE BILL NO. _____

545

MAR 20 1990

AN ACT TO AMEND TITLE 8, OF THE DELAWARE CODE RELATING TO THE GENERAL CORPORATION LAW OF THE STATE OF DELAWARE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Two-thirds of all members elected to each House thereof concurring therein):

1 Section 1. Amend §103(c)(1), Chapter 1, Title 8, Delaware Code by deleting
2 the phrase ", together with a duplicate copy which may be either a signed or
3 conformed copy," as it appears therein.

4 Section 2. Amend §103(c)(4), Chapter 1, Title 8, Delaware Code by deleting
5 said paragraph in its entirety and substituting in lieu thereof the following:

6 "(4) The Secretary of State shall prepare a copy of the original signed
7 instrument, which copy shall bear the same endorsement which is required to
8 appear upon the original, and shall certify such copy as a true copy of the
9 original signed instrument."

10 Section 3. Amend §103(c)(5), Chapter 1, Title 8, Delaware Code by deleting
11 the word "duplicate" as it appears therein.

12 Section 4. Amend §252(d), Chapter 1, Title 8, Delaware Code by striking
13 the symbol and figure "\$25.00" as it appears in the fourth sentence of said
14 and substituting in lieu thereof the symbol and figure "\$50.00".

15 Section 5. Amend §256(d), Chapter 1, Title 8, Delaware Code by deleting
16 the symbol and figure "\$25.00" as it appears in the fourth sentence of said
17 subsection and substituting in lieu thereof the symbol and figure "\$50.00".

18 Section 6. Amend §263(d), Chapter 1, Title 8, Delaware Code by deleting
19 the symbol and figure "\$25.00" as it appears in the fourth sentence of said
20 subsection and substituting in lieu thereof the symbol and figure "\$50.00".

1 Section 7. Amend §321(b), Chapter 1, Title 8, Delaware Code by deleting
2 the symbol and figure "\$25.00" as it appears in the fourth sentence of said
3 subsection and substituting in lieu thereof the symbol and figure "\$50.00".

4 Section 8. Amend §376(b), Chapter 1, Title 8, Delaware Code by deleting
5 the symbol and figure "\$25.00" as it appears in the fourth sentence of said
6 subsection and substituting in lieu thereof the symbol and figure "\$50.00".

7 Section 9. Amend §381(d), Chapter 1, Title 8, Delaware Code by deleting
8 the symbol and figure "\$25.00" as it appears in the third sentence of said
9 subsection and substituting in lieu thereof the symbol and figure "\$50.00".

10 Section 10. Amend §382(c), Chapter 1, Title 8, Delaware Code by deleting
11 the symbol and figure "\$25.00" as it appears in the third sentence of said
12 subsection and substituting in lieu thereof the symbol and figure "\$50.00".

13 Section 11. Amend §391(a)(11), Chapter 1, Title 8, Delaware Code by
14 inserting after the word and punctuation mark "subsections," as it appears in
15 said paragraph the phrase and punctuation mark "or a certificate that recites
16 all of a corporation's filings with the Secretary of State," and by adding a
17 new sentence at the end of §391(a)(11) which shall read as follows:

18 "For issuing any certificate of the Secretary of State that recites
19 all of a corporation's filings with the Secretary of State, a fee of
20 \$100.00 shall be paid for each certificate."

21 Section 12. Amend §391(a)(16), Chapter 1, Title 8, Delaware Code by
22 deleting the symbol and figure "\$25.00" as it appears in the fourth sentence
23 of said paragraph and substituting in lieu thereof the symbol and figure
24 "\$50.00".

25 Section 13. Amend §502(c), Chapter 5, Title 8, Delaware Code by deleting
26 the words "upon a basis by him deemed to be most practicable" in the first
27 sentence of said subsection and inserting in lieu thereof the words "in the
28 manner prescribed by §503(a) of this title" and by adding the phrase "unless
29 the corporation shall thereafter elect to compute the franchise tax in the
30 manner prescribed by §503 (a)(2) of this title by filing the annual franchise
31 tax report and complying with the provisions of §503(b) of this title"
32 immediately before the period "." at the end of the first sentence of said
33 subsection.

34 Section 14. Amend §503(b), Chapter 5, Title 8, Delaware Code by deleting
35 the word "finance" as it appears between the words "annual" and "tax" in said
36 subsection and substituting in lieu thereof the word "franchise"; by deleting

the phrase "as required by §502 of this title" as it appears in said subsection; and by deleting the words "the current" as they appear in said subsection and substituting in lieu thereof the word "such".

Section 15. Amend §505(a), Chapter 5, Title 8, Delaware Code by deleting the first sentence of said subsection and substituting in lieu thereof the following:

"If any corporation claims that the annual franchise tax or any penalties or interest were erroneously or illegally fixed or paid with respect to a calendar year, the corporation may, not later than the 1st day of March of the second calendar year following the close of such calendar year, petition the Secretary of State for a reduction or refund of such tax, penalties or interest."

Section 16. Amend §505, Chapter 5, Title 8, Delaware Code by deleting subsection (f) in its entirety.

SYNOPSIS

With the advanced technology now being used by the Secretary of State's office to file corporate documents, it is now more desirable and efficient for the Secretary of State's office to prepare the duplicate copy of corporate documents to be recorded in the county where a corporation has its registered office. Sections 103(c)(1), (4) and (5) of Title 8 are therefore being amended to delete the requirement that the person filing a document furnish a duplicate copy. Additional copies for certification may still be furnished to the Secretary of State by the person filing the document.

Sections 252(d), 256(d), 263(d), 321(b), 376(b), 381(d) and 382(c) of Title 8 each contain a requirement that a person serving process of the Secretary of State as substituted agent for service of process pay to the Secretary of State \$25.00 for the use of the State. The amendments to these sections increase that amount to \$50.00.

Section 391(a)(11) of Title 8 is amended to increase the fee for long-form good standing certificates. Such certificates recite all filings made by a corporation with the Secretary of State and take considerable effort to prepare in comparison to the short-form good standing certificate, which merely recites that the corporation is in good standing.

Section 391(a)(16) of Title 8 is amended to increase the fee for pre-clearing documents with the Secretary of State. The higher fee reflects the time required to be expended in pre-clearing documents and new procedures being instituted by the Secretary of State's office in connection with pre-clearance of documents.

Sections 502(c) and 503(b) of Title 8 are amended to clarify that a corporation filing a late annual franchise tax report may use the Section 503(a)(2) alternative method of calculating the franchise tax without first petitioning the Secretary of State pursuant to Section 505. This amendment is declaratory of the Secretary of State's current interpretation of Section 503(b). Section 503(b) is also amended to correct a reference to the annual franchise tax report.

Existing Section 505(a) of Title 8 allows a Delaware corporation 60 days within which to petition for a reduction in the amount of the annual franchise tax as computed and assessed by the Secretary of State. However, under Section 505(f), the Secretary of State may for good cause extend that period for an additional two years. Because it is difficult to define what constitutes good cause, as a matter of practice the Secretary of State has accepted petitions at any time during the two year period provided for in Section 505(f). To eliminate the need to make subjective determinations and to shorten the period during which the State remains liable for refunds, Section 505(a) is amended to provide that a corporation may petition for a

reduction in the amounts of its franchise tax at any time within one year following the March 1 due date for its franchise tax. This increase in the time to file a petition is offset by the elimination of Section 505(f).



SPONSOR: Rep. Lee

HOUSE OF REPRESENTATIVES

135TH GENERAL ASSEMBLY

1

HOUSE AMENDMENT NO. _____

MAR 22 1990

TO

HOUSE BILL NO. 545

1 AMEND HOUSE BILL NO. 545 by deleting the phrase "\$25.00" as it appears on
2 line, 22, page 2 of 4 of the Act and substituting in lieu thereof the phrase
3 "\$50.00".

4 FURTHER AMEND House Bill No. 545 by deleting the phrase "\$50.00" as it
5 appears on line 24, page 2 of 4 of the Act and substituting in lieu thereof
6 the phrase "\$250.00".

SYNOPSIS

This Amendment corrects a typographical error in the Act.



SPONSOR: Sen. Sharp

DELAWARE STATE SENATE

135TH GENERAL ASSEMBLY

SENATE AMENDMENT NO. _____ 1 MAR 29 1990

TO

HOUSE BILL NO. 545

- 1 AMEND House Bill No. 545 in lines 22 and 23 on page 2 by striking the words "in the
2 fourth sentence of said paragraph" and substituting in lieu thereof the words "therein"

SYNOPSIS

This amendment corrects a technical error in the Bill. There is no fourth sentence in §391(a)(16).

Author: Sen. Sharp



SPONSOR: Rep. Lee &
Sen. Sharp

HOUSE OF REPRESENTATIVES

135TH GENERAL ASSEMBLY

HOUSE BILL NO. 628 MAY 15 1990

AN ACT TO AMEND TITLE 8 OF THE DELAWARE CODE RELATING TO CERTAIN FEES AND CHARGES PAYABLE TO THE SECRETARY OF STATE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (three-fifths of all members elected to each House thereof concurring therein):

1 Section 1. Amend Section 371, Title 8 of the Delaware Code by deleting the
2 phrase "\$50", as it appears therein and substituting therein the phrase "\$80."

3 Section 2. Amend Section 391(a)(1), Title 8 of the Delaware Code by
4 deleting it in its entirety and substituting therein the following:

5 "(1) Upon the receipt for filing of an original certificate of
6 incorporation, the tax shall be computed on the basis of two cents for
7 each share of authorized capital stock having par value up to and
8 including 20,000 shares, one cent for each share in excess of 20,000
9 shares up to and including 200,000 shares, and two-fifths of a cent
10 for each share in excess of 200,000 shares; one cent for each share of
11 authorized capital stock without par value up to and including 20,000
12 shares, one-half of a cent for each share in excess of 20,000 shares
13 up to and including 2,000,000 shares, and two-fifths of a cent for
14 each share in excess of 2,000,000 shares. In no case shall the amount
15 paid be less than \$15. For the purpose of computing the tax on par
16 value stock each \$100 unit of the authorized capital stock shall be
17 counted as one taxable share."

18 Section 3. Amend Section 391(a)(2), Title 8 of the Delaware Code by
19 deleting the phrase "\$15" as it appears therein and substituting therein the
20 phrase "\$30."

21 Section 4. Amend Section 391(a)(3), Title 8 of the Delaware Code by
22 deleting the phrase "\$15" as it appears therein and substituting therein the
23 phrase "\$30."

1 Section 5. Amend Section 391(a)(4), Title 8 of the Delaware Code by
2 deleting the phrase "\$20" as it appears therein and substituting therein the
3 phrase "\$75."

4 Section 6. Amend Section 391(a)(5), Title 8 of the Delaware Code by
5 deleting the phrase "\$10" as it appears therein and substituting therein the
6 phrase "\$40."

7 Section 7. Amend Section 391(a)(7), Title 8 of the Delaware Code by
8 deleting the phrase "\$25" as it appears therein and substituting therein the
9 phrase "\$50" and by adding the following sentence at the end of Section
10 391(a)(7):

11 "The fee in the case of a certificate of incorporation filed in
12 accordance with Section 102 shall be \$25.

13 Section 8. Amend Section 391(a)(10), Title 8 of the Delaware Code by
14 deleting the phrase "\$10" as it appears therein and substituting therein the
15 phrase "\$20" and by adding the following sentence at the end of Section
16 391(a)(10):

17 "The fee for issuing the first certified copy upon the filing of a
18 certificate of incorporation in accordance with Section 102 shall be
19 \$10.

20 Section 9. Amend Section 391(a)(11), Title 8 of the Delaware Code by
21 deleting the phrase "\$10" as it appears therein and substituting therein the
22 phrase "\$20."

23 Section 10. Amend Section 391(a)(17), Title 8 of the Delaware Code by
24 deleting the phrase "\$10" as it appears therein and substituting therein the
25 phrase "\$20."

26 Section 11. Amend Section 391(a), Title 8 of the Delaware Code by adding a
27 new subsection to be designated "(23)", as follows:

28 "(23) For accepting a corporate name reservation, there shall be
29 collected by and paid to the Secretary of State a fee of \$10."

30 Section 12. Amend Section 502, Title 8 of the Delaware Code by adding a
31 new subsection to be designated "g" as follows:

32 "(g) The Secretary of State shall not issue certificates of good
33 standing that pertain to any corporation that has an unpaid franchise
34 tax balance due to the state."

SYNOPSIS

This Act increases certain fees and charges of the Secretary of State and creates a new fee for corporate name reservations. It also allows the Secretary of State the ability to refuse to issue "good standing certificates" to companies that owe franchise tax.



SPONSOR: Sen. Sharp

DELAWARE STATE SENATE

135TH GENERAL ASSEMBLY

SENATE AMENDMENT NO. _____ **1** **MAY 29 1990**

TO

HOUSE BILL NO. 628

1 AMEND House Bill No. 628 in line 28 on page 2 by inserting after the words "corporate
2 name reservation" the words "via telephone".

3 FURTHER AMEND House Bill No. 628 on page 2 by adding thereto the following new sections
4 to read as follows:

5 "Section 13. Amend Section 372(d), Title 8 of the Delaware Code by deleting the
6 phrase "\$25" as it appears therein and substituting therein the phrase "\$50"; and by
7 deleting the phrase "\$10" as it appears therein and substituting therein the phrase "\$20.

8 Section 14. This Act shall become effective on June 18, 1990 or upon signature of
9 the Governor, whichever shall later occur."

SYNOPSIS

This amendment clarifies the collection of fees for name reservations, increases the fees charged for filing of change name, change of business purposes or merger or consolidation relating to foreign corporations, and sets forth an effective date of June 18, 1990 or upon signature of the Governor, which ever occurs later.

Author: Sen. Sharp