

HOUSE BILL NO. 1391

Introduced by

Representative DeKrey

Senator Traynor

1 A BILL for an Act to create and enact sections 10-19.1-01.2, 10-19.1-102.1, 10-19.1-104.1,
2 10-19.1-104.2, 10-19.1-104.3, 10-19.1-104.4, 10-19.1-104.5, 10-19.1-104.6, 10-19.1-148.1,
3 10-19.1-148.2, 10-32-02.2, 10-32-106.1, 10-32-108.1, 10-32-108.2, 10-32-108.3, 10-32-108.4,
4 10-32-108.5, 10-32-108.6, 10-32-152.1, 10-32-152.2, 10-33-01.2, 10-33-141.1, 10-33-141.2,
5 45-13-01.1, 45-21-02.1, 45-21-04.1, 45-21-04.2, 45-21-07.1, 45-22-23.1, and 45-22-23.2 of the
6 North Dakota Century Code, relating to corporations, limited liability companies, limited liability
7 partnerships, and partnerships; to amend and reenact sections 10-19.1-01 and 10-19.1-08,
8 subsections 3 and 4 of section 10-19.1-10, sections 10-19.1-13, 10-19.1-20, 10-19.1-27, and
9 10-19.1-39, subsections 3 and 5 of section 10-19.1-43, sections 10-19.1-52 and 10-19.1-55,
10 subsection 2 of section 10-19.1-61.1, section 10-19.1-63, subsection 2 of section 10-19.1-70,
11 section 10-19.1-74, subsection 1 of section 19-19.1-75, section 10-19.1-75.1, subsection 7 of
12 section 10-19.1-76.2, subsections 2 and 3 of section 10-19.1-76.3, subsections 4 and 10 of
13 section 10-19.1-84, section 10-19.1-87, subsections 3 and 4 of section 10-19.1-88,
14 subsection 1 of section 10-19.1-91, subsection 1 of section 10-19.1-103, subsection 2 of
15 section 10-19.1-104, subsection 1 of section 10-19.1-110, section 10-19.1-129, subsection 1 of
16 section 10-19.1-141, section 10-19.1-145, subsections 1, 2, 4, and 6 of section 10-19.1-146,
17 sections 10-19.1-147, 10-19.1-148, 10-19.1-149, 10-19.1-149.1, 10-19.1-150, 10-31-07.3 and
18 10-32-02, subsections 2 and 4 of section 10-32-07, section 10-32-10, subsection 2 of section
19 10-32-12, subsection 4 of section 10-32-13, sections 10-32-17, 10-32-20, 10-32-24, and
20 10-32-42, subsection 1 of section 10-32-43, section 10-32-43.1, subsection 2 of section
21 10-32-51, sections 10-32-53 and 10-32-54, subsections 3 and 4 of section 10-32-55, sections
22 10-32-56 and 10-32-76, subsections 3 and 5 of section 10-32-80, section 10-32-91,
23 subsection 1 of section 10-32-99, subsections 1 and 2 of section 10-32-100, subsections 1 and
24 5 of section 10-32-102, subsection 2 of section 10-32-106, subsections 1 and 4 of section
25 10-32-107, subsection 2 of section 10-32-108, subsection 1 of section 10-32-114, section

1 10-32-132, subsection 1 of section 10-32-144, section 10-32-148, subsections 1, 2, 3, 4, and 7
2 of section 10-32-149, sections 10-32-150, 10-32-152, 10-32-153, 10-32-153.1, 10-32-154, and
3 10-33-01, subsection 3 of section 10-33-06, section 10-33-10, subsection 2 of section 10-33-12,
4 subsection 4 of section 10-33-13, sections 10-33-18, 10-33-22, and 10-33-34, subsections 3
5 and 5 of section 10-33-39, sections 10-33-47, 10-33-51, 10-33-72, 10-33-73, and 10-33-74,
6 subsections 2, 5, and 7 of section 10-33-80, section 10-33-120, subsections 1 and 2 of section
7 10-33-123, subsection 1 of section 10-33-134, sections 10-33-138, 10-33-139, 10-33-140,
8 10-33-141, 10-33-142, 10-33-142.1, and 10-33-143, subsection 2 of section 10-33-145,
9 sections 45-13-01, 45-13-02, and 45-13-04.1, subsections 3 and 4 of section 45-13-04.2,
10 subsection 8 of section 45-13-05, sections 45-21-01, 45-21-02, 45-21-03, 45-21-04, 45-21-05,
11 45-21-06, 45-21-07, 45-22-01, 45-22-04, 45-22-05, 45-22-17, 45-22-21.1, 45-22-22, 45-22-23,
12 45-23-01, 45-23-02, 45-23-03, and 45-23-04, subsections 1 and 2 of section 45-23-05, and
13 sections 45-23-06, 45-23-07, 45-23-08, and 45-23-09 of the North Dakota Century Code,
14 relating to corporations, limited liability companies, limited liability partnerships, and
15 partnerships; and to repeal section 45-22-01.1 of the North Dakota Century Code, relating to
16 limited liability partnerships.

17 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

18 **SECTION 1. AMENDMENT.** Section 10-19.1-01 of the North Dakota Century Code is
19 amended and reenacted as follows:

20 **10-19.1-01. Definitions.** For the purposes of this chapter, unless the context clearly
21 ~~indicates a different meaning is intended otherwise requires:~~

- 22 1. "Acquiring corporation" means the domestic or foreign corporation that acquires
23 the shares of a corporation in an exchange.
- 24 2. "Acquiring organization" means the corporation, foreign corporation, or domestic or
25 foreign limited liability company acquiring in an exchange the shares of a
26 corporation or foreign corporation or the membership interests of a domestic or
27 foreign limited liability company.
- 28 3. "Address" means:

- 1 a. In the case of a registered office or principal executive office, the mailing
2 address, including a the zip code, of the actual office location, which may not
3 be only a post-office box; and
- 4 b. In any other case, the mailing address, including a the zip code.
- 5 4. "Articles" means:
- 6 a. In the case of a corporation incorporated under or governed by this chapter,
7 articles of incorporation, articles of amendment, a resolution of election to
8 become governed by this chapter, a demand retaining the two-thirds majority
9 for shareholder approval of certain transactions, a statement of change of
10 registered office, registered agent, or name of registered agent, a statement
11 establishing or fixing the rights and preferences of a class or series of shares,
12 a statement of cancellation of authorized shares, articles of merger, articles of
13 abandonment, articles of conversion, and articles of dissolution.
- 14 b. In the case of a foreign corporation, the term includes all ~~documents~~ records
15 serving a similar function required to be filed with the secretary of state or
16 other officer of the corporation's state of incorporation.
- 17 5. "Authenticated electronic communication" means:
- 18 a. That the electronic communication is delivered:
- 19 (1) To the principal place of business of the corporation; or
20 (2) To an officer or agent of the corporation authorized by the corporation
21 to receive the electronic communication; and
- 22 b. That the electronic communication sets forth information from which the
23 corporation can reasonably conclude that the electronic communication was
24 sent by the purported sender.
- 25 6. "Ballot" means a written ballot or a ballot transmitted by electronic
26 communications.
- 27 7. "Board" or "board of directors" means the board of directors of a corporation.
- 28 7. 8. "Board member" means:
- 29 a. An individual serving on the board of directors in the case of a corporation;
30 and
- 31 b. An individual serving on the board in the case of a limited liability company.

- 1 ~~8.~~ 9. "Bylaws" means the code adopted for the regulation or management of the internal
2 affairs of a corporation, regardless of how that code is designated.
- 3 ~~9.~~ 10. "Class", when used with reference to shares, means a category of shares that
4 differs in designation or one or more rights or preferences from another category of
5 shares of the corporation.
- 6 ~~10.~~ 11. "Closely held corporation" means a corporation that does not have more than
7 thirty-five shareholders.
- 8 ~~11.~~ 12. "Constituent corporation" means a corporation or a foreign corporation that:
9 a. In a merger, is either the surviving corporation or a corporation that is merged
10 into the surviving organization; or
11 b. In an exchange, is either the acquiring corporation or a corporation whose
12 shares are acquired by the acquiring organization.
- 13 ~~12.~~ 13. "Constituent organization" means a corporation, foreign corporation, limited liability
14 company, or foreign limited liability company that:
15 a. In a merger, is either the surviving organization or an organization that is
16 merged into the surviving organization; or
17 b. In an exchange, is either the acquiring organization or an organization whose
18 securities are acquired by the acquiring organization.
- 19 14. "Converted organization" means the organization into which a converting
20 organization converts pursuant to sections 10-19.1-104.1 through 10-19.1-104.6.
- 21 15. "Converting organization" means an organization that converts into another
22 organization pursuant to sections 10-19.1-104.1 through 10-19.1-104.6.
- 23 ~~13.~~ 16. "Corporation" means a corporation, other than a foreign corporation, organized for
24 profit and incorporated under or governed by this chapter.
- 25 ~~14.~~ 17. "Director" means a member of the board.
- 26 ~~15.~~ 18. "Distribution" means a direct or indirect transfer of money or other property, other
27 than a corporation's own shares, with or without consideration, or an incurrence or
28 issuance of indebtedness, by a corporation to any of the corporation's
29 shareholders in respect of the corporation's shares, and may be in the form of a
30 dividend or a distribution in liquidation, or as consideration for the purchase,
31 redemption, or other acquisition of the corporation's shares, or otherwise.

- 1 ~~46.~~ 19. "Division" or "combination" means dividing or combining shares of a class or
2 series, whether issued or unissued, into a greater or lesser number of shares of the
3 same class or series.
- 4 ~~47.~~ 20. "Domestic organization" means an organization created under the laws of this
5 state.
- 6 ~~48.~~ 21. "Electronic" means relating to technology having electrical, digital, magnetic,
7 wireless, optical, electromagnetic, or similar capabilities.
- 8 ~~49.~~ 22. "Electronic communication" means any form of communication, not directly
9 involving the physical transmission of paper that:
- 10 a. Creates a record that may be retained, retrieved, and reviewed by a recipient
11 of the communication; and
- 12 b. May be directly reproduced in paper form by the recipient through an
13 automated process.
- 14 ~~20.~~ 23. "Electronic record" means a record created, generated, sent, communicated,
15 received, or stored by electronic means.
- 16 ~~24.~~ 24. "Electronic signature" means an electronic sound, symbol, or process attached to
17 or logically associated with a record and executed or adopted by a person with the
18 intent to sign the record.
- 19 ~~22.~~ 25. "Filed with the secretary of state" means, except as otherwise permitted by law or
20 rule:
- 21 a. That a ~~document~~ record meeting the applicable requirements of this chapter,
22 together with the fees provided in section 10-19.1-147, was delivered or
23 communicated to the secretary of state by a method or medium of
24 communication acceptable by the secretary of state and was determined by
25 the secretary of state to conform to law.
- 26 b. That the secretary of state ~~shall~~ did then:
- 27 (1) Record the actual date on which the ~~document is~~ record was filed, and
28 if different the effective date of filing; and
- 29 (2) Record the ~~document~~ record in the office of the secretary of state.

- 1 ~~23.~~ 26. "Foreign corporation" means a corporation organized for profit which is
2 incorporated under laws other than the laws of this state for a purpose for which a
3 corporation may be incorporated under this chapter.
- 4 ~~24.~~ 27. "Foreign limited liability company" means a limited liability company organized ~~for~~
5 ~~profit which is organized~~ under laws other than the laws of this state for a purpose
6 for which a limited liability company may be organized under chapter 10-32.
- 7 ~~25.~~ 28. "Foreign organization" means an organization created under laws other than the
8 laws of this state for a purpose for which an organization may be created under the
9 laws of this state.
- 10 ~~26.~~ 29. "Good faith" means honesty in fact in the conduct of an act or transaction.
- 11 30. "Governing statute" of an organization means:
- 12 a. With respect to a domestic organization, the following chapters of this code
13 which govern the internal affairs of the organization:
- 14 (1) If a corporation, then this chapter;
15 (2) If a limited liability company, then chapter 10-32;
16 (3) If a limited partnership, then chapter 45-10.2;
17 (4) If a limited liability partnership, then chapter 45-22; and
18 (5) If a limited liability limited partnership, then chapter 45-23; and
- 19 b. With respect to a foreign organization, the laws of the jurisdiction under which
20 the organization is created and under which the internal affairs of the
21 organization are governed.
- 22 ~~27.~~ 31. "Intentionally" means that the person referred to has a purpose to do or fail to do
23 the act or cause the result specified or believes that the act or failure to act, if
24 successful, will cause that result. A person "intentionally" violates a statute:
- 25 a. If the person intentionally does the act or causes the result prohibited by the
26 statute; or
- 27 b. If the person intentionally fails to do the act or cause the result required by the
28 statute, even though the person may not know of the existence or
29 constitutionality of the statute or the scope or meaning of the terms used in
30 the statute.

- 1 ~~28.~~ ~~"Knows" or has "knowledge" means the person has actual knowledge of a fact. A~~
2 ~~person does not "know" or have "knowledge" of a fact merely because the person~~
3 ~~has reason to know of the fact.~~
- 4 ~~29.~~ 32. "Legal representative" means a person empowered to act for another person,
5 including an agent, a manager, an officer, a partner, or an associate of an
6 organization; a trustee of a trust; a personal representative; a trustee in
7 bankruptcy; and a receiver, guardian, custodian, or conservator.
- 8 ~~30.~~ 33. "Limited liability company" means a limited liability company, other than a foreign
9 limited liability company, organized under chapter 10-32.
- 10 ~~31.~~ 34. "Nonprofit corporation" means a corporation, whether domestic or foreign,
11 incorporated under or governed by chapter 10-33.
- 12 ~~32.~~ 35. "Notice":
- 13 a. Is given by a shareholder of a corporation to the corporation or an officer of
14 the corporation:
- 15 (1) When in writing and mailed or delivered to the corporation or the officer
16 at the registered office or principal executive office of the corporation; or
- 17 (2) When given by a form of electronic communication consented to by the
18 corporation to which the notice is given if by:
- 19 (a) Facsimile communication, when directed to a telephone number
20 at which the corporation has consented to receive notice.
- 21 (b) Electronic mail, when directed to an electronic mail address at
22 which the corporation has consented to receive notice.
- 23 (c) Posting on an electronic network on which the corporation has
24 consented to receive notice, together with separate notice to the
25 corporation of the specific posting, upon the later of:
- 26 [1] The posting; or
- 27 [2] The giving of the separate notice.
- 28 (d) Any other form of electronic communication by which the
29 corporation has consented to receive notice, when directed to the
30 corporation.

- 1 b. Is given by a publicly held corporation to a shareholder if the notice is
2 addressed to the shareholder or group of shareholders in a manner permitted
3 by the rules and regulations under the Securities Exchange Act of 1934, as
4 amended, provided that the corporation has first received any affirmative
5 written consent or implied consent required under those rules and regulations.
- 6 c. Is given, in all other cases:
- 7 (1) When mailed to the person at an address designated by the person or
8 at the last-known address of the person;
- 9 (2) When handed to the person;
- 10 (3) When left at the office of the person with a clerk or other person in
11 charge of the office or:
- 12 (a) If there is no one in charge, when left in a conspicuous place in
13 the office; or
- 14 (b) If the office is closed or the person to be notified has no office,
15 when left at the dwelling house or usual place of abode of the
16 person with some person of suitable age and discretion then
17 residing there; or
- 18 (4) When given by a form of electronic communication consented to by the
19 person to whom the notice is given if by:
- 20 (a) Facsimile communication, when directed to a telephone number
21 at which the person has consented to receive notice.
- 22 (b) Electronic mail, when directed to an electronic mail address at
23 which the person has consented to receive notice.
- 24 (c) Posting on an electronic network on which the person has
25 consented to receive notice, together with separate notice to the
26 person of the specific posting, upon the later of:
- 27 [1] The posting; or
- 28 [2] The giving of the separate notice.
- 29 (d) Any other form of electronic communication by which the person
30 has consented to receive notice, when directed to the person.

- 1 (5) When the method is fair and reasonable when all of the circumstances
2 are considered.
- 3 d. Is given by mail when deposited in the United States mail with sufficient
4 postage affixed.
- 5 e. Is deemed received when it is given.
- 6 ~~33.~~ 36. "Officer" means an individual who is eighteen years of age or more who is:
7 a. Elected, appointed, or otherwise designated as an officer by the board; or
8 b. Deemed elected as an officer pursuant to section 10-19.1-56.
- 9 ~~34.~~ 37. "Organization" means:
10 a. Whether domestic or foreign, a corporation, limited liability company, general
11 partnership, limited partnership, limited liability partnership, limited liability
12 limited partnership, ~~joint venture, association, business trust, estate, trust,~~
13 ~~enterprise, and any other legal or commercial entity~~ or any other person
14 subject to a governing statute; but
15 b. Excludes any nonprofit corporation, whether a domestic nonprofit corporation
16 which is incorporated under chapter 10-33 or a foreign nonprofit corporation
17 which is incorporated in another jurisdiction.
- 18 ~~35.~~ 38. "Outstanding shares" means all shares duly issued and not reacquired by a
19 corporation.
- 20 ~~36.~~ 39. "Owners" means:
21 a. Shareholders in the case of a corporation; and
22 b. Members in the case of a limited liability company or a nonprofit corporation.
- 23 ~~37.~~ 40. "Ownership interests" means for an organization which is:
24 a. ~~Shares in the case of a~~ A corporation, its shares;
25 b. ~~Membership interests in the case of a nonprofit corporation or~~ A limited
26 liability company, its membership interests; and
27 c. ~~Similar interests in other organizations~~ A limited partnership, its partnership
28 interests;
29 d. A limited liability partnership, its partnership interests; or
30 e. A limited liability limited partnership, its partnership interests.

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- 1 ~~38.~~ 41. "Parent" of a specified corporation means a corporation ~~or, a foreign corporation, a~~
2 limited liability company, or a foreign limited liability company that directly, or
3 indirectly through related organizations, owns more than fifty percent of the voting
4 power of the shares entitled to vote for directors of the specified corporation.
- 5 ~~39.~~ 42. "Principal executive office" means:
6 a. If the corporation has an elected or appointed president, then an office where
7 the elected or appointed president of a corporation has an office; or
8 b. If the corporation has no elected or appointed president, then the registered
9 office of the corporation.
- 10 ~~40.~~ 43. "Record" means information that is inscribed on a tangible medium or that is stored
11 in an electronic or other medium and is retrievable in perceivable form.
- 12 ~~41.~~ 44. "Registered office" means the place in this state designated in the articles as the
13 registered office of the corporation.
- 14 ~~42.~~ 45. "Related organization" means an organization that controls, is controlled by, or is
15 under common control with another organization with control existing if an
16 organization:
17 a. Owns, directly or indirectly, at least fifty percent of the shares, membership
18 interests, or other ownership interests of another organization;
19 b. Has the right, directly or indirectly, to elect, appoint, or remove fifty percent or
20 more of the voting members of the governing body of another organization; or
21 c. Has the power, directly or indirectly, to direct or cause the direction of the
22 management and policies of another organization, whether through the
23 ownership of voting interests, by contract, or otherwise.
- 24 ~~43.~~ 46. "Remote communication" means communication via electronic communication,
25 conference telephone, videoconference, the internet, or such other means by
26 which persons not physically present in the same location may communicate with
27 each other on a substantially simultaneous basis.
- 28 ~~44.~~ 47. "Security" has the meaning given in section 10-04-02.
- 29 ~~45.~~ 48. "Series" means a category of shares, within a class of shares authorized or issued
30 by a corporation by or pursuant to a corporation's articles, that have some of the
31 same rights and preferences as other shares within the same class, but that differ

- 1 in designation or one or more rights and preferences from another category of
2 shares within that class.
- 3 ~~46.~~ 49. "Share" means one of the units, however designated, into which the shareholders'
4 proprietary interests in a corporation are divided.
- 5 ~~47.~~ 50. "Shareholder" means a person registered on the books or records of a corporation
6 or the corporation's transfer agent or registrar as the owner of whole or fractional
7 shares of the corporation.
- 8 ~~48.~~ 51. "Signed" means:
- 9 a. That the signature of a person, which may be a facsimile affixed, engraved,
10 printed, placed, stamped with indelible ink, transmitted by facsimile
11 telecommunication or electronically, or in any other manner reproduced on the
12 ~~document~~ record, is placed on a ~~document~~ record, as provided under section
13 41-01-09; and
- 14 b. With respect to a ~~document~~ record required by this chapter to be filed with the
15 secretary of state, that:
- 16 (1) The ~~document~~ record is signed by a person authorized to do so by this
17 chapter, the articles or bylaws, or a resolution approved by the directors
18 as required under section 10-19.1-46 or the shareholders as required
19 under section 10-19.1-74; and
- 20 (2) The signature and the ~~document~~ record are communicated by a
21 method or medium of communication acceptable by the secretary of
22 state.
- 23 ~~49.~~ 52. "Subscriber" means a person who subscribes for shares in a corporation, whether
24 before or after incorporation.
- 25 ~~50.~~ 53. "Subsidiary" of a specified corporation means:
- 26 a. A corporation or a foreign corporation having more than fifty percent of the
27 voting power of ~~the corporation's~~ its shares entitled to vote for directors
28 owned directly, or indirectly through related organizations, by the specified
29 corporation; or
- 30 b. A limited liability company or a foreign limited liability company having more
31 than fifty percent of the voting power of ~~the limited liability company's~~ its

1 membership interests entitled to vote for governors owned directly, or
2 indirectly through related limited liability companies or corporations, by the
3 specified limited liability company.

4 ~~54.~~ 54. "Surviving corporation" means the domestic or foreign corporation resulting from a
5 merger.

6 ~~52.~~ 55. "Surviving organization" means the corporation or foreign corporation or domestic
7 or foreign limited liability company resulting from a merger which:

- 8 a. May preexist the merger; or
9 b. May be created by the merger.

10 ~~53.~~ 56. "Vote" includes authorization by written action.

11 ~~54.~~ 57. "Written action" means:

- 12 a. A written ~~document~~ record signed by all of the persons required to take the
13 action; or
14 b. The counterparts of a written ~~document~~ record signed by any of the persons
15 taking the action described.
16 (1) Each counterpart constitutes the action of the person signing; and
17 (2) All the counterparts, taken together, constitute one written action by all
18 of the persons signing the counterparts.

19 **SECTION 2.** Section 10-19.1-01.2 of the North Dakota Century Code is created and
20 enacted as follows:

21 **10-19.1-01.2. Knowledge and notice.**

- 22 1. A person knows or has knowledge of a fact if the person has actual knowledge of
23 it. A person does not know or have knowledge of a fact merely because the
24 person has reason to know or have knowledge of the fact.
25 2. A person has notice of a fact if the person:
26 a. Knows of the fact;
27 b. Has received notice of the fact as provided in subsection 35 of section
28 10-19.1-01;
29 c. Has reason to know the fact exists from all of the facts known to the person at
30 the time in question; or
31 d. Has notice of it under subsection 3.

- 1 3. Subject to subsection 8, a person has notice of:
- 2 a. The intention of a corporation to dissolve, ninety days after the effective date
- 3 of the filed notice of intent to dissolve;
- 4 b. The dissolution of a corporation, ninety days after the effective date of the
- 5 filed articles of dissolution;
- 6 c. The conversion of a corporation, ninety days after the effective date of the
- 7 filed articles of conversion; or
- 8 d. The merger of a corporation, ninety days after the effective date of the filed
- 9 articles of merger.
- 10 4. A person notifies or gives a notification to another person by taking the steps
- 11 provided in subsection 35 of section 19-19.1-01, whether or not the other person
- 12 learns of it.
- 13 5. A person receives a notification as provided in subsection 35 of section 10-19.1-01.
- 14 6. Except as otherwise provided in subsection 7 and except as otherwise provided in
- 15 subsection 35 of section 10-19.1-01, a person other than an individual knows, has
- 16 notice, or receives a notification of a fact for purposes of a particular transaction
- 17 when the individual conducting the transaction for the person knows, has notice, or
- 18 receives a notification of the fact, or in any event when the fact would have been
- 19 brought to the attention of the individual if the person had exercised reasonable
- 20 diligence.
- 21 a. A person other than an individual exercises reasonable diligence if it
- 22 maintains reasonable routines for communicating significant information to the
- 23 individual conducting the transaction for the person and there is reasonable
- 24 compliance with the routines.
- 25 b. Reasonable diligence does not require an individual acting for the person to
- 26 communicate information unless the communication is part of the regular
- 27 duties of the individual or the individual has reason to know of the transaction
- 28 and that the transaction would be materially affected by the information.
- 29 7. Knowledge, notice, or receipt of a notification of a fact relating to the corporation by
- 30 an officer or director is effective immediately as knowledge of, notice to, or receipt
- 31 of a notification by the corporation, except in the case of a fraud on the corporation

1 committed by or with the consent of the officer or director. Knowledge, notice, or
2 receipt of a notification of a fact relating to the corporation by a shareholder who is
3 not an officer or director, is not effective as knowledge by, notice to, or receipt of a
4 notification by the corporation.

5 8. Notice otherwise effective under subsection 3 does not affect the power of a
6 person to transfer real property held in the name of a corporation unless at the time
7 of transfer a certified copy of the relevant statement, amendment, or articles, as
8 filed with the secretary of state, has been recorded in the office of the county
9 recorder in the county in which the real property affected by the statement,
10 amendment, or articles is located.

11 9. With respect to notice given by a form of electronic communication:

12 a. Consent by an officer or director to notice given by electronic communication
13 may be given in writing or by authenticated electronic communication. The
14 corporation is entitled to rely on any consent so given until revoked by the
15 officer or director. However, no revocation affects the validity of any notice
16 given before receipt by the corporation of revocation of the consent.

17 b. An affidavit of an officer or director or an authorized agent of the corporation,
18 that the notice has been given by a form of electronic communication is, in the
19 absence of fraud, prima facie evidence of the facts stated in the affidavit.

20 **SECTION 3. AMENDMENT.** Section 10-19.1-08 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **10-19.1-08. Purposes.** A corporation may be incorporated under this chapter for any
23 ~~business~~ lawful purpose or purposes, unless some other statute of this state requires
24 incorporation for any of those purposes under a different law. Unless otherwise provided in its
25 articles, a corporation has general business purposes.

26 **SECTION 4. AMENDMENT.** Subsections 3 and 4 of section 10-19.1-10 of the North
27 Dakota Century Code are amended and reenacted as follows:

28 3. The following provisions govern a corporation unless modified in the articles:

29 a. A corporation has general business purposes as provided in section
30 10-19.1-08.

- 1 b. A corporation has perpetual existence and certain powers as provided in
2 section 10-19.1-26.
- 3 c. The power to adopt, amend, or repeal the bylaws is vested in the board as
4 provided in section 10-19.1-31.
- 5 d. The affirmative vote of a majority of directors present is required for an action
6 of the board as provided in section 10-19.1-46.
- 7 e. A written action by the board taken without a meeting must be signed by all
8 directors as provided in section 10-19.1-47.
- 9 f. The board may authorize the issuance of securities and rights to purchase
10 securities as provided in subsection 1 of section 10-19.1-61.
- 11 g. All shares are common shares entitled to vote and are of one class and one
12 series as provided in subdivisions a and b of subsection 2 of section
13 10-19.1-61.
- 14 h. All shares have equal rights and preferences in all matters not otherwise
15 provided for by the board as provided in subdivisions a and b of subsection 2
16 of section 10-19.1-61.
- 17 i. The par value of shares is fixed at one cent per share for certain purposes
18 and may be fixed by the board for certain other purposes as provided in
19 subdivisions a and b of subsection 2 of section 10-19.1-61.
- 20 j. ~~The~~ Subject to article XII of the Constitution, the board or the shareholders
21 may issue shares for any consideration or for no consideration to effectuate
22 share dividends or splits and determine the value of nonmonetary
23 consideration as provided in subsection 1 of section 10-19.1-63.
- 24 k. Shares of a class or series may not be issued to holders of shares of another
25 class or series to effectuate share dividends or splits, unless authorized by a
26 majority of the voting power of the shares of the same class or series as the
27 shares to be issued as provided in subsection 1 of section 10-19.1-63.
- 28 l. A corporation may issue rights to purchase securities whose terms,
29 provisions, and conditions are fixed by the board as provided in section
30 10-19.1-64.

- 1 m. The affirmative vote of the holders of a majority of the voting power of the
2 shares present and entitled to vote at a duly held meeting is required for an
3 action of the shareholders, except when this chapter requires the affirmative
4 vote of a:
- 5 (1) A plurality of the votes cast as provided in subsection 1 of section
6 19-19.1-39; or
- 7 (2) A majority of the voting power of all shares entitled to vote as provided
8 in subsection 1 of section 10-19.1-74.
- 9 n. Shares of a corporation acquired by the corporation may be reissued as
10 provided in subsection 1 of section 10-19.1-93.
- 11 o. An exchange need not be approved by shareholders of the acquiring
12 corporation unless the outstanding shares entitled to vote of that corporation
13 will be increased by more than twenty percent immediately after the exchange
14 as provided in subdivision c of subsection 3 of section 10-19.1-98.
- 15 p. An exchange need not be approved by shareholders of the acquiring
16 corporation unless the outstanding participating shares of that corporation will
17 be increased by more than twenty percent immediately after the exchange as
18 provided in subdivision d of subsection 3 of section 10-19.1-98.
- 19 q. Each share has one vote unless otherwise provided in the terms of the share
20 as provided in subsection 5 of section 10-19.1-73.2.
- 21 r. The board may effect share dividends, divisions, and combinations under
22 certain circumstances without shareholder approval as provided in section
23 10-19.1-61.1.
- 24 s. A written action of shareholders must be signed by all shareholders as
25 provided in section 10-19.1-75.
- 26 4. The following provisions govern a corporation unless modified either in the articles
27 or in the bylaws:
- 28 a. A director serves for an indefinite term that expires upon the election and
29 qualification of a successor as provided in section 10-19.1-35.
- 30 b. The compensation of directors is fixed by the board as provided in section
31 10-19.1-37.

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- 1 c. The method provided in section 10-19.1-41 or 10-19.1-41.1 must be used for
2 removal of directors.
- 3 d. The method provided in section 10-19.1-42 must be used for filling board
4 vacancies.
- 5 e. If the board fails to select a place for a board meeting, it must be held at the
6 principal executive office as provided in subsection 1 of section 10-19.1-43.
- 7 f. A director may call a board meeting, and the notice of the meeting need not
8 state the purpose of the meeting as provided in subsection 3 of section
9 10-19.1-43.
- 10 g. A majority of the board is a quorum for a board meeting as provided in section
11 10-19.1-45.
- 12 h. A committee must consist of one or more persons, who need not be directors,
13 appointed by affirmative vote of a majority of the directors present as provided
14 in subsection 2 of section 10-19.1-48.
- 15 i. The board may establish a special litigation committee as provided in section
16 10-19.1-48.
- 17 j. Unless the board determines otherwise, the officers have specified duties as
18 provided in section 10-19.1-53.
- 19 k. Officers may delegate some or all of their duties and powers, if not prohibited
20 by the board from doing so as provided in section 10-19.1-59.
- 21 l. The board may establish uncertificated shares as provided in subsection 6 of
22 section 10-19.1-66.
- 23 ~~k.~~ m. Regular meetings of shareholders need not be held, unless demanded by a
24 shareholder under certain conditions as provided in section 10-19.1-71.
- 25 ~~l.~~ n. No fewer than ten nor more than fifty days' notice is required for a meeting of
26 shareholders as provided in subsection 3 of section 10-19.1-73.
- 27 ~~m.~~ o. The number of shares required for a quorum at a shareholders' meeting is a
28 majority of the voting power of the shares entitled to vote at the meeting as
29 provided in section 10-19.1-76.
- 30 ~~n.~~ p. The board may fix a date up to fifty days before the date of a shareholders'
31 meeting as the date for the determination of the holders of shares entitled to

1 notice of and entitled to vote at the meeting as provided in subsection 1 of
2 section 10-19.1-73.2.

3 ~~e. q.~~ Indemnification of certain persons is required as provided in section
4 10-19.1-91.

5 ~~p. r.~~ The board may authorize, and the corporation may make, distributions not
6 prohibited, limited, or restricted by an agreement as provided in subsection 1
7 of section 10-19.1-92.

8 **SECTION 5. AMENDMENT.** Section 10-19.1-13 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **10-19.1-13. Corporate name.**

11 1. The corporate name:

12 a. Must be in the English language or in any other language expressed in
13 English letters or characters.

14 b. Must contain the word "company", "corporation", "incorporated", "limited", or
15 an abbreviation of one or more of these words.

16 c. ~~May not contain a word or phrase indicating or implying the corporation may~~
17 ~~not be incorporated under this chapter.~~

18 ~~e.~~ May not contain the words "limited liability company", "limited partnership",
19 "limited liability partnership", "limited liability limited partnership", or any
20 abbreviation of these words.

21 ~~e. d.~~ May not contain a word or phrase ~~indicating or implying that indicates or~~
22 ~~implies~~ the corporation ~~is~~:

23 (1) Is incorporated for a purpose other than ~~a legal~~:

24 (a) A lawful business purpose for which a corporation may be
25 incorporated under this chapter; or

26 (b) For a purpose stated in its articles of incorporation; or

27 (2) May not be incorporated under this chapter.

28 ~~f. e.~~ May not be the same as, or deceptively similar to:

29 (1) The name, whether foreign and authorized to do business in this state
30 or domestic, unless there is filed with the articles a ~~document~~ record
31 that complies with subsection ~~7 3~~, of:

- 1 (a) Another corporation;
- 2 (b) A corporation incorporated or authorized to do business in this
- 3 state under another chapter of this code;
- 4 (c) A limited liability company;
- 5 (d) A limited partnership;
- 6 (e) A limited liability partnership; or
- 7 (f) A limited liability limited partnership;
- 8 (2) A name the right to which is, at the time of incorporation, reserved in
- 9 the manner provided in section 10-19.1-14, 10-32-11, 10-33-11,
- 10 ~~45-10.1-03~~ 45-10.2-11, 45-13-04.2, or 45-22-05;
- 11 (3) A fictitious name registered in the manner provided in chapter 45-11; or
- 12 (4) A trade name registered in the manner provided in chapter 47-25.
- 13 2. The secretary of state shall determine whether a corporate name is "deceptively
- 14 similar" to another name for purposes of this chapter.
- 15 3. If the secretary of state determines that a corporate name is "deceptively similar" to
- 16 another name for purposes of this chapter, then the corporate name may not be
- 17 used unless there is filed with the articles:
- 18 a. The written consent of the holder of the rights to the name to which the
- 19 proposed name has been determined to be deceptively similar; or
- 20 b. A certified copy of a judgment of a court in this state establishing the prior
- 21 right of the applicant to the use of the name in this state.
- 22 4. This subsection does not affect the right of a domestic corporation existing on
- 23 July 1, 1986, or a foreign corporation authorized to do business in this state on that
- 24 date to continue the use of its name.
- 25 5. This section and section 10-19.1-14 do not:
- 26 a. Abrogate or limit:
- 27 (1) The law of unfair competition or unfair practices;
- 28 (2) Chapter 47-25;
- 29 (3) The laws of the United States with respect to the right to acquire and
- 30 protect copyrights, trade names, trademarks, service names, service
- 31 marks; or

- 1 (4) Any other rights to the exclusive use of names or symbols; or
- 2 b. Derogate the common law or the principles of equity.
- 3 4- 6. A corporation that is the surviving organization in a merger with one or more other
- 4 organizations, or that acquires by sale, lease, or other disposition to or exchange
- 5 with an organization all or substantially all of the assets of another organization
- 6 including its name, may have the same name, subject to the requirements of
- 7 subsection 1, as that used in this state by any of the other organizations, if the
- 8 other organization whose name is sought to be used:
- 9 a. Was incorporated, organized, formed, or registered under the laws of this
- 10 state;
- 11 b. Is authorized to transact business or conduct activities in this state;
- 12 c. Holds a reserved name in the manner provided in section 10-19.1-14,
- 13 10-32-11, 10-33-11, ~~45-10.1-03~~ 45-10.2-11, 45-13-04.2, or 45-22-05;
- 14 d. Holds a fictitious name registered in the manner provided in chapter 45-11; or
- 15 e. Holds a trade name registered in the manner provided in chapter 47-25.
- 16 5- 7. The use of a name by a corporation in violation of this section does not affect or
- 17 vitate its corporate existence. However, a court in this state may, upon application
- 18 of the state or of an interested or affected person, enjoin the corporation from doing
- 19 business under a name assumed in violation of this section, although its articles
- 20 may have been filed with the secretary of state and a certificate of incorporation
- 21 issued.
- 22 6- 8. A corporation whose period of existence has expired or that is involuntarily
- 23 dissolved by the secretary of state pursuant to section 10-19.1-146 may reacquire
- 24 the right to use that name by refiling articles of incorporation pursuant to section
- 25 10-19.1-11, unless the name has been adopted for use or reserved by another
- 26 person, in which case the filing will be rejected unless the filing is accompanied by
- 27 a written consent or judgment as provided in subsection 2. A corporation that
- 28 cannot reacquire the use of its corporate name shall adopt a new corporate name
- 29 that complies with the provisions of this section:
- 30 a. By refiling articles of incorporation pursuant to section 10-19.1-11;
- 31 b. By amending pursuant to section ~~40-19.1-127~~ 10-19.1-17; or

1 c. By reinstating pursuant to section 10-19.1-146;
2 unless the name has been adopted for use or reserved by another person, in
3 which case the filing will be rejected unless the filing is accompanied by a written
4 consent or judgment pursuant to subsection 2. A corporation that cannot reacquire
5 the use of its corporate name shall adopt a new corporate name which complies
6 with the provisions of this section.

7 7. If the secretary of state determines that a corporate name is "deceptively similar" to
8 another name for purposes of this chapter, then the corporate name may not be
9 used unless there is filed with the articles:

10 a. The written consent of the holder of the rights to the name to which the
11 proposed name has been determined to be deceptively similar; or

12 b. A certified copy of a judgment of a court in this state establishing the prior
13 right of the applicant to the use of the name in this state.

14 This subsection does not affect the right of a domestic corporation existing on
15 July 1, 1997, or a foreign corporation authorized to do business in this state on that
16 date to continue the use of its name.

17 9. Subject to section 10-19.1-133, this section applies to any foreign corporation
18 transacting business in this state, having a certificate of authority to transact
19 business in this state, or applying for a certificate of authority.

20 **SECTION 6. AMENDMENT.** Section 10-19.1-20 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **10-19.1-20. Class or series voting on amendments.** The holders of the outstanding
23 shares of a class or series are entitled to vote as a class or series upon a proposed
24 amendment, whether or not entitled to vote thereon by the provisions of the articles, if the
25 amendment would:

26 1. ~~Increase or decrease the aggregate number of authorized shares of the class or~~
27 ~~series;~~

28 2. Increase or decrease the par value of the shares of the class or series;

29 3. 2. Effect an exchange, reclassification, or cancellation of all or part of the shares of
30 the class or series or effect a combination of outstanding shares of a class or

- 1 series into a lesser number of shares of the class or series where each other class
2 and series is not subject to a similar combination;
- 3 4- 3. Effect an exchange, or create a right of exchange, of all or any part of the shares of
4 another class or series for the shares of the class or series;
- 5 5- 4. Change the rights or preferences of the shares of the class or series;
- 6 6- ~~Change the shares of the class or series, whether with or without par value, into~~
7 ~~the same or a different number of shares, either with or without par value, of~~
8 ~~another class or series;~~
- 9 7- 5. Create a new class or series of shares having rights and preferences prior and
10 superior to the shares of that class or series, or increase the rights and preferences
11 or the number of authorized shares, of a class or series having rights and
12 preferences prior or superior to the shares of that class or series;
- 13 8- 6. Divide the shares of the class into series and determine the designation of each
14 series and the variations in the relative rights and preferences between the shares
15 of each series, or authorize the board to do so;
- 16 9- 7. Limit or deny any existing preemptive rights of the shares of the class or series; or
17 10- 8. Cancel or otherwise affect distributions on the shares of the class or series that
18 have accrued but have not been declared.

19 **SECTION 7. AMENDMENT.** Section 10-19.1-27 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **10-19.1-27. Corporate seal.** A corporation may, but need not, have a corporate seal.
22 The use or nonuse of a corporate seal does not affect the validity, recordability, or enforceability
23 of a ~~document~~ record or act. If a corporation has a corporate seal, the use of the seal by the
24 corporation on a ~~document~~ record is not necessary.

25 **SECTION 8. AMENDMENT.** Section 10-19.1-39 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **10-19.1-39. ~~Cumulative voting~~ Voting for directors - Cumulative voting.** ~~Each~~ With
28 respect to the election of directors:

- 29 1. Unless otherwise provided in the articles and subject to subsection 2, directors are
30 elected by a plurality of the voting power of the shares present and entitled to vote
31 on the election of directors at a meeting at which a quorum is present.

1 2. As provided in article XII of the Constitution of North Dakota, each shareholder
2 entitled to vote for directors has the right to cumulate those votes in all elections of
3 directors by giving written notice of intent to cumulate those votes to any officer of
4 the corporation before the meeting, or to the presiding officer at the meeting at
5 which the election is to occur at any time before the election of directors at the
6 meeting, in which case:

7 4. a. The presiding officer at the meeting shall announce, before the election of
8 directors, that shareholders may cumulate their votes; and

9 2. b. Each shareholder shall cumulate those votes either by casting for one
10 candidate the number of votes equal to the number of directors to be elected
11 multiplied by the number of votes represented by the shares entitled to vote,
12 or by distributing all of those votes on the same principle among any number
13 of candidates.

14 **SECTION 9. AMENDMENT.** Subsections 3 and 5 of section 10-19.1-43 of the North
15 Dakota Century Code are amended and reenacted as follows:

16 3. Unless the articles or bylaws provide for a different time period, a director may call
17 a board meeting by giving at least ten days' notice or, in the case of organizational
18 meetings pursuant to subsection 2 of section 10-19.1-30, at least three days'
19 notice, to all directors of the date, time, and place of the meeting.

20 a. The notice need not state the purpose of the meeting unless the articles or
21 bylaws require it.

22 b. Any notice to a director given under any provision of this chapter, the articles,
23 or the bylaws by a form of electronic communication consented to by the
24 director to whom the notice is given is effective when given.

25 c. Consent by a director to notice given by electronic communication may be
26 given in writing or by authenticated electronic communication.

27 (1) Any consent so given may be relied upon until revoked by the director.

28 (2) However, no revocation affects the validity of any notice given before a
29 receipt of revocation of the consent.

30 5. A director may waive notice of a meeting of the board. A waiver of notice by a
31 director entitled to notice is effective whether given before, at, or after the meeting,

1 and whether given in writing, by authenticated electronic communication, or by
2 attendance. Attendance by a director at a meeting is a waiver of notice of that
3 meeting, except when the director objects at the beginning of the meeting to the
4 transaction of business because the meeting is not lawfully called or convened and
5 does not participate in the meeting after the objection.

6 **SECTION 10. AMENDMENT.** Section 10-19.1-52 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **10-19.1-52. Officers.** The officers of a corporation must be individuals who are
9 eighteen years of age or more and shall consist of a president, a secretary, and a treasurer and
10 may also include one or more vice presidents and any other officers or agents as may be
11 ~~prescribed by~~ provided in the bylaws. Each of the officers must be elected by the board at a
12 time and in a manner as may be provided in the bylaws unless the articles or bylaws provide
13 that the shareholders may elect the officers.

14 **SECTION 11. AMENDMENT.** Section 10-19.1-55 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **10-19.1-55. Multiple offices.** Any number of offices or functions of those offices may
17 be held or exercised by the same individual. If a ~~document~~ record must be signed by
18 individuals holding different offices or functions and an individual holds or exercises more than
19 one of those offices or functions, that individual may sign the ~~document~~ record in more than
20 one capacity, but only if the ~~document~~ record indicates each capacity in which the individual
21 signs.

22 **SECTION 12. AMENDMENT.** Subsection 2 of section 10-19.1-61.1 of the North
23 Dakota Century Code is amended and reenacted as follows:

24 2. Articles of amendment must be adopted by the board and the shareholders under
25 ~~sections~~ section 10-19.1-19 and, if required, section 10-19.1-20 to effect a division
26 or combination if, as a result of the proposed division or combination:

- 27 a. The rights or preferences of the holders of outstanding shares of any class or
28 series will be adversely affected; or
29 b. The percentage of authorized shares of any class or series remaining
30 unissued after the division or combination will exceed the percentage of

1 authorized shares of that class or series that were unissued before the
2 division or combination.

3 **SECTION 13. AMENDMENT.** Section 10-19.1-63 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **10-19.1-63. Consideration for shares - Value and payment - Liability.**

6 1. ~~Subject to any restrictions in article XII of the articles:~~

7 a. ~~The Constitution of North Dakota,~~ consideration for the issuance of shares
8 may be paid, in whole or in part, in money; in other property, tangible or
9 intangible; or in labor or services actually performed for the corporation.
10 When payment of the consideration for which shares are to be issued is
11 received by the corporation, the shares are considered fully paid and
12 nonassessable. Neither promissory notes nor future services constitute
13 payment or part payment for shares of a corporation.

14 ~~b. Without~~

15 2. Subject to any restrictions in the articles, without any new or additional
16 consideration, a corporation may issue the corporation's own shares in exchange
17 for or in conversion of the corporation's outstanding shares, or may, subject to
18 authorization of share dividends, divisions, and combinations according to section
19 10-19.1-61.1, issue the corporation's own shares pro rata to the corporation's
20 shareholders or the shareholders of one or more classes or series, to effectuate
21 share dividends, divisions, or combinations. Shares of a class or series, shares of
22 which are then outstanding, may not be issued to the holders of shares of another
23 class or series, except in exchange for or in conversion of outstanding shares of
24 the other class or series, unless the issuance is expressly provided for in the
25 articles or is approved at a meeting by the affirmative vote of the holders of a
26 majority of the voting power of all shares of the same class or series as the shares
27 to be issued.

28 ~~2.~~ 3. The determinations of the board or the shareholders as to the amount or fair value
29 or the fairness to the corporation of the consideration received or to be received by
30 the corporation for its shares or the terms of payment, as well as the agreement to
31 issue shares for that consideration, are presumed to be proper if they are made in

1 good faith and on the basis of accounting methods, or a fair valuation or other
2 method, reasonable in the circumstances. Directors or shareholders who are
3 present and entitled to vote, and who, intentionally or without reasonable
4 investigation, fail to vote against approving an issue of shares for a consideration
5 that is unfair to the corporation, or overvalue property or services received or to be
6 received by the corporation as consideration for shares issued, are jointly and
7 severally liable to the corporation for the benefit of the then shareholders who did
8 not consent to and are damaged by the action, to the extent of the damages of
9 those shareholders. A director or shareholder against whom a claim is asserted
10 pursuant to this section, except in case of knowing participation in a deliberate
11 fraud, is entitled to contribution on an equitable basis from other directors or
12 shareholders who are liable under this section.

13 ~~3.~~ 4. A corporation may issue only shares for which the agreed consideration has been
14 fully paid, delivered, or rendered to the corporation:

15 a. The reasonable charges and expenses of organization or reorganization of a
16 corporation, and the reasonable expenses of and compensation for the sale
17 or underwriting of its shares, may be paid or allowed by the corporation out of
18 the consideration received by it in payment for its shares without rendering the
19 shares not fully paid and nonassessable.

20 b. If shares are issued in violation of this subsection, the following persons are
21 jointly and severally liable to the corporation for the difference between the
22 agreed consideration for the shares and the consideration actually received
23 by the corporation:

24 (1) A director or shareholder who was present and entitled to vote but who
25 failed to vote against the issuance of the shares knowing of the
26 violation;

27 (2) The person to whom the shares were issued; and

28 (3) A successor or transferee of the interest in the corporation of a person
29 described in paragraph 1 or 2, including a purchaser of shares, a
30 subsequent assignee, successor, or transferee, a pledgee, a holder of
31 any other security interest in the assets of the corporation or shares

1 granted by the person described in paragraph 1 or 2, or a legal
2 representative of or for the person or estate of the person, which
3 successor, transferee, purchaser, assignee, pledgee, holder, or
4 representative acquired the interest knowing of the violation.

5 ~~4.~~ 5. A pledgee or holder of any other security interest in all or any shares that have
6 been issued in violation of subsection ~~3 4~~ is not liable under subdivision b of
7 subsection ~~3 4~~ if all those shares are surrendered to the corporation. The
8 surrender does not impair any rights of the pledgee or holder of any other security
9 interest against the pledgor or person granting the security interest.

10 ~~5.~~ 6. A pledgee, holder of any other security interest, or legal representative is liable
11 under subdivision b of subsection ~~3 4~~ only in that capacity. The liability of the
12 person under subdivision a of subsection ~~3 4~~ is limited to the assets held in that
13 capacity for the person or estate of the person described in paragraph 1 or 2 of
14 subdivision b of subsection ~~3 4~~.

15 ~~6.~~ 7. Each person liable under subdivision b of subsection ~~3 4~~ has a full right of
16 contribution on an equitable basis from all other persons liable under that
17 subdivision for the same transaction.

18 ~~7.~~ 8. An action may not be maintained against a person under subdivision b of
19 subsection ~~3 4~~ unless commenced within two years from the date on which shares
20 are issued in violation of subsection ~~3 4~~.

21 **SECTION 14. AMENDMENT.** Subsection 2 of section 10-19.1-70 of the North Dakota
22 Century Code is amended and reenacted as follows:

23 2. A written restriction on the transfer or registration of transfer of securities of a
24 corporation which is not manifestly unreasonable under the circumstances and is
25 noted conspicuously on the face or back of the certificate or included in information
26 sent to the holders of uncertificated shares in accordance with subsection 6 of
27 section 10-19.1-66 may be enforced against the holder of the restricted securities
28 or a successor or transferee of the holder, including a pledgee or a legal
29 representative. Unless noted conspicuously on the face or back of the certificate
30 or included in information sent to holders of uncertificated shares in accordance
31 with subsection 6 of section 10-19.1-66, a restriction, even though permitted by this

1 section, is ineffective against a person without knowledge of the restriction. A
2 restriction under this section is deemed to be noted conspicuously and is effective
3 if the existence of the restriction is stated on the certificate and reference is made
4 to a separate ~~document~~ record creating or describing the restriction.

5 **SECTION 15. AMENDMENT.** Section 10-19.1-74 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **10-19.1-74. Act of the shareholders.**

8 1. Unless this chapter or the articles require a greater vote or voting by class and
9 except for the election of directors which is governed by section 10-19.1-39, the
10 shareholders shall take action by the affirmative vote of the holders of the greater
11 of:

12 a. A majority of the voting power of the shares present and entitled to vote on
13 that item of business; or

14 b. A majority of the voting power of the minimum number of shares entitled to
15 vote that would constitute a quorum for the transaction of business at the
16 meeting.

17 If the articles require a larger proportion or number than is required by this chapter
18 for a particular action, then the articles control.

19 2. In any case when a class or series of shares is entitled by this chapter, the articles
20 of incorporation, or the terms of the shares to vote as a class or series, the matter
21 being voted upon must also receive the affirmative vote of the owners of the same
22 proportion of the shares as is required as provided in subsection 1, unless the
23 articles of incorporation require a larger proportion. Unless otherwise stated in the
24 articles or the bylaws in the case of voting as a class or series, the minimum
25 percentage of the total voting power of shares of the class or series that must be
26 present is equal to the minimum percentage of all shares entitled to vote required
27 to be present under section 10-19.1-76.

28 3. Unless otherwise provided in the articles or bylaws, shareholders may take action
29 at a meeting by:

30 a. Voice or ballot;

31 b. Action without a meeting pursuant to section 10-19.1-75;

- 1 c. ~~Written ballot~~ Ballot pursuant to section 10-19.1-75.1; or
2 d. ~~Electronic Remote~~ communication pursuant to section 10-19.1-75.2.

3 **SECTION 16. AMENDMENT.** Subsection 1 of section 10-19.1-75 of the North Dakota
4 Century Code is amended and reenacted as follows:

- 5 1. If the articles so provide, any action may be taken by written action signed, or
6 consented to by authenticated electronic communication, by the shareholders who
7 own voting power equal to the voting power that would be required to take the
8 same action at a meeting of the shareholders at which all shareholders were
9 present.
- 10 a. After the adoption of the initial articles, an amendment to the articles to permit
11 written action to be taken by less than all shareholders requires the approval
12 of all of the shareholders entitled to vote on the amendment.
- 13 b. When written action is permitted to be taken by less than all shareholders, all
14 shareholders must be notified ~~immediately~~ of its text and effective date no
15 later than five days after the effective time of the action.
- 16 ~~b-~~ c. Failure to provide the notice does not invalidate the written action.
- 17 ~~e-~~ d. A shareholder who does not sign or consent to the written action has no
18 liability for the action or actions taken by the written actions.

19 **SECTION 17. AMENDMENT.** Section 10-19.1-75.1 of the North Dakota Century Code
20 is amended and reenacted as follows:

21 **10-19.1-75.1. ~~Action~~ Shareholder action by written ballot.**

- 22 1. Except as provided in subsection 5 and unless prohibited or limited by the articles
23 or bylaws, an action that may be taken at a regular or special meeting of
24 shareholders may be taken without a meeting if the corporation mails or delivers a
25 ~~written~~ ballot to every shareholder entitled to vote on the matter.
- 26 2. A ~~written~~ ballot must set forth each proposed action and provide an opportunity to
27 vote for or against each proposed action.
- 28 3. Approval by ~~written~~ ballot under this section is valid only if:
- 29 a. The number of votes cast by ballot equals or exceeds the quorum required to
30 be present at a meeting authorizing the action; and

- 1 b. The number of approvals equals or exceeds the number of votes that would
2 be required to approve the matter at a meeting at which the total number of
3 votes cast was the same as the number of votes cast by ballot.
- 4 4. Solicitations for votes by ~~written~~ ballot must:
- 5 a. Indicate the number of responses needed to meet the quorum requirements;
6 b. State the percentage of approvals necessary to approve each matter other
7 than election of directors; and
8 c. Specify the time by which a ballot must be received by the corporation in
9 order to be counted.
- 10 5. Except as otherwise provided in the articles or bylaws, a ~~written~~ ballot may not be
11 revoked.
- 12 6. With respect to a ballot by electronic communication:
- 13 a. A corporation may deliver a ballot by electronic communication only if the
14 corporation complies with subsection 4 of section 10-19.1-75.2 as if the ballot
15 were a notice.
- 16 b. Consent by a shareholder to receive notice by electronic communication in a
17 certain manner constitutes consent to receive a ballot by electronic
18 communication in the same manner.

19 **SECTION 18. AMENDMENT.** Subsection 7 of section 10-19.1-76.2 of the North
20 Dakota Century Code is amended and reenacted as follows:

- 21 7. Subject to section 10-19.1-76.3 and an express restriction, limitation, or specific
22 reservation of authority of the proxy appearing on the appointment, the corporation
23 may accept a vote or action by the proxy as the action of the shareholder. The
24 vote of a proxy is final, binding, and not subject to challenge, ~~but~~. However, the
25 proxy is liable to the shareholder or beneficial owner for damages resulting from a
26 failure to exercise the proxy or from an exercise of the proxy in violation of the
27 authority granted in the appointment.

28 **SECTION 19. AMENDMENT.** Subsections 2 and 3 of section 10-19.1-76.3 of the
29 North Dakota Century Code are amended and reenacted as follows:

- 30 2. Unless the articles or bylaws provide otherwise, if the name signed on a vote,
31 consent, waiver, or proxy appointment does not correspond to the record name of

- 1 a shareholder, the corporation if acting in good faith may accept the vote, consent
2 waiver, or proxy appointment and give it effect as the act of the shareholder if:
- 3 a. The shareholder is an organization and the name signed purports to be that of
4 an officer, manager, or agent of the organization;
- 5 b. The name signed purports to be that of an administrator, guardian, or
6 conservator representing the shareholder and, if the corporation requests,
7 evidence of fiduciary status acceptable to the corporation has been presented
8 with respect to the vote, consent, waiver, or proxy appointment;
- 9 c. The name signed purports to be that of a receiver or trustee in bankruptcy of
10 the shareholder, and, if the corporation requests, evidence of this status
11 acceptable to the corporation has been presented with respect to the vote,
12 consent, waiver, or proxy appointment;
- 13 d. The name signed purports to be that of a pledgee, beneficial owner, or
14 attorney in fact of the shareholder, and if, the corporation requests, evidence
15 acceptable to the corporation of the signatory's authority to sign for the
16 shareholder has been presented with respect to the vote, consent, waiver, or
17 proxy appointment; or
- 18 e. Two or more persons hold the shares as cotenants or fiduciaries and the
19 name signed purports to be the name of at least one of the coholders and the
20 person signing appears to be acting on behalf of all the coholders.
- 21 3. The corporation may reject a vote, consent, waiver, or proxy appointment if the
22 officer or agent authorized to tabulate votes, acting in good faith, has reasonable
23 basis ~~for to~~ doubt about the validity of the signature on it or ~~about the signatory's~~
24 authority of the signatory to sign for the shareholder.

25 **SECTION 20. AMENDMENT.** Subsections 4 and 10 of section 10-19.1-84 of the North
26 Dakota Century Code are amended and reenacted as follows:

- 27 4. A shareholder or a holder of a voting trust certificate of a corporation that is not a
28 publicly held corporation has an absolute right, upon written demand, to examine
29 and copy, in person or by a legal representative, at any reasonable time, and the
30 corporation shall make available within ten days after receipt by an officer of the
31 corporation of the written demand:

- 1 a. The share register; and
2 b. All ~~documents~~ records referred to in subsection 2.
3 10. Copies of the share register and all ~~documents~~ records referred to in subsection 2,
4 if required to be furnished under this section, must be furnished at the expense of
5 the corporation. In all other cases, the corporation may charge the requesting
6 party a reasonable fee to cover the expenses of providing the copy.

7 **SECTION 21. AMENDMENT.** Section 10-19.1-87 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **10-19.1-87. Rights of dissenting shareholders.**

- 10 1. A shareholder of a corporation may dissent from, and obtain payment for the fair
11 value of the shareholder's shares in the event of, any of the following corporate
12 actions:
13 a. ~~An~~ Unless otherwise provided in the articles, an amendment of the articles
14 that materially and adversely affects the rights or preferences of the shares of
15 a dissenting shareholder in that it:
16 (1) Alters or abolishes a preferential right of the shares;
17 (2) Creates, alters, or abolishes a right in respect of the redemption of the
18 shares, including a provision respecting a sinking fund for the
19 redemption or repurchase of shares;
20 (3) Alters or abolishes a preemptive right of the holder of the shares to
21 acquire shares, securities other than shares, or rights to purchase
22 shares or securities other than shares; ~~or~~
23 (4) Excludes or limits the right of a shareholder to vote on a matter, or to
24 accumulate votes, except as the right may be excluded or limited
25 through the authorization or issuance of securities of an existing or new
26 class or series with similar or different voting rights; or
27 (5) Eliminates the right to obtain payment under this subdivision;
28 b. A sale, lease, transfer, or other disposition of ~~all or substantially all of the~~
29 property and assets of the corporation, ~~but not including a transaction~~
30 permitted without shareholder approval in that requires shareholder approval
31 under subsection 4 2 of section 10-19.1-104, or a but not including;

- 1 (1) A disposition in dissolution described in subsection 2 of section
2 10-19.1-109 ~~or a~~;
- 3 (2) A disposition pursuant to an order of a court; ~~or a~~
- 4 (3) A disposition for cash on terms requiring that all or substantially all of
5 the net proceeds of disposition be distributed to the shareholders in
6 accordance with their respective interests within one year after the date
7 of disposition;
- 8 c. A plan of merger to which the corporation is a constituent organization, except
9 as provided in subsection 3 and except for a plan of merger adopted under
10 section 10-19.1-100.1;
- 11 d. A plan of exchange, whether under this chapter or under chapter 10-32, to
12 which the corporation is a constituent organization as the corporation whose
13 shares will be acquired by the acquiring corporation, except as provided in
14 subsection 3; ~~or~~
- 15 e. A plan of conversion adopted by a corporation; or
- 16 f. Any other corporate action taken pursuant to a shareholder vote with respect
17 to which the articles, the bylaws, or a resolution approved by the board directs
18 that dissenting shareholders may obtain payment for their shares.
- 19 2. A shareholder may not assert dissenters' rights as to less than all of the shares
20 registered in the name of the shareholder, unless the shareholder dissents with
21 respect to all the shares that are beneficially owned by another person but
22 registered in the name of the shareholder and discloses the name and address of
23 each beneficial owner on whose behalf the shareholder dissents. In that event, the
24 rights of the dissenter must be determined as if the shares as to which the
25 shareholder has dissented and the other shares were registered in the names of
26 different shareholders. The beneficial owner of shares who is not the shareholder
27 may assert dissenters' rights with respect to shares held on behalf of the beneficial
28 owner, and must be treated as a dissenting shareholder under the terms of this
29 section and section 10-19.1-88, if the beneficial owner submits to the corporation at
30 the time of or before the assertion of the rights a written consent of the
31 shareholder.

- 1 3. Unless the articles, the bylaws, or a resolution approved by the board otherwise
2 provide, the right to obtain payment under this section does not apply to the
3 shareholders of:
- 4 a. The surviving corporation in a merger with respect to shares of the
5 shareholders that are not entitled to be voted on the merger and are not
6 canceled or exchanged in the merger; or
- 7 b. The corporation whose shares will be acquired by the acquiring corporation in
8 a plan of exchange with respect to shares of the shareholders that are not
9 entitled to be voted on the plan of exchange and are not exchanged in the
10 plan of exchange.
- 11 4. The shareholders of a corporation who have a right under this section to obtain
12 payment for their shares do not have a right at law or in equity to have a corporate
13 action described in subsection 1 set aside or rescinded, except when the corporate
14 action is fraudulent with regard to the complaining shareholder or the corporation.
- 15 5. If a date is fixed according to subsection 1 of section 10-19.1-73.2 for the
16 determination of shareholders entitled to receive notice of and to vote on an action
17 described under subsection 1, only shareholders as of the date fixed and beneficial
18 owners as of the date fixed who hold through shareholders, as provided in
19 subsection 2, may exercise dissenters' rights.
- 20 6. Notwithstanding subsection 1, the right to obtain payment under this section, other
21 than in connection with a plan of merger adopted under section 10-19.1-100, is
22 limited in accordance with the following provisions:
- 23 a. The right to obtain payment under this section is not available for the holders
24 of shares of any class or series of shares that is listed on the New York stock
25 exchange or the American stock exchange or designated as a national market
26 system security on an interdealer quotation system by the national association
27 of securities dealers, incorporated.
- 28 b. The applicability of subdivision a is determined as of:
- 29 (1) The record date fixed to determine the shareholders entitled to receive
30 notice of, and to vote at, the meeting of shareholders to act upon the
31 corporate action described in subsection 1; or

- 1 (2) The day before the effective date of corporate action described in
2 subsection 1 if there is no meeting of shareholders.
- 3 c. Subdivision a is not applicable, and the right to obtain payment under this
4 section is available pursuant to subsection 1, for the holders of any class or
5 series of shares who are required by the terms of the corporate action
6 described in subsection 1 to accept for such shares anything other than
7 shares, or cash in lieu of fractional shares, of any class or any series of
8 shares of the corporation, or any other proprietary interest of any other entity,
9 that satisfies the standards set forth in subdivision a at the time the corporate
10 action becomes effective.

11 **SECTION 22. AMENDMENT.** Subsections 3 and 4 of section 10-19.1-88 of the North
12 Dakota Century Code are amended and reenacted as follows:

- 13 3. If the proposed action must be approved by the shareholders, and the corporation
14 calls a meeting of shareholders, then a shareholder who is entitled to dissent under
15 section 10-19.1-87 and who wishes to exercise dissenter's rights shall file with the
16 corporation before the vote on the proposed action a written notice of intent to
17 demand the fair value of the shares owned by the shareholder and may not vote
18 the shares in favor of the proposed action.
- 19 4. After the proposed action has been approved by the board and, if necessary, the
20 shareholders, the corporation shall send to all shareholders who have complied
21 with subsection 3, to all shareholders who did not sign or consent to a written
22 action that gave effect to the action creating the right to obtain payment under
23 section 10-19.1-87, and to all shareholders entitled to dissent if no shareholder
24 vote was required, a notice that contains:
- 25 a. The address to which a demand for payment and share certificates must be
26 sent in order to obtain payment and the date by which they must be received;
- 27 b. A form to be used to certify the date on which the shareholder, or the
28 beneficial owner on whose behalf the shareholder dissents, acquired the
29 shares or an interest in them and to demand payment; and
- 30 c. A copy of section 10-19.1-87 and this section.

1 **SECTION 23. AMENDMENT.** Subsection 1 of section 10-19.1-91 of the North Dakota
2 Century Code is amended and reenacted as follows:

3 1. For purposes of this section:

4 a. "Corporation" includes a domestic or foreign corporation that was the
5 predecessor of the corporation referred to in this section in a merger or other
6 transaction in which the predecessor's existence ceased upon consummation
7 of the transaction.

8 b. "Official capacity" means:

9 (1) With respect to a director, the position of director in a corporation;

10 (2) With respect to a person other than a director, the elective or appointive
11 office or position held by an officer, member of a committee of the
12 board, or the employment relationship undertaken by an employee of
13 the corporation; and

14 (3) With respect to a director, officer, or employee of the corporation who,
15 while a director, officer, or employee of the corporation, is or was
16 serving at the request of the corporation or whose duties in that position
17 involve or involved service as a governor, director, officer, manager,
18 partner, trustee, employee, or agent of another organization or
19 employee benefit plan, the position of that person as a governor,
20 director, officer, manager, partner, trustee, employee, or agent, as the
21 case may be, of the other organization or employee benefit plan.

22 c. "Proceeding" means a threatened, pending, or completed civil, criminal,
23 administrative, arbitration, or investigative proceeding, including a proceeding
24 by or in the right of the corporation.

25 d. "Special legal counsel" means counsel who has not represented the
26 corporation or a related organization, or a director, officer, member of a
27 committee of the board, or employee whose indemnification is in issue.

28 **SECTION 24.** Section 10-19.1-102.1 of the North Dakota Century Code is created and
29 enacted as follows:

30 **10-19.1-102.1. Continuance of corporate authority.** When an act or record is
31 considered necessary or appropriate to evidence the vesting of property or other rights in the

1 single corporation, the persons with authority to do so under the articles or bylaws of each
2 constituent organization shall do the act or execute and deliver the record and for this purpose,
3 the existence of the constituent organizations and the authority of those persons is continued.

4 **SECTION 25. AMENDMENT.** Subsection 1 of section 10-19.1-103 of the North Dakota
5 Century Code is amended and reenacted as follows:

- 6 1. A domestic corporation may merge with, including a merger pursuant to section
7 10-19.1-100, or participate in an exchange with a foreign corporation or foreign
8 limited liability company by following the procedures set forth in this section, if:
- 9 a. With respect to a merger, the merger is permitted by the laws of the
10 jurisdiction under which the foreign corporation or foreign limited liability
11 company is incorporated or organized.
- 12 b. With respect to an exchange, the constituent organization whose ownership
13 interests will be acquired is a domestic corporation or limited liability company,
14 regardless of whether the exchange is permitted by the laws of the jurisdiction
15 under which the foreign corporation or foreign limited liability company is
16 incorporated or organized.

17 **SECTION 26. AMENDMENT.** Subsection 2 of section 10-19.1-104 of the North Dakota
18 Century Code is amended and reenacted as follows:

- 19 2. With respect to shareholders approval:
- 20 a. A corporation, by affirmative vote of a majority of the directors present, may
21 sell, lease, transfer, or otherwise dispose of all or substantially all of its
22 property and assets, including its good will, not in the usual and regular
23 course of its business, upon those terms and conditions and for those
24 considerations, which may be money, securities, or other instruments for the
25 payment of money or other property, as the board deems expedient, when
26 approved at a regular or special meeting of the shareholders by the
27 affirmative vote of the holders of a majority of the voting power of the shares
28 entitled to vote.
- 29 (1) Written notice of the meeting must be given to all shareholders whether
30 or not they are entitled to vote at the meeting.

- 1 (2) The written notice must state that a purpose of the meeting is to
2 consider the sale, lease, transfer, or other disposition of all or
3 substantially all of the property and assets of the corporation.
- 4 b. Shareholder approval is not required under subdivision a if, following the sale,
5 lease, transfer, or other disposition of its property and assets, the corporation
6 retains a significant continuing business activity. The corporation will
7 conclusively be deemed to have retained a significant continuing business
8 activity if the corporation retains a business activity that represented at least:
- 9 (1) Twenty-five percent of the corporation's total assets at the end of the
10 most recently completed fiscal year; and
- 11 (2) Twenty-five percent of either income from continuing operations before
12 taxes or revenues from continuing operations for that fiscal year,
13 measured on a consolidated basis with its subsidiaries for each of
14 paragraphs 1 and 2.

15 **SECTION 27.** Section 10-19.1-104.1 of the North Dakota Century Code is created and
16 enacted as follows:

17 **10-19.1-104.1. Conversion.**

- 18 1. An organization other than a corporation may convert to a corporation, and a
19 corporation may convert to another organization other than a general partnership
20 as provided in this section and sections 10-19.1-104.2 through 10-19.1-104.6 and
21 a plan of conversion, if:
- 22 a. The governing statute of the other organization authorizes the conversion;
23 b. The conversion is not prohibited by the law of the jurisdiction that enacted the
24 governing statute; and
- 25 c. The other organization complies with its governing statute in effecting the
26 conversion.
- 27 2. For the purposes of sections 10-19.1-104.1 through 10-19.1-104.6, unless the
28 context otherwise requires:
- 29 a. "Act of the board" means action by the board as provided in section
30 10-19.1-46 whether:
- 31 (1) At a meeting of the board as provided in section 10-19.1-43; or

- 1 (2) By a written action of the board as provided in section 10-19.1-47.
- 2 b. "Act of the shareholders" means action by the shareholders as provided in
3 section 10-19.1-74 whether:
- 4 (1) At a meeting of the shareholders as provided in sections 10-19.1-71
5 and 10-19.1-72; or
- 6 (2) By a written action of the shareholders as provided in section
7 10-19.1-75.
- 8 c. "Certificate of creation" means:
- 9 (1) A certificate of incorporation, if the converted organization is a
10 corporation deemed to be incorporated under this chapter;
- 11 (2) A certificate of organization, if the converted organization is a limited
12 liability company deemed to be organized under chapter 10-32;
- 13 (3) A certificate of limited partnership, if the converted organization is a
14 limited partnership deemed to be formed under chapter 45-10.2;
- 15 (4) The filed registration of a limited liability partnership, if the converted
16 organization is a limited liability partnership deemed to be established
17 under chapter 45-22; or
- 18 (5) A certificate of limited liability limited partnership, if the converted
19 organization is a limited liability limited partnership deemed to be
20 formed under chapter 45-23.
- 21 d. "Date of origin" means the date on which:
- 22 (1) A corporation which is:
- 23 (a) The converting organization was incorporated; or
- 24 (b) The converted organization is deemed to be incorporated;
- 25 (2) A limited liability company which is:
- 26 (a) The converting organization was organized; or
- 27 (b) The converted organization is deemed to be organized;
- 28 (3) A general partnership that is the converting organization was formed;
- 29 (4) A limited partnership which is:
- 30 (a) The converting organization was formed; or
- 31 (b) The converted organization is deemed to be formed;

- 1 (5) A limited liability partnership which is:
2 (a) The converting organization was formed; or
3 (b) The converted organization is deemed to be formed; and
4 (6) A limited liability limited partnership which is:
5 (a) The converting organization was formed; or
6 (b) The converted organization is deemed to be formed.
7 e. "Filed registration" means the registration of a limited liability partnership
8 which has been filed with the secretary of state.
9 f. "General partnership" shall mean an organization formed under chapters
10 45-13 through 45-21.
11 g. "Organizational records" means for an organization which is:
12 (1) A corporation, its articles of incorporation and bylaws;
13 (2) A limited liability company, its articles of organization, operating
14 agreement or bylaws, and any member-control agreement;
15 (3) A limited partnership, its partnership agreement;
16 (4) A general partnership, then chapters 45-13 through 45-21;
17 (5) A limited liability partnership, its partnership agreement; or
18 (6) A limited liability limited partnership, its partnership agreement.
19 h. "Originating records" means for an organization which is:
20 (1) A corporation, its articles of incorporation;
21 (2) A limited liability company, its articles of organization;
22 (3) A limited partnership, its certificate of limited partnership;
23 (4) A limited liability partnership, its registration; or
24 (5) A limited liability limited partnership, its certificate of limited liability
25 limited partnership.

26 **SECTION 28.** Section 10-19.1-104.2 of the North Dakota Century Code is created and
27 enacted as follows:

28 **10-19.1-104.2. Plan of conversion.** A plan of conversion must be in a record and
29 must contain:

- 30 1. The name and form of the converting organization before conversion;
31 2. The name and form of the converted organization after conversion;

- 1 3. The terms and conditions of the proposed conversion;
- 2 4. The manner and basis of converting each ownership interest in the converting
- 3 organization into ownership interests in the converted organization or, in whole or
- 4 in part, into money or other property;
- 5 5. The organizational records of the converted organization; and
- 6 6. Any other provisions with respect to the proposed conversion that are deemed
- 7 necessary or desirable.

8 **SECTION 29.** Section 10-19.1-104.3 of the North Dakota Century Code is created and
9 enacted as follows:

10 **10-19.1-104.3. Plan approval and amendment.**

- 11 1. If the converting organization is a corporation, then:
 - 12 a. A resolution containing or amending the plan of conversion must be approved
 - 13 by an act of the board of the converting corporation and must then be
 - 14 approved by an act of its shareholders.
 - 15 (1) In the action by the shareholders, a class or series of shares is entitled
 - 16 to vote as a class or series on the approval or amendment of the plan.
 - 17 (2) Any amendment of the plan shall be subject to any contractual rights.
 - 18 b. If the resolution containing or amending the plan of conversion is approved by
 - 19 the shareholders:
 - 20 (1) At a shareholder meeting, then:
 - 21 (a) Written notice must be given to every shareholder of the
 - 22 converting corporation, whether or not entitled to vote at the
 - 23 meeting, not less than fourteen days nor more than fifty days
 - 24 before the meeting, in the manner provided in section 10-19.1-73.
 - 25 (b) The written notice must state that a purpose of the meeting is to
 - 26 consider the proposed plan of conversion or an amendment to it.
 - 27 (c) A copy or short description of the plan of conversion or the
 - 28 amendment to it must be included in or enclosed with the notice.
 - 29 (2) By a written action of the shareholders, then a copy or short description
 - 30 of the plan of conversion or the amendment to it must be included in or
 - 31 attached to the written action.

1 2. If the converting organization is not a corporation, then the approval and
2 amendment of the plan of conversion must comply with its governing statute in
3 effecting the conversion.

4 **SECTION 30.** Section 10-19.1-104.4 of the North Dakota Century Code is created and
5 enacted as follows:

6 **10-19.1-104.4. Articles of conversion.**

7 1. Upon receiving the approval required by section 10-19.1-104.3, articles of
8 conversion must be prepared in a record that must contain:

9 a. A statement that the converting organization is being converted into another
10 organization including:

11 (1) The name of the converting organization immediately before the filing of
12 the articles of conversion;

13 (2) The name to which the name of the converting organization is to be
14 changed, which shall be a name that satisfies the laws applicable to the
15 converted organization;

16 (3) The form of organization that the converted organization will be; and

17 (4) The jurisdiction of the governing statute of the converted organization;

18 b. A statement that the plan of conversion has been approved by the converting
19 organization as provided in section 10-19.1-104.3;

20 c. A statement that the plan of conversion has been approved as required by the
21 governing statute of the converted organization;

22 d. The plan of conversion;

23 e. A copy of the originating record of the converted organization; and

24 f. If the converted organization is a foreign organization not authorized to
25 transact business or conduct activities in this state, then the street and mailing
26 address of an office which the secretary of state may use for the purposes of
27 subsection 4 of section 10-19.1-104.6.

28 2. The articles of conversion must be signed on behalf of the converting organization
29 and filed with the secretary of state.

30 a. If the converted organization is a domestic organization:

- 1 (1) Then the filing of the articles of conversion must also include the filing
2 with the secretary of state of the originating record of the converted
3 organization.
- 4 (2) Upon both the articles of conversion and the originating record of the
5 converted organization being filed with the secretary of state, the
6 secretary of state shall issue a certificate of conversion and the
7 appropriate certificate of creation to the converted organization or its
8 legal representative.
- 9 b. If the converted organization is a foreign organization:
- 10 (1) That is transacting business or conducting activities in this state, then:
- 11 (a) The filing of the articles of conversion must include the filing with
12 the secretary of state of an application for a certificate of authority
13 by the converted organization.
- 14 (b) Upon both the articles of conversion and the application for a
15 certificate of authority by the converted organization being filed
16 with the secretary of state, the secretary of state shall issue a
17 certificate of conversion and a certificate of authority to the
18 converted organization or the legal representative.
- 19 (2) That is not transacting business or conducting activities in this state,
20 then, upon the articles of conversion being filed with the secretary of
21 state, the secretary of state shall issue a certificate of conversion to the
22 converted organization or its legal representative.
- 23 3. A converting organization that is the owner of a trademark or trade name, is a
24 general partner named in a fictitious name certificate, or is a general partner in a
25 limited partnership that is on file with the secretary of state must change or amend
26 the name of the converting organization to the name of the converted organization
27 in each registration when filing the articles of conversion.

28 **SECTION 31.** Section 10-19.1-104.5 of the North Dakota Century Code is created and
29 enacted as follows:

30 **10-19.1-104.5. Abandonment of conversion.**

- 31 1. If the articles of conversion have not been filed with the secretary of state, and:

- 1 a. If the converting organization is a corporation, then:
- 2 (1) Before a plan of conversion has been approved by the converting
- 3 corporation as provided in section 10-19.1-104.3, it may be abandoned
- 4 by an act of its board.
- 5 (2) After a plan of conversion has been approved by the converting
- 6 corporation as provided in section 10-19.1-104.3, and before the
- 7 effective date of the plan, it may be abandoned:
- 8 (a) If the shareholders of the converting corporation entitled to vote
- 9 on the approval of the plan as provided in section 10-19.1-104.3
- 10 have approved the abandonment by an act of the shareholders;
- 11 or
- 12 (b) If the plan provides for abandonment and if all conditions for
- 13 abandonment set forth in the plan are met.
- 14 b. If the converting organization is not a corporation, then the abandonment of
- 15 the plan of conversion must comply with its governing statute.
- 16 2. If articles of conversion have been filed with the secretary of state, but have not yet
- 17 become effective, then the converting organization shall file with the secretary of
- 18 state articles of abandonment that contain:
- 19 a. The name of the converting organization;
- 20 b. The provision of this section under which the plan is abandoned; and
- 21 c. If the plan is abandoned:
- 22 (1) By an act of the board under paragraph 1 of subdivision a of
- 23 subsection 1, or by an act of the shareholders under subparagraph b of
- 24 paragraph 2 of subdivision a of subsection 1, then the text of the
- 25 resolution abandoning the plan; or
- 26 (2) As provided in the plan under subparagraph b of paragraph 2 of
- 27 subdivision a of subsection 1, then a statement that the plan provides
- 28 for abandonment and that all conditions for abandonment set forth in
- 29 the plan are met.

30 **SECTION 32.** Section 10-19.1-104.6 of the North Dakota Century Code is created and
31 enacted as follows:

- 1 **10-19.1-104.6. Effective date of conversion - Effect.**
- 2 1. A conversion is effective when the filing requirements of subsection 2 of section
- 3 10-19.1-104.4 have been fulfilled or on a later date specified in the articles of
- 4 conversion.
- 5 2. With respect to the effect of conversion on the converting organization and on the
- 6 converted organization:
- 7 a. An organization that has been converted as provided in sections
- 8 10-19.1-104.1 through 10-19.1-104.6 is for all purposes the same entity that
- 9 existed before the conversion.
- 10 b. Upon a conversion becoming effective:
- 11 (1) If the converted organization:
- 12 (a) Is a corporation, then the converted organization has all the
- 13 rights, privileges, immunities, and powers, and is subject to all the
- 14 duties and liabilities, of a corporation incorporated under this
- 15 chapter; or
- 16 (b) Is not a corporation, then the converted organization has all the
- 17 rights, privileges, immunities, and powers, and is subject to the
- 18 duties and liabilities as provided in its governing statute;
- 19 (2) All property owned by the converting organization remains vested in the
- 20 converted organization;
- 21 (3) All debts, liabilities, and other obligations of the converting organization
- 22 continue as obligations of the converted organization;
- 23 (4) An action or proceeding pending by or against the converting
- 24 organization may be continued as if the conversion has not occurred;
- 25 (5) Except as otherwise provided by other law, all rights, privileges,
- 26 immunities, and powers of the converting organization remain vested in
- 27 the converted organization; and
- 28 (6) Except as otherwise provided in the plan of conversion, the terms and
- 29 conditions of the plan of conversion take effect.
- 30 3. When a conversion becomes effective, each ownership interest in the converting
- 31 organization is deemed to be converted into ownership interests in the converted

- 1 organization or, in whole or in part, into money or other property to be received
2 under the plan, subject to any dissenters' rights under section 10-19.1-87.
- 3 4. A converted organization that is a foreign organization consents to the jurisdiction
4 of the courts of this state to enforce any obligation owed by the converting limited
5 partnership, if before the conversion the converting limited partnership was subject
6 to suit in this state on the obligation.
- 7 5. A converted organization that is a foreign organization and not authorized to
8 transact business in this state appoints the secretary of state as its agent for
9 service of process for purposes of enforcing an obligation under this subsection.

10 **SECTION 33. AMENDMENT.** Subsection 1 of section 10-19.1-110 of the North Dakota
11 Century Code is amended and reenacted as follows:

- 12 1. If notice to creditors and claimants is given, it must be given by:
- 13 a. Publishing the notice once each week for four successive weeks in an official
14 newspaper, as defined in chapter 46-06, in the county or counties where the
15 registered office and the principal executive office of the corporation are
16 located; and
- 17 b. Giving written notice to known creditors and claimants pursuant to
18 subsection ~~32~~ 35 of section 10-19.1-01.

19 **SECTION 34. AMENDMENT.** Section 10-19.1-129 of the North Dakota Century Code
20 is amended and reenacted as follows:

21 **10-19.1-129. Service of process on corporation, foreign corporation, and**
22 **nonresident directors.**

- 23 1. The registered agent must be an agent of the corporation and any nonresident
24 director upon whom any process, notice, or demand required or permitted by law to
25 be served on the corporation or director may be served.
- 26 a. When a foreign corporation transacts business without a certificate of
27 authority, or when the certificate of authority of a foreign corporation is
28 suspended or revoked, the secretary of state is an agent of the foreign
29 corporation for service of process, notice, or demand.
- 30 b. Acceptance of a directorship includes the appointment of the secretary of
31 state as an agent for personal service of legal process, notice, or demand.

- 1 2. A process, notice, or demand required or permitted by law to be served upon a
2 corporation may be served ~~either upon:~~
- 3 a. On the registered agent of the corporation, ~~or upon:~~
4 b. On an officer of the corporation;
5 c. On any responsible person found at the registered office or at the principal
6 executive office; or ~~upon~~
7 d. On the secretary of state as provided in this section.
- 8 3. If neither the ~~corporation's~~ registered agent nor ~~an officer of the corporation~~ a
9 responsible person can be found at the registered office, or if a ~~corporation fails to~~
10 ~~maintain a registered agent in this state and an officer of the corporation~~
11 responsible person cannot be found at the ~~registered office~~ principal executive
12 office, then the secretary of state is ~~the~~ an agent of the corporation upon whom the
13 process, notice, or demand may be served.
- 14 a. Service on the secretary of state:
- 15 a- (1) Shall be made by registered mail or personal delivery to the secretary
16 of state and not by electronic communication;
17 b- (2) Shall include the return of the sheriff, or the affidavit of a person who is
18 not a party, verifying that neither the registered agent nor ~~an officer~~ a
19 responsible person can be found at the registered office; ~~and~~ or at the
20 principal executive office.
- 21 e- (3) Is deemed personal service upon the corporation and must be made by
22 filing with the secretary of state:
- 23 (1) ~~(a)~~ (a) Three copies of the process, notice, or demand; and
24 (2) ~~(b)~~ (b) The fees provided in section 10-19.1-147; and
25 (4) Is returnable in not less than thirty days notwithstanding a shorter
26 period specified in the process, notice, or demand.
- 27 b. The secretary of state shall immediately forward, by ~~registered~~ certified mail,
28 addressed to the corporation at the registered office or principal executive
29 office, a copy of the process, notice, or demand. ~~Service on the secretary of~~
30 ~~state is returnable in not less than thirty days notwithstanding a shorter period~~
31 ~~specified in the process, notice, or demand.~~

- 1 4. Process, notice, or demand may be served on a dissolved corporation as provided
2 in this subsection. The court shall determine if service is proper. If a corporation
3 has voluntarily dissolved or a court has entered a decree of dissolution, then
4 service may be made according to subsection 2 so long as claims are not finally
5 barred under section 10-19.1-124. If a corporation has been involuntarily dissolved
6 pursuant to section 10-19.1-146, then service may be made according to
7 subsection 2.
- 8 5. ~~A~~ The secretary of state shall maintain a record of all processes, notices every
9 process, notice, and demands demand served upon on the secretary of state
10 under this section, including the date of service and the action taken with reference
11 to it, ~~must be maintained in the office of the secretary of state~~ the process, notice,
12 or demand.
- 13 6. ~~Nothing in this~~ This section limits does not limit the right to serve any process,
14 notice, or demand required or permitted by law to be served upon a corporation in
15 any other manner permitted by law.

16 **SECTION 35. AMENDMENT.** Subsection 1 of section 10-19.1-141 of the North Dakota
17 Century Code is amended and reenacted as follows:

- 18 1. The certificate of authority of a foreign corporation to transact business in this state
19 may be revoked by the secretary of state upon the occurrence of either of these
20 events:
- 21 a. The foreign corporation has failed to:
- 22 (1) Maintain a registered office as required by this chapter;
- 23 (2) Appoint and maintain a registered agent as required by this chapter;
- 24 (3) File a report upon any change in the address of its registered office;
- 25 (4) File a report upon any change in the name or business address of the
26 registered agent; or
- 27 (5) File in the office of the secretary of state any amendment to its
28 application for a certificate of authority as specified in section
29 10-19.1-137; or

- 1 b. A misrepresentation has been made of any material matter in any application,
2 report, affidavit, or other ~~document~~ record submitted by the foreign
3 corporation pursuant to this chapter.

4 **SECTION 36. AMENDMENT.** Section 10-19.1-145 of the North Dakota Century Code
5 is amended and reenacted as follows:

6 **10-19.1-145. Foreign corporation - Service of process.** Service of process on a
7 foreign corporation must be as provided in section 10-19.1-129. ~~When a foreign corporation~~
8 ~~transacts business without a certificate of authority or when the certificate of authority of a~~
9 ~~foreign corporation is suspended or revoked, the secretary of state is an agent of the foreign~~
10 ~~corporation for service of process, notices, or demand.~~

11 **SECTION 37. AMENDMENT.** Subsections 1, 2, 4, and 6 of section 10-19.1-146 of the
12 North Dakota Century Code are amended and reenacted as follows:

- 13 1. Each corporation and each foreign corporation authorized to transact business in
14 this state shall file, within the time ~~prescribed by~~ provided in subsection 3, an
15 annual report setting forth:
- 16 a. The name of the corporation or foreign corporation and the state or country
17 under the laws of which the corporation or foreign corporation is incorporated.
 - 18 b. The address of the registered office of the corporation or foreign corporation
19 in this state, the name of the corporation's or foreign corporation's registered
20 agent in this state at that address, and the address of the corporation's or
21 foreign corporation's principal executive office.
 - 22 c. A brief statement of the character of the business in which the corporation or
23 foreign corporation is actually engaged in this state.
 - 24 d. The names and respective addresses of the officers and directors of the
25 corporation or foreign corporation.
 - 26 e. A statement of the aggregate number of shares the corporation or foreign
27 corporation has authority to issue, itemized by classes, par value of shares,
28 shares without par value, and series, if any, within a class.
 - 29 f. A statement of the aggregate number of issued shares, itemized by classes,
30 par value of shares, shares without par value, and series, if any, within a
31 class.

- 1 g. A statement, expressed in dollars, of the value of all the property owned by
2 the corporation, wherever located, and the value of the property of the
3 corporation located within this state, and a statement, expressed in dollars, of
4 the total gross income of the corporation for the twelve months ending on
5 December thirty-first preceding the date provided under this section for the
6 filing of the annual report and the gross amount accumulated by the
7 corporation at or from places of business in this state. If, on December
8 thirty-first preceding the time provided under this section for the filing of the
9 report, the corporation had not been in existence for a period of twelve
10 months, or, in the case of a foreign corporation, had not been authorized to
11 transact business in this state for a period of twelve months, the statement
12 with respect to total gross income must be furnished for the period between
13 the date of incorporation or the date of the corporation's authorization to
14 transact business in this state and December thirty-first.
- 15 h. Any additional information necessary or appropriate to enable the secretary of
16 state to determine and assess the proper amount of fees payable by the
17 corporation.
- 18 2. The annual report must be submitted on forms prescribed by the secretary of state.
19 The information provided must be given as of the date of the execution of the
20 report except as to the information required by subdivision g of subsection 1 which
21 must be given as of the close of business on December thirty-first next preceding
22 the date herein provided for the filing of the report, or, in the alternative, data of the
23 fiscal year ending next preceding this report may be used. The annual report must
24 be signed as ~~prescribed~~ provided in subsection ~~48~~ 51 of section 10-19.1-01, or the
25 articles or the bylaws or a resolution approved by the affirmative vote of the
26 required proportion or number of the directors or holders of shares entitled to vote.
27 If the corporation or foreign corporation is in the hands of a receiver or trustee, it
28 must be signed on behalf of the corporation or foreign corporation by the receiver
29 or trustee. The secretary of state may destroy all annual reports provided for in
30 this section after they have been on file for six years. The secretary of state, or
31 any employee or legal representative of the secretary of state, may not disclose the

1 information reported under subdivision g of subsection 1 to any person, except a
2 person who is verified to be a shareholder of the corporation or foreign corporation,
3 a legal representative of the shareholder for which information is requested, or to
4 the tax commissioner or any employee or legal representative of the tax
5 commissioner, who may not disclose the information and may use the information
6 only for the administration of the tax laws.

7 4. The secretary of state must file the annual report if the annual report conforms to
8 the requirements of this section and all fees have been paid as provided in section
9 10-19.1-147.

10 a. If the annual report does not conform, it must be returned to the corporation or
11 foreign corporation for any necessary correction or payment.

12 b. If the annual report is corrected and filed before the date provided in
13 subsection 3, or within thirty days after the annual report was returned by the
14 secretary of state for correction, then the penalties ~~prescribed~~ provided in
15 section 10-19.1-147 for the failure to file an annual report within the time
16 provided do not apply.

17 6. ~~Within three~~ Three months after the date provided in subsection 3, ~~the secretary of~~
18 ~~state shall notify~~ any corporation or foreign corporation failing to file its annual
19 report is not in good standing. After the corporation or foreign corporation
20 becomes not in good standing, the secretary of state shall notify the corporation or
21 foreign corporation that its certificate of incorporation or certificate of authority is
22 not in good standing and that it may be dissolved or revoked as provided in
23 subsection 7 or 8.

24 a. The secretary of state must mail the notice of impending dissolution or
25 revocation to the last registered agent at the last registered office of record.

26 b. If the corporation or foreign corporation files its annual report after the notice
27 is mailed, together with the filing fee and the late filing penalty fee provided in
28 section 10-19.1-147, then the secretary of state shall restore its certificate of
29 incorporation or certificate of authority to good standing.

30 **SECTION 38. AMENDMENT.** Section 10-19.1-147 of the North Dakota Century Code
31 is amended and reenacted as follows:

- 1 **10-19.1-147. Fees for filing ~~documents~~ records - Issuing certificates - License**
- 2 **fees.** The secretary of state shall charge and collect for:
- 3 1. Filing articles of incorporation and issuing a certificate of incorporation, thirty
- 4 dollars.
- 5 2. Filing articles of amendment, twenty dollars.
- 6 3. Filing articles of correction, twenty dollars.
- 7 4. Filing restated articles of incorporation, thirty dollars.
- 8 5. Filing articles of conversion of a corporation, fifty dollars and:
- 9 a. If the organization resulting from the conversion will be a domestic
- 10 organization governed by the laws of this state, then the fees provided by the
- 11 governing laws to establish or register a new organization like the
- 12 organization resulting from the conversion; or
- 13 b. If the organization resulting from the conversion will be a foreign organization
- 14 that will transact business in this state, then the fees provided by the
- 15 governing laws to obtain a certificate of authority or register an organization
- 16 like the organization resulting from the conversion.
- 17 6. Filing abandonment of conversion, fifty dollars.
- 18 4: 7. Filing articles of merger or consolidation and issuing a certificate of merger or
- 19 consolidation, fifty dollars.
- 20 5: 8. Filing articles of abandonment of merger, fifty dollars.
- 21 6: 9. Filing an application to reserve a corporate name, ten dollars.
- 22 7: 10. Filing a notice of transfer of a reserved corporate name, ten dollars.
- 23 8: 11. Filing a cancellation of reserved corporate name, ten dollars.
- 24 9: 12. Filing a consent to use of name, ten dollars.
- 25 10: 13. Filing a statement of change of address of registered office or change of registered
- 26 agent, or both, ten dollars.
- 27 11: 14. Filing a statement of change of address of registered office by registered agent, ten
- 28 dollars for each corporation affected by such change.
- 29 12: 15. Filing a registered agent's consent to serve in such capacity, ten dollars.
- 30 13: 16. Filing a resignation as registered agent, ten dollars.
- 31 14: 17. Filing a statement of the establishment of a series of shares, twenty dollars.

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- 1 ~~45.~~ 18. Filing a statement of cancellation of shares, twenty dollars.
- 2 ~~46.~~ 19. Filing a statement of reduction of stated capital, twenty dollars.
- 3 ~~47.~~ 20. Filing a statement of intent to dissolve, ten dollars.
- 4 ~~48.~~ 21. Filing a statement of revocation of voluntary dissolution proceedings, ten dollars.
- 5 ~~49.~~ 22. Filing articles of dissolution, twenty dollars.
- 6 ~~20.~~ 23. Filing an application of a foreign corporation for a certificate of authority to transact
7 business in this state and issuing a certificate of authority, forty dollars.
- 8 ~~21.~~ 24. Filing an application of a foreign corporation for an amended certificate of authority
9 to transact business in this state and issuing an amended certificate of authority,
10 forty dollars.
- 11 ~~22.~~ 25. Filing a certificate of fact stating a merger or consolidation of a foreign corporation
12 holding a certificate of authority to transact business in this state, fifty dollars.
- 13 ~~23.~~ 26. Filing an application for withdrawal of a foreign corporation and issuing a certificate
14 of withdrawal, twenty dollars.
- 15 ~~24.~~ 27. Filing an annual report of a corporation or foreign corporation, twenty-five dollars.
- 16 a. The secretary of state shall charge and collect additional fees for late filing of
17 the annual report as follows:
- 18 a. (1) Within ninety days after the date provided in subsection 3 of section
19 10-19.1-146, twenty dollars;
- 20 b. (2) Thereafter, sixty dollars; and
- 21 e. (3) After the involuntary dissolution of a corporation, or the revocation of
22 the certificate of authority of a foreign corporation, the reinstatement fee
23 of one hundred thirty-five dollars.
- 24 b. Fees paid to the secretary of state according to this subsection are not
25 refundable if an annual report submitted to the secretary of state cannot be
26 filed because it lacks information required by section 10-19.1-146, or the
27 annual report lacks sufficient payment as required by this subsection.
- 28 ~~25.~~ 28. Filing any process, notice, or demand for service, twenty-five dollars.
- 29 ~~26.~~ 29. Furnishing a certified copy of any ~~document~~ record, instrument, or paper relating to
30 a corporation, one dollar for every four pages or fraction and fifteen dollars for the
31 certificate and affixing the seal thereto.

- 1 ~~27.~~ 30. License fee of fifty dollars for the first fifty thousand dollars of a corporation's
2 authorized shares, or fraction, and the further sum of ten dollars if paid at the time
3 of authorization, or twelve dollars if paid after authorized shares are issued, for
4 every additional ten thousand dollars of its authorized shares, or fraction thereof, in
5 excess of fifty thousand dollars.
- 6 a. A license fee is payable by a corporation at the time of:
- 7 (1) Filing articles of incorporation;
- 8 (2) Filing articles of amendment increasing the number or value of
9 authorized shares; or
- 10 (3) Filing articles of merger or consolidation increasing the number or value
11 of authorized shares a surviving or new corporation will have authority
12 to issue above the aggregate number or value of shares the constituent
13 corporations had authority to issue.
- 14 b. A license fee payable on an increase in authorized shares must be imposed
15 only on the additional shares, but the amount of previously authorized shares
16 must be taken into account in determining the rate applicable to the additional
17 authorized shares.
- 18 c. For the purposes of this subsection, shares without par value are considered
19 worth one dollar per share.
- 20 d. The minimum sum of fifty dollars must be paid for authorized shares at the
21 time of filing articles of incorporation.
- 22 e. A corporation increasing authorized shares by articles of amendment or
23 articles of merger must have previously paid for a minimum of fifty thousand
24 dollars of authorized shares.
- 25 (1) Thereafter, a corporation may postpone the payment for any additional
26 amount until the filing of an annual report after the unpaid shares are
27 issued.
- 28 (2) Any additional amount must be paid in increments of ten thousand
29 dollars of authorized shares.
- 30 f. The provisions of this subsection do not apply to a building and loan or
31 savings and loan association.

1 ~~28.~~ 31. License fee of eighty-five dollars from each foreign corporation at the time of filing
2 an application for a certificate of authority to transact business in this state.

3 Thereafter, the secretary of state shall fix the license fee for each foreign
4 corporation as follows:

5 a. The secretary of state shall first ascertain the license fee which a newly
6 organized corporation would be required to pay if it had authorized shares of
7 the same kind and amount as the issued or allotted shares of the reporting
8 foreign corporation shown by its filed annual report.

9 b. Said amount must be multiplied by a fraction, the numerator of which must be
10 the sum of the value of the property of the foreign corporation located in this
11 state and the gross receipts of the foreign corporation derived from that
12 foreign corporation's business transacted within this state, and the
13 denominator of which must be the sum of the value of all of that foreign
14 corporation's property wherever located and the gross receipts of the foreign
15 corporation derived from that foreign corporation's business wherever
16 transacted. The amounts used in determining the numerator and
17 denominator must be determined from the foreign corporation's filed annual
18 report.

19 c. From the product of such multiplication, there must be deducted the
20 aggregate amount of license fee previously paid by the foreign corporation,
21 and the remainder, if any, must be the amount of additional fee to be paid by
22 the foreign corporation.

23 The secretary of state shall enter the amount of any additional license fee in the
24 records of the foreign corporation in the secretary of state's office and shall mail a
25 notice of the amount of additional license fee due to the foreign corporation at the
26 foreign corporation's principal office. The additional license fee must be paid by
27 the foreign corporation before the annual report may be filed by the secretary of
28 state. Amounts less than five dollars are not collected.

29 ~~29.~~ 32. Any ~~document~~ record submitted for approval before the actual time of submission
30 for filing, one-half of the fee provided in this section for filing the ~~document~~ record.

31 ~~30.~~ 33. Filing any other statement of a corporation or foreign corporation, ten dollars.

1 **SECTION 39. AMENDMENT.** Section 10-19.1-148 of the North Dakota Century Code
2 is amended and reenacted as follows:

3 **10-19.1-148. Secretary of state - Powers - Enforcement - Penalty - Appeal.**

4 1. The secretary of state has the power and authority reasonably necessary to
5 efficiently administer this chapter and to perform the duties imposed thereby.

6 2. The secretary of state may propound to any corporation or foreign corporation that
7 is subject to this chapter and to any officer, director, or employee thereof, any
8 interrogatory reasonably necessary and proper to ascertain whether the
9 corporation has complied with all provisions of this chapter applicable to the
10 corporation.

11 a. The interrogatory must be answered within thirty days after mailing, or within
12 any additional time as must be fixed by the secretary of state. The answer to
13 the interrogatory must be full and complete and must be made in writing and
14 under oath.

15 b. If the interrogatory is directed:

16 (1) To an individual, it must be answered by that individual; or

17 (2) To a corporation, it must be answered by the president, vice president,
18 secretary, or assistant secretary of the corporation.

19 c. The secretary of state is not required to file any ~~document~~ record to which the
20 interrogatory relates until the interrogatory has been answered, and not then if
21 the answers disclose the ~~document~~ record is not in conformity with this
22 chapter.

23 d. The secretary of state shall certify to the attorney general, for action the
24 attorney general may deem appropriate, an interrogatory and answers
25 thereto, which discloses a violation of this chapter.

26 e. Each officer, director, or employee of a corporation or foreign corporation who
27 fails or refuses within the time provided by subdivision a to answer truthfully
28 and fully an interrogatory propounded to that person by the secretary of state
29 is guilty of an infraction.

30 f. An interrogatory propounded by the secretary of state and the answers are
31 not open to public inspection. The secretary of state may not disclose any

1 facts or information obtained from the interrogatory or answers except insofar
2 as permitted by law or insofar as required for evidence in any criminal
3 proceedings or other action by this state.

4 3. If the secretary of state rejects any ~~document~~ record required by this chapter to be
5 approved by the secretary of state before the ~~document~~ record may be filed, then
6 the secretary of state shall give written notice of the rejection to the person who
7 delivered the ~~document~~ record, specifying the reasons for rejection.

8 a. ~~From such rejection the person~~ Within thirty days after the service of the
9 notice of denial, the corporation or foreign corporation, as the case may be,
10 may appeal to the district court of the county in which the registered office of
11 such corporation is, or is proposed to be, situated in the judicial district
12 servng Burleigh County by filing with the clerk of the court a petition setting
13 forth a copy of the ~~document~~ record sought to be filed and a copy of the
14 written rejection of the ~~document~~ record by the secretary of state.

15 b. The matter must be tried de novo by the court. The court shall either sustain
16 the action of the secretary of state or direct the secretary of state to take the
17 action the court determines proper.

18 4. If the secretary of state dissolves a corporation or revokes the certificate of
19 authority to transact business in this state of any foreign corporation, pursuant to
20 section 10-19.1-141, then the corporation or foreign corporation may appeal to the
21 district court ~~of the county where the registered office of the foreign corporation in~~
22 ~~this state is situated~~ in the judicial district serving Burleigh County by filing with the
23 clerk of the court a petition ~~setting forth a~~ including:

24 a. A copy of the corporation's articles of incorporation and a copy of the notice of
25 dissolution given by the secretary of state; or

26 b. A copy of the certificate of authority of the foreign corporation to transact
27 business in this state and a copy of the notice of revocation given by the
28 secretary of state.

29 The court shall try the matter ~~must be tried~~ de novo ~~by the court~~. The court shall
30 sustain the action of the secretary of state or direct the secretary of state to take
31 the action the court determines proper.

- 1 5. If the court order sought is one for reinstatement of a corporation that has been
2 dissolved as provided in subsection 7 of section 10-19.1-146, or for reinstatement
3 of the certificate of authority of a foreign corporation that has been revoked as
4 provided in subsection 8 of section 10-19.1-146, then together with any other
5 actions the court deems proper, any such order which reverses the decision of the
6 secretary of state shall require the corporation or foreign corporation to:
- 7 a. File all past-due annual reports;
8 b. Pay the fees to the secretary of state for each annual report as provided in
9 subsection 24 of section 10-19.1-147; and
10 c. Pay the reinstatement fee to the secretary of state as provided in
11 subsection 24 of section 10-19.1-147.
- 12 6. Appeals from all final orders and judgments entered by the district court under this
13 section in review of any ruling or decision of the secretary of state are treated as
14 other civil actions.

15 **SECTION 40.** Section 10-19.1-148.1 of the North Dakota Century Code is created and
16 enacted as follows:

17 **10-19.1-148.1. Delivery to and filing of records by secretary of state and effective**
18 **date.**

- 19 1. A record authorized or required to be delivered to the secretary of state for filing
20 under this chapter must be captioned to describe the purpose of the record, be in a
21 medium permitted by the secretary of state, and be delivered to the secretary of
22 state. If the secretary of state determines that a record complies with the filing
23 requirements of this chapter, then the secretary of state shall file the record and
24 return a copy of the filed record to the person who delivered it to the secretary of
25 state for filing. That person shall then send a copy of the filed record to the person
26 on whose behalf the record was filed.
- 27 2. Upon request and payment of a fee provided in section 10-19.1-147, the secretary
28 of state shall send to the requester a certified copy of the requested record.
- 29 3. Except as otherwise specifically provided in this chapter, a record delivered to the
30 secretary of state for filing under this chapter may specify a delayed effective date

1 within ninety days. Except as otherwise provided in this chapter, a record filed by
2 the secretary of state is effective:

3 a. If a record does not specify a delayed effective date within ninety days, then
4 on the date the record is filed as evidenced by the endorsement of the
5 secretary of state of the date on the record.

6 b. If the record specifies a delayed effective date within ninety days, then on the
7 specified date.

8 **SECTION 41.** Section 10-19.1-148.2 of the North Dakota Century Code is created and
9 enacted as follows:

10 **10-19.1-148.2. Correcting a filed record.** With respect to correction of a filed record:

11 1. Whenever a record authorized by this chapter to be filed with the secretary of state
12 has been filed and inaccurately records the action referred to in the record,
13 contains an inaccurate or erroneous statement, or was defectively or erroneously
14 executed, sealed, acknowledged, or verified, the record may be corrected by filing
15 a statement of correction.

16 2. A statement of correction:

17 a. Must:

18 (1) Be signed by:

19 (a) The person who executed the original record; or

20 (b) By a person authorized to sign on behalf of that person.

21 (2) Set forth the name of the corporation that filed the record;

22 (3) Identify the record to be corrected by description and by the date of its
23 filing with the secretary of state;

24 (4) Identify the inaccuracy, error, or defect to be corrected; and

25 (5) Set forth a statement in corrected form of the portion of the record to be
26 corrected.

27 b. May not revoke or nullify the record.

28 3. The statement of correction shall be filed with the secretary of state.

29 4. With respect to the effective date of correction:

30 a. A certificate issued by the secretary of state before a record is corrected, with
31 respect to the effect of filing the original record, is considered to be applicable

1 to the record as corrected as of the date the record as corrected is considered
2 to have been filed under this subsection.

3 b. After a statement of correction has been filed with the secretary of state, the
4 original record as corrected is considered to have been filed:

5 (1) On the date the statement of correction was filed:

6 (a) As to persons adversely affected by the correction; and

7 (b) For the purposes of subsection 3 of section 10-19.1-01.2; and

8 (2) On the date the original record was filed as to all other persons and for
9 all other purposes.

10 **SECTION 42. AMENDMENT.** Section 10-19.1-149 of the North Dakota Century Code
11 is amended and reenacted as follows:

12 **10-19.1-149. Secretary of state - Certificates and certified copies to be received in**
13 **evidence.**

14 1. All certificates issued by the secretary of state and all copies of ~~documents~~ records
15 filed in accordance with this chapter, when certified by the secretary of state, must
16 be taken and received in all courts, public offices, and official bodies as prima facie
17 evidence of the facts stated.

18 2. A certificate by the secretary of state under the great seal of this state, as to the
19 existence or nonexistence of the facts relating to corporations which would not
20 appear from a certified copy of any of the foregoing ~~documents~~ records or
21 certificates, must be taken and received in all courts, public offices, and official
22 bodies as prima facie evidence of the existence or nonexistence of the facts stated.

23 **SECTION 43. AMENDMENT.** Section 10-19.1-149.1 of the North Dakota Century
24 Code is amended and reenacted as follows:

25 **10-19.1-149.1. Secretary of state - Confidential records.** Any social security number
26 or federal tax identification number disclosed or contained in any ~~document~~ record filed with the
27 secretary of state under this chapter is confidential. The secretary of state shall delete or
28 obscure any social security number or federal tax identification number before a copy of any
29 ~~document~~ record is released to the public.

30 **SECTION 44. AMENDMENT.** Section 10-19.1-150 of the North Dakota Century Code
31 is amended and reenacted as follows:

1 **10-19.1-150. Secretary of state - Forms to be furnished by the secretary of state.**

2 All reports required by this chapter to be filed in the office of the secretary of state must be
3 made on forms prescribed by the secretary of state. Forms for all other ~~documents~~ records to
4 be filed in the office of the secretary of state may be furnished by the secretary of state upon
5 request. However, the use of such ~~documents~~ records, unless otherwise specifically required
6 by law, is not mandatory.

7 **SECTION 45. AMENDMENT.** Section 10-31-07.3 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **10-31-07.3. Issuance and transfer of partnership interests.** A professional
10 organization in the form of a limited liability partnership may issue partnership interests only to
11 ~~persons~~ individuals who are licensed to render the same specific professional services as those
12 for which the partnership was registered. A partner may voluntarily transfer partnership
13 interests in a professional limited liability partnership only to a person owning or eligible to own
14 a partnership interest. The issuance of any partnership interests issued in violation of this
15 section is void. The voluntary transfer of any partnership interests in violation of this section is
16 void. No partnership interest may be transferred upon the books of the professional limited
17 liability partnership or issued by the professional limited liability partnership until there is
18 presented to and filed with the limited liability partnership a certificate from the regulating board
19 stating that the person to whom the transfer is to be made or the partnership interest issued is
20 licensed to render the same specific professional services as those for which the limited liability
21 partnership was registered.

22 **SECTION 46. AMENDMENT.** Section 10-32-02 of the North Dakota Century Code is
23 amended and reenacted as follows:

24 **10-32-02. Definitions.** For purposes of this chapter, unless the context otherwise
25 requires:

- 26 1. "Acquiring organization" means the ~~foreign or domestic~~ limited liability company or
27 foreign limited liability company, or ~~domestic~~ corporation or foreign corporation that
28 acquires in an exchange the shares of a ~~domestic or foreign~~ corporation or foreign
29 corporation the membership interests of a limited liability company.
30 2. "Address" means:

- 1 a. In the case of a registered office or principal executive office, the mailing
2 address, including a zip code, of the actual office location which may not be
3 only a post-office box; and
- 4 b. In all other cases, the mailing address, including a zip code.
- 5 3. "Articles" or "articles of organization" means:
- 6 a. In the case of a limited liability company organized under this chapter, articles
7 of organization, articles of amendment, a statement of change of registered
8 office, registered agent, or name of registered agent, a statement establishing
9 or fixing the rights and preferences of a class or series of membership
10 interests, articles of merger, articles of abandonment, articles of conversion,
11 and articles of termination.
- 12 b. In the case of a foreign limited liability company, the term includes all
13 ~~documents~~ records serving a similar function required to be filed with the
14 secretary of state or other state office of the limited liability company's state of
15 organization.
- 16 4. "Authenticated electronic communication" means:
- 17 a. That the electronic communication is delivered:
- 18 (1) To the principal place of business of the limited liability company; or
19 (2) To a manager or agent of the limited liability company authorized by the
20 limited liability company to receive the electronic communication; and
- 21 b. That the electronic communication sets forth information from which the
22 limited liability company can reasonably conclude that the electronic
23 communication was sent by the purported sender.
- 24 5. "Ballot" means a written ballot or a ballot transmitted by electronic
25 communications.
- 26 ~~6.~~ "Board" or "board of governors" means the board of governors of a limited liability
27 company.
- 28 ~~6.~~ 7. "Board member" means:
- 29 a. An individual serving on the board of governors in the case of a limited liability
30 company; and
- 31 b. An individual serving on the board of directors in the case of a corporation.

- 1 ~~7.~~ 8. "Bylaws" means any rule, resolution, or other provision, regardless how
2 designated, that:
- 3 a. Relates to the management of the business or the regulation of the affairs of
4 the limited liability company; and
- 5 b. Was expressly part of the bylaws by the action, taken from time to time under
6 section 10-32-68, by the board or the members.
- 7 ~~8.~~ 9. "Class", when used with reference to membership interests, means a category of
8 membership interests which differs in one or more rights or preferences from
9 another category of membership interests of the limited liability company.
- 10 ~~9.~~ 10. "Closely held limited liability company" means a limited liability company that does
11 not have more than thirty-five members.
- 12 ~~10.~~ 11. "Constituent organization" means a limited liability company or a domestic or
13 foreign corporation that:
- 14 a. In a merger, is either the surviving organization or an organization that is
15 merged into the surviving organization; or
- 16 b. In an exchange, is either the acquiring organization or an organization whose
17 securities are acquired by the acquiring organization.
- 18 ~~11.~~ 12. "Contribution" means any cash, property, services rendered, or a promissory note
19 or other binding obligation to contribute cash or property or to perform services,
20 which a member contributes to a limited liability company in the capacity of that
21 member as a member.
- 22 ~~12.~~ 13. "Contribution agreement" means an agreement between a person and a limited
23 liability company under which:
- 24 a. The person agrees to make a contribution in the future; and
- 25 b. The limited liability company agrees that, at the time specified for the
26 contribution in the future, the limited liability company will accept the
27 contribution and reflect the contribution in the required records.
- 28 ~~13.~~ 14. "Contribution allowance agreement" means an agreement between a person and a
29 limited liability company under which:
- 30 a. The person has the right, but not the obligation, to make a contribution in the
31 future; and

- 1 b. The limited liability company agrees that, if the person makes the specified
2 contribution at the time specified in the future, the limited liability company will
3 accept the contribution and reflect the contribution in the required records.
- 4 15. "Converted organization" means the organization resulting from a conversion
5 under sections 10-32-108.1 through 10-32-108.6.
- 6 16. "Converting organization" means the organization that effects a conversion under
7 sections 10-32-108.1 through 10-32-108.6.
- 8 17. "Corporation" means a corporation, other than a foreign corporation, organized for
9 profit and incorporated under or governed by chapter 10-19.1.
- 10 44. 18. "Dissolution" means that the limited liability company incurred an event under
11 subsection 1 of section 10-32-109, subject only to sections 10-32-116 and
12 10-32-124, that obligates the limited liability company to wind up the limited liability
13 company's affairs and to terminate the limited liability company's existence as a
14 legal entity.
- 15 45. 19. "Dissolution avoidance consent" means the consent of all remaining members:
16 a. Given, as provided in subdivision e of subsection 1 of section 10-32-109, after
17 the occurrence of any event that terminates the continued membership of a
18 member in the limited liability company; and
19 b. That the limited liability company must be continued as a legal entity without
20 dissolution.
- 21 46. 20. "Distribution" means a direct or indirect transfer of money or other property, other
22 than its own membership interests, with or without consideration, or an incurrence
23 or issuance of indebtedness, by a limited liability company to any of the limited
24 liability company's members in respect of membership interests. A distribution
25 may be in the form of an interim distribution or a termination distribution, or as
26 consideration for the purchase, redemption, or other acquisition of its membership
27 interests, or otherwise.
- 28 47. ~~"Domestic corporation" means a corporation, other than a foreign corporation,~~
29 ~~organized for profit and incorporated under or governed by chapter 10-19.1.~~
- 30 48. 21. "Domestic organization" means an organization created under the laws of this
31 state.

- 1 49. 22. "Electronic" means relating to technology having electrical, digital, magnetic,
2 wireless, optical, electromagnetic, or similar capabilities.
- 3 20. 23. "Electronic communication" means any form of communication, not directly
4 involving the physical transmission of paper:
- 5 a. That creates a record that may be retained, retrieved, and reviewed by a
6 recipient of the communication; and
- 7 b. That may be directly reproduced in paper form by the recipient through an
8 automated process.
- 9 24. 24. "Electronic record" means a record created, generated, sent, communicated,
10 received, or stored by electronic means.
- 11 22. 25. "Electronic signature" means an electronic sound, symbol, or process attached to
12 or logically associated with a record and executed or adopted by a person with the
13 intent to sign the record.
- 14 23. 26. "Filed with the secretary of state" means except as otherwise permitted by law or
15 rule:
- 16 a. That a ~~document~~ record meeting the applicable requirements of this chapter,
17 together with the fees provided in section 10-32-150, has been delivered or
18 communicated to the secretary of state by a method or medium of
19 communication acceptable by the secretary of state, and has been
20 determined by the secretary of state to conform to law.
- 21 b. That the secretary of state ~~shall~~ did then:
- 22 (1) Record the actual date on which the ~~document is~~ record was filed, and
23 if different, the effective date of filing; and
- 24 (2) Record the ~~document~~ record in the office of the secretary of state.
- 25 24. 27. "Financial rights" means a member's rights:
- 26 a. To share in profits and losses as provided in section 10-32-36;
- 27 b. To share in distributions as provided in section 10-32-60;
- 28 c. To receive interim distributions as provided in section 10-32-61; and
- 29 d. To receive termination distributions as provided in subdivision c of
30 subsection 1 of section 10-32-131.

- 1 ~~25.~~ 28. "Foreign corporation" means a corporation organized for profit that is incorporated
2 under laws other than the laws of this state for a purpose for which a corporation
3 may be incorporated under chapter 10-19.1.
- 4 ~~26.~~ 29. "Foreign limited liability company" means a limited liability company ~~organized for~~
5 ~~profit~~ which is organized under laws other than the laws of this state for a purpose
6 for which a limited liability company may be organized under this chapter.
- 7 ~~27.~~ 30. "Foreign organization" means an organization created under laws other than the
8 laws of this state for a purpose for which an organization may be created under the
9 laws of this state.
- 10 ~~28.~~ 31. "Good faith" means honesty in fact in the conduct of the act or transaction
11 concerned.
- 12 ~~29.~~ 32. "Governance rights" means all of a member's rights as a member in the limited
13 liability company other than financial rights and the right to assign financial rights.
- 14 ~~30.~~ 33. "Governing board" means:
15 a. The board of governors in the case of a limited liability company; and
16 b. The board of directors in the case of a corporation.
- 17 34. "Governing statute" of an organization means:
18 a. With respect to a domestic organization, the following chapters of this code
19 which govern the internal affairs of the organization:
20 (1) If a corporation, then chapter 10-19.1;
21 (2) If a limited liability company, then this chapter;
22 (3) If a limited partnership, then chapter 45-10.2;
23 (4) If a limited liability partnership, then chapter 45-22; and
24 (5) If a limited liability limited partnership, then chapter 45-23; and
25 b. With respect to a foreign organization, the laws of the jurisdiction under which
26 the organization is created and which govern the internal affairs of the
27 organization.
- 28 ~~34.~~ 35. "Governor" means an individual serving on the board.
- 29 ~~32.~~ 36. "Intentionally" means that the person referred to either has a purpose to do or fail
30 to do the act or cause the result specified or believes that the act or failure to act, if
31 successful, will cause that result. A person "intentionally" violates a statute:

- 1 a. If the person intentionally does the act or causes the result prohibited by the
2 statute; or
- 3 b. If the person intentionally fails to do the act or cause the result required by the
4 statute, even though the person may not know of the existence or
5 constitutionality of the statute or the scope or meaning of the terms used in
6 the statute.
- 7 ~~33.~~ ~~"Knows" or has "knowledge" means the person has actual knowledge of a fact. A~~
8 ~~person does not "know" or have "knowledge" of a fact merely because the person~~
9 ~~has reason to know of the fact.~~
- 10 ~~34.~~ 37. "Legal representative" means a person empowered to act for another person,
11 including an agent, manager, officer, partner, or associate of an organization; a
12 trustee of a trust; a personal representative; a trustee in bankruptcy; and a
13 receiver, guardian, custodian, or conservator.
- 14 ~~35.~~ 38. "Limited liability company" means a limited liability company, other than a foreign
15 limited liability company, organized under this chapter.
- 16 ~~36.~~ 39. "Manager" means:
17 a. An individual who is eighteen years of age or more and who is elected,
18 appointed, or otherwise designated as a manager by the board; and
19 b. An individual considered elected as a manager pursuant to section 10-32-92.
- 20 ~~37.~~ 40. "Member" means a person, with or without voting rights, reflected in the required
21 records of a limited liability company as the owner of a membership interest in the
22 limited liability company.
- 23 ~~38.~~ 41. "Membership interest" means one of the units, however designated, into which a
24 member's proprietary interest in a limited liability company is divided consisting of:
25 a. A member's financial rights;
26 b. A member's right to assign financial rights as provided in section 10-32-31;
27 c. A member's governance rights, if any; and
28 d. A member's right to assign any governance rights owned as provided in
29 section 10-32-32.
- 30 ~~39.~~ 42. "Notice":

- 1 a. Is given by a member of a limited liability company to the limited liability
2 company or a manager of a limited liability company:
- 3 (1) When in writing and mailed or delivered to the limited liability company
4 or the manager at the registered office or principal executive office of
5 the limited liability company.
- 6 (2) When given by a form of electronic communication consented to by the
7 limited liability company or a manager to which the notice is given:
- 8 (a) If by facsimile communication, when directed to a telephone
9 number at which the limited liability company or a manager has
10 consented to receive notice;
- 11 (b) If by electronic mail, when directed to an electronic mail address
12 at which the limited liability company or a manager has
13 consented to receive notice;
- 14 (c) If by posting on an electronic network on which the limited liability
15 company or a manager has consented to receive notice, together
16 with separate notice to the limited liability company or a manager
17 of the specific posting, upon the later of:
- 18 [1] The posting; or
19 [2] The giving of the separate notice; or
- 20 (d) If by any other form of electronic communication by which the
21 limited liability company or a manager has consented to receive
22 notice, when directed to the limited liability company or a
23 manager.
- 24 b. Is given, in all other cases:
- 25 (1) When mailed to the person at an address designated by the person or
26 at the last-known address of the person;
- 27 (2) When handed to the person;
- 28 (3) When left at the office of the person with a clerk or other person in
29 charge of the office or:
- 30 (a) If there is no one in charge, when left in a conspicuous place in
31 the office; or

- 1 (b) If the office is closed or the person to be notified has no office,
2 when left at the dwelling house or usual place of abode of the
3 person with some person of suitable age and discretion who is
4 residing there; or
- 5 (4) When given by a form of electronic communication consented to by the
6 person to whom the notice is given:
- 7 (a) If by facsimile communication, when directed to a telephone
8 number at which the person has consented to receive notice.
- 9 (b) If by electronic mail, when directed to an electronic mail address
10 at which the person has consented to receive notice.
- 11 (c) If by posting on an electronic network on which the person has
12 consented to receive notice, together with separate notice to the
13 person of the specific posting, upon the later of:
- 14 [1] The posting; or
15 [2] The giving of the separate notice.
- 16 (d) If by any other form of electronic communication by which the
17 person has consented to receive notice when directed to the
18 person.
- 19 (5) When the method is fair and reasonable when all of the circumstances
20 are considered.
- 21 c. Is given by mail when deposited in the United States mail with sufficient
22 postage affixed.
- 23 d. Is deemed received when it is given.
- 24 ~~40.~~ 43. "Organization" means:
- 25 a. Whether domestic or foreign, a limited liability company, corporation,
26 partnership, limited partnership, limited liability partnership, limited liability
27 limited partnership, ~~joint venture, association, business trust, estate, trust,~~
28 ~~enterprise, and any other legal or commercial entity~~ or any other person
29 having a governing statute; but

- 1 b. Excludes any nonprofit corporation, whether a domestic nonprofit corporation
2 which is incorporated under chapter 10-33 or a foreign nonprofit corporation
3 which is incorporated in another jurisdiction.
- 4 ~~44.~~ 44. "Owners" means:
- 5 a. Members in the case of a limited liability company or a nonprofit corporation;
6 and
7 b. Shareholders in the case of a corporation.
- 8 ~~42.~~ 45. "Ownership interests" means:
- 9 a. Membership interests in the case of a limited liability company or a nonprofit
10 corporation; and
11 b. Shares in the case of a corporation.
- 12 ~~43.~~ 46. "Parent" of a specified limited liability company means a limited liability company
13 or, a foreign limited liability company, a corporation, or a foreign corporation that
14 directly or indirectly, through related organizations, owns more than fifty percent of
15 the voting power of the membership interests entitled to vote for governors of the
16 specified limited liability company.
- 17 ~~44.~~ 47. "Pertains" means a contribution "pertains":
- 18 a. To a particular series when the contribution is made in return for a
19 membership interest in that particular series.
20 b. To a particular class when the class has no series and the contribution is
21 made in return for a membership interest in the class.
- 22 A contribution that pertains to a series does not pertain to the class of which the
23 series is a part.
- 24 ~~45.~~ 48. "Principal executive office" means:
- 25 a. If the limited liability company has an elected or appointed president, an office
26 where the elected or appointed president of the limited liability company has
27 an office; or
28 b. If the limited liability company has no elected or appointed president, the
29 registered office of the limited liability company.
- 30 ~~46.~~ 49. "Record" means information that is inscribed on a tangible medium or that is stored
31 in an electronic or other medium and is retrievable in perceivable form.

- 1 ~~47.~~ 50. "Registered office" means the place in this state designated in the articles as the
2 registered office of the limited liability company.
- 3 ~~48.~~ 51. "Related organization" means an organization that controls, is controlled by, or is
4 under common control with another organization with control existing if an
5 organization:
- 6 a. Owns, directly or indirectly, at least fifty percent of the shares, membership
7 interests, or other ownership interests of another organization;
- 8 b. Has the right, directly or indirectly, to elect, appoint, or remove fifty percent or
9 more of the voting members of the governing body of another organization; or
- 10 c. Has the power, directly or indirectly, to direct or cause the direction of the
11 management and policies of another organization, whether through the
12 ownership of voting interests, by contract, or otherwise.
- 13 ~~49.~~ 52. "Remote communication" means communication via electronic communication,
14 conference telephone, videoconference, the internet, or such other means by
15 which persons not physically present in the same location may communicate with
16 each other on a substantially simultaneous basis.
- 17 ~~50.~~ 53. "Required records" are those records required to be maintained under section
18 10-32-51.
- 19 ~~51.~~ 54. "Security" has the meaning given in section 10-04-02.
- 20 ~~52.~~ 55. "Series" means a category of membership interests, within a class of membership
21 interests, that has some of the same rights and preferences as other membership
22 interests within the same class, but that differ in one or more rights and
23 preferences from another category of membership interests within that class.
- 24 ~~53.~~ 56. "Signed" means:
- 25 a. That the signature of a person, which may be a facsimile affixed, engraved,
26 printed, placed, stamped with indelible ink, transmitted by facsimile
27 telecommunication or electronically, or in any other manner reproduced on the
28 ~~document~~ record, is placed on a ~~document~~ record, as provided under section
29 41-01-09.
- 30 b. With respect to a ~~document~~ record required by this chapter to be filed with the
31 secretary of state, that:

1 (1) The ~~document~~ record has been signed by a person authorized to do so
2 by this chapter, the articles of organization, a member-control
3 agreement, or the bylaws or a resolution approved by the governors as
4 required by section 10-32-83 or the members as required by section
5 10-32-42; and

6 (2) The signature and the ~~document~~ record are communicated by a
7 method or medium acceptable by the secretary of state.

8 ~~54.~~ 57. "Subsidiary" of a specified limited liability company means:

9 a. A limited liability company or a foreign limited liability company having more
10 than fifty percent of the voting power of its membership interests entitled to
11 vote for governors owned directly or indirectly through related organizations
12 by the specified limited liability company; or

13 b. A domestic corporation or a foreign corporation having more than fifty percent
14 of the voting power of its shares entitled to vote for directors owned directly or
15 indirectly through related organizations by the specified limited liability
16 company.

17 ~~55.~~ 58. "Successor organization" means an organization that, pursuant to a business
18 continuation agreement or an order of the court under subsection 6 of section
19 10-32-119, continues the business of the dissolved and terminated limited liability
20 company.

21 ~~56.~~ 59. "Surviving organization" means the ~~foreign limited liability company or domestic~~
22 foreign limited liability company or domestic or foreign corporation resulting from a
23 merger which:

24 a. May preexist the merger; or

25 b. May be created by the merger.

26 ~~57.~~ 60. "Termination" means the end of a limited liability company's existence as a legal
27 entity and occurs when a notice of termination is:

28 a. Filed with the secretary of state under section 10-32-117 together with the
29 fees provided in section 10-32-150; or

- 1 b. Considered filed with the secretary of state under subdivision c of
2 subsection 2 of section 10-32-106 together with the fees provided in section
3 10-32-150.
- 4 ~~58.~~ 61. "Vote" includes authorization by written action.
- 5 ~~59.~~ 62. "Winding up" means the period triggered by dissolution during which the limited
6 liability company ceases to carry on business, except to the extent necessary for
7 concluding affairs, and disposing of assets under section 10-32-131.
- 8 ~~60.~~ 63. "Written action" means:
- 9 a. A written ~~document~~ record signed by every person required to take the action
10 described; and
- 11 b. The counterparts of a written ~~document~~ record signed by any person taking
12 the action described.
- 13 (1) Each counterpart constitutes the action of the persons signing it; and
- 14 (2) All the counterparts, taken together, constitute one written action by all
15 of the persons signing them.

16 **SECTION 47.** Section 10-32-02.2 of the North Dakota Century Code is created and
17 enacted as follows:

18 **10-32-02.2. Knowledge and notice.**

- 19 1. A person knows or has knowledge of a fact if the person has actual knowledge of
20 it. A person does not know or have knowledge of a fact merely because the
21 person has reason to know or have knowledge of the fact.
- 22 2. A person has notice of a fact if the person:
- 23 a. Knows of the fact;
- 24 b. Has received notice of the fact as provided in subsection 42 of section
25 10-32-02;
- 26 c. Has reason to know the fact exists from all of the facts known to the person at
27 the time in question; or
- 28 d. Has notice of it under subsection 3.
- 29 3. Subject to subsection 8, a person has notice of:
- 30 a. The intention of a limited liability company to dissolve, ninety days after the
31 effective date of the filed notice of dissolution;

- 1 b. The dissolution of a limited liability company, ninety days after the effective
2 date of the filed articles of dissolution;
- 3 c. The conversion of a limited liability company, ninety days after the effective
4 date of the filed articles of conversion; or
- 5 d. The merger of the limited liability company, ninety days after the effective date
6 of the filed articles of merger.
- 7 4. A person notifies or gives a notification to another person by taking the steps
8 provided in subsection 42 of section 10-32-03, whether or not the other person
9 learns of it.
- 10 5. A person receives a notification as provided in subsection 42 of section 10-32-02.
- 11 6. Except as otherwise provided in subsection 7 and except as otherwise provided in
12 subsection 42 of section 10-32-02, a person other than an individual knows, has
13 notice, or receives a notification of a fact for purposes of a particular transaction
14 when the individual conducting the transaction for the person knows, has notice, or
15 receives a notification of the fact, or in any event when the fact would have been
16 brought to the attention of the individual if the person had exercised reasonable
17 diligence.
- 18 a. A person other than an individual exercises reasonable diligence if it
19 maintains reasonable routines for communicating significant information to the
20 individual conducting the transaction for the person and there is reasonable
21 compliance with the routines.
- 22 b. Reasonable diligence does not require an individual acting for the person to
23 communicate information unless the communication is part of the regular
24 duties of the individual or the individual has reason to know of the transaction
25 and that the transaction would be materially affected by the information.
- 26 7. Knowledge, notice, or receipt of a notification of a fact relating to the limited liability
27 company by a manager or governor is effective immediately as knowledge of,
28 notice to, or receipt of a notification by the limited liability company, except in the
29 case of a fraud on the limited liability company committed by or with the consent of
30 the manager or governor. Knowledge, notice, or receipt of a notification of a fact

1 relating to the limited liability company by a manager or governor is not effective as
2 knowledge by, notice to, or receipt of a notification by the limited liability company.

3 8. Notice otherwise effective under subsection 3 does not affect the power of a
4 person to transfer real property held in the name of a limited liability company
5 unless at the time of transfer a certified copy of the relevant statement,
6 amendment, or articles, as filed with the secretary of state, has been recorded in
7 the office of the county recorder in the county in which the real property affected by
8 the statement, amendment, or articles is located.

9 9. With respect to notice given by a form of electronic communication:

10 a. Consent by a manager or governor to notice given by electronic
11 communication may be given in writing or by authenticated electronic
12 communication. The limited liability company is entitled to rely on any
13 consent so given until revoked by the manager or governor. However, no
14 revocation affects the validity of any notice given before receipt by the limited
15 liability company of revocation of the consent.

16 b. An affidavit of a manager or governor or authorized agent of the limited
17 liability company that the notice has been given by a form of electronic
18 communication is, in the absence of fraud, prima facie evidence of the facts
19 stated in the affidavit.

20 **SECTION 48. AMENDMENT.** Subsections 2 and 4 of section 10-32-07 of the North
21 Dakota Century Code are amended and reenacted as follows:

22 2. The following provisions govern a limited liability company unless modified in the
23 articles of organization or a member-control agreement under section 10-32-50:

24 a. A limited liability company has general business purposes as provided in
25 section 10-32-04;

26 b. A limited liability company has certain powers as provided in section
27 10-32-23;

28 c. The power to adopt, amend, or repeal the bylaws is vested in the board as
29 provided in subsection 2 of section 10-32-68;

30 d. A limited liability company must allow cumulative voting for governors as
31 provided in section 10-32-76;

- 1 e. The affirmative vote of the greater of a majority of governors present or a
2 majority of the minimum number of governors constituting a quorum is
3 required for an action of the board as provided in section 10-32-83;
- 4 f. A written action by the board taken without a meeting must be signed by all
5 governors as provided in section 10-32-84;
- 6 g. The board may accept contributions, make contribution agreements, and
7 make contribution allowance agreements as provided in subsection 1 of
8 section 10-32-56 and sections 10-32-58 and 10-32-59;
- 9 h. All membership interests are ordinary membership interests entitled to vote
10 and are of one class with no series as provided in subdivisions a and b of
11 subsection 5 of section 10-32-56;
- 12 i. All membership interests have equal rights and preferences in all matters not
13 otherwise provided for by the board as provided in subdivision b of
14 subsection 5 of section 10-32-56;
- 15 j. The value of previous contributions must be restated when a new contribution
16 is accepted as provided in subsections 3 and 4 of section 10-32-57;
- 17 k. A member has certain preemptive rights, unless otherwise provided by the
18 board as provided in section 10-32-37;
- 19 l. The affirmative vote of the greater of the owners of a majority of the voting
20 power of the membership interests present and entitled to vote at a duly held
21 meeting or a majority of the voting power of the membership interests with
22 voting rights constituting the minimum voting power needed for a quorum for
23 the transaction of business is required for an action of the members, except if
24 when this chapter requires the affirmative vote of a:
- 25 (1) A plurality of the votes cast as provided in subsection 1 of section
26 10-32-76; or
- 27 (2) A majority of the voting power of all membership interests entitled, to
28 vote as provided in subsection 1 of section 10-32-42;
- 29 m. The voting power of each membership interest is in proportion to the value
30 reflected in the required records of the contributions of the members as
31 provided in section 10-32-40.1;

- 1 n. Members share in distributions in proportion to the value reflected in the
2 required records of the contributions of members as provided in section
3 10-32-60;
- 4 o. Members share profits and losses in proportion to the value reflected in the
5 required records of the contributions of members as provided in section
6 10-32-36;
- 7 p. A written action by the members taken without a meeting must be signed by
8 all members as provided in section 10-32-43;
- 9 q. Members have no right to receive distributions in kind and the limited liability
10 company has only limited rights to make distributions in kind as provided in
11 section 10-32-62;
- 12 r. A member is not subject to expulsion as provided in subsection 2 of section
13 10-32-30;
- 14 s. Unanimous consent is required for the transfer of governance rights to a
15 person not already a member as provided in subsection 2 of section 10-32-32;
- 16 t. For a limited liability company whose existence begins before July 1, 1999,
17 unanimous consent is required to avoid dissolution as provided in
18 subdivision e of subsection 1 of section 10-32-109;
- 19 u. The termination of a person's membership interest has specified
20 consequences as provided in section 10-32-30; and
- 21 v. Restrictions apply to the assignment of governance rights as provided in
22 section 10-32-32.
- 23 4. The provisions in subdivisions a, g, o, p, and r may be included in the articles of
24 organization or a member-control agreement under section 10-32-50. The
25 provisions in subdivisions b through f, h, i, j, k, l, m, n, and q may be included in the
26 articles of organization, in a member-control agreement under section 10-32-50, or,
27 in the bylaws:
- 28 a. The persons to serve as the first board may be named in the articles of
29 organization as provided in subsection 1 of section 10-32-69;
- 30 b. A manner for increasing or decreasing the number of governors may be
31 provided as provided in section 10-32-70;

- 1 c. Additional qualifications for governors may be imposed as provided in section
2 10-32-71;
- 3 d. Governors may be classified as provided in section 10-32-75;
- 4 e. The date, time, and place of board meetings may be fixed as provided in
5 subsection 1 of section 10-32-80;
- 6 f. Absent governors may be permitted to give written consent or opposition to a
7 proposal as provided in section 10-32-81;
- 8 g. A larger than majority vote may be required for board action as provided in
9 section 10-32-83;
- 10 h. Authority to sign and deliver certain ~~documents~~ records may be delegated to
11 a manager or agent of the limited liability company other than the president as
12 provided in section 10-32-89;
- 13 i. Additional managers may be designated as provided in section 10-32-88;
- 14 j. Additional powers, rights, duties, and responsibilities may be given to
15 managers as provided in section 10-32-89;
- 16 k. A method for filling vacant offices may be specified as provided in
17 subsection 3 of section 10-32-94;
- 18 l. The date, time, and place of regular member meetings may be fixed as
19 provided in subsection 3 of section 10-32-38;
- 20 m. Certain persons may be authorized to call special meetings of members as
21 provided in subsection 1 of section 10-32-39;
- 22 n. Notices of member meetings may be required to contain certain information
23 as provided in subsection 3 of section 10-32-40;
- 24 o. A larger than majority vote may be required for member action as provided in
25 section 10-32-42;
- 26 p. Voting rights may be granted in or pursuant to the articles of organization to
27 persons who are not members as provided in subsection 3 of section
28 10-32-40.1;
- 29 q. Limited liability company actions giving rise to dissenter rights may be
30 designated as provided in subdivision d of subsection 1 of section 10-32-55;
31 and

- 1 r. A governor's personal liability to the limited liability company or the limited
2 liability company's members for monetary damages for breach of fiduciary
3 duty as a governor may be eliminated or limited in the articles as provided in
4 subsection 4 of section 10-32-86.

5 **SECTION 49. AMENDMENT.** Section 10-32-10 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **10-32-10. Limited liability company name.**

- 8 1. The limited liability company name:
- 9 a. Must be in the English language or in any other language expressed in
10 English letters or characters;
- 11 b. Must contain the words "limited liability company", or must contain the
12 abbreviation "L.L.C." or the abbreviation "LLC", either of which abbreviation
13 may be used interchangeably for all purposes authorized by this chapter,
14 including real estate matters, contracts, and filings with the secretary of state;
- 15 c. ~~May not contain a word or phrase that indicates or implies that it may not be~~
16 ~~organized under this chapter;~~
- 17 d. May not contain the word "corporation", "incorporated", "limited partnership",
18 "limited liability partnership", "limited liability limited partnership", or any
19 abbreviation of these words;
- 20 e. d. May not contain a word or phrase that indicates or implies that ~~it is the limited~~
21 liability company:
- 22 (1) Is organized for a purpose other than a legal:
- 23 (a) A lawful business purpose for which a limited liability company
24 may be organized under this chapter; ~~and~~ or
- 25 (b) For a purpose stated in its articles of organization; or
- 26 (2) May not be organized under this chapter; and
- 27 f. e. May not be the same as, or deceptively similar to:
- 28 (1) The name, whether foreign and authorized to do business in this state
29 or domestic, unless there is filed with the articles a ~~document~~ record
30 which complies with subsection 3, of:
- 31 (a) Another limited liability company;

- 1 (b) A corporation;
- 2 (c) A limited partnership;
- 3 (d) A limited liability partnership; or
- 4 (e) A limited liability limited partnership;
- 5 (2) A name, the right of which is, at the time of organization, reserved in the
- 6 manner provided in section 10-19.1-14, 10-32-11, 10-33-11, ~~45-10.1-03~~
- 7 45-10.2-11, 45-13-04.2, or 45-22-05;
- 8 (3) A fictitious name registered in the manner provided in chapter 45-11; or
- 9 (4) A trade name registered in the manner provided in chapter 47-25.
- 10 2. The secretary of state shall determine whether a limited liability company name is
- 11 deceptively similar to another name for purposes of this chapter.
- 12 3. If the secretary of state determines that a limited liability company name is
- 13 deceptively similar to another name for purposes of this chapter, then the limited
- 14 liability company name may not be used unless there is filed with the articles:
- 15 a. The written consent of the holder of the rights to the name to which the
- 16 proposed name has been determined to be deceptively similar; or
- 17 b. A certified copy of a judgment of a court in this state establishing the prior
- 18 right of the applicant to the use of the name in this state.
- 19 ~~This subsection does not affect the right of a domestic limited liability company~~
- 20 ~~existing on July 1, 1993, or a foreign limited liability company authorized to do~~
- 21 ~~business in this state on July 1, 1993, to continue the use of its name.~~
- 22 4. This section and section 10-32-11 do not:
- 23 a. Abrogate or limit:
- 24 (1) The law of unfair competition or unfair practices;
- 25 (2) Chapter 47-25;
- 26 (3) The laws of the United States with respect to the right to acquire and
- 27 protect copyrights, trade names, trademarks, service names, and
- 28 service marks; or
- 29 (4) Any other rights to the exclusive use of names or symbols.
- 30 b. Derogate the common law or the principles of equity.

- 1 5. A limited liability company that is the surviving organization in a merger with one or
2 more other organizations, or that acquires by sale, lease, or other disposition to or
3 exchange with an organization all or substantially all of the assets of another
4 organization including its name, may have the same name, subject to the
5 requirements of subsection 1, as that used in this state by any of the other
6 organizations, if the organization whose name is sought to be used:
- 7 a. Was organized, incorporated, formed or registered under the laws of this
8 state;
- 9 b. Is authorized to transact business or conduct activities in this state;
- 10 c. Holds a reserved name in the manner provided in section 10-19.1-14,
11 10-32-11, 10-33-11, ~~45-10.1-03~~ 45-10.2-11, 45-13-04.2, or 45-22-05;
- 12 d. Holds a fictitious name registered in the manner provided in chapter 45-11; or
- 13 e. Holds a trade name registered in the manner provided in chapter 47-25.
- 14 6. The use of a name by a limited liability company in violation of this section does not
15 affect or vitiate its limited liability company existence. However, a court in this state
16 may, upon application of the state or of an interested or affected person, enjoin the
17 limited liability company from doing business under a name assumed in violation of
18 this section, although its articles of organization may have been filed with the
19 secretary of state and a certificate of organization issued.
- 20 7. A limited liability company whose period of existence has expired or that is
21 involuntarily dissolved by the secretary of state pursuant to section 10-32-149 may
22 reacquire the right to use that name by refiling articles of organization pursuant to
23 section 10-32-20, ~~amending pursuant to section 10-32-130.1, or reinstating~~
24 ~~pursuant to section 10-32-149~~, unless the name has been adopted for use or
25 reserved by another person, in which case the filing will be rejected unless the
26 filing is accompanied by a written consent or judgment pursuant to subsection 2. A
27 limited liability company that cannot reacquire the use of its limited liability
28 company name shall adopt a new limited liability company name which complies
29 with the provisions of this section:
- 30 a. By refiling the articles of organization pursuant to section 10-32-07;
- 31 b. By amending pursuant to section 10-32-18; or

- 1 c. By restating pursuant to section 10-32-149.
2 8. Subject to section 10-32-136, this section applies to any foreign limited liability
3 company transacting business in this state, having a certificate of authority to
4 transact business in this state or applying for a certificate of authority.

5 **SECTION 50. AMENDMENT.** Subsection 2 of section 10-32-12 of the North Dakota
6 Century Code is amended and reenacted as follows:

- 7 2. A limited liability company shall appoint and continuously maintain a registered
8 agent. The registered agent may be an individual residing in this state, a ~~domestic~~
9 corporation or a ~~domestic~~ limited liability company, or a foreign corporation or
10 foreign limited liability company authorized to transact business in this state. The
11 registered agent must maintain a business office that is identical with the registered
12 office. Proof of the registered agent's consent to serve in such capacity must be
13 filed with the secretary of state, together with the fees provided in section
14 10-32-150.

15 **SECTION 51. AMENDMENT.** Subsection 4 of section 10-32-13 of the North Dakota
16 Century Code is amended and reenacted as follows:

- 17 4. The fee ~~prescribed~~ provided in section 10-32-150 for change of address of
18 registered office must be refunded when the secretary of state determines a
19 change of address of registered office results from rezoning or postal
20 reassignment.

21 **SECTION 52. AMENDMENT.** Section 10-32-17 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **10-32-17. Class or series voting on amendments.** The owners of the outstanding
24 membership interests of a class or series are entitled to vote as a class or series upon a
25 proposed amendment to the articles of organization, whether or not entitled to vote on the
26 amendment by the provisions of the articles of organization, if the amendment would:

- 27 1. Effect an exchange, reclassification, or cancellation of all or part of the membership
28 interests of the class or series, or effect a combination of outstanding membership
29 interests of a class or series into a lesser number of membership interests of the
30 class or series where each other class or series is not subject to a similar
31 combination;

- 1 2. Effect an exchange, or create a right of exchange, of all or any part of the
- 2 membership interests of another class or series for the membership interests of the
- 3 class or series;
- 4 3. Change the rights or preferences of the membership interests of the class or
- 5 series;
- 6 4. ~~Change the membership interests of the class or series into the same or a different~~
- 7 ~~number of membership interests of another class or series;~~
- 8 ~~5.~~ 5. Create a new class or series of membership interests having rights and
- 9 preferences prior and superior to the membership interests of that class or series,
- 10 or increase the rights and preferences or the number of membership interests, of a
- 11 class or series having rights and preferences prior or superior to the membership
- 12 interests of that class or series;
- 13 ~~6.~~ 5. Divide the membership interests of the class into series and determine the
- 14 designation of each series and the variations in the relative rights and preferences
- 15 between the membership interests of each series or authorize the board to do so;
- 16 ~~7.~~ 6. Limit or deny any existing preemptive rights of the membership interests of the
- 17 class or series; or
- 18 ~~8.~~ 7. Cancel or otherwise affect distributions on the membership interests of the class or
- 19 series.

20 **SECTION 53. AMENDMENT.** Section 10-32-20 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **10-32-20. Filing of articles of amendment.** An original of the articles of amendment
23 must be filed with the secretary of state. If the secretary of state finds that the articles of
24 amendment conform to law, and that all fees have been paid as provided in section 10-32-150,
25 then the articles of amendment must be recorded in the office of the secretary of state. A
26 limited liability company that amends its name and is the owner of a trademark or trade name,
27 is a general partner named in a fictitious name certificate, or is a general partner in a limited
28 partnership that is on file with the secretary of state must change or amend the limited liability
29 company's name in each registration when the limited liability company files an amendment.

30 **SECTION 54. AMENDMENT.** Section 10-32-24 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **10-32-24. Limited liability company seal.** A limited liability company may have a
2 limited liability company seal. The use or nonuse of a limited liability company seal does not
3 affect the validity, recordability, or enforceability of a ~~document~~ record or act. If a limited liability
4 company has a limited liability company seal, the use of the seal by the limited liability company
5 on a ~~document~~ record is not necessary.

6 **SECTION 55. AMENDMENT.** Section 10-32-42 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **10-32-42. Act of members.** Unless this chapter or the articles of organization require
9 a greater vote or voting by class or series:

10 1. ~~The~~ Unless this chapter or the articles or a member-control agreement require a
11 larger proportion or voting by class and except for the election of governors which
12 is governed by section 10-32-76, the members shall take action by the affirmative
13 vote of the owners of the greater of a:

14 a. A majority of the voting power of the membership interests present and
15 entitled to vote on that item of business; or a

16 b. A majority of the voting power of the membership interests with voting rights
17 that would constitute the minimum voting power needed for a quorum for the
18 transaction of business at a meeting, ~~except if this chapter, the articles of~~
19 ~~organization, or a member-control agreement require a larger proportion.~~

20 If the articles or a member-control agreement require a larger proportion than is
21 required by this chapter for a particular action, then the articles or member-control
22 agreement control.

23 2. In any case when a class or series of membership interests is entitled by this
24 chapter, the articles of organization, a member-control agreement, or the terms of
25 the membership interests to vote as a class or series, the matter being voted upon
26 must also receive the affirmative vote of the owners of the same proportion of the
27 membership interests as is required pursuant to subsection 1, unless the articles of
28 organization or a member-control agreement requires a larger proportion. Unless
29 otherwise stated in the articles, a member-control agreement or the bylaws in the
30 case of voting as a class or series, the minimum percentage of the total voting
31 power of membership interests of the class or series that must be present is equal

1 to the minimum percentage of all membership interests entitled to vote required to
2 be present under section 10-32-44.

3 3. Unless otherwise provided in the articles of organization, a member-control
4 agreement, or the bylaws, members may take action at a meeting by ~~voice~~;

5 a. Voice or ballot, ~~action~~;

6 b. Action without a meeting pursuant to section 10-32-43, ~~written ballot~~;

7 c. Ballot pursuant to section 10-32-43.1; ~~or by electronic~~

8 d. Remote communication pursuant to section 10-32-43.2.

9 **SECTION 56. AMENDMENT.** Subsection 1 of section 10-32-43 of the North Dakota
10 Century Code is amended and reenacted as follows:

11 1. If the articles or a member-control agreement so provide, any action may be taken
12 by written action signed, or consented to by authenticated electronic
13 communication, by the members who own voting power equal to the voting power
14 that would be required to take the same action at a meeting of the members at
15 which all members were present. After the adoption of the initial articles or the first
16 making of a member-control agreement, an amendment to the articles or to a
17 member-control agreement to permit written action to be taken by less than all
18 members requires the approval of all the members entitled to vote on the
19 amendment.

20 **SECTION 57. AMENDMENT.** Section 10-32-43.1 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **10-32-43.1. ~~Action~~ Member action by written ballot.**

23 1. Except as provided in subsection 5, and unless prohibited or limited by the articles
24 or the bylaws, an action that may be taken at a regular or special meeting of
25 members may be taken without a meeting if the limited liability company mails or
26 delivers a ~~written~~ ballot to every member entitled to vote on the matter.

27 2. A ~~written~~ ballot must set forth each proposed action and provide an opportunity to
28 vote for or against each proposed action.

29 3. Approval by ~~written~~ ballot under this section is valid only if:

30 a. The number of votes cast by ballot equals or exceeds the quorum required to
31 be present at a meeting authorizing the action; and

- 1 b. The number of approvals equals or exceeds the number of votes that would
2 be required to approve the matter at a meeting at which the total number of
3 votes cast was the same as the number of votes cast by ballot.
- 4 4. Solicitations for votes by ~~written~~ ballot must:
- 5 a. Indicate the number of responses needed to meet the quorum requirements;
6 b. State the percentage of approvals necessary to approve each matter other
7 than election of governors; and
8 c. Specify the time by which a ballot must be received by the limited liability
9 company in order to be counted.
- 10 5. Except as otherwise provided in the articles or the bylaws, a written ballot may not
11 be revoked.
- 12 6. With respect to a ballot by electronic communication:
- 13 a. A limited liability company may deliver a ballot by electronic communication
14 only if the limited liability company complies with subsection 4 of section
15 10-32-43.2 as if the ballot were a notice.
- 16 b. Consent by a member to receive notice by electronic communication in a
17 certain manner constitutes consent to receive a ballot by electronic
18 communication in the same manner.

19 **SECTION 58. AMENDMENT.** Subsection 2 of section 10-32-51 of the North Dakota
20 Century Code is amended and reenacted as follows:

- 21 2. A member of a limited liability company has an absolute right, upon written
22 demand, to examine and copy, in person or by a legal representative, at any
23 reasonable time, and the limited liability company shall make available within ten
24 days after receipt by a manager of the limited liability company of the written
25 demand, all ~~documents~~ records referred to in subsection 1.

26 **SECTION 59. AMENDMENT.** Section 10-32-53 of the North Dakota Century Code is
27 amended and reenacted as follows:

- 28 **10-32-53. Actions by members.** No action may be brought in this state for violations
29 of this chapter by a member in the right of a ~~domestic~~ limited liability company or foreign limited
30 liability company unless the plaintiff is a member at the time of the transaction of which the

1 plaintiff complains, or the plaintiff's membership interests thereafter devolved upon the plaintiff
2 by operation of law from a person who was a member at such time.

3 1. In any action thereafter instituted in the right of any ~~domestic~~ limited liability
4 company or foreign limited liability company by the member, the court having
5 jurisdiction, upon final judgment and finding that the action was brought without
6 reasonable cause, may require the plaintiff to pay the parties named as defendant
7 the reasonable expenses, including fees of attorneys, incurred by them in defense
8 of such action.

9 2. In any action now pending or hereafter instituted or maintained in the right of any
10 ~~domestic~~ limited liability company or foreign limited liability company by the owner
11 of less than five percent of the membership interests, unless the membership
12 interest of such owner has a market value in excess of twenty-five thousand
13 dollars, the limited liability company in whose right such action is brought is entitled
14 at any time before final judgment to require the plaintiff to give security for the
15 reasonable expenses, including attorney's fees, that may be incurred by it in
16 connection with such action or may be incurred by other parties named as
17 defendant for which it may become legally liable.

18 a. Market value must be determined on the date the plaintiff institutes the action
19 or, in the case of an intervenor, on the date the intervenor becomes a party to
20 the action.

21 b. The amount of the security may from time to time be increased or decreased,
22 in the discretion of the court, upon showing that the security provided has or
23 may become inadequate or is excessive.

24 c. The limited liability company has recourse to such security in such amount as
25 the court having jurisdiction determines upon the termination of the action,
26 whether or not the court finds the action was brought without reasonable
27 cause.

28 **SECTION 60. AMENDMENT.** Section 10-32-54 of the North Dakota Century Code is
29 amended and reenacted as follows:

30 **10-32-54. Rights of dissenting members.**

- 1 1. Subject to a member-control agreement under section 10-32-50, a member of a
2 limited liability company may dissent from, and obtain payment for the fair value of
3 the member's membership interests in the event of, any of the following limited
4 liability company actions:
- 5 a. ~~An~~ Unless otherwise provided in the articles, an amendment of the articles of
6 organization, but not an amendment to a member-control agreement, which
7 materially and adversely affects the rights or preferences of the membership
8 interests of the dissenting member in that it:
- 9 (1) Alters or abolishes a preferential right of the membership interests;
10 (2) Creates, alters, or abolishes a right in respect of the redemption of the
11 membership interests, including a provision respecting a sinking fund
12 for the redemption or repurchase of the membership interests;
13 (3) Alters or abolishes a preemptive right of the owner of the membership
14 interests to make a contribution;
15 (4) Excludes or limits the right of a member to vote on a matter, or to
16 cumulate votes, except as the right may be excluded or limited through
17 the acceptance of contributions or the making of contribution
18 agreements pertaining to membership interests with similar or different
19 voting rights;
20 (5) Changes a member's right to resign or retire; ~~or~~
21 (6) Establishes or changes the conditions for or consequences of
22 expulsion; or
23 (7) Eliminates the right to obtain payment under this subdivision;
- 24 b. A sale, lease, transfer, or other disposition of ~~all or substantially all of the~~
25 property and assets of the limited liability company, ~~but not including a~~
26 ~~transaction permitted without~~ that requires member approval under
27 subsection 2 of section 10-32-108, a but not including:
- 28 (1) A disposition in dissolution described in subsection 4 of section
29 10-32-113, ~~a~~;
30 (2) A disposition pursuant to an order of a court; ~~i~~ or a

- 1 (3) A disposition for cash on terms requiring that all or substantially all of
2 the net proceeds of disposition be distributed to the members in
3 accordance with the member's respective membership interests within
4 one year after the date of disposition;
- 5 c. A plan of merger to which the limited liability company is a constituent
6 organization;
- 7 d. A plan of exchange to which the limited liability company is a constituent
8 organization as the organization whose ownership interests will be acquired
9 by the acquiring organization if the membership interests being acquired are
10 entitled to be voted on the plan; ~~or~~
- 11 e. A plan of conversion adopted by the limited liability company; or
- 12 f. Any other limited liability company action taken pursuant to a member vote
13 with respect to which the articles of organization, a member-control
14 agreement, the bylaws, or a resolution approved by the board directs that
15 dissenting members may obtain payment for the dissenting members'
16 membership interests.
- 17 2. A member may not assert dissenters' rights as to less than all the membership
18 interests registered in the name of the member, unless the member dissents with
19 respect to all the membership interests that are beneficially owned by another
20 person but registered in the name of the member and discloses the name and
21 address of each beneficial owner on which behalf the member dissents. In that
22 event, the rights of the dissenter must be determined as if the membership
23 interests as to which the member has dissented and the other membership
24 interests were registered in the names of different members. The beneficial owner
25 of membership interests who is not the member may assert dissenters' rights with
26 respect to membership interests held on behalf of the beneficial owner, and must
27 be treated as a dissenting member under the terms of this section and section
28 10-32-55, if the beneficial owner submits to the limited liability company at the time
29 of or before the assertion of the rights a written consent of the member.

- 1 3. Unless the articles, the bylaws, a member-control agreement, or a resolution
2 approved by the board otherwise provide, the right to obtain payment under this
3 section does not apply to the members of:
- 4 a. The surviving limited liability company in a merger with respect to membership
5 interests of the members are not entitled to be voted on the merger and are
6 not canceled or exchanged in the merger; or
- 7 b. The limited liability company whose membership interests will be acquired by
8 the acquiring limited liability company in a plan of exchange with respect to
9 membership interests of the members that are not entitled to be voted on the
10 plan of exchange and are not exchanged in the plan of exchange.
- 11 4. The members of a limited liability company who have a right under this section to
12 obtain payment for their membership interests do not have a right at law or in
13 equity to have a limited liability company action described in subsection 1 set aside
14 or rescinded, except when the limited liability company action is fraudulent with
15 regard to the complaining member or the limited liability company.
- 16 ~~3.~~ 5. If a date is fixed according to subsection 1 of section 10-32-40.1 for the
17 determination of members entitled to receive notice of and to vote on an action
18 described in subsection 1, only members as of the date fixed may exercise
19 dissenters' rights.

20 **SECTION 61. AMENDMENT.** Subsections 3 and 4 of section 10-32-55 of the North
21 Dakota Century Code are amended and reenacted as follows:

- 22 3. If the proposed action must be approved by the members and the limited liability
23 company calls a meeting of members, then a member who is entitled to dissent
24 under section 10-32-54 and who wishes to exercise dissenters' rights shall file with
25 the limited liability company before the vote on the proposed action a written notice
26 of intent to demand the fair value of the membership interests owned by the
27 member and may not vote the membership interests in favor of the proposed
28 action.
- 29 4. After the proposed action is approved by the board and, if necessary, the
30 members, the limited liability company shall send to all members who complied
31 with subsection 3, and all members who did not sign or consent to a written action

1 that gave effect to the action creating the right to obtain payment under section
2 10-32-54 and to all members entitled to dissent if no member vote was required, a
3 notice that contains:

- 4 a. The address to which a demand for payment must be sent in order to obtain
5 payment and the date by which the demand must be received;
6 b. A form to be used to certify the date on which the member acquired the
7 membership interests and to demand payment; and
8 c. A copy of section 10-32-54 and this section.

9 **SECTION 62. AMENDMENT.** Section 10-32-56 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **10-32-56. Authorization, form, and acceptance of contributions.**

- 12 1. Subject to any restrictions in the articles of organization or a member-control
13 agreement and only when authorized by the board or pursuant to a
14 member-control agreement, a limited liability company may accept contributions
15 under subsections 2 and 3, make contribution agreements under section 10-32-58,
16 and make contribution allowance agreements under section 10-32-59.
- 17 2. Subject to subsection 3, a person may make a contribution to a limited liability
18 company.
- 19 3. No purported contribution is to be treated or considered as a contribution, unless:
20 a. The board accepts the contribution on behalf of the limited liability company
21 and in that acceptance describes the contribution and states the value being
22 accorded to the contribution; and
23 b. The fact of contribution and the contribution's accorded value are both
24 reflected in the required records of the limited liability company.
- 25 4. The determinations of the board as to the amount or fair value or the fairness to the
26 limited liability company of the contribution accepted or to be accepted by the
27 limited liability company or the terms of payment or performance, including under a
28 contribution agreement in section 10-32-58, and a contribution allowance
29 agreement in section 10-32-59, are presumed to be proper if they are made in
30 good faith and on the basis of accounting methods, or a fair valuation or other
31 method, reasonable in the circumstances. Governors who are present and entitled

- 1 to vote, and who, intentionally or without reasonable investigation, fail to vote
2 against approving a consideration that is unfair to the limited liability company, or
3 overvalue property or services received or to be received by the limited liability
4 company as a contribution, are jointly and severally liable to the limited liability
5 company for the benefit of the then members who did not consent to and are
6 damaged by the action, to the extent of the damages of those members. A
7 governor against whom a claim is asserted pursuant to this subsection, except in
8 case of knowing participation in a deliberate fraud, is entitled to contribution on an
9 equitable basis from other governors who are liable under this subsection.
- 10 5. All the membership interests of a limited liability company must:
- 11 a. Be of one class, without series, unless a member-control agreement or the
12 articles of organization establish, or authorize the board to establish, more
13 than one class or series within classes;
- 14 b. Be ordinary membership interests entitled to vote as provided in section
15 10-32-40.1, and have equal rights and preferences in all matters not
16 otherwise provided for by the board unless and to the extent the articles of
17 organization or a member-control agreement fixes the relative rights and
18 preferences of different classes and series; and
- 19 c. Share profits and losses as provided in section 10-32-36 and be entitled to
20 distributions as provided in sections 10-32-60 and 10-32-61 and subdivision c
21 of subsection 1 of section 10-32-131.
- 22 6. Subject to any restrictions in the articles of organization or a member-control
23 agreement, the power granted in subsection 5 may be exercised by a resolution
24 approved by the affirmative vote of a majority of the directors present establishing
25 a class or series, setting forth the designation of the class or series, and fixing the
26 relative rights and preferences of the class or series established in the articles of
27 organization, in a member-control agreement, or by resolution of the board.
- 28 ~~7.~~ a. A statement signed by a manager setting forth the name of the limited liability
29 company and the text of the resolution and certifying the adoption of the
30 resolution and the date of adoption must be filed with the secretary of state
31 together with the fees provided in section 10-32-150 before the acceptance of

1 any contributions for which the resolution creates rights or preferences not set
2 forth in the articles of organization or a member-control agreement.

3 b. The resolution is effective when the statement has been filed with the
4 secretary of state unless the statement specifies a later effective date within
5 thirty days of filing the statement with the secretary of state.

6 ~~8.~~ 7. Without limiting the authority granted in this section, a limited liability company may
7 have membership interests of a class or series:

8 a. Subject to the right of the limited liability company to redeem any of those
9 membership interests at the price fixed for their redemption by the articles of
10 organization or by the board;

11 b. Entitling the members to cumulative, partially cumulative, or noncumulative
12 distributions;

13 c. Having preference over any class or series of membership interests for the
14 payment of distributions of any or all kinds;

15 d. Convertible into membership interests of any other class or any series of the
16 same or another class; or

17 e. Having full, partial, or no voting rights, except as provided in section 10-32-17.

18 **SECTION 63. AMENDMENT.** Section 10-32-76 of the North Dakota Century Code is
19 amended and reenacted as follows:

20 **10-32-76. ~~Cumulative voting~~ Voting for governors and cumulative voting.**

21 1. Unless otherwise provided in the articles and subject to subsection 2, governors
22 are elected by a plurality of the voting power of the membership interests present
23 and entitled to vote on the election of governors at a meeting at which a quorum is
24 present.

25 2. Unless the articles of organization or a member-control agreement provides that
26 there is no cumulative voting, each member entitled to vote for governors has the
27 right to cumulate voting power in the election of governors by giving written notice
28 of intent to cumulate voting power to any manager of the limited liability company
29 before the meeting or to the presiding manager at the meeting at which the election
30 is to occur at any time before the election of governors at the meeting, in which
31 case:

- 1 a. The presiding manager at the meeting shall announce, before the election of
2 governors, that members shall cumulate their voting power; and
- 3 b. Each member shall cumulate that member's voting power either by casting for
4 one candidate the amount of voting power equal to the number of governors
5 to be elected multiplied by the voting power represented by the membership
6 interests owned by that member, or by distributing all of that voting power on
7 the same principle among any number of candidates.
- 8 ~~2.~~ 3. An amendment to the articles, a member-control agreement, or the bylaws which
9 has the effect of denying, limiting, or modifying the right to cumulative voting for
10 members provided in this section may not be adopted if the votes of a proportion of
11 the voting power sufficient to elect a governor at an election of the entire board
12 under cumulative voting are cast against the amendment.

13 **SECTION 64. AMENDMENT.** Subsections 3 and 5 of section 10-32-80 of the North
14 Dakota Century Code are amended and reenacted as follows:

- 15 3. Unless the articles of organization, a member-control agreement, or the bylaws
16 provide for a different time period, a governor may call a board meeting by giving at
17 least ten days' notice or, in the case of organizational meetings under subsection 2
18 of section 10-32-67, at least three days' notice to all governors of the date, time,
19 and place of the meeting.
- 20 a. The notice need not state the purpose of the meeting unless the articles, a
21 member-control agreement, or the bylaws otherwise require.
- 22 b. Any notice to a governor given under any provision of this chapter, the
23 articles, a member-control agreement, or the bylaws by a form of electronic
24 communication consented to by the governor to whom the notice is given is
25 effective when given.
- 26 c. Consent by a governor to notice given by electronic communication may be
27 given in writing or by authenticated electronic communication.
- 28 (1) Any consent so given may be relied upon until revoked by the governor.
29 (2) However, no revocation affects the validity of any notice given before
30 receipt of revocation of the consent.

1 5. A governor may waive notice of a meeting of the board. A waiver of notice by a
2 governor entitled to notice is effective whether given before, at, or after the
3 meeting, and whether given in writing, by authenticated electronic communication,
4 or by attendance. Attendance by a governor at a meeting is a waiver of notice of
5 that meeting, except when the governor objects at the beginning of the meeting to
6 the transaction of business because the meeting is not lawfully called or convened
7 and does not participate in the meeting after the objection.

8 **SECTION 65. AMENDMENT.** Section 10-32-91 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **10-32-91. Multiple managerial positions.** Any number of managerial positions or
11 functions of those positions may be held or exercised by the same individual. If a ~~document~~
12 record must be signed by individuals holding different positions or functions and an individual
13 holds or exercises more than one of those positions or functions, that individual may sign the
14 ~~document~~ record in more than one capacity, but only if the ~~document~~ record indicates each
15 capacity in which the individual signs.

16 **SECTION 66. AMENDMENT.** Subsection 1 of section 10-32-99 of the North Dakota
17 Century Code is amended and reenacted as follows:

18 1. For purposes of this section:

19 a. "Limited liability company" includes a ~~domestic~~ limited liability company or
20 foreign limited liability company that was the predecessor of the limited liability
21 company referred to in this section in a merger or other transaction in which
22 the predecessor's existence ceased upon consummation of the transaction.

23 b. "Official capacity" means:

24 (1) With respect to a governor, the position of governor in a limited liability
25 company;

26 (2) With respect to a person other than a governor, the elective or
27 appointive office or position held by a manager, member of a committee
28 of the board, the employment relationship undertaken by an employee,
29 agent of the limited liability company, or the scope of the services
30 provided by members of the limited liability company who provide
31 services to the limited liability company; and

- 1 (3) With respect to a governor, manager, member, employee, or agent of
2 the limited liability company who, while a governor, manager, member,
3 or employee of the limited liability company, is or was serving at the
4 request of the limited liability company or whose duties in that position
5 involve or involved service as a governor, director, manager, officer,
6 member, partner, trustee, employee, or agent of another organization or
7 employee benefit plan, the position of that person as a governor,
8 director, manager, officer, member, partner, trustee, employee, or
9 agent, as the case may be, of the other organization or employee
10 benefit plan.
- 11 c. "Proceeding" means a threatened, pending, or completed civil, criminal,
12 administrative, arbitration, or investigative proceeding, including a proceeding
13 by or in the right of the limited liability company.
- 14 d. "Special legal counsel" means counsel who has not represented the limited
15 liability company or a related organization, or a governor, manager, member
16 of a committee of the board, employee, or agent whose indemnification is in
17 issue.

18 **SECTION 67. AMENDMENT.** Subsections 1 and 2 of section 10-32-100 of the North
19 Dakota Century Code are amended and reenacted as follows:

- 20 1. With or without a business purpose, a limited liability company may merge:
- 21 a. With another limited liability company pursuant to a plan of merger approved
22 in the manner provided in sections 10-32-101 through 10-32-106.
- 23 b. With a ~~domestic~~ domestic corporation under a plan of merger approved in the manner
24 provided in sections 10-32-101 through 10-32-107 and in chapter 10-19.1.
- 25 c. With any foreign corporation or foreign limited liability company pursuant to a
26 plan of merger approved in the manner provided in section 10-32-107.
- 27 2. With respect to an exchange:
- 28 a. A limited liability company may acquire all of the ownership interests of one or
29 more classes or series of another limited liability company pursuant to a plan
30 of exchange approved in the manner provided in sections 10-32-101 through
31 10-32-106.

- 1 b. A limited liability company may acquire all of the ownership interests of one or
2 more classes or series of a ~~domestic~~ corporation pursuant to a plan of
3 exchange approved in the manner provided in sections 10-32-101 through
4 10-32-107 and in chapter 10-19.1.
- 5 c. A ~~domestic~~ corporation may acquire all of the ownership interests of one or
6 more classes or series of a limited liability company pursuant to a plan of
7 exchange approved in the manner provided in sections 10-32-101 through
8 10-32-106 and in chapter 10-19.1.
- 9 d. A foreign corporation or foreign limited liability company may acquire all of the
10 ownership interests of one or more classes or series of a limited liability
11 company pursuant to a plan of exchange approved in the manner provided in
12 section 10-32-107.

13 **SECTION 68. AMENDMENT.** Subsections 1 and 5 of section 10-32-102 of the North
14 Dakota Century Code are amended and reenacted as follows:

- 15 1. A resolution containing the plan of merger or exchange must be approved by the
16 governing board as required by section 10-19.1-46 or 10-32-83 of each constituent
17 organization and must then be submitted at a regular or special meeting to the
18 owners of each constituent organization in the case of a plan of merger; and the
19 constituent organization whose ownership interests will be acquired by the
20 acquiring constituent organization in the exchange, in the case of an exchange.
21 The plan of merger or exchange may require that it be submitted to the owners
22 whether or not the governing board determines at any time after the governing
23 board's initial approval of the plan that the plan is no longer advisable and
24 recommends that the owners reject it. If owners owning any class or series of
25 ownership interests in a constituent organization are entitled to vote on the plan of
26 merger or exchange pursuant to this subsection, written notice must be given to
27 every owner of that constituent organization, whether or not entitled to vote at the
28 meeting, not less than fourteen days nor more than sixty days before the meeting,
29 in the manner provided in section 10-19.1-73 for notice of meetings of
30 shareholders in the case of a ~~domestic~~ corporation and in the manner provided in
31 section 10-32-40 for notice of meetings of members in the case of a limited liability

- 1 company. The written notice must state that a purpose of the meeting is to
2 consider the proposed plan of merger or exchange. A copy or short description of
3 the plan of merger or exchange must be included in or enclosed with the notice.
4 5. If the merger or exchange is with a ~~domestic~~ corporation, the plan of merger or
5 exchange must also be approved in the manner provided in chapter 10-19.1.

6 **SECTION 69. AMENDMENT.** Subsection 2 of section 10-32-106 of the North Dakota
7 Century Code is amended and reenacted as follows:

- 8 2. When a merger becomes effective:
- 9 a. The constituent organizations become a single entity, the surviving
10 corporation, or surviving limited liability company;
- 11 b. The separate existence of all constituent organizations except the surviving
12 constituent organization ceases;
- 13 c. As to any limited liability company that was a constituent organization and is
14 not the surviving constituent organization, the articles of merger serve as the
15 articles of termination and, unless previously filed, the notice of dissolution;
- 16 d. As to rights, privileges, immunities, powers, duties, and liabilities:
- 17 (1) If the surviving organization is a limited liability company, the surviving
18 limited liability company has all the rights, privileges, immunities, and
19 powers, and is subject to all the duties and liabilities of a limited liability
20 company organized under this chapter; and
- 21 (2) If the surviving organization is a ~~domestic~~ corporation, the surviving
22 ~~domestic~~ corporation has all the rights, privileges, immunities, and
23 powers, and is subject to all the duties and liabilities of a ~~domestic~~
24 corporation;
- 25 e. The surviving constituent organization, whether a limited liability company or a
26 domestic or foreign corporation, possesses all the rights, privileges,
27 immunities, and franchises, of a public as well as of a private nature, of each
28 of the constituent organizations.
- 29 (1) All property, real, personal, and mixed, and all debts due on any
30 account, including subscriptions to shares and contribution agreements,
31 as the case may be, and all other choses in action, and every other

- 1 interest of or belonging to or due to each of the constituent
2 organizations vests in the surviving constituent organization without any
3 further act or deed.
- 4 (2) Confirmatory deeds, assignments, or similar instruments to accomplish
5 that vesting may be signed and delivered at any time in the name of a
6 constituent organization by its current officers or managers, as the case
7 may be, or, if the organization no longer exists, by its last officers or
8 managers, as the case may be.
- 9 (3) The title to any real estate or any interest in real estate vested in any of
10 the constituent organizations does not revert nor in any way become
11 impaired by reason of the merger;
- 12 f. The surviving constituent organization is responsible and liable for all the
13 liabilities and obligations of each of the constituent organizations.
- 14 (1) A claim of or against or a pending proceeding by or against a
15 constituent organization may be prosecuted as if the merger had not
16 taken place, or the surviving organization may be substituted in the
17 place of the constituent organization.
- 18 (2) Neither the rights of creditors nor any liens upon the property of a
19 constituent organization are impaired by the merger; and
- 20 g. The articles of organization or articles of incorporation, as the case may be, of
21 the surviving organization are considered to be amended to the extent that
22 changes in its articles, if any, are contained in the plan of merger.

23 **SECTION 70.** Section 10-32-106.1 of the North Dakota Century Code is created and
24 enacted as follows:

25 **10-32-106.1. Continuance of limited liability authority.** When an act or record is
26 considered necessary or appropriate to evidence the vesting of property or other rights in the
27 single limited liability company, the persons with authority to do so under the articles or bylaws
28 of each constituent organization shall do the act or execute and deliver the record and for this
29 purpose, the existence of the constituent organizations and the authority of those persons are
30 continued.

1 **SECTION 71. AMENDMENT.** Subsections 1 and 4 of section 10-32-107 of the North
2 Dakota Century Code are amended and reenacted as follows:

- 3 1. A limited liability company may merge with, including a merger pursuant to section
4 10-32-104, or participate in an exchange with a foreign corporation or a foreign
5 limited liability company by following the procedures set forth in this section, if:
- 6 a. With respect to a merger, the merger is permitted by the laws of the
7 jurisdiction under which the foreign corporation or foreign limited liability
8 company is incorporated or organized; and
- 9 b. With respect to an exchange, the constituent organization of which the
10 ownership interests will be acquired is a limited liability company or a
11 ~~domestic~~ corporation, regardless of whether the exchange is permitted by the
12 laws of the jurisdiction under which the foreign corporation or foreign limited
13 liability company is incorporated or organized.
- 14 4. If the surviving organization in a merger will be a foreign corporation or foreign
15 limited liability company and will transact business in this state, the surviving
16 organization shall comply, as the case may be, with the provisions of chapter
17 10-19.1 with respect to foreign corporations or with the provisions of this chapter
18 with respect to foreign limited liability companies. In every case, the surviving
19 foreign corporation or foreign limited liability company shall file with the secretary of
20 state:
- 21 a. An agreement that the surviving organization may be served with process in
22 this state in a proceeding for the enforcement of an obligation of a constituent
23 organization and in a proceeding for the enforcement of the rights of a
24 dissenting owner of an ownership interest of a constituent organization
25 against the surviving foreign corporation or foreign limited liability company;
- 26 b. An irrevocable appointment of the secretary of state as the surviving
27 organization's agent to accept service of process in any proceeding, and an
28 address to which process may be forwarded; and
- 29 c. An agreement that the surviving organization promptly will pay to the
30 dissenting owners of ownership interests of each constituent ~~domestic~~ limited
31 liability company and constituent ~~domestic~~ corporation the amount, if any, to

1 which the dissenting owners are entitled under section 10-19.1-88 or
2 10-32-55.

3 **SECTION 72. AMENDMENT.** Subsection 2 of section 10-32-108 of the North Dakota
4 Century Code is amended and reenacted as follows:

5 2. With respect to member approval:

6 a. A limited liability company, by affirmative vote of a majority of the governors
7 present, may sell, lease, transfer, or otherwise dispose of all or substantially
8 all of its property and assets, including its goodwill, not in the usual and
9 regular course of its business, upon those terms and conditions and for those
10 considerations, which may be money, securities, or other instruments for the
11 payment of money or other property, as the board considers expedient, when
12 approved at a regular or special meeting of the members by the affirmative
13 vote of the owners of a majority of the voting power of the interests entitled to
14 vote.

15 (1) Written notice of the meeting must be given to all members whether or
16 not they are entitled to vote at the meeting.

17 (2) The written notice must state that a purpose of the meeting is to
18 consider the sale, lease, transfer, or other disposition of all or
19 substantially all of the property and assets of the limited liability
20 company.

21 b. Member approval is not required under subdivision a if, following the sale,
22 lease, transfer, or other disposition of its property and assets, the limited
23 liability company retains a significant continuing business activity. The limited
24 liability company will conclusively be deemed to have retained a significant
25 continuing business activity if the limited liability company retains a business
26 activity that represented at least:

27 (1) Twenty-five percent of the limited liability company's total assets at the
28 end of the most recently completed fiscal year; and

29 (2) Twenty-five percent of either income from continuing operations before
30 taxes or revenues from continuing operations for that fiscal year,

1 measured on a consolidated basis with its subsidiaries for paragraph 1
2 and this paragraph.

3 **SECTION 73.** Section 10-32-108.1 of the North Dakota Century Code is created and
4 enacted as follows:

5 **10-32-108.1. Conversion.**

- 6 1. An organization other than a limited liability company may convert to a limited
7 liability company, and a limited liability company may convert to another
8 organization other than a general partnership as provided in this section and
9 sections 10-32-108.2 through 10-32-108.6 and a plan of conversion, if:
- 10 a. The governing statute of the other organization authorizes the conversion;
11 b. The conversion is not prohibited by the law of the jurisdiction that enacted the
12 governing statute; and
13 c. The other organization complies with its governing statute in effecting the
14 conversion.
- 15 2. For the purposes of sections 10-32-108.1 through 10-32-108.6, unless the context
16 otherwise requires:
- 17 a. "Act of the board" means action by the board as provided in section 10-32-83
18 whether:
- 19 (1) At a meeting of the board as provided in section 10-32-80; or
20 (2) By a written action of the board as provided in section 10-32-84.
- 21 b. "Act of the members" means action by the members as provided in section
22 10-32-42 whether:
- 23 (1) At a meeting of the members as provided in sections 10-32-38 and
24 10-32-39; or
25 (2) By a written action of the members as provided in section 10-32-43.
- 26 c. "Certificate of creation" means:
- 27 (1) A certificate of incorporation, if the converted organization is a
28 corporation deemed to be incorporated under chapter 10-19.1;
29 (2) A certificate of organization, if the converted organization is a limited
30 liability company deemed to be organized under this chapter;

- 1 (3) A certificate of limited partnership, if the converted organization is a
2 limited partnership deemed to be formed under chapter 45-10.2;
3 (4) The filed registration of a limited liability partnership, if the converted
4 organization is a limited liability partnership deemed to be established
5 under chapter 45-22; or
6 (5) A certificate of limited liability limited partnership, if the converted
7 organization is a limited liability limited partnership deemed to be
8 formed under chapter 45-23.
- 9 d. "Date of origin" means the date on which:
- 10 (1) A corporation which is:
11 (a) The converting organization was incorporated; or
12 (b) The converted organization is deemed to be incorporated;
13 (2) A limited liability company which is:
14 (a) The converting organization was organized; or
15 (b) The converted organization is deemed to be organized;
16 (3) A general partnership that is the converting organization was formed;
17 (4) A limited partnership which is:
18 (a) The converting organization was formed; or
19 (b) The converted organization is deemed to be formed;
20 (5) A limited liability partnership which is:
21 (a) The converting organization was formed; or
22 (b) The converted organization is deemed to be formed; and
23 (6) A limited liability limited partnership which is:
24 (a) The converting organization was formed; or
25 (b) The converted organization is deemed to be formed.
- 26 e. "Filed registration" means the registration of a limited liability partnership
27 which has been filed with the secretary of state.
- 28 f. "General partnership" shall mean an organization formed under chapters
29 45-13 through 45-21.
- 30 g. "Organizational records" means for an organization which is:
31 (1) A corporation, its articles of incorporation and bylaws;

- 1 (2) A limited liability company, its articles of organization, operating
- 2 agreement or bylaws, and any member-control agreement;
- 3 (3) A limited partnership, its partnership agreement;
- 4 (4) A general partnership, then chapters 45-13 through 45-21;
- 5 (5) A limited liability partnership, its partnership agreement; or
- 6 (6) A limited liability limited partnership, its partnership agreement.

7 h. "Originating records" means for an organization which is:

- 8 (1) A corporation, its articles of incorporation;
- 9 (2) A limited liability company, its articles of organization;
- 10 (3) A limited partnership, its certificate of limited partnership;
- 11 (4) A limited liability partnership, its registration; or
- 12 (5) A limited liability limited partnership, its certificate of limited liability
- 13 limited partnership.

14 **SECTION 74.** Section 10-32-108.2 of the North Dakota Century Code is created and
15 enacted as follows:

16 **10-32-108.2. Plan of conversion.** A plan of conversion must be in a record and must
17 contain:

- 18 1. The name and form of the converting organization before conversion;
- 19 2. The name and form of the converted organization after conversion;
- 20 3. The terms and conditions of the proposed conversion;
- 21 4. The manner and basis of converting each ownership interest in the converting
- 22 organization into ownership interests in the converted organization or, in whole or
- 23 in part, into money or other property;
- 24 5. The organizational records of the converted organization; and
- 25 6. Any other provisions with respect to the proposed conversion that are deemed
- 26 necessary or desirable.

27 **SECTION 75.** Section 10-32-108.3 of the North Dakota Century Code is created and
28 enacted as follows:

29 **10-32-108.3. Plan approval and amendment.**

- 30 1. If the converting organization is a limited liability company, then:

- 1 a. A resolution containing or amending the plan of conversion must be approved
2 by an act of the board of the converting limited liability company and must
3 then be approved by an act of its members.
- 4 (1) In the action by the members, a class or series of membership interests
5 is entitled to vote as a class or series on the approval or amendment of
6 the plan.
- 7 (2) Any amendment of the plan shall be subject to any contractual rights.
- 8 b. If the resolution containing or amending the plan of conversion is approved by
9 the members:
- 10 (1) At a member meeting, then:
- 11 (a) Written notice must be given to every member of the converting
12 limited liability company, whether or not entitled to vote at the
13 meeting, not less than fourteen days nor more than fifty days
14 before the meeting, in the manner provided in section 10-32-40.
- 15 (b) The written notice must state that a purpose of the meeting is to
16 consider the proposed plan of conversion or an amendment to it.
- 17 (c) A copy or short description of the plan of conversion or the
18 amendment to it must be included in or enclosed with the notice.
- 19 (2) By a written action of the members, then a copy or short description of
20 the plan of conversion or the amendment to it must be included in or
21 attached to the written action.
- 22 2. If the converting organization is not a limited liability company, then the approval
23 and amendment of the plan of conversion must comply with its governing statute in
24 effecting the conversion.

25 **SECTION 76.** Section 10-32-108.4 of the North Dakota Century Code is created and
26 enacted as follows:

27 **10-32-108.4. Articles of conversion.**

- 28 1. Upon receiving the approval required by section 10-32-108.3, articles of conversion
29 must be prepared in a record that must contain:
- 30 a. A statement that the converting organization is being converted into another
31 organization including:

- 1 (1) The name of the converting organization immediately before the filing of
2 the articles of conversion;
- 3 (2) The name to which the name of the converting organization is to be
4 changed, which shall be a name that satisfies the laws applicable to the
5 converted organization;
- 6 (3) The form of organization that the converted organization will be; and
- 7 (4) The jurisdiction of the governing statute of the converted organization;
- 8 b. A statement that the plan of conversion has been approved by the converting
9 organization as provided in section 10-32-108.3;
- 10 c. A statement that the plan of conversion has been approved as required by the
11 governing statute of the converted organization;
- 12 d. The plan of conversion;
- 13 e. A copy of the originating record of the converted organization; and
- 14 f. If the converted organization is a foreign organization not authorized to
15 transact business or conduct activities in this state, then the street and mailing
16 address of an office which the secretary of state may use for the purposes of
17 subsection 4 of section 10-32-108.6.
- 18 2. The articles of conversion must be signed on behalf of the converting organization
19 and filed with the secretary of state.
- 20 a. If the converted organization is a domestic organization:
- 21 (1) Then the filing of the articles of conversion must also include the filing
22 with the secretary of state of the originating record of the converted
23 organization.
- 24 (2) Upon both the articles of conversion and the originating record of the
25 converted organization being filed with the secretary of state, the
26 secretary of state shall issue a certificate of conversion and the
27 appropriate certificate of creation to the converted organization or its
28 legal representative.
- 29 b. If the converted organization is a foreign organization:
- 30 (1) That is transacting business or conducting activities in this state, then:

- 1 (a) The filing of the articles of conversion must include the filing with
2 the secretary of state of an application for a certificate of authority
3 by the converted organization.
- 4 (b) Upon both the articles of conversion and the application for a
5 certificate of authority by the converted organization being filed
6 with the secretary of state, the secretary of state shall issue a
7 certificate of conversion and a certificate of authority to the
8 converted organization or the legal representative.
- 9 (2) That is not transacting business or conducting activities in this state,
10 then, upon the articles of conversion being filed with the secretary of
11 state, the secretary of state shall issue a certificate of conversion to the
12 converted organization or its legal representative.
- 13 3. A converting organization that is the owner of a trademark or trade name, is a
14 general partner named in a fictitious name certificate, or is a general partner in a
15 limited partnership that is on file with the secretary of state must change or amend
16 the name of the converting organization to the name of the converted organization
17 in each registration when filing the articles of conversion.

18 **SECTION 77.** Section 10-32-108.5 of the North Dakota Century Code is created and
19 enacted as follows:

20 **10-32-108.5. Abandonment of conversion.**

- 21 1. If the articles of conversion have not been filed with the secretary of state, and:
- 22 a. If the converting organization is a limited liability company, then:
- 23 (1) Before a plan of conversion has been approved by the converting
24 limited liability company as provided in section 10-32-108.3, it may be
25 abandoned by an act of its board.
- 26 (2) After a plan of conversion has been approved by the converting limited
27 liability company as provided in section 10-32-108.3, and before the
28 effective date of the plan, it may be abandoned:
- 29 (a) If the members of the converting limited liability company entitled
30 to vote on the approval of the plan as provided in section

- 1 10-32-108.3 have approved the abandonment by an act of the
2 members; or
3 (b) If the plan provides for abandonment and if all conditions for
4 abandonment set forth in the plan are met.
5 b. If the converting organization is not a limited liability company, then the
6 abandonment of the plan of conversion must comply with its governing
7 statute.
8 2. If articles of conversion have been filed with the secretary of state, but have not yet
9 become effective, then the converting organization shall file with the secretary of
10 state articles of abandonment that contain:
11 a. The name of the converting organization;
12 b. The provision of this section under which the plan is abandoned; and
13 c. If the plan is abandoned:
14 (1) By an act of the board under paragraph 1 of subdivision a of
15 subsection 1, or by an act of the members under subparagraph a of
16 paragraph 2 of subdivision a of subsection 1, then the text of the
17 resolution abandoning the plan; or
18 (2) As provided in the plan under subparagraph b of paragraph 2 of
19 subdivision a of subsection 1, then a statement that the plan provides
20 for abandonment and that all conditions for abandonment set forth in
21 the plan are met.

22 **SECTION 78.** Section 10-32-108.6 of the North Dakota Century Code is created and
23 enacted as follows:

24 **10-32-108.6. Effective date of conversion - Effect.**

- 25 1. A conversion is effective when the filing requirements of subsection 2 of section
26 10-32-108.4 have been fulfilled or on a later date specified in the articles of
27 conversion.
28 2. With respect to the effect of conversion on the converting organization and on the
29 converted organization:

- 1 a. An organization that has been converted as provided in sections 10-32-108.1
2 through 10-32-108.6 is for all purposes the same entity that existed before the
3 conversion.
- 4 b. Upon a conversion becoming effective:
- 5 (1) If the converted organization:
- 6 (a) Is a limited liability company, then the converted organization has
7 all the rights, privileges, immunities, and powers, and is subject to
8 all the duties and liabilities, of a limited liability company
9 organized under this chapter; or
- 10 (b) Is not a limited liability company, then the converted organization
11 has all the rights, privileges, immunities, and powers, and is
12 subject to the duties and liabilities as provided in its governing
13 statute;
- 14 (2) All property owned by the converting organization remains vested in the
15 converted organization;
- 16 (3) All debts, liabilities, and other obligations of the converting organization
17 continue as obligations of the converted organization;
- 18 (4) An action or proceeding pending by or against the converting
19 organization may be continued as if the conversion had not occurred;
- 20 (5) Except as otherwise provided by other law, all rights, privileges,
21 immunities, and powers of the converting organization remain vested in
22 the converted organization; and
- 23 (6) Except as otherwise provided in the plan of conversion, the terms and
24 conditions of the plan of conversion take effect.
- 25 3. When a conversion becomes effective, each ownership interest in the converting
26 organization is deemed to be converted into ownership interests in the converted
27 organization or, in whole or in part, into money or other property to be received
28 under the plan, subject to any dissenters' rights under section 10-32-54.
- 29 4. A converted organization that is a foreign organization consents to the jurisdiction
30 of the courts of this state to enforce any obligation owed by the converting limited

1 liability company, if before the conversion the converting limited liability company
2 was subject to suit in this state on the obligation.

3 5. A converted organization that is a foreign organization and not authorized to
4 transact business in this state appoints the secretary of state as its agent for
5 service of process for purposes of enforcing an obligation under this subsection.

6 **SECTION 79. AMENDMENT.** Subsection 1 of section 10-32-114 of the North Dakota
7 Century Code is amended and reenacted as follows:

8 1. If notice to creditors and claimants is given, the notice must be given by publishing
9 the notice once each week for four successive weeks in an official newspaper as
10 defined in chapter 46-06 in the county or counties where the registered office and
11 the principal executive office of the limited liability company are located and by
12 giving written notice to known creditors and claimants pursuant to subsection ~~39~~ 42
13 of section 10-32-02.

14 **SECTION 80. AMENDMENT.** Section 10-32-132 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **10-32-132. Service of process on limited liability company, foreign limited liability**
17 **company, and nonresident governors.**

18 1. The registered agent must be an agent of the limited liability company and any
19 nonresident governor upon whom any process, notice, or demand required or
20 permitted by law to be served on the limited liability company or governor may be
21 served.

22 a. When a foreign limited liability company transacts business with a certificate
23 of authority, or when the certificate of authority of a foreign limited liability
24 company is suspended or revoked, the secretary of state is an agent of the
25 foreign limited liability company for service of process, notice, or demand.

26 b. Acceptance of a governorship includes the appointment of the secretary of
27 state as an agent for personal service of legal process, notice, or demand.

28 2. A process, notice, or demand required or permitted by law to be served upon a
29 limited liability company may be served either:

30 a. ~~Upon~~ On the registered agent of the limited liability company;

31 b. ~~Upon~~ On a manager of the limited liability company; or

- 1 c. ~~Upon~~ On any responsible person found at the registered office or at the
2 principal executive office; or
- 3 d. On the secretary of state as provided in this section.
- 4 3. If neither the ~~limited liability company's~~ registered agent nor an ~~officer of the limited~~
5 ~~liability company~~ a responsible person can be found at the registered office or the
6 principal executive office, or if a limited liability company fails to maintain a
7 registered agent in this state ~~and a manager of the limited liability company cannot~~
8 ~~be found at the registered office~~, then the secretary of state is ~~the~~ an agent of the
9 limited liability company upon whom the process, notice, or demand may be
10 served.
- 11 a. Service on the secretary of state:
- 12 a. (1) Shall be made by registered mail or personal delivery to the secretary
13 of state and not by electronic communication;
- 14 b. (2) Shall include the return of the sheriff, or the affidavit of a person not a
15 party, verifying that neither the registered agent nor a ~~manager~~
16 responsible person can be found at the registered office or at the
17 principal executive office; and
- 18 c. (3) Is deemed personal service upon the limited liability company and is
19 must be made by filing with the secretary of state:
- 20 (1) (a) Three copies of the process, notice, or demand; and
21 (2) (b) The fees provided for in section 10-32-150; and
22 (3) Is returnable in not less than thirty days notwithstanding a shorter
23 period specified in the process, notice, or demand.
- 24 d. The secretary of state shall immediately forward, by ~~registered~~ certified mail,
25 addressed to the limited liability company at its registered office or principal
26 executive office, a copy of the process, notice, or demand. ~~Service on the~~
27 ~~secretary of state is returnable in not less than thirty days notwithstanding a~~
28 ~~shorter period specified in the process, notice, or demand.~~
- 29 4. Process, notice, or demand may be served on a dissolved limited liability company
30 as provided in this subsection. The court shall determine if service is proper. If a
31 limited liability company has voluntarily dissolved or a court has entered a decree

1 of dissolution, service may be made according to subsection 2 so long as claims
2 are not finally barred under section 10-32-128. If a limited liability company has
3 been involuntarily dissolved pursuant to section 10-32-149, then service may be
4 made according to subsection 2.

5 5. A The secretary of state shall maintain a record ~~must be maintained in the office of~~
6 ~~the secretary of state of all processes, notices~~ every process, notice, and demands
7 demand served upon the secretary of state under this section, including the date of
8 service and the action taken with reference to ~~it~~ the process, notice, or demand.

9 ~~5.~~ 6. Nothing in this section limits the right of a person to serve any process, notice, or
10 demand required or permitted by law to be served upon a limited liability company
11 in any other manner permitted by law.

12 **SECTION 81. AMENDMENT.** Subsection 1 of section 10-32-144 of the North Dakota
13 Century Code is amended and reenacted as follows:

14 1. The certificate of authority of a foreign limited liability company to transact business
15 in this state may be revoked by the secretary of state upon the occurrence of either
16 of these events:

17 a. The foreign limited liability company has failed to appoint and maintain a
18 registered agent as required by this chapter, file a report upon any change in
19 the name or business address of the registered agent, or file in the office of
20 the secretary of state any amendment to its application for a certificate of
21 authority as specified in section 10-32-140; or

22 b. A misrepresentation has been made of any material matter in any application,
23 report, affidavit, or other ~~document~~ record submitted by the foreign limited
24 liability company pursuant to this chapter.

25 **SECTION 82. AMENDMENT.** Section 10-32-148 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **10-32-148. Service of process on a foreign limited liability company.** Service of
28 process on a foreign limited liability company must be as provided in section 10-32-132. ~~When~~
29 ~~the certificate of authority of a foreign limited liability company is suspended or revoked, the~~
30 ~~secretary of state is an agent of the foreign limited liability company for service of process,~~
31 ~~notice, or demand.~~

1 **SECTION 83. AMENDMENT.** Subsections 1, 2, 3, 4, and 7 of section 10-32-149 of the
2 North Dakota Century Code are amended and reenacted as follows:

3 1. Each limited liability company, and each foreign limited liability company authorized
4 to transact business in this state, shall file, within the time ~~prescribed~~ provided by
5 subsection 3, an annual report setting forth:

6 a. The name of the limited liability company or foreign limited liability company
7 and the state or country under the laws of which it is organized.

8 b. The address of the registered office of the limited liability company or foreign
9 limited liability company in this state, the name of its registered agent in this
10 state at that address, and the address of its principal executive office.

11 c. A brief statement of the character of the business in which the limited liability
12 company or foreign limited liability company is actually engaged in this state.

13 d. The names and respective addresses of the managers and governors of the
14 limited liability company or foreign limited liability company or the name or
15 names and respective address or addresses of the managing member or
16 members of the limited liability company or foreign limited liability company.

17 2. The annual report must be submitted on forms prescribed by the secretary of state.
18 The information provided must be given as of the date of the execution of the
19 report. The annual report must be signed as ~~prescribed~~ provided in subsection ~~53~~
20 56 of section 10-32-02, the articles, the bylaws, or a resolution approved by the
21 affirmative vote of the required proportion or number of the governors or members
22 entitled to vote. If the limited liability company or foreign limited liability company is
23 in the hands of a receiver or trustee, the annual report must be signed on behalf of
24 the limited liability company or foreign limited liability company by the receiver or
25 trustee. The secretary of state may destroy any annual report provided for in this
26 section after the annual report is on file for six years.

27 3. The annual report of a limited liability company or foreign limited liability company
28 must be delivered to the secretary of state before November sixteenth of each
29 year, except that the first annual report of a limited liability company or foreign
30 limited liability company must be delivered before November sixteenth of the year

- 1 following the calendar year in which the certificate of organization or certificate of
2 authority was issued by the secretary of state.
- 3 a. An annual report in a sealed envelope postmarked by the United States postal
4 service before November sixteenth, or an annual report in a sealed packet
5 with a verified shipment date by any other carrier service before November
6 sixteenth, is in compliance with this requirement.
- 7 b. The secretary of state must file the report if the report conforms to the
8 requirements of subsection 2.
- 9 (1) If the report does not conform, it must be returned to the limited liability
10 company or foreign limited liability company for any necessary
11 corrections.
- 12 (2) If the report is filed before the deadlines ~~prescribed~~ provided in this
13 subsection, penalties for the failure to file a report within the time
14 provided do not apply if the report is corrected to conform to the
15 requirements of subsection 2 and returned to the secretary of state
16 within thirty days after the annual report was returned by the secretary
17 of state for correction.
- 18 c. The secretary of state may extend the annual filing date of any limited liability
19 company or foreign limited liability company, if a written application for an
20 extension is delivered before November sixteenth.
- 21 4. After the date established under subsection 3, the secretary of state shall notify
22 any limited liability company or foreign limited liability company failing to file its
23 annual report that its certificate of organization or certificate of authority is not in
24 good standing and that it may be terminated or revoked pursuant to subsection 5.
- 25 a. The secretary of state must mail notice of termination or revocation to the last
26 registered agent at the last registered office of record.
- 27 b. If the limited liability company or foreign limited liability company files its
28 annual report after the notice is mailed, together with the annual report filing
29 fee and late filing penalty fee as ~~prescribed~~ provided by section 10-32-150,
30 the secretary of state will restore its certificate of organization or certificate of
31 authority to good standing.

- 1 7. A limited liability company that was terminated for failure to file an annual report, or
2 a foreign limited liability company whose authority was forfeited by failure to file an
3 annual report, may be reinstated by filing a past-due report, together with the
4 statutory filing and penalty fees for an annual report and a reinstatement fee as
5 ~~prescribed~~ provided in section 10-32-150. The fees must be paid and the report
6 filed within one year following the involuntary dissolution or revocation.
7 Reinstatement under this subsection does not affect the rights or liability for the
8 time from the termination or revocation to the reinstatement.

9 **SECTION 84. AMENDMENT.** Section 10-32-150 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **10-32-150. Secretary of state - Fees and charges.**

- 12 ~~4.~~ The secretary of state shall charge and collect for:
- 13 ~~a.~~ 1. Filing articles of organization and issuing a certificate of organization, one hundred
14 twenty-five dollars.
- 15 ~~b.~~ 2. Filing articles of amendment, fifty dollars.
- 16 3. Filing articles of correction, fifty dollars.
- 17 ~~e.~~ 4. Filing restated articles of organization, one hundred twenty-five dollars.
- 18 5. Filing articles of conversion of a limited liability company, fifty dollars and:
- 19 a. If the organization resulting from the conversion will be a domestic
20 organization governed by the laws of this state, then the fees provided by the
21 governing laws to establish or register a new organization like the
22 organization resulting from the conversion; or
- 23 b. If the organization resulting from the conversion will be a foreign organization
24 that will transact business in this state, then the fees provided by the
25 governing laws to obtain a certificate of authority or register an organization
26 like the organization resulting from the conversion.
- 27 6. Filing abandonment of conversion, fifty dollars.
- 28 ~~d.~~ 7. Filing articles of merger and issuing a certificate of merger, fifty dollars.
- 29 ~~e.~~ 8. Filing abandonment of merger or exchange, fifty dollars.
- 30 ~~f.~~ 9. Filing an application to reserve a name, ten dollars.
- 31 ~~g.~~ 10. Filing a notice of transfer of a reserved name, ten dollars.

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- 1 ~~h.~~ 11. Filing a cancellation of reserved name, ten dollars.
- 2 ~~i.~~ 12. Filing a consent to use of name, ten dollars.
- 3 ~~j.~~ 13. Filing a statement of change of address of registered office or change of registered
4 agent or both, ten dollars.
- 5 ~~k.~~ 14. Filing a statement of change of address of registered office by registered agent, ten
6 dollars for each limited liability company affected by such change.
- 7 ~~l.~~ 15. Filing a registered agent's consent to serve in such capacity, ten dollars.
- 8 ~~m.~~ 16. Filing a resignation as registered agent, ten dollars.
- 9 ~~n.~~ 17. Filing a resolution for the establishment of a class or series of membership interest,
10 fifty dollars.
- 11 ~~o.~~ 18. Filing a notice of dissolution, ten dollars.
- 12 ~~p.~~ 19. Filing a statement of revocation of voluntary dissolution proceedings, ten dollars.
- 13 ~~q.~~ 20. Filing articles of dissolution and termination, twenty dollars.
- 14 ~~r.~~ 21. Filing an application of a foreign limited liability company for a certificate of
15 authority to transact business in this state and issuing a certificate of authority, one
16 hundred twenty-five dollars.
- 17 ~~s.~~ 22. Filing an amendment to the certificate of authority by a foreign limited liability
18 company, fifty dollars.
- 19 ~~t.~~ 23. Filing a certificate of fact stating a merger of a foreign limited liability company
20 holding a certificate of authority to transact business in this state, fifty dollars.
- 21 24. Filing a certified statement of conversion of foreign limited liability company, fifty
22 dollars.
- 23 ~~u.~~ 25. Filing an application for withdrawal of a foreign limited liability company and issuing
24 a certificate of withdrawal, twenty dollars.
- 25 ~~v.~~ 26. Filing an annual report of a limited liability company or foreign limited liability
26 company, fifty dollars.
- 27 a. The secretary of state shall charge and collect additional fees for late filing of
28 the annual report as follows:
- 29 (1) After the date ~~prescribed~~ provided in subsection 3 of section 10-32-149,
30 fifty dollars; and

1 (2) After the termination of the limited liability company, or the revocation of
2 the certificate of authority of a foreign limited liability company, the
3 reinstatement fee of one hundred twenty-five dollars.

4 b. Fees paid to the secretary of state according to this subsection are not
5 refundable if an annual report submitted to the secretary of state cannot be
6 filed because it lacks information required by section 10-32-149, or the annual
7 report lacks sufficient payment as required by this subsection.

8 ~~w.~~ 27. Filing any process, notice, or demand for service, twenty-five dollars.

9 ~~x.~~ 28. Submitting any ~~document~~ record for approval before the actual time of submission
10 for filing, one-half of the fee provided in this section for filing the ~~document~~ record.

11 ~~y.~~ 29. Filing any other statement or report of a limited liability company or foreign limited
12 liability company, ten dollars.

13 ~~z.~~ 2. ~~The secretary of state shall charge and collect for:~~

14 ~~a.~~ 30. Furnishing a copy of any ~~document, instrument~~ record, or paper relating to a
15 limited liability company or a foreign limited liability company, ~~one:~~

16 a. One dollar for every four pages, or fraction thereof; and

17 b. Five dollars for a search of records.

18 ~~b.~~ ~~A certificate certifying a copy or reciting facts related to a limited liability~~
19 ~~company or a foreign limited liability company, twenty dollars.~~

20 31. Furnishing a certificate of good standing, existence, or authorization:

21 a. Fifteen dollars; and

22 b. Five dollars for a search of records.

23 ~~e.~~ 32. Each page of any ~~document~~ record or form sent by electronic transmission, one
24 dollar.

25 **SECTION 85. AMENDMENT.** Section 10-32-152 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **10-32-152. Secretary of state - Powers - Enforcement - Appeal.**

28 1. The secretary of state has the power and authority reasonably necessary to
29 efficiently administer this chapter and to perform the duties imposed thereby.

30 2. The secretary of state may propound to any limited liability company, domestic or
31 foreign, subject to the provisions of this chapter and to any manager or governor

- 1 thereof, such interrogatories as may be reasonably necessary and proper to
2 ascertain whether such limited liability company has complied with all provisions of
3 this chapter applicable to such limited liability company.
- 4 a. Such interrogatories must be answered within thirty days after mailing or
5 within such additional time as must be fixed by the secretary of state. The
6 answers to such interrogatories must be full and complete and must be made
7 in writing and under oath.
- 8 b. If such interrogatories be directed:
- 9 (1) To an individual, they must be answered by that individual; or
10 (2) To a limited liability company, they must be answered by the president,
11 vice president, secretary, or assistant secretary of the limited liability
12 company.
- 13 c. The secretary of state need not file any ~~document~~ record to which such
14 interrogatories relate until such interrogatories have been answered, and not
15 then if the answers disclose that such ~~document~~ record is not in conformity
16 with the provisions of this chapter.
- 17 d. The secretary of state shall certify to the attorney general, for such action as
18 the attorney general may deem appropriate, all interrogatories and answers
19 thereto, which disclose a violation of any of the provisions of this chapter.
- 20 e. Each manager or governor of a limited liability company, domestic or foreign,
21 who fails or refuses within the time provided by subdivision a of subsection 2
22 to answer truthfully and fully all interrogatories propounded to that person by
23 the secretary of state is guilty of an infraction.
- 24 f. Interrogatories propounded by the secretary of state and the answers thereto
25 are not open to public inspection. The secretary of state may not disclose any
26 facts or information obtained from such interrogatories or answers except
27 insofar as may be permitted by law or insofar as is required for evidence in
28 any criminal proceedings or other action by this state.
- 29 3. If the secretary of state rejects any ~~document~~ record required by this chapter to be
30 approved by the secretary of state before the same may be filed, then the

- 1 secretary of state shall give written notice of the rejection to the person who
2 delivered the ~~document~~ record, specifying the reasons for rejection.
- 3 a. ~~From such rejection such person~~ Within thirty days after the service of the
4 notice of denial, the limited liability company or foreign limited liability
5 company, as the case may be, may appeal to the district court of the county in
6 which the registered office of such limited liability company is, or is proposed
7 ~~to be, situated~~ in the judicial district serving Burleigh County by filing with the
8 clerk of such court a petition setting forth a copy of the ~~document~~ record
9 sought to be filed and a copy of the written rejection of the ~~document~~ record
10 by the secretary of state.
- 11 b. The matter must be tried de novo by the court. The court shall either sustain
12 the action of the secretary of state or direct the secretary of state to take such
13 action as the court may deem proper.
- 14 4. If the secretary of state dissolves a limited liability company or revokes the
15 certificate of authority to transact business in this state of any foreign limited liability
16 company, pursuant to the provisions of section 10-32-144, ~~such~~ then the limited
17 liability company or foreign limited liability company may appeal to district court ~~of~~
18 ~~the county where the registered office of such limited liability company in this state~~
19 ~~is situated~~ in the judicial district serving Burleigh County by filing with the clerk of
20 such court a petition ~~setting forth a~~ including:
- 21 a. A copy of its limited liability company's articles of organization and a copy of
22 the notice of dissolution given by the secretary of state; or
- 23 b. A copy of the foreign limited liability company's certificate of authority to
24 transact business in this state and a copy of the notice of revocation given by
25 the secretary of state.
- 26 The matter must be tried de novo by the court. The court shall either sustain the
27 action of the secretary of state or direct the secretary of state to take such action
28 as the court may deem proper.
- 29 5. If the court order sought is one for reinstatement of a limited liability company that
30 has been dissolved as provided in subsection 5 of section 10-32-149, or for
31 reinstatement of the certificate of authority of a foreign limited liability company that

1 has been revoked as provided in subsection 6 of section 10-32-149, then together
2 with any other actions the court deems proper, any such order which reverses the
3 decision of the secretary of state shall require the limited liability company or
4 foreign limited liability company to:

- 5 a. File all past-due annual reports;
6 b. Pay the fees to the secretary of state for each annual report as provided in
7 subsection 26 of section 10-32-150; and
8 c. Pay the reinstatement fee to the secretary of state as provided in
9 subsection 26 of section 10-32-150.

10 6. Appeals from all final orders and judgments entered by the district court under this
11 section in review of any ruling or decision of the secretary of state may be taken as
12 in other civil actions.

13 **SECTION 86.** Section 10-32-152.1 of the North Dakota Century Code is created and
14 enacted as follows:

15 **10-32-152.1. Delivery to and filing of records by secretary of state and effective**
16 **date.**

- 17 1. A record authorized or required to be delivered to the secretary of state for filing
18 under this chapter must be captioned to describe the purpose of the record, be in a
19 medium permitted by the secretary of state, and be delivered to the secretary of
20 state. If the secretary of state determines that a record complies with the filing
21 requirements of this chapter, then the secretary of state shall file the record and
22 return a copy of the filed record to the person who delivered it to the secretary of
23 state for filing. That person shall then send a copy of the filed record to the person
24 on whose behalf the record was filed.
- 25 2. Upon request and payment of a fee provided in section 10-32-150, the secretary of
26 state shall send to the requester a certified copy of the requested record.
- 27 3. Except as otherwise specifically provided in this chapter, a record delivered to the
28 secretary of state for filing under this chapter may specify a delayed effective date
29 within ninety days. Except as otherwise provided in this chapter, a record filed by
30 the secretary of state is effective:

- 1 a. If the record does not specify a delayed effective date within ninety days, then
2 on the date the record is filed as evidenced by the endorsement of the
3 secretary of state of the date on the record.
4 b. If the record specifies a delayed effective date within ninety days, then on the
5 specified date.

6 **SECTION 87.** Section 10-32-152.2 of the North Dakota Century Code is created and
7 enacted as follows:

8 **10-32-152.2. Correcting a filed record.** With respect to correction of a filed record:

- 9 1. Whenever a record authorized by this chapter to be filed with the secretary of state
10 has been filed and inaccurately records the action referred to in the record,
11 contains an inaccurate or erroneous statement, or was defectively or erroneously
12 executed, sealed, acknowledged, or verified, the record may be corrected by filing
13 a statement of correction.
14 2. A statement of correction:
15 a. Must:
16 (1) Be signed by:
17 (a) The person who executed the original record; or
18 (b) By a person authorized to sign on behalf of that person;
19 (2) Set forth the name of the limited liability company that filed the record;
20 (3) Identify the record to be corrected by description and by the date of its
21 filing with the secretary of state;
22 (4) Identify the inaccuracy, error, or defect to be corrected; and
23 (5) Set forth a statement in corrected form of the portion of the record to be
24 corrected.
25 b. May not revoke or nullify the record.
26 3. The statement of correction shall be filed with the secretary of state.
27 4. With respect to the effective date of correction:
28 a. A certificate issued by the secretary of state before a record is corrected, with
29 respect to the effect of filing the original record, is considered to be applicable
30 to the record as corrected as of the date the record as corrected is considered
31 to have been filed under this subsection.

- 1 b. After a statement of correction has been filed with the secretary of state, the
2 original record as corrected is considered to have been filed:
3 (1) On the date the statement of correction was filed:
4 (a) As to persons adversely affected by the correction; and
5 (b) For the purposes of subsection 3 of section 10-32-02.2; and
6 (2) On the date the original record was filed as to all other persons and for
7 all other purposes.

8 **SECTION 88. AMENDMENT.** Section 10-32-153 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **10-32-153. Secretary of state - Certificates and certified copies to be received in**
11 **evidence.**

- 12 1. All certificates issued by the secretary of state and all copies of ~~documents~~ records
13 filed in accordance with this chapter, when certified by the secretary of state, must
14 be taken and received in all courts, public offices, and official bodies as prima facie
15 evidence of the facts therein stated.
16 2. A certificate by the secretary of state under the great seal of this state, as to the
17 existence or nonexistence of the facts relating to limited liability companies which
18 would not appear from a certified copy of any of the foregoing ~~documents~~ records
19 or certificates, must be taken and received in all courts, public offices, and official
20 bodies as prima facie evidence of the existence or nonexistence of the facts stated
21 therein.

22 **SECTION 89. AMENDMENT.** Section 10-32-153.1 of the North Dakota Century Code
23 is amended and reenacted as follows:

24 **10-32-153.1. Secretary of state - Confidential records.** Any social security number
25 or federal tax identification number disclosed or contained in any ~~document~~ record filed with the
26 secretary of state under this chapter is confidential. The secretary of state shall delete or
27 obscure any social security number or federal tax identification number before a copy of any
28 ~~document~~ record is released to the public.

29 **SECTION 90. AMENDMENT.** Section 10-32-154 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **10-32-154. Secretary of state - Forms.** All reports required by this chapter to be filed
2 in the office of the secretary of state must be made on forms prescribed by the secretary of
3 state. Forms for all other ~~documents~~ records to be filed in the office of the secretary of state
4 may be furnished by the secretary of state upon request. However, the use of such ~~documents~~
5 forms, unless otherwise specifically required by law, is not mandatory.

6 **SECTION 91. AMENDMENT.** Section 10-33-01 of the North Dakota Century Code is
7 amended and reenacted as follows:

8 **10-33-01. Definitions.** For the purposes of this chapter, unless the context otherwise
9 requires:

- 10 1. "Activity" or "activities" means, in a corporation organized under this chapter, the
11 functional equivalent of "business" in a corporation organized under chapter
12 10-19.1.
- 13 2. "Address" means:
 - 14 a. In the case of a registered office or principal executive office, the mailing
15 address, including a zip code, of the actual office location which may not be
16 only a post-office box; and
 - 17 b. In any other case, the mailing address, including a zip code.
- 18 3. "Articles" means:
 - 19 a. In the case of a corporation incorporated under or governed by this chapter,
20 articles of incorporation, articles of amendment, a resolution of election to
21 become governed by this chapter, a statement of change of registered office,
22 registered agent, or name of registered agent, articles of merger, articles of
23 consolidation, articles of abandonment, articles of dissolution, and any annual
24 report in which a registered office or registered agent has been established or
25 changed.
 - 26 b. In the case of a foreign corporation, the term includes all ~~documents~~ records
27 serving a similar function required to be filed with the secretary of state or
28 other officer of the corporation's state of incorporation.
- 29 4. "Authenticated electronic communication" means:
 - 30 a. That the electronic communication is delivered:
 - 31 (1) To the principal place of activity of the corporation; or

- 1 (2) To an officer or agent of the corporation authorized by the corporation
2 to receive the electronic communication; and
- 3 b. That the electronic communication sets forth information from which the
4 corporation can reasonably conclude that the electronic communication was
5 sent by the purported sender.
- 6 5. "Ballot" means a written ballot or a ballot transmitted by electronic communication.
- 7 6. "Board" means the board of directors of a corporation.
- 8 ~~6.~~ 7. "Board member" means an individual serving on the board.
- 9 ~~7.~~ 8. "Bylaws" means the code adopted for the regulation or management of the internal
10 affairs of a corporation, regardless of how designated.
- 11 ~~8.~~ 9. "Corporation" means a corporation, other than a foreign corporation, that is
12 incorporated under or governed by this chapter.
- 13 ~~9.~~ 10. "Director" means a member of the board.
- 14 ~~10.~~ 11. "Domestic organization" means an organization created under the laws of this
15 state.
- 16 ~~11.~~ 12. "Electronic" means relating to technology having electrical, digital, magnetic,
17 wireless, optical, electromagnetic, or similar capabilities.
- 18 ~~12.~~ 13. "Electronic communication" means any form of communication, not directly
19 involving the physical transmission of paper:
- 20 a. That creates a record that may be retained, retrieved, and reviewed by a
21 recipient of the communication; and
- 22 b. That may be directly reproduced in paper form by the recipient through an
23 automated process.
- 24 ~~13.~~ 14. "Electronic record" means a record created, generated, sent, communicated,
25 received, or stored by electronic means.
- 26 ~~14.~~ 15. "Electronic signature" means an electronic sound, symbol, or process attached to
27 or logically associated with a record and executed or adopted by a person with the
28 intent to sign the record.
- 29 ~~15.~~ 16. "Filed with the secretary of state" means except as otherwise permitted by law or
30 rule:

- 1 a. That a ~~document~~ record meeting the applicable requirements of this chapter,
2 together with the fees provided in section 10-33-140, was delivered or
3 communicated to the secretary of state by a method or medium of
4 communication acceptable by the secretary of state and was determined by
5 the secretary of state to conform to law:
- 6 b. That the secretary of state ~~shall~~ did then:
- 7 (1) Record the actual date on which the ~~document is~~ record was filed, and
8 if different, the effective date of filing; and
- 9 (2) Record the ~~document~~ record in the office of the secretary of state.
- 10 ~~46.~~ 17. "Foreign corporation" means a corporation that is formed under laws other than the
11 laws of this state for a purpose for which a corporation may be organized under
12 this chapter.
- 13 ~~47.~~ 18. "Foreign organization" means an organization created under laws other than the
14 laws of this state for a purpose for which an organization may be created under the
15 laws of this state.
- 16 ~~48.~~ 19. "Good faith" means honesty in fact in the conduct of an act or transaction.
- 17 ~~49.~~ 20. "Intentionally" means the person referred to has a purpose to do or fail to do the
18 act or cause the result specified, or believes the act or failure to act, if successful,
19 will cause that result. A person intentionally violates a statute:
- 20 a. If the person intentionally does the act or causes the result prohibited by the
21 statute; or
- 22 b. If the person intentionally fails to do the act or cause the result required by the
23 statute, even though the person may not know of the existence or
24 constitutionality of the statute or the scope or meaning of the terms used in
25 the statute.
- 26 ~~20.~~ 21. "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended
27 from time to time, and successive federal revenue acts.
- 28 ~~21.~~ "Knows" or has "knowledge" means the person has actual knowledge of a fact. A
29 person does not "know" or have "knowledge" of a fact merely because the person
30 has reason to know of the fact.

- 1 22. "Legal representative" means a person empowered to act for another person,
2 including an agent, manager, officer, partner, or associate of an organization; a
3 trustee of a trust; a personal representative; a trustee in bankruptcy; or a receiver,
4 guardian, custodian, or conservator.
- 5 23. "Member" means a person with membership rights in a corporation under its
6 articles or bylaws, regardless of how the person is identified.
- 7 24. "Members with voting rights" means members or a class of members that has
8 voting rights with respect to the purpose or matter involved.
- 9 25. "Nonprofit purpose" or "nonprofit activity" means a purpose or activity not involving
10 pecuniary gain to any officer, director, or member, other than a member that is a
11 nonprofit organization or subdivision, unit, or agency of the United States or a state
12 or local government.
- 13 26. "Notice":
- 14 a. Is given by a member of a corporation to the corporation or an officer of the
15 corporation:
- 16 (1) When in writing and mailed or delivered to the corporation or the officer
17 at the registered office or principal executive office of the corporation; or
- 18 (2) When given by a form of electronic communication consented to by the
19 corporation to which the notice is given if by:
- 20 (a) ~~If by facsimile~~ Facsimile communication, when directed to a
21 telephone number at which the corporation has consented to
22 receive notice.
- 23 (b) ~~If by electronic~~ Electronic mail, when directed to an electronic
24 mail address at which the corporation has consented to receive
25 notice.
- 26 (c) ~~If by posting~~ Posting on an electronic network on which the
27 corporation has consented to receive notice, together with
28 separate notice to the corporation of the specific posting, upon
29 the later of:
- 30 [1] The posting; or
- 31 [2] The giving of the separate notice.

- 1 (d) ~~If by any~~ Any other form of electronic communication by which
2 the corporation has consented to receive notice, when directed to
3 the corporation.
- 4 b. Is given, in all other cases:
- 5 (1) When mailed to the person at an address designated by the person or
6 at the last-known address of the person;
- 7 (2) When handed to the person;
- 8 (3) When left at the office of the person with a clerk or other person in
9 charge of the office or:
- 10 (a) If there is no one in charge, when left in a conspicuous place in
11 the office; or
- 12 (b) If the office is closed or the person to be notified has no office,
13 when left at the dwelling house or usual place of abode of the
14 person with some person of suitable age and discretion then
15 residing there; or
- 16 (4) When given by a form of electronic communication consented to by the
17 person to whom the notice is given if by:
- 18 (a) ~~If by facsimile~~ Facsimile communication, when directed to a
19 telephone number at which the person has consented to receive
20 notice.
- 21 (b) ~~If by electronic~~ Electronic mail, when directed to an electronic
22 mail address at which the person has consented to receive
23 notice.
- 24 (c) ~~If by posting~~ Posting on an electronic network on which the
25 person has consented to receive notice, together with separate
26 notice to the person of the specific posting, upon the later of:
- 27 [1] The posting; or
- 28 [2] The giving of the separate notice.
- 29 (5) When the method is fair and reasonable when all of the circumstances
30 are considered.

- 1 c. Is given by mail when deposited in the United States mail with sufficient
2 postage affixed.
- 3 d. Is deemed received when it is given.
- 4 27. "Officer" means an individual who is more than eighteen years of age and who is:
- 5 a. Elected, appointed, or otherwise designated as an officer by the board or the
6 members; or
- 7 b. Considered elected as an officer pursuant to section 10-33-52.
- 8 28. "Organization" means:
- 9 a. Whether domestic or foreign, a corporation, ~~whether domestic or foreign,~~
10 ~~incorporated in or authorized to do business in this state under another~~
11 ~~chapter of this code;~~ limited liability company; partnership; limited
12 partnership; limited liability partnership; limited liability limited partnership;
13 joint venture; association; business trust; ~~estate; trust; enterprise;~~ or any
14 other legal or commercial entity person having a governing statute; but
- 15 b. Excludes any nonprofit corporation, whether a domestic nonprofit corporation
16 which is incorporated under this chapter or a foreign nonprofit corporation
17 which is incorporated in another jurisdiction.
- 18 29. "Principal executive office" means:
- 19 a. If the corporation has an elected or appointed president, then an office where
20 the elected or appointed president of the corporation has an office; or
- 21 b. If the corporation has no elected or appointed president, then the registered
22 office of the corporation.
- 23 30. "Record" means information that is inscribed on a tangible medium or that is stored
24 in an electronic or other medium and is retrievable in perceivable form.
- 25 31. "Registered office" means the place in this state designated in the articles of a
26 corporation as the registered office of the corporation.
- 27 32. "Related organization" means an organization that controls, is controlled by, or is
28 under common control with another organization with control existing if an
29 organization:
- 30 a. Owns, directly or indirectly, at least fifty percent of the shares, membership
31 interests, or other ownership interests of another organization;

- 1 b. Has the right, directly or indirectly, to elect, appoint, or remove fifty percent or
2 more of the voting members of the governing body of another organization; or
3 c. Has the power, directly or indirectly, to direct or cause the direction of the
4 management and policies of another organization, whether through the
5 ownership of voting interests, by contract, or otherwise.
- 6 33. "Remote communication" means communication via electronic communication,
7 conference telephone, videoconference, the internet, or such other means by
8 which persons not physically present in the same location may communicate with
9 each other on a substantially simultaneous basis.
- 10 34. "Signed" means:
- 11 a. That the signature of a person, which may be a facsimile affixed, engraved,
12 printed, placed, stamped with indelible ink, transmitted by facsimile
13 telecommunication or electronically, or in any other manner reproduced on the
14 ~~document~~ record, is placed on a ~~document~~ record, as provided under section
15 41-01-09; and
- 16 b. With respect to a ~~document~~ record required by this chapter to be filed with the
17 secretary of state, that:
- 18 (1) The ~~document~~ record is signed by a person authorized to do so by this
19 chapter, the articles, or bylaws, a resolution approved by the directors
20 as required by section 10-33-42, or the members with voting rights, if
21 any, as required by section 10-33-72; and
- 22 (2) The signature and the ~~document~~ record are communicated by a
23 method or medium of communication acceptable by the secretary of
24 state.
- 25 35. "Subsidiary" of a specified corporation means:
- 26 a. A corporation or a foreign corporation having more than fifty percent of the
27 voting power of its shares entitled to vote for directors owned directly or
28 indirectly through related organizations, by the specified corporation; or
- 29 b. A limited liability company or a foreign limited liability company having more
30 than fifty percent of the voting power of its membership interests entitled to

1 vote for governors owned directly, or indirectly through organizations, by the
2 specified limited liability company.

3 36. "Surviving corporation" means the ~~domestic~~ corporation or foreign corporation
4 resulting from a merger;

5 a. May preexist the merger; or

6 b. May be created by the merger.

7 37. "Vote" includes authorization by written action.

8 38. "Written action" means:

9 a. A written ~~document~~ record signed by all of the persons required to take the
10 action; or

11 b. The counterparts of a written ~~document~~ record signed by any of the persons
12 taking the action.

13 (1) Each counterpart constitutes the action of the persons signing it; and

14 (2) All the counterparts are one written action by all of the persons signing
15 them.

16 **SECTION 92.** Section 10-33-01.2 of the North Dakota Century Code is created and
17 enacted as follows:

18 **10-33-01.2. Knowledge and notice.**

19 1. A person knows or has knowledge of a fact if the person has actual knowledge of
20 it. A person does not know or have knowledge of a fact merely because the
21 person has reason to know or have knowledge of the fact.

22 2. A person has notice of a fact if the person:

23 a. Knows of the fact;

24 b. Has received notice of the fact as provided in subsection 18 of section
25 10-33-01;

26 c. Has reason to know the fact exists from all of the facts known to the person at
27 the time in question; or

28 d. Has notice of it under subsection 3.

29 3. Subject to subsection 8, a person has notice of:

- 1 a. The intention of a corporation to dissolve, ninety days after the effective date
2 of the filed notice of intent to dissolve stating that the corporation intends to
3 dissolve;
- 4 b. The dissolution of a corporation, ninety days after the effective date of the
5 filed; and
- 6 c. A merger under sections 10-33-86 through 10-33-92, ninety days after the
7 effective date of the filed articles of merger.
- 8 4. A person notifies or gives a notification to another person by taking the steps
9 provided in subsection 18 of section 10-33-01, whether or not the other person
10 learns of it.
- 11 5. A person receives a notification as provided in subsection 18 of section 10-33-01.
- 12 6. Except as otherwise provided in subsection 7 and except as otherwise provided in
13 subsection 18 of section 10-33-01, a person other than an individual knows, has
14 notice, or receives a notification of a fact for purposes of a particular transaction
15 when the individual conducting the transaction for the person knows, has notice, or
16 receives a notification of the fact, or in any event when the fact would have been
17 brought to the attention of the individual if the person had exercised reasonable
18 diligence.
- 19 a. A person other than an individual exercises reasonable diligence if it
20 maintains reasonable routines for communicating significant information to the
21 individual conducting the transaction for the person and there is reasonable
22 compliance with the routines.
- 23 b. Reasonable diligence does not require an individual acting for the person to
24 communicate information unless the communication is part of the regular
25 duties of the individual or the individual has reason to know of the transaction
26 and that the transaction would be materially affected by the information.
- 27 7. Knowledge, notice, or receipt of a notification of a fact relating to the corporation by
28 an officer or director is effective immediately as knowledge of, notice to, or receipt
29 of a notification by the corporation, except in the case of a fraud on the corporation
30 committed by or with the consent of the officer or director. Knowledge, notice, or
31 receipt of a notification of a fact relating to the corporation by a member who is not

- 1 an officer or director, is not effective as knowledge by, notice to, or receipt of a
2 notification by the corporation.
- 3 8. Notice otherwise effective under subsection 3 does not affect the power of a
4 person to transfer real property held in the name of a corporation unless at the time
5 of transfer a certified copy of the relevant statement, amendment, or articles, as
6 filed with the secretary of state, has been recorded in the office of the county
7 recorder in the county in which the real property affected by the statement,
8 amendment, or articles is located.
- 9 9. With respect to notice given by a form of electronic communication:
- 10 a. Consent by an officer or director to notice given by electronic communication
11 may be given in writing or by authenticated electronic communication. The
12 corporation is entitled to rely on any consent so given until revoked by the
13 officer or director. However, no revocation affects the validity of any notice
14 given before receipt by the corporation of revocation of the consent.
- 15 b. An affidavit of an officer or director or an authorized agent of the corporation,
16 that the notice has been given by a form of electronic communication is, in the
17 absence of fraud, prima facie evidence of the facts stated in the affidavit.

18 **SECTION 93. AMENDMENT.** Subsection 3 of section 10-33-06 of the North Dakota
19 Century Code is amended and reenacted as follows:

- 20 3. The following articles govern a corporation unless modified by the articles:
- 21 a. A corporation has a general purpose of engaging in any lawful nonprofit
22 activity as provided in section 10-33-04;
- 23 b. A corporation has perpetual existence and certain powers as provided in
24 section 10-33-21;
- 25 c. The power to initially adopt, amend, or repeal the bylaws is vested in the
26 board as provided in section 10-33-26;
- 27 d. The affirmative vote of a majority of the directors present is required for an
28 action of the board as provided in section 10-33-42;
- 29 e. A written action by the board taken without a meeting must be signed by all
30 directors as provided in section 10-33-43; ~~and~~
- 31 f. Members are of one class as provided in section 10-33-57; and

- 1 g. A written action by the members must be signed by all members as provided
2 in section 10-33-73.

3 **SECTION 94. AMENDMENT.** Section 10-33-10 of the North Dakota Century Code is
4 amended and reenacted as follows:

5 **10-33-10. Corporate name.**

- 6 1. The corporate name:
- 7 a. Must be in the English language or in any other language expressed in
8 English letters or characters.
- 9 b. Need not contain the word "company", "corporation", "incorporated", "limited",
10 or an abbreviation of one or more of these words.
- 11 c. ~~May not contain a word or phrase that indicates or implies that it may not be~~
12 ~~incorporated under this chapter.~~
- 13 d. May not contain the words "limited liability company", "limited partnership",
14 "limited liability partnership", "limited liability limited partnership", or any
15 abbreviation of these words.
- 16 e. d. May not contain a word or phrase that indicates or implies that ~~it is the~~
17 corporation:
- 18 (1) Is incorporated for a purpose other than a legal:
- 19 (a) A lawful nonprofit purpose for which a corporation may be
20 incorporated under this chapter; or
- 21 (b) For a purpose stated in its articles; or
- 22 (2) May not be incorporated under this chapter.
- 23 f. e. ~~Unless a document in compliance with subsection 2 is filed with the articles,~~
24 ~~may~~ May not be the same as or deceptively similar to:
- 25 (1) The name, whether foreign and authorized to conduct activities in this
26 state or domestic unless there is filed with the articles a record that
27 complies with subsection 2, of:
- 28 (a) Another corporation;
- 29 (b) A corporation incorporated or authorized to do business in this
30 state under another provision of this code;
- 31 (c) A limited liability company;

- 1 (d) A limited partnership;
- 2 (e) A limited liability partnership; or
- 3 (f) A limited liability limited partnership;
- 4 (2) A name the right to which is, at the time of incorporation, reserved in
- 5 the manner provided in section 10-19.1-14, 10-32-11, 10-33-11,
- 6 ~~45-10.1-03~~ 45-10.2-11, 45-13-04.2, or 45-22-05;
- 7 (3) A fictitious name registered in the manner provided in chapter 45-11; or
- 8 (4) A trade name registered in the manner provided in chapter 47-25.
- 9 ~~2. If the secretary of state determines that a corporate name is "deceptively similar" to~~
- 10 ~~another name for purposes of this chapter, then the corporate name may not be~~
- 11 ~~used unless there is filed with the articles:~~
- 12 ~~a. The written consent of the holder of the rights to the name the proposed name~~
- 13 ~~is determined to be deceptively similar to; or~~
- 14 ~~b. A certified copy of a judgment of a court in this state establishing the prior~~
- 15 ~~right of the applicant to the use of the name in this state.~~
- 16 ~~This subsection does not affect the right of a domestic corporation existing on~~
- 17 ~~August 1, 1997, or a foreign corporation authorized to do business in this state on~~
- 18 ~~that date to continue the use of its name.~~
- 19 ~~3.~~ The secretary of state shall determine whether a corporate name is "deceptively
- 20 similar" to another name for purposes of this chapter.
- 21 3. If the secretary of state determines that a corporate name is "deceptively similar" to
- 22 another name for purposes of this chapter, then the corporate name may not be
- 23 used unless there is filed with the articles:
- 24 a. The written consent of the holder of the rights to the name the proposed name
- 25 is determined to be deceptively similar to; or
- 26 b. A certified copy of a judgment of a court in this state establishing the prior
- 27 right of the applicant to the use of the name in this state.
- 28 4. Subsection 3 does not affect the right of a corporation existing on August 1, 1997,
- 29 or a foreign corporation authorized to do business in this state on that date to
- 30 continue the use of its name.
- 31 ~~4.~~ 5. This section and section 10-33-11 do not:

- 1 a. Abrogate or limit:
- 2 (1) The law of unfair competition or unfair practices;
- 3 (2) Chapter 47-25;
- 4 (3) The laws of the United States with respect to the right to acquire and
- 5 protect copyrights, trade names, trademarks, service names, or service
- 6 marks; or
- 7 (4) Any other rights to the exclusive use of names or symbols; or
- 8 b. Derogate the common law or the principles of equity.
- 9 ~~5.~~ 6. A corporation that is the surviving organization in a merger with one or more other
- 10 organizations, or that acquires by sale, lease, or other disposition to or exchange
- 11 with an organization all or substantially all of the assets of another organization
- 12 including its name, may have the same name, subject to the requirements of
- 13 subsection 1, as that used in this state by any of the other organizations, if the
- 14 other organization whose name is sought to be used:
- 15 a. Was incorporated, organized, formed, or registered under the laws of this
- 16 state-;
- 17 b. Is authorized to conduct activities or transact business in this state;
- 18 c. Holds a reserved name in the manner provided in section 10-19.1-14,
- 19 10-32-11, 10-33-11, ~~45-10.1-03~~ 45-10.2-11, 45-13-04.2, or 45-22-05;
- 20 d. Holds a fictitious name registered in the manner provided in chapter 45-11; or
- 21 e. Holds a trade name registered in the manner provided in chapter 47-25.
- 22 ~~6.~~ 7. The use of a name by a corporation in violation of this section does not affect or
- 23 vitiate its corporate existence, but a court in this state may, upon application of the
- 24 state or of an interested or affected person, enjoin the corporation from conducting
- 25 activities under a name assumed in violation of this section, although its articles
- 26 may have been filed with the secretary of state and a certificate of incorporation
- 27 issued.
- 28 ~~7.~~ 8. ~~If a corporation's~~ A corporation whose period of existence has expired or that is
- 29 involuntarily dissolved by the secretary of state pursuant to section 10-33-139, ~~the~~
- 30 ~~corporation~~ may reacquire the right to use that name by refiling articles of
- 31 incorporation pursuant to section 10-33-08; ~~amending pursuant to section~~

1 ~~10-33-118; or reinstating pursuant to section 10-33-139.~~ If unless the name has
2 been adopted for use or reserved by another person, in which case the filing will be
3 rejected unless the filing is accompanied by a written consent or judgment
4 pursuant to subsection 2. A corporation that cannot reacquire the use of its
5 corporate name must adopt a new corporate name that complies with the
6 provisions of this section:

7 a. By refiling articles of incorporation pursuant to section 10-33-08;

8 b. By amending pursuant to section 10-33-14; or

9 c. By reinstating pursuant to section 10-33-139.

10 9. Subject to section 10-33-126, this section applies to any foreign corporation
11 transacting business in this state, having a certificate of authority to transact
12 business in this state, or applying for a certificate of authority.

13 **SECTION 95. AMENDMENT.** Subsection 2 of section 10-33-12 of the North Dakota
14 Century Code is amended and reenacted as follows:

15 2. A corporation shall appoint and continuously maintain a registered agent. The
16 registered agent may be an individual residing in this state, ~~a domestic~~ another
17 corporation whether incorporated under this chapter or under another ~~provision~~
18 chapter of this code, a limited liability company, a foreign corporation whether
19 authorized to do business or conduct activities in the state under this chapter or
20 under another provision of this code, or foreign limited liability company authorized
21 to conduct activities in this state. The registered agent shall maintain a business
22 office that is identical with the registered office. Proof of the registered agent's
23 consent to serve in that capacity must be filed with the secretary of state, together
24 with the fees provided in section 10-33-140.

25 **SECTION 96. AMENDMENT.** Subsection 4 of section 10-33-13 of the North Dakota
26 Century Code is amended and reenacted as follows:

27 4. With respect to fees:

28 a. The fee ~~prescribed~~ provided in section 10-33-140 for change of registered
29 office must be refunded if in the secretary of state's opinion a change of
30 address of registered office results from rezoning or postal reassignment.

1 b. The fees ~~prescribed~~ provided in section 10-33-140 for change of registered
2 agent, change of registered office, and consent of registered agent do not
3 apply if the registered agent or registered office is established or changed in
4 the annual report.

5 **SECTION 97. AMENDMENT.** Section 10-33-18 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **10-33-18. Filing articles of amendment.** An original of the articles of amendment
8 must be filed with the secretary of state. If the secretary of state finds that the articles of
9 amendment conform to the filing requirements of this chapter and that all fees have been paid
10 as provided in section 10-33-140, then the articles of amendment must be recorded in the office
11 of the secretary of state. A corporation that amends the corporate name and is the owner of a
12 trademark or trade name, is a general partner named in a fictitious name certificate, or is a
13 general partner in a limited partnership that is on file with the secretary of state must change or
14 amend the corporation's name in each registration when the corporation files an amendment.

15 **SECTION 98. AMENDMENT.** Section 10-33-22 of the North Dakota Century Code is
16 amended and reenacted as follows:

17 **10-33-22. Corporate seal.** A corporation may, but need not, have a corporate seal.
18 The use or nonuse of a corporate seal does not affect the validity, recordability, or enforceability
19 of a ~~document~~ record or act. If a corporation has a corporate seal, the use of the seal by the
20 corporation on a ~~document~~ record is not necessary.

21 **SECTION 99. AMENDMENT.** Section 10-33-34 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **10-33-34. Cumulative voting for directors.** Unless the articles provide otherwise or
24 except as provided in ~~section 4~~ of article XII of the Constitution of North Dakota, there is no
25 cumulative voting.

26 **SECTION 100. AMENDMENT.** Subsections 3 and 5 of section 10-33-39 of the North
27 Dakota Century Code are amended and reenacted as follows:

28 3. Unless the articles or bylaws provide for a different time period, a director may call
29 a board meeting by giving at least ten days' notice or, in the case of organizational
30 meetings pursuant to subsection 2 of section 10-33-25, at least three days' notice,
31 to all directors of the date, time, and place of the meeting.

- 1 a. The notice need not state the purpose of the meeting unless the articles or
2 bylaws require it.
- 3 b. Any notice to a director given under any provision of this chapter, the articles,
4 or the bylaws by a form of electronic communication consented to by the
5 director to whom the notice is given is effective when given.
- 6 c. Consent by a director to notice given by electronic communication may be
7 given in writing or by authenticated electronic communication. Any consent
8 so given may be relied upon until revoked by the director, provided that no
9 revocation affects the validity of any notice given before receipt of revocation
10 of the consent.
- 11 5. A director may waive notice of a meeting of the board. A waiver of notice by a
12 director entitled to notice is effective whether given before, at, or after the meeting,
13 and whether given in writing, by authenticated electronic communication, or by
14 attendance. Attendance by a director at a meeting is a waiver of notice of that
15 meeting, except when the director objects at the beginning of the meeting to the
16 transaction of business because the meeting is not lawfully called or convened and
17 does not participate in the meeting after the objection.

18 **SECTION 101. AMENDMENT.** Section 10-33-47 of the North Dakota Century Code is
19 amended and reenacted as follows:

20 **10-33-47. Immunity of officers, directors, and trustees.** Any person who serves as
21 a director, officer, or trustee of a corporation that is, or would qualify as a nonprofit organization
22 that is described in paragraphs 3, 4, 5, 6, 7, 10, and 19 of section ~~501(e)(3)~~ 501(c) of the
23 Internal Revenue Code of 1954, as amended [26 U.S.C. 501(c)(3), (4), (5), (6), (7), (10), and
24 (19)], is immune from civil liability for any act or omission resulting in damage or injury if at the
25 time of the act or omission all of the following are met:

- 26 1. The officer, director, or trustee was acting in good faith and in the scope of that
27 person's official duties as a director, officer, or trustee.
- 28 2. The act or omission did not constitute willful misconduct or gross negligence on the
29 part of the officer, director, or trustee.
- 30 3. The officer, director, or trustee did not receive or expect to receive reimbursement
31 for or payment of expenses in excess of two thousand dollars per year for

1 expenses actually incurred as a result of providing services as a director, officer, or
2 trustee, and did not receive or expect to receive compensation or anything in lieu of
3 compensation as payment for services provided as a director, officer, or trustee.

4 **SECTION 102. AMENDMENT.** Section 10-33-51 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **10-33-51. Multiple offices.** Any number of offices or functions of those offices may be
7 held or exercised by the same individual. If a ~~document~~ record must be signed by individuals
8 holding different offices or functions and an individual holds or exercises more than one of
9 those offices or functions, that individual may sign the ~~document~~ record in more than one
10 capacity, but only if the ~~document~~ record indicates each capacity in which the individual signs.

11 **SECTION 103. AMENDMENT.** Section 10-33-72 of the North Dakota Century Code is
12 amended and reenacted as follows:

13 **10-33-72. Act of the members.**

- 14 1. Unless this chapter or the articles or bylaws require a greater vote or voting by
15 class and except for the election of directors which is governed by section
16 10-32-34, the members shall take action by the affirmative vote of the greater of:
17 a. A majority of the members with voting rights present and entitled to vote on
18 that item of business; or
19 b. A majority of the voting power of the minimum number of members with voting
20 rights that would constitute a quorum for the transaction of business at the
21 meeting.

22 If the articles or bylaws require a larger proportion or number than is required by
23 this chapter for a particular action, then the articles or bylaws control.

- 24 2. Unless otherwise provided in the articles or bylaws, members may take action at a
25 meeting:
26 a. By voice or ballot.
27 b. By action without a meeting pursuant to section 10-33-73.
28 c. By ~~written~~ ballot pursuant to section 10-33-74.
29 d. By ~~electronic~~ remote communication pursuant to section 10-33-75.

30 **SECTION 104. AMENDMENT.** Section 10-33-73 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **10-33-73. Action without a meeting by the members.** An action required or
2 permitted to be taken at a meeting of the members may be taken without a meeting by written
3 action signed, or consented to by authenticated electronic communication, by all of the
4 members entitled to vote on that action.

- 5 1. If the articles so provide, any action may be taken by written action signed, or
6 consented to by authenticated electronic communication, by the members who
7 hold voting power equal to the voting power that would be required to take the
8 same action at a meeting of the members at which all members were present.
- 9 a. After the adoption of the initial articles, an amendment to the articles to permit
10 written action to be taken by less than all members requires the approval of all
11 members entitled to vote on the amendment.
- 12 b. When written action is permitted to be taken by less than all members, all
13 members must be notified immediately of its text and effective date no later
14 than five days after the effective time of the action.
- 15 b- c. Failure to provide the notice does not invalidate the written action.
- 16 e- d. A member who does not sign or consent to the written action has no liability
17 for the action or actions taken by the written action.
- 18 2. The written action is effective when signed by the required members, unless a
19 different effective time is provided in the written action.
- 20 3. When this chapter requires or permits a certificate concerning an action to be filed
21 with the secretary of state, the certificate must indicate if the action was taken
22 under this section.

23 **SECTION 105. AMENDMENT.** Section 10-33-74 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **10-33-74. ~~Action~~ Shareholder action by ~~written~~ ballot.**

- 26 1. Except as provided in subsection 5 and unless prohibited or limited by the articles
27 or bylaws, an action that may be taken at a regular or special meeting of members
28 may be taken without a meeting if the corporation mails or delivers a ~~written~~ ballot
29 to every member entitled to vote on the matter.
- 30 2. A ~~written~~ ballot must set forth each proposed action and provide an opportunity to
31 vote for or against each proposed action.

- 1 3. Approval by ~~written~~ ballot under this section is valid only if:
- 2 a. The number of votes cast by ballot equals or exceeds the quorum required to
- 3 be present at a meeting authorizing the action; and
- 4 b. The number of approvals equals or exceeds the number of votes that would
- 5 be required to approve the matter at a meeting at which the total number of
- 6 votes cast was the same as the number of votes cast by ballot.
- 7 4. Solicitations for votes by ~~written~~ ballot must:
- 8 a. Indicate the number of responses needed to meet the quorum requirements;
- 9 b. State the percentage of approvals necessary to approve each matter other
- 10 than election of directors; and
- 11 c. Specify the time by which a ballot must be received by the corporation in
- 12 order to be counted.
- 13 5. Except as otherwise provided in the articles or bylaws, a ~~written~~ ballot may not be
- 14 revoked.
- 15 6. With respect to a ballot by electronic communication:
- 16 a. A corporation may deliver a ballot by electronic communication only if the
- 17 corporation complies with subsection 4 of section 10-33-68 as if the ballot
- 18 were a notice.
- 19 b. Consent by a member to receive notice by electronic communication in a
- 20 certain manner constitutes consent to receive a ballot by electronic
- 21 communication in the same manner.

22 **SECTION 106. AMENDMENT.** Subsections 2, 5, and 7 of section 10-33-80 of the

23 North Dakota Century Code are amended and reenacted as follows:

- 24 2. A member or a director, or the agent or attorney of a member or a director, may
- 25 inspect all ~~documents~~ records referred to in subsection 1 or 3 for any proper
- 26 purpose at any reasonable time. A proper purpose is one reasonably related to the
- 27 interest of the person as a member or director of the corporation.
- 28 5. The corporation may charge the requesting party a reasonable fee to cover the
- 29 expenses of providing copies of ~~documents~~ records under this section.

1 7. A member or a director who is wrongfully denied access to or copies of ~~documents~~
2 records under this section may bring an action for injunctive relief, damages, and
3 costs and reasonable attorney's fees.

4 **SECTION 107. AMENDMENT.** Section 10-33-120 of the North Dakota Century Code
5 is amended and reenacted as follows:

6 **10-33-120. Service of process on corporation, foreign corporation, and**
7 **nonresident directors.**

8 1. The registered agent must be an agent of the corporation and any nonresident
9 director upon whom any process, notice, or demand required or permitted by law to
10 be served on the corporation or director may be served.

11 a. When a foreign corporation transacts business without a certificate of
12 authority, or when the certificate of authority of a foreign corporation is
13 suspended or revoked, the secretary of state is an agent of the foreign
14 corporation for service of process, notice, or demand.

15 b. Acceptance of a directorship includes the appointment of the secretary of
16 state as an agent for personal service of legal process, notice, or demand.

17 2. A process, notice, or demand required or permitted by law to be served upon a
18 corporation may be served ~~either upon:~~

19 a. On the registered agent of the corporation, ~~or upon:~~

20 b. On an officer of the corporation, ~~or upon:~~

21 c. On any responsible person found at the registered office or at the principal
22 executive office; or

23 d. On the secretary of state as provided in this section.

24 3. If neither the ~~corporation's~~ registered agent nor ~~an officer of the corporation a~~
25 responsible person can be found at the registered office, or if a ~~corporation fails to~~
26 ~~maintain a registered agent in this state and an officer of the corporation~~
27 responsible person cannot be found at the ~~registered~~ principal executive office,
28 then the secretary of state is ~~the~~ an agent of the corporation upon whom the
29 process, notice, or demand may be served.

30 a. Service on the secretary of state:

1 **SECTION 108. AMENDMENT.** Subsections 1 and 2 of section 10-33-123 of the North
2 Dakota Century Code are amended and reenacted as follows:

3 1. When it appears to the attorney general it is in the public interest that an
4 investigation should be made to ascertain whether a proceeding by the attorney
5 general, as provided in this chapter, should be commenced, the attorney general
6 may:

7 a. Examine under oath any person in connection with the affairs of the
8 corporation.

9 b. Examine any record, book, ~~document~~ record, account, or paper as the
10 attorney general determines necessary.

11 c. Pursuant to an order of the district court, impound any record, book,
12 ~~document~~, account, or paper, and retain it in the attorney general's
13 possession until the completion of all proceedings undertaken under this
14 chapter.

15 2. To accomplish the objectives and to carry out the duties ~~prescribed~~ provided by
16 this chapter, the attorney general may issue subpoenas to any person.

17 **SECTION 109. AMENDMENT.** Subsection 1 of section 10-33-134 of the North Dakota
18 Century Code is amended and reenacted as follows:

19 1. The certificate of authority of a foreign corporation to conduct activities in this state
20 may be revoked by the secretary of state if:

21 a. The foreign corporation has failed to:

22 (1) Maintain a registered office as required by this chapter;

23 (2) Appoint and maintain a registered agent as required by this chapter;

24 (3) File a report upon any change in the address of its registered office;

25 (4) File a report upon any change in the name or business address of the
26 registered agent; or

27 (5) File in the office of the secretary of state any amendment to its
28 application for a certificate of authority as specified in section

29 10-33-130; or

- 1 b. A misrepresentation has been made of any material matter in any application,
2 report, affidavit, or other ~~document~~ record submitted by the foreign
3 corporation pursuant to this chapter.

4 **SECTION 110. AMENDMENT.** Section 10-33-138 of the North Dakota Century Code
5 is amended and reenacted as follows:

6 **10-33-138. Foreign corporation - Service of process.** Service of process on a
7 foreign corporation must be as provided in section 10-33-120. ~~When the certificate of authority~~
8 ~~of a foreign corporation is suspended or revoked, the secretary of state is an agent of the~~
9 ~~foreign corporation for service of process, notice, or demand.~~

10 **SECTION 111. AMENDMENT.** Section 10-33-139 of the North Dakota Century Code
11 is amended and reenacted as follows:

12 **10-33-139. Secretary of state - Annual report of corporations and foreign**
13 **corporations.**

- 14 1. Each corporation, and each foreign corporation authorized to conduct activities in
15 this state, shall file, within the time ~~prescribed by~~ provided in subsection 3, an
16 annual report setting forth:
- 17 a. The name of the corporation or foreign corporation and the state or country
18 under the laws of which it is incorporated.
 - 19 b. The address of the registered office of the corporation or foreign corporation
20 in this state, the name of its registered agent in this state at that address, and
21 the address of its principal executive office.
 - 22 c. A brief statement of the character of the activities in which the corporation or
23 foreign corporation is actually engaged in this state.
 - 24 d. The names and respective addresses of the officers and directors of the
25 corporation or foreign corporation.
 - 26 e. The section of the Internal Revenue Code by which its tax status is
27 established.
- 28 2. The annual report must be submitted on forms prescribed by the secretary of state.
29 The information provided must be given as of the date of the execution of the
30 report. The annual report must be signed as ~~prescribed~~ provided in subsection 34
31 of section 10-33-01 or in the articles or bylaws, or in a resolution approved by the

- 1 affirmative vote of the required proportion or number of the directors or members
2 entitled to vote. If the corporation or foreign corporation is in the hands of a
3 receiver or trustee, it must be signed on behalf of the corporation or foreign
4 corporation by the receiver or trustee. The secretary of state may destroy all
5 annual reports provided for in this section after they have been on file for six years.
- 6 3. The annual report must be delivered to the secretary of state before February first
7 of each year, except that the first annual report must be delivered before February
8 first of the year following the calendar year in which the certificate of incorporation
9 or certificate of authority was issued by the secretary of state.
- 10 a. An annual report in a sealed envelope postmarked by the United States postal
11 service before February first, or an annual report in a sealed packet with a
12 verified shipment date by any other carrier service before February first,
13 complies with this requirement. When the filing date falls on a Saturday or
14 holiday as defined in section 1-03-01, a postmark or verified shipment date on
15 the next business day complies with this requirement.
- 16 b. The secretary of state must file the report if the report conforms to the
17 requirements of subsection 2.
- 18 (1) If the report does not conform, it must be returned to the corporation for
19 any necessary corrections.
- 20 (2) If the report is filed before the deadlines ~~prescribed~~ provided in this
21 subsection, penalties for the failure to file a report within the time
22 provided do not apply, if the report is corrected to conform to the
23 requirements of subsection 2 and returned to the secretary of state
24 within thirty days after the annual report was returned by the secretary
25 of state for correction.
- 26 c. The secretary of state may extend the annual filing date of any corporation or
27 foreign corporation if a written application for an extension is delivered before
28 February first.
- 29 4. After the date established under subsection 3, the secretary of state shall notify
30 any corporation or foreign corporation failing to file its annual report that its
31 certificate of incorporation or certificate of authority is not in good standing and that

- 1 it may be dissolved or revoked pursuant to subsections 5 and 6. The secretary of
2 state must mail the notice to the last registered agent at the last registered office of
3 record. If the corporation or foreign corporation files its annual report after the
4 notice is mailed, together with the annual report filing fee and late filing penalty fee
5 as ~~prescribed by~~ provided in section 10-33-140, the secretary of state shall restore
6 its certificate of incorporation or certificate of authority to good standing.
- 7 5. A corporation that does not file its annual report, along with the statutory filing and
8 penalty fees, within one year after the date established in subsection 3 ceases to
9 exist and is considered involuntarily dissolved by operation of law.
- 10 a. ~~The~~ Thereafter, the secretary of state shall note the termination of the
11 corporation's certificate of incorporation on the records of the secretary of
12 state and shall give notice of the action to the dissolved corporation.
- 13 b. Notice by the secretary of state must be mailed to the last registered agent at
14 the last registered office of record.
- 15 6. A foreign corporation that does not file its annual report, along with the statutory
16 filing and penalty fees, within one year after the date established by subsection 3
17 forfeits its authority to conduct activities in this state.
- 18 a. The secretary of state shall note the revocation of the foreign corporation's
19 certificate of authority on the records of the secretary of state and shall give
20 notice of the action to the foreign corporation.
- 21 b. Notice by the secretary of state must be mailed to the foreign corporation's
22 last registered agent at the last registered office of record.
- 23 c. The decision by the secretary of state that a certificate of authority must be
24 revoked under this subsection is final.
- 25 7. A corporation that was dissolved for failure to file an annual report, or a foreign
26 corporation whose authority was forfeited by failure to file an annual report, may be
27 reinstated by filing a past-due report, together with the statutory filing and penalty
28 fees for an annual report and a reinstatement fee as ~~prescribed~~ provided in section
29 10-33-140. The fees must be paid and the report filed within one year following the
30 involuntary dissolution or revocation. Reinstatement under this subsection does

1 not affect the rights or liability for the time from the dissolution or revocation to the
2 reinstatement.

3 8. The secretary of state may waive any penalties provided in ~~the~~ this section when
4 an annual report form could not be delivered to the corporation.

5 **SECTION 112. AMENDMENT.** Section 10-33-140 of the North Dakota Century Code
6 is amended and reenacted as follows:

7 **10-33-140. Secretary of state - Fees and charges.**

8 1. The secretary of state shall charge and collect for:

9 a. Filing articles of incorporation and issuing a certificate of incorporation, thirty
10 dollars.

11 b. Filing articles of amendment, twenty dollars.

12 c. Filing articles of correction, twenty dollars.

13 d. Filing restated articles of incorporation, thirty dollars.

14 ~~e.~~ e. Filing articles of merger or consolidation and issuing a certificate of merger or
15 consolidation, fifty dollars.

16 ~~e.~~ f. Filing an intent to dissolve, ten dollars.

17 ~~f.~~ g. Filing articles of dissolution, twenty dollars.

18 ~~g.~~ h. Filing a statement of change of address of registered office or change of
19 registered agent, or both, ten dollars.

20 ~~h.~~ i. Filing a registered agent's consent to serve in that capacity, ten dollars.

21 ~~i.~~ j. Filing a resignation as registered agent, ten dollars.

22 ~~j.~~ k. Filing an application to reserve a corporate name, ten dollars.

23 ~~k.~~ l. Filing a notice of transfer of a reserved corporate name, ten dollars.

24 ~~l.~~ m. Filing a cancellation of reserved corporate name, ten dollars.

25 ~~m.~~ n. Filing a consent to use of a deceptively similar name, ten dollars.

26 ~~n.~~ o. Filing an application of a foreign corporation for a certificate of authority to
27 conduct affairs in this state and issuing a certificate of authority, forty dollars.

28 ~~o.~~ p. Filing an application of a foreign corporation for an amended certificate of
29 authority, forty dollars.

30 ~~p.~~ q. Filing a certified statement of merger of a foreign corporation holding a
31 certificate of authority to conduct activities in this state, fifty dollars.

- 1 ~~r.~~ Filing an application for withdrawal of a foreign corporation and issuing a
2 certificate of withdrawal, twenty dollars.
- 3 ~~s.~~ Filing an annual report of a domestic or foreign corporation, ten dollars.
- 4 (1) The secretary of state shall charge and collect additional fees for late
5 filing of the annual report:
- 6 (1) (a) After the date ~~prescribed~~ provided in subsection 3 of section
7 10-33-139, five dollars; and
- 8 (2) (b) After the dissolution of a corporation, or the revocation of the
9 certificate of authority of a foreign corporation, the reinstatement
10 fee of forty dollars.
- 11 (2) Fees paid to the secretary of state according to this subdivision are not
12 refundable if an annual report submitted to the secretary of state cannot
13 be filed because it lacks information required by section 10-33-139, or
14 the annual report lacks sufficient payment as required by this
15 subdivision.
- 16 ~~t.~~ Submitting any record for approval before the actual time of submission for
17 filing, one-half of the fee provided in this subsection for filing the record.
- 18 u. Filing any other statement of a domestic or foreign corporation, ten dollars.
- 19 2. The secretary of state shall charge and collect:
- 20 a. For furnishing a certified copy of any ~~document~~ record, instrument, or paper
21 relating to a corporation, one dollar for every four pages or fraction thereof
22 and fifteen dollars for the certificate and affixing the seal to the certificate.
- 23 b. At the time of any service of process on the secretary of state as resident
24 agent of a corporation, twenty-five dollars, which may be recovered as taxable
25 costs by the party to the claim for relief causing the service to be made if that
26 party prevails in the suit or action.

27 **SECTION 113. AMENDMENT.** Section 10-33-141 of the North Dakota Century Code
28 is amended and reenacted as follows:

29 **10-33-141. Secretary of state - Enforcement - Penalty - Appeal.**

- 30 1. The secretary of state may administer this chapter.

- 1 2. The secretary of state may propound to any corporation or foreign corporation that
2 is subject to this chapter and to any officer, director, or employee thereof any
3 interrogatory as may be reasonably necessary and proper to ascertain whether the
4 corporation has complied with this chapter applicable to the corporation.
- 5 a. The interrogatory must be answered within thirty days after mailing or within
6 any additional time as must be fixed by the secretary of state. The answers to
7 the interrogatory must be full and complete and must be made in writing and
8 under oath.
- 9 b. If the interrogatory is directed:
- 10 (1) To an individual, it must be answered by that individual; or
11 (2) To a corporation, it must be answered by the president, vice president,
12 secretary, or assistant secretary of the corporation.
- 13 c. The secretary of state need not file any ~~document~~ record to which the
14 interrogatory relates until the interrogatory has been answered, and not then if
15 the answers disclose that the ~~document~~ record is not in conformity with this
16 chapter.
- 17 d. The secretary of state shall certify to the attorney general, for action the
18 attorney general may deem appropriate, an interrogatory and answers
19 thereto, which discloses a violation of this chapter.
- 20 e. Each officer, director, or employee of a corporation or foreign corporation who
21 fails or refuses within the time provided by subdivision a to answer truthfully
22 and fully an interrogatory propounded to that person by the secretary of state
23 is guilty of an infraction.
- 24 f. An interrogatory propounded by the secretary of state and the answers are
25 not open to public inspection. The secretary of state may not disclose any
26 facts or information obtained from the interrogatory or answers except insofar
27 as may be permitted by law or insofar as is required for evidence in any
28 criminal proceedings or other action by this state.
- 29 3. If the secretary of state rejects any ~~document~~ record required by this chapter to be
30 approved by the secretary of state before the ~~document~~ record may be filed, then

- 1 the secretary of state shall give written notice of the rejection to the person who
2 delivered the ~~document~~ record, specifying the reasons for rejection.
- 3 a. ~~From such rejection the person~~ Within thirty days after the service of the
4 notice of denial, the corporation or foreign corporation as the case may be,
5 may appeal to the district court of the county in which the registered office of
6 such corporation is, or is proposed to be, situated in the judicial district
7 serving Burleigh County by filing with the clerk of the court a petition setting
8 forth a copy of the ~~document~~ record sought to be filed and a copy of the
9 written rejection of the ~~document~~ record by the secretary of state.
- 10 b. The matter must be tried de novo by the court. The court shall either sustain
11 the action of the secretary of state or direct the secretary of state to take the
12 action the court determines proper.
- 13 4. If the secretary of state dissolves a corporation or revokes the certificate of
14 authority to conduct activities in this state of any foreign corporation, pursuant to
15 section 10-33-134, then, the corporation or foreign corporation may appeal to the
16 district court ~~of the county where the registered office of the foreign corporation in~~
17 ~~this state is situated~~ in the judicial district serving Burleigh County by filing with the
18 clerk of the court a petition ~~setting forth a~~ including:
- 19 a. A copy of the corporation's articles of incorporation and a copy of the notice of
20 dissolution given by the secretary of state; or
- 21 b. A copy of the foreign corporation's certificate of authority to conduct activities
22 in this state and a copy of the notice of revocation given by the secretary of
23 state. The matter must be tried de novo by the court. The court shall sustain
24 the action of the secretary of state or shall direct the secretary of state to take
25 the action the court determines proper.
- 26 5. If the court order sought is one for reinstatement of a corporation that has been
27 dissolved as provided in subsection 5 of section 10-33-139, or for reinstatement of
28 the certificate of authority of a foreign corporation that has been revoked as
29 provided in subsection 6 of section 10-33-139, then together with any other actions
30 the court deems proper, any such order which reverses the decision of the
31 secretary of state shall require the corporation or foreign corporation to:

- 1 a. File all past-due annual reports;
- 2 b. Pay the fees to the secretary of state for each annual report as provided in
- 3 subdivision s of subsection 1 of section 10-33-140; and
- 4 c. Pay the reinstatement fee to the secretary of state as provided in
- 5 subdivision s of subsection 1 of section 10-33-140.
- 6 6. Appeals from all final orders and judgments entered by the district court under this
- 7 section in review of any ruling or decision of the secretary of state may be taken as
- 8 in other civil actions.

9 **SECTION 114.** Section 10-33-141.1 of the North Dakota Century Code is created and
10 enacted as follows:

11 **10-33-141.1. Delivery to and filing of records by secretary of state and effective**
12 **date.**

- 13 1. A record authorized or required to be delivered to the secretary of state for filing
- 14 under this chapter must be captioned to describe the purpose of the record, be in a
- 15 medium permitted by the secretary of state, and be delivered to the secretary of
- 16 state. If the secretary of state determines that a record complies with the filing
- 17 requirements of this chapter, then the secretary of state shall file the record and
- 18 return a copy of the filed record to the person who delivered it to the secretary of
- 19 state for filing. That person shall then send a copy of the filed record to the person
- 20 on whose behalf the record was filed.
- 21 2. Upon request and payment of a fee provided in section 10-33-139, the secretary of
- 22 state shall send to the requester a certified copy of the requested record.
- 23 3. Except as otherwise specifically provided in this chapter, a record delivered to the
- 24 secretary of state for filing under this chapter may specify a delayed effective date
- 25 within ninety days. Except as otherwise provided in this chapter, a record filed by
- 26 the secretary of state is effective:
- 27 a. If the record does not specify a delayed effective date within ninety days, then
- 28 on the date the record is filed as evidenced by the endorsement of the
- 29 secretary of state of the date on the record.
- 30 b. If the record specifies a delayed effective date within ninety days, then on the
- 31 specified date.

1 **SECTION 115.** Section 10-33-141.2 of the North Dakota Century Code is created and
2 enacted as follows:

3 **10-33-141.2. Correcting a filed record.** With respect to correction of a filed record:

4 1. Whenever a record authorized by this chapter to be filed with the secretary of state
5 has been filed and inaccurately records the action referred to in the record,
6 contains an inaccurate or erroneous statement, or was defectively or erroneously
7 executed, sealed, acknowledged, or verified, the record may be corrected by filing
8 a statement of correction.

9 2. A statement of correction:

10 a. Must:

11 (1) Be signed by:

12 (a) The person who executed the original record; or

13 (b) By a person authorized to sign on behalf of that person;

14 (2) Set forth the name of the corporation that filed the record;

15 (3) Identify the record to be corrected by description and by the date of its
16 filing with the secretary of state;

17 (4) Identify the inaccuracy, error, or defect to be corrected; and

18 (5) Set forth a statement in corrected form of the portion of the record to be
19 corrected.

20 b. May not revoke or nullify the record.

21 3. The statement of correction shall be filed with the secretary of state.

22 4. With respect to the effective date of correction:

23 a. A certificate issued by the secretary of state before a record is corrected, with
24 respect to the effect of filing the original record, is considered to be applicable
25 to the record as corrected as of the date the record as corrected is considered
26 to have been filed under this subsection.

27 b. After a statement of correction has been filed with the secretary of state, the
28 original record as corrected is considered to have been filed:

29 (1) On the date the statement of correction was filed:

30 (a) As to persons adversely affected by the correction; and

31 (b) For the purposes of subsection 3 of section 10-33-01.2; and

1 (2) On the date the original record was filed as to all other persons and for
2 all other purposes.

3 **SECTION 116. AMENDMENT.** Section 10-33-142 of the North Dakota Century Code
4 is amended and reenacted as follows:

5 **10-33-142. Secretary of state - Evidence.**

- 6 1. All certificates issued by the secretary of state and all copies of ~~documents~~ records
7 filed in accordance with this chapter, when certified by the secretary of state, must
8 be taken and received in all courts, public offices, and official bodies as prima facie
9 evidence of the facts stated.
- 10 2. A certificate by the secretary of state under the great seal of this state, as to the
11 existence or nonexistence of the facts relating to corporations which would not
12 appear from a certified copy of any of the foregoing ~~documents~~ records or
13 certificates, must be taken and received in all courts, public offices, and official
14 bodies as prima facie evidence of the existence or nonexistence of the facts stated.

15 **SECTION 117. AMENDMENT.** Section 10-33-142.1 of the North Dakota Century Code
16 is amended and reenacted as follows:

17 **10-33-142.1. Secretary of state - Confidential records.** Any social security number
18 or federal tax identification number disclosed or contained in any ~~document~~ record filed with the
19 secretary of state under this chapter is confidential. The secretary of state shall delete or
20 obscure any social security number or federal tax identification number before a copy of any
21 ~~document~~ record is released to the public.

22 **SECTION 118. AMENDMENT.** Section 10-33-143 of the North Dakota Century Code
23 is amended and reenacted as follows:

24 **10-33-143. Secretary of state - Forms.** All annual reports required by this chapter to
25 be filed in the office of the secretary of state must be made on forms prescribed by the
26 secretary of state. Forms for all other ~~documents~~ records to be filed in the office of the
27 secretary of state may be furnished by the secretary of state upon request. However, the use
28 of the forms, unless otherwise specifically required by law, is not mandatory.

29 **SECTION 119. AMENDMENT.** Subsection 2 of section 10-33-145 of the North Dakota
30 Century Code is amended and reenacted as follows:

- 1 2. Upon receipt of a notice under section 10-33-144, the attorney general may review
2 the proposed agreement or transaction to determine whether consummation of the
3 proposed agreement or transaction by the nonprofit corporation or entity operating
4 or controlling a hospital or nursing home is consistent with the purposes of the
5 nonprofit corporation or entity operating or controlling a hospital or nursing home
6 and the fiduciary obligations of the officers and directors of the nonprofit
7 corporation or entity operating or controlling a hospital or nursing home and is in
8 accordance with law. The attorney general shall consider the following factors in
9 reviewing and evaluating a proposed agreement or transaction:
- 10 a. Whether appropriate steps were taken by the nonprofit corporation or entity
11 operating or controlling a hospital or nursing home to safeguard restricted
12 assets transferred to the acquiring entity;
- 13 b. Whether appropriate steps were taken by the nonprofit corporation or entity
14 operating or controlling a hospital or nursing home to ensure that any
15 proceeds of the proposed agreement or transaction are used for purposes
16 consistent with restrictions placed on assets of and with the purposes of the
17 nonprofit corporation or entity operating or controlling a hospital or nursing
18 home;
- 19 c. Whether the terms and conditions of the proposed agreement or transaction
20 are fair and reasonable to the nonprofit corporation or entity operating or
21 controlling a hospital or nursing home, including whether the nonprofit
22 corporation or entity operating or controlling the hospital or nursing home will
23 receive fair market value for its assets and, in a proposed agreement or
24 transaction involving a nursing home, whether the proposed agreement or
25 transaction constitutes a bona fide transaction;
- 26 d. Whether any conflict of interest or breach of fiduciary duty exists or was
27 disclosed, including any conflict of interest or breach of fiduciary duty related
28 to directors and officers of, executives of, and experts retained by the
29 nonprofit corporation or entity operating or controlling a hospital or nursing
30 home and any other party to the agreement or transaction;

- 1 e. Whether the agreement or transaction will result in inurement, pecuniary gain,
2 or excess benefit to any person associated with the nonprofit corporation or
3 entity operating or controlling a hospital or nursing home or to any other
4 person;
- 5 f. Whether the transaction is in the best interests of the nonprofit corporation or
6 entity operating or controlling a hospital or nursing home; and
- 7 g. Whether the transaction is authorized by the nonprofit corporation's governing
8 ~~documents~~ records.

9 **SECTION 120. AMENDMENT.** Section 45-13-01 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **45-13-01. (101) Definitions.** ~~In~~ For the purposes of chapters 45-13 through 45-21
12 unless the context or ~~subject matter~~ otherwise requires:

- 13 1. "Address" means:
- 14 a. In the case of a registered office or principal executive office, the mailing
15 address, including the zip code, of the actual office location, which may not be
16 only a post-office box; and
- 17 b. In any other case, the mailing address, including the zip code.
- 18 2. "Authenticated electronic communication" means:
- 19 a. That the electronic communication is delivered:
- 20 (1) To the principal place of business of the partnership; or
21 (2) To a managing partner or agent of the partnership authorized by the
22 partnership to receive the electronic communication; and
- 23 b. That the electronic communication sets forth information from which the
24 partnership can reasonably conclude that the electronic communication was
25 sent by the purported sender.
- 26 3. "Ballot" means a written ballot or a ballot transmitted by electronic communication.
- 27 ~~4.~~ "Business" includes every trade, occupation, and profession.
- 28 ~~4.~~ 5. "Debtor in bankruptcy" means a person who is the subject of:
- 29 a. An order for relief under title 11 of the United States Code or a comparable
30 order under a successor statute of general application; or
31 b. A comparable order under federal, state, or foreign law governing insolvency.

- 1 ~~5-~~ 6. "Distribution" means a transfer of money or other property from a partnership to a
2 partner in the ~~partner's~~ capacity of the partner as a partner or to the ~~partner's~~
3 transferee of the partner.
- 4 ~~6-~~ 7. "Domestic organization" means an organization created under the laws of this
5 state.
- 6 ~~7-~~ 8. "Electronic" means relating to technology having electrical, digital, magnetic,
7 wireless, optical, electromagnetic, or similar capabilities.
- 8 ~~8-~~ 9. "Electronic communication" means any form of communication, not directly
9 involving the physical transmission of paper:
- 10 a. That creates a record that may be retained, retrieved, and reviewed by a
11 recipient of the communication; and
- 12 b. That may be directly reproduced in paper form by the recipient through an
13 automated process.
- 14 ~~9-~~ 10. "Electronic record" means a record created, generated, sent, communicated,
15 received, or stored by electronic means.
- 16 ~~10-~~ 11. "Electronic signature" means an electronic sound, symbol, or process attached to
17 or logically associated with a record and executed or adopted by a person with the
18 intent to sign the record.
- 19 ~~11-~~ 12. "Filed with the secretary of state" means, except as otherwise permitted by law or
20 rule:
- 21 a. That a ~~document~~ record meeting the applicable requirements of this chapter
22 together with the fees provided in section 45-13-05 was delivered or
23 communicated to the secretary of state by a method or medium of
24 communication acceptable by the secretary of state and was determined by
25 the secretary of state to conform to law.
- 26 b. That the secretary of state ~~shall~~ did then:
- 27 (1) Record the actual date on which the ~~documents are~~ record was filed,
28 and if different, the effective date of filing; and
- 29 (2) Record the ~~document~~ record in the office of the secretary of state.

- 1 ~~42.~~ 13. "Foreign limited liability partnership" means a partnership that is formed under laws
2 other than the laws of this state and has the status of a limited liability partnership
3 under those laws.
- 4 ~~43.~~ 14. "Foreign organization" means an organization created under laws other than the
5 laws of this state for a purpose for which an organization may be created under the
6 laws of this state.
- 7 ~~44.~~ 15. "Limited liability partnership" means a partnership that filed a registration under
8 chapter 45-22 and does not have a similar statement in effect in any other
9 jurisdiction.
- 10 ~~45.~~ 16. "Managing partner" means ~~one of the partners~~ a partner charged with the
11 management of the partnership in this state and if no partners are specifically so
12 designated, then all partners.
- 13 ~~46.~~ 17. "Notice":
14 a. Is given to a partnership ~~or to a partner of a partnership~~:
15 (1) When in writing and mailed or delivered to ~~the partnership or to the~~
16 ~~partner~~ at the principal executive office of the partnership; or
17 (2) When given by a form of electronic communication consented to by ~~the~~
18 ~~partnership or a~~ managing partner to which the notice is given if by:
19 (a) ~~If by facsimile~~ Facsimile communication, when directed to a
20 telephone number at which the ~~partnership or a~~ managing
21 partner has consented to receive notice.
22 (b) ~~If by electronic~~ Electronic mail, when directed to an electronic
23 mail address at which the ~~partnership or a~~ managing partner has
24 consented to receive notice.
25 (c) ~~If by posting~~ Posting on an electronic network on which the
26 ~~partnership or a~~ managing partner has consented to receive
27 notice, together with separate notice to the ~~partnership or a~~
28 managing partner if of the specific posting, upon the later of:
29 [1] The posting; or
30 [2] The giving of the separate notice.

1 (d) ~~If by any~~ Any other form of electronic communication by which
2 ~~the partnership or a managing partner~~ has consented to receive
3 notice, when directed to the partnership.

4 b. ~~Is given, in all other cases~~ to a partner of the partnership:

5 (1) ~~When in writing and mailed or delivered to the person partner at an~~
6 ~~address designated by the person or at the last-known~~ the principal
7 executive office address of the ~~person~~ partnership; or

8 (2) ~~When handed to the person;~~ given by a form of electronic
9 communication consented to by the partner to which the notice is given
10 if by:

11 (a) Facsimile communication, when directed to a telephone number
12 at which the partner has consented to receive notice;

13 (b) Electronic mail, when directed to an electronic mail address at
14 which the partner has consented to receive notice;

15 (c) Posting on an electronic network on which the partner has
16 consented to receive notice, together with separate notice to the
17 partner of the specific posting, upon the later of:

18 [1] The posting; or

19 [2] The giving of the separate notice; or

20 (d) Any other form of electronic communication by which the partner
21 has consented to receive notice, when directed to the partner.

22 c. Is given in all other cases:

23 (1) When mailed to the person at an address designated by the person or
24 at the last-known address of the person;

25 (2) When handed to the person;

26 (3) When left at the office of the person with a clerk or other person in
27 charge of the office or:

28 (a) If there is no one in charge, when left in a conspicuous place in
29 the office; or

30 (b) If the office is closed or the person to be notified has no office,
31 when left at the dwelling, house, or other usual place of abode of

- 1 the person with some person of suitable age and discretion
2 residing there; ~~or~~
- 3 (4) When given by a form of electronic communication consented to by the
4 person to whom the notice is given if by:
- 5 (a) ~~If by facsimile~~ Facsimile communication, when directed to a
6 telephone number at which the person has consented to receive
7 notice.
- 8 (b) ~~If by electronic~~ Electronic mail, when directed to an electronic
9 mail address at which the person has consented to receive
10 notice.
- 11 (c) ~~If by posting~~ Posting on an electronic network on which the
12 person has consented to receive notice, together with separate
13 notice to the person of the specific posting, upon the later of:
14 [1] The posting; or
15 [2] The giving of the separate notice.
- 16 (d) ~~If by any~~ Any other form of electronic communication by which
17 the person has consented to receive notice, when directed to the
18 person; ~~or~~
- 19 e. ~~Is given when deposited in the United States mail with sufficient postage~~
20 ~~affixed.~~
- 21 d. ~~Is deemed received when it is given.~~
- 22 (5) When the method is fair and reasonable when all circumstances are
23 considered.
- 24 47: 18. "Organization" means:
25 a. Whether domestic or foreign, a corporation ~~incorporated in or authorized to do~~
26 ~~business in this state under this or another chapter of this code~~, limited liability
27 company, partnership, limited partnership, limited liability partnership, limited
28 liability limited partnership, joint venture, association, business trust, estate,
29 trust, enterprise, and any other ~~legal or commercial entity~~ person subject to a
30 governing statute; but

- 1 b. Excludes any nonprofit corporation, whether a domestic nonprofit corporation
2 which is incorporated under chapter 10-33 or a foreign nonprofit corporation
3 which is incorporated in another jurisdiction.
- 4 ~~48.~~ 19. "Partnership" means an association of two or more persons to carry on as
5 coowners a business for profit formed under section 45-14-02, predecessor law, or
6 comparable law of another jurisdiction.
- 7 ~~49.~~ 20. "Partnership agreement" means the agreement, whether written, oral, or implied,
8 among the partners concerning the partnership, including amendments to the
9 partnership agreement.
- 10 ~~20.~~ 21. "Partnership at will" means a partnership in which the partners have not agreed to
11 remain partners until the expiration of a definite term or the completion of a
12 particular undertaking.
- 13 ~~24.~~ 22. "Partnership interest" or "partner's interest in the partnership" means all of a
14 ~~partner's~~ the interests of a partner in the partnership, including the ~~partner's~~
15 transferable interest of the partner and all management and other rights.
- 16 ~~22.~~ 23. "Principal executive office" means an office from which the partnership conducts
17 business.
- 18 ~~23.~~ 24. "Property" means all property, real, personal, or mixed, tangible or intangible, or
19 any interest therein.
- 20 ~~24.~~ 25. "Record" means information that is inscribed on a tangible medium or that is stored
21 in an electronic or other medium and is retrievable in perceivable form.
- 22 ~~25.~~ 26. "Signed" means:
23 a. That the signature of a person, which may be a facsimile affixed, engraved,
24 printed, placed, stamped with indelible ink, transmitted by facsimile
25 telecommunication or electronically; or in any other manner reproduced on
26 the ~~document~~ record, is placed on a ~~document~~ record, as provided under
27 section 41-01-09; and
- 28 b. With respect to a ~~document~~ record required by this chapter to be filed with the
29 secretary of state, that:

- 1 (1) The ~~document~~ record is signed by a person authorized to do so by this
2 chapter or by a resolution approved by the affirmative vote of the
3 required proportion or number of partners; and
4 (2) The signature and the ~~document~~ record are communicated by a
5 method or medium of communication acceptable by the secretary of
6 state.

7 ~~26.~~ 27. "State" means a state of the United States, the District of Columbia, the
8 Commonwealth of Puerto Rico, or any territory or insular possession subject to the
9 jurisdiction of the United States.

10 ~~27.~~ 28. "Statement" means:

- 11 a. A statement of partnership authority under section 45-15-03;
12 b. A statement of denial under section 45-15-04;
13 c. A statement of dissociation under section 45-19-04;
14 d. A statement of dissolution under section 45-20-05;
15 e. A statement of conversion under section 45-21-04;
16 f. A statement of merger under section 45-21-07; or
17 f. ~~f.~~ g. An amendment or cancellation of any of the foregoing.

18 29. "Surviving organization" means an organization into which one or more other
19 organizations are merged and which:

- 20 a. May preexist the merger; or
21 b. Are created by the merger.

22 ~~28.~~ 30. "Transfer" includes an assignment, conveyance, lease, mortgage, deed, and
23 encumbrance.

24 **SECTION 121.** Section 45-13-01.1 of the North Dakota Century Code is created and
25 enacted as follows:

26 **45-13-01.1. Legal recognition of electronic records and electronic signatures.** For
27 purposes of this chapter:

- 28 1. A record of signature may not be denied legal effect or enforceability solely
29 because it is in electronic form;
30 2. A contract may not be denied legal effect or enforceability solely because an
31 electronic record was used in its formation;

1 3. If a provision requires a record to be in writing, an electronic record satisfies the
2 requirement; and

3 4. If a provision requires a signature, an electronic signature satisfies the
4 requirement.

5 **SECTION 122. AMENDMENT.** Section 45-13-02 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **45-13-02. (102) Knowledge and notice.**

8 1. A person knows a fact if the person has actual knowledge of it. A person does not
9 know or have knowledge of a fact merely because the person has reason to know
10 or have knowledge of the fact.

11 2. A person has notice of a fact if the person:

12 a. Knows of ~~it~~ the fact;

13 b. Has received ~~a notification of it~~ notice of the fact as provided in subsection 17
14 of section 45-13-01; or

15 c. Has reason to know ~~it~~ the fact exists from all of the facts known to the person
16 at the time in question.

17 3. A person notifies or gives a notification to another by taking the steps reasonably
18 ~~required to inform the other person in ordinary course~~ provided in subsection 17 of
19 section 45-13-01, whether or not the other person learns of it.

20 4. A person receives a notification ~~when the notification:~~ as provided in subsection 17
21 of section 45-13-01.

22 a. ~~Comes to the person's attention;~~ or

23 b. ~~Is duly delivered at the person's place of business or at any other place held~~
24 ~~out by the person as a place for receiving communications.~~

25 5. Except as otherwise provided in subsection 6, and except as otherwise provided in
26 subsection 17 of section 45-13-01, a person other than an individual knows, has
27 notice, or receives a notification of a fact for purposes of a particular transaction
28 when the individual conducting the transaction for the person knows, has notice, or
29 receives a notification of the fact, or in any event when the fact would have been
30 brought to the ~~individual's~~ individual's attention of the individual if the person had exercised
31 reasonable diligence. ~~The~~

- 1 a. A person other than an individual exercises reasonable diligence if it
2 maintains reasonable routines for communicating significant information to the
3 individual conducting the transaction for the person and there is reasonable
4 compliance with the routines.
- 5 b. Reasonable diligence does not require an individual acting for the person to
6 communicate information unless the communication is part of the ~~individual's~~
7 regular duties of the individual or the individual has reason to know of the
8 transaction and that the transaction would be materially affected by the
9 information.
- 10 6. ~~A partner's knowledge~~ Knowledge, notice, or receipt of a notification of a fact
11 relating to the partnership by a managing partner is effective immediately as
12 knowledge by, notice to, or receipt of a notification by the partnership, except in the
13 case of a fraud on the partnership committed by or with the consent of that partner.
- 14 7. With respect to notice given by a form of electronic communication:
- 15 a. Consent by a managing partner to notice given by electronic communication
16 may be given in writing or by authenticated electronic communication. The
17 partnership is entitled to rely on any consent so given until revoked by the
18 managing partner. However, no revocation affects the validity of any notice
19 given before receipt by the partnership of revocation of the consent.
- 20 b. An affidavit of a managing partner or an authorized agent of the partnership,
21 that the notice has been given by a form of electronic communication is, in the
22 absence of fraud, prima facie evidence of the facts stated in the affidavit.

23 **SECTION 123. AMENDMENT.** Section 45-13-04.1 of the North Dakota Century Code
24 is amended and reenacted as follows:

25 **45-13-04.1. Partnership name.**

- 26 1. A partnership name filed in a statement under section 45-13-05:
- 27 a. Must be in the English language or in any other language expressed in
28 English letters or characters;
- 29 b. May ~~not contain a word or phrase indicating or implying the partnership may~~
30 ~~not be organized under this chapter~~ the name of any partner;

- 1 c. May not contain a the word ~~or phrase indicating or implying the partnership is~~
2 ~~organized for a purpose other than a legal business purpose for which a~~
3 ~~partnership may be organized under this chapter~~ "corporation", "company",
4 "incorporated", "limited liability company", "limited partnership", "limited liability
5 partnership", "limited liability limited partnership", or any abbreviation of these
6 words;
- 7 d. May not contain ~~the~~ a word "~~corporation~~", "~~company~~", "~~incorporated~~", "~~limited~~
8 ~~liability company~~", "~~limited partnership~~", "~~limited liability partnership~~", "~~limited~~
9 ~~liability limited partnership~~", or any abbreviation of these words; and or phrase
10 that indicates or implies that the partnership:
- 11 (1) Is organized for a purpose other than a lawful purpose for which a
12 partnership may be organized under this chapter; or
- 13 (2) May not be formed under this chapter.
- 14 e. May not be the same as, or deceptively similar to:
- 15 (1) The name, whether foreign and authorized to do business in this state
16 or domestic, unless filed with the statement is a ~~document~~ record which
17 complies with subsection 3 of:
- 18 (a) Another partnership;
- 19 (b) A limited liability company;
- 20 (c) A corporation;
- 21 (d) A limited partnership;
- 22 (e) A limited liability partnership; or
- 23 (f) A limited liability limited partnership;
- 24 (2) A name, the right of which is, at the time of filing, reserved in the
25 manner provided in section 10-19.1-14, 10-32-11, 10-33-11, ~~45-10.1-03~~
26 45-10.2-11, 45-13-04.2, or 45-22-05;
- 27 (3) A fictitious name registered in the manner provided in chapter 45-11; or
- 28 (4) A trade name registered in the manner provided in chapter 47-25.
- 29 2. The secretary of state shall determine whether a partnership name is deceptively
30 similar to another name for purposes of this chapter.

- 1 3. ~~This subsection does not affect the right of a domestic partnership existing on~~
2 ~~July 1, 1999, or a foreign partnership authorized to do business in this state on~~
3 ~~July 1, 1999, to continue the use of the foreign partnership's name.~~ If the secretary
4 of state determines a partnership name is deceptively similar to another name for
5 purposes of this chapter, then the partnership name may not be used unless there
6 is filed with the statement:
- 7 a. The written consent of the holder of the rights to the name to which the
8 proposed name is determined to be deceptively similar; or
- 9 b. A certified copy of a judgment of a court in this state establishing the earlier
10 right of the applicant to the use of the name in this state.
- 11 4. This section does not affect the right of a partnership existing on July 1, 1999, or a
12 foreign partnership authorized to do business in this state on July 1, 1999, to
13 continue the use of the foreign partnership's name.
- 14 5. This section and section 45-13-04.2 do not:
- 15 a. Abrogate or limit the law of unfair competition or unfair practices; chapter
16 47-25; the laws of the United States with respect to the right to acquire and
17 protect copyrights, trade names, trademarks, service names, service marks;
18 or any other rights to the exclusive use of a name or symbol.
- 19 b. Derogate the common law or any principle of equity.
- 20 ~~5.~~ 6. A partnership that is the surviving organization in a merger with one or more other
21 organizations, or that acquires by sale, lease, or other disposition to or exchange
22 with an organization all or substantially all of the assets of another organization
23 including its name, may have the same name, subject to the requirements of
24 subsection 1, as that used in this state by any of the other organizations if the other
25 organization whose name is sought to be used:
- 26 a. Is formed under the laws of this state;
- 27 b. Is authorized to transact business or conduct activities in this state;
- 28 c. Holds a reserved name in the manner provided in section ~~45-10.1-03~~
29 10-19.1-14, 10-32-11, 10-33-11, 45-10.2-11, 45-13-04.2, or 45-22-05;
- 30 d. Holds a fictitious name registered in the manner provided in chapter 45-11; or
- 31 e. Holds a trade name registered in the manner provided in chapter 47-25.

1 6- 7. The use of a name by a partnership in violation of this section does not affect or
2 vitate the partnership existence of the partnership. However, a court in this state
3 may, upon application of the state or of an interested or affected person, enjoin the
4 partnership from doing business under a name assumed in violation of this section,
5 although a statement may have been filed with the secretary of state.

6 7- 8. If a ~~partnership's~~ the period of existence of the partnership is expired or a
7 ~~partnership's~~ statement of a partnership filed under section 45-13-05 is expired,
8 then the partnership may reacquire the right to use that name by refiling a
9 statement pursuant to section 45-13-05, unless the name was adopted for use or
10 reserved by another person, in which case the filing must be rejected unless the
11 filing is accompanied by a written consent or judgment pursuant to subsection 2 ~~3~~.
12 A partnership that cannot reacquire the use of ~~the partnership's~~ its partnership
13 name shall adopt a new partnership name that complies with this section.

14 **SECTION 124. AMENDMENT.** Subsections 3 and 4 of section 45-13-04.2 of the North
15 Dakota Century Code are amended and reenacted as follows:

16 3. The right to the exclusive use of a partnership name reserved pursuant to this
17 section may be transferred to another person by or on behalf of the applicant for
18 whom the name was reserved by filing with the secretary of state a notice of the
19 transfer and specifying the name and address of the transferee ~~together with the~~
20 ~~fees provided in section 45-13-05.~~

21 4. The right to the exclusive use of a partnership name reserved pursuant to this
22 section may be canceled by or on behalf of the applicant for whom the name was
23 reserved by filing with the secretary of state a notice of the cancellation ~~together~~
24 ~~with the fees provided in section 45-13-05.~~

25 **SECTION 125. AMENDMENT.** Subsection 8 of section 45-13-05 of the North Dakota
26 Century Code is amended and reenacted as follows:

27 8. a. The secretary of state shall charge and collect a fee for:
28 (1) Filing a statement under this section, one hundred dollars.
29 (2) Filing an amendment under this section, forty dollars.
30 (3) Filing a cancellation under this section, twenty-five dollars.
31 (4) Filing a renewal under this section, forty dollars.

- 1 (5) Filing a request to reserve a partnership name, ten dollars.
- 2 (6) Filing a notice of transfer of a reserved partnership name, ten dollars.
- 3 (7) Filing a cancellation of reserved partnership name, ten dollars.
- 4 (8) Filing a statement of conversion or abandonment of conversion, fifty
- 5 dollars and:
- 6 (a) If the organization resulting from the conversion will be a
- 7 domestic organization governed by the laws of this state, then the
- 8 fees provided by the governing laws to establish or register a new
- 9 organization like the organization resulting from the conversion;
- 10 or
- 11 (b) If the organization resulting from the conversion will be a foreign
- 12 organization that will transact business in this state, then the fees
- 13 provided by the governing laws to obtain a certificate of authority
- 14 or register an organization like the organization resulting from the
- 15 conversion.
- 16 (9) Filing a statement of merger, fifty dollars.
- 17 (10) Any ~~document~~ record submitted for approval before the actual time of
- 18 submission for filing, half of the fee provided in this section for filing the
- 19 ~~document~~ record.
- 20 b. The officer responsible for recording transfers of real property may collect a
- 21 fee for recording a statement.

22 **SECTION 126. AMENDMENT.** Section 45-21-01 of the North Dakota Century Code is

23 amended and reenacted as follows:

24 **45-21-01. (901) Definitions - Conversions and Mergers.** ~~It~~ For the purposes of this

25 chapter, unless the context otherwise requires:

- 26 1. "Certificate of creation" means:
- 27 a. A certificate of incorporation, if the converted organization is a corporation
- 28 deemed to be incorporated under chapter 10-19.1;
- 29 b. A certificate of organization, if the converted organization is a limited liability
- 30 company deemed to be organized under chapter 10-32;

- 1 c. A certificate of limited partnership, if the converted organization is a limited
2 partnership deemed to be formed under chapter 45-10.2;
3 d. The filed registration, if the converted organization is a limited liability
4 partnership deemed to be established under chapter 45-22; or
5 e. A certificate of limited liability limited partnership, if the converted organization
6 is a limited liability limited partnership deemed to be formed under chapter
7 45-23.
- 8 2. "Constituent organization" means an organization that is party to a merger.
9 3. "Constituent partnership" means a constituent organization that is a partnership.
10 4. "Converted organization" means the organization into which a converting
11 organization converts pursuant to sections 45-21-01 through 45-21-07.1.
12 5. "Converting organization" means an organization that converts into another
13 organization pursuant to sections 45-21-01 through 45-21-07.1.
14 6. "Converting partnership" means a converting organization that is a partnership.
15 7. "Date of origin" means the date on which:
- 16 a. A corporation that is:
17 (1) The converting organization was incorporated; or
18 (2) The converted organization is deemed to be incorporated;
19 b. A limited liability company that is:
20 (1) The converting organization was organized; or
21 (2) The converted organization is deemed to be organized;
22 c. A general partnership that is the converting organization was formed;
23 d. A general partnership that is the converted organization was formed;
24 e. A limited partnership that is:
25 (1) The converting organization was formed; or
26 (2) The converted organization is deemed to be formed; or
27 f. A limited liability partnership that is:
28 (1) The converting organization was established; or
29 (2) The converted organization is deemed to be established; and
30 g. A limited liability limited partnership that is:
31 (1) The converting organization was formed; or

- 1 (2) The converted organization was deemed to be formed.
- 2 8. "Filed registration" means the registration of a limited liability partnership that has
3 been filed with the secretary of state.
- 4 9. "General partner" means a partner in a partnership and a general partner in a
5 limited partnership.
- 6 10. "General partnership" shall mean an organization formed under chapters 45-13
7 through 45-21.
- 8 11. "Governing statute" means:
- 9 a. With respect to a domestic organization, the following chapters of this code
10 which govern the internal affairs of the organization:
- 11 (1) If a corporation, then chapter 10-19.1;
12 (2) If a limited liability company, then chapter 10-32;
13 (3) If a limited partnership, then chapter 45-10.2;
14 (4) If a general partnership, then chapters 45-13 through 45-21;
15 (5) If a general partnership, then chapters 45-13 through 45-21;
16 (6) If a limited liability partnership, then chapter 45-22; and
17 (7) If a limited liability limited partnership, then chapter 45-23; and
- 18 b. With respect to a foreign organization, the laws of the jurisdiction under which
19 the organization is created and under which the internal affairs of the
20 organization are governed.
- 21 ~~2.~~ 12. "Limited partner" means a limited partner in a limited partnership.
- 22 ~~3.~~ 13. "Limited partnership" means a limited partnership created under chapter ~~45-10.4~~
23 45-10.2, predecessor law, or comparable law of another jurisdiction.
- 24 14. "Organizational records" means for an organization that is:
- 25 a. A corporation, its articles of incorporation and bylaws;
26 b. A limited liability company, its articles of organization, operating agreement or
27 bylaws, and any member-control agreement;
- 28 c. A limited partnership, its partnership agreement;
29 d. A general partnership, its partnership agreement;
30 e. A limited liability partnership, its partnership agreement; or
31 f. A limited liability limited partnership, its partnership agreement.

- 1 15. "Originating record" means for an organization that is:
2 a. A corporation, its articles of incorporation;
3 b. A limited liability company, its articles of organization;
4 c. A limited partnership, its certificate of limited partnership;
5 d. A limited liability partnership, its registration; or
6 e. A limited liability limited partnership, its certificate of limited liability limited
7 partnership.
- 8 16. "Ownership interest" means for an organization which is:
9 a. A corporation, its shares;
10 b. A limited liability company, its membership interests;
11 c. A limited partnership, its partnership interests;
12 d. A general partnership, its partnership interests;
13 e. A limited liability partnership, its partnership interests; or
14 f. A limited liability limited partnership, its partnership interests.
- 15 4. 17. "Partner" includes both a general partner and a limited partner.
- 16 18. "Surviving organization" means an organization into which one or more other
17 organizations are merged and which:
18 a. May preexist the merger; or
19 b. Be created by the merger.

20 **SECTION 127. AMENDMENT.** Section 45-21-02 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **45-21-02. (902) Conversion of partnership to limited partnership.**

- 23 4. ~~A partnership~~ Other organizations may be converted not convert to a limited
24 partnership. However, a partnership may convert to another organization pursuant
25 to this section: sections 45-21-01 through 45-21-07.1 and a plan of conversion, if:
26 1. The governing statute of the other organization authorizes the conversion;
27 2. ~~The terms and conditions of a conversion of a partnership to a limited partnership~~
28 must be approved by all of the partners or by a number or percentage specified for
29 conversion in the partnership agreement. is not prohibited by the law of the
30 jurisdiction that enacted the governing statute; and

- 1 3. ~~After the conversion is approved by the partners, the partnership shall file a~~
2 ~~certificate of limited partnership in the jurisdiction in which the limited partnership is~~
3 ~~to be formed. The certificate must include: The other organization complies with its~~
4 ~~governing statute in effecting the conversion.~~
- 5 a. ~~A statement that the partnership was converted to a limited partnership from a~~
6 ~~partnership;~~
- 7 b. ~~Its former name; and~~
- 8 c. ~~A statement of the number of votes cast by the partners for and against the~~
9 ~~conversion and, if the vote is less than unanimous, the number or percentage~~
10 ~~required to approve the conversion under the partnership agreement.~~
- 11 4. ~~The conversion takes effect when the certificate of limited partnership is filed or at~~
12 ~~any later date specified in the certificate.~~
- 13 5. ~~A general partner who becomes a limited partner as a result of the conversion~~
14 ~~remains liable as a general partner for an obligation incurred by the partnership~~
15 ~~before the conversion takes effect. If the other party to a transaction with the~~
16 ~~limited partnership reasonably believes when entering the transaction that the~~
17 ~~limited partner is a general partner, the limited partner is liable for an obligation~~
18 ~~incurred by the limited partnership within ninety days after the conversion takes~~
19 ~~effect. The limited partner's liability for all other obligations of the limited~~
20 ~~partnership incurred after the conversion takes effect is that of a limited partner as~~
21 ~~provided in chapter 45-10-1.~~

22 **SECTION 128.** Section 45-21-02.1 of the North Dakota Century Code is created and
23 enacted as follows:

24 **45-21-02.1. Plan of conversion.** A plan of conversion must be in a record and must
25 include:

- 26 1. The name and form of the converting organization before conversion;
27 2. The name and form of the converted organization after conversion;
28 3. The terms and conditions of the conversion;
29 4. The manner and basis for converting each ownership interest in the converting
30 organization into ownership interests in the converted organization, or in whole or
31 in part, into money or other property;

- 1 5. The organizational records of the converted organization; and
2 6. Any other provisions with respect to the proposed conversion that are deemed to
3 be necessary or desirable.

4 **SECTION 129. AMENDMENT.** Section 45-21-03 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **45-21-03. (903) ~~Conversion of limited partnership to partnership~~ Plan of**
7 **conversion approval and amendment.**

- 8 1. ~~A limited~~ If the converting organization is a partnership may be converted to a
9 partnership pursuant to this section, then:
- 10 a. A plan of conversion must be consented to by all of the partners of a
11 converting partnership.
- 12 2. ~~b. Notwithstanding a provision to the contrary in a limited partnership~~
13 ~~agreement, the terms and conditions of~~ Subject to any contractual rights, after
14 a conversion of a limited partnership to a partnership must be is approved by
15 all of the partners, and at any time before a filing is made under section
16 45-21-04, a converting partnership may amend the plan or abandon the
17 planned conversion:
- 18 (1) As provided in the plan; and
- 19 (2) Except as prohibited by the plan, by the same consent as was required
20 to approve the plan.
- 21 2. If the converting organization is not a partnership, then the approval and the
22 amendment of the plan of conversion must comply with the governing statute in
23 effecting the conversion.
- 24 3. ~~After the conversion is approved by the partners, the limited partnership shall~~
25 ~~cancel its certificate of limited partnership.~~
- 26 4. ~~The conversion takes effect when the certificate of limited partnership is canceled.~~
- 27 5. ~~A limited partner who becomes a general partner as a result of the conversion~~
28 ~~remains liable only as a limited partner for an obligation incurred by the limited~~
29 ~~partnership before the conversion takes effect. The partner is liable as a general~~
30 ~~partner for an obligation of the partnership incurred after the conversion takes~~
31 ~~effect.~~

1 **SECTION 130. AMENDMENT.** Section 45-21-04 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **45-21-04. (904) ~~Effect of Statement of conversion –Entity unchanged.~~**

4 1. ~~A partnership or limited partnership that has been converted pursuant to this~~
5 ~~chapter is for all purposes the same entity that existed before the~~ Upon receiving
6 the approval required by section 45-21-03, a statement of conversion must be
7 prepared in a record that must contain:

8 a. A statement that the converting organization is being converted into another
9 organization, including:

10 (1) The name of the converting organization immediately before the filing of
11 the statement of conversion;

12 (2) The name to which the name of the converting organization is to be
13 changed, which shall be a name that satisfies the laws applicable to the
14 converted organization;

15 (3) The form of organization that the converted organization will be; and

16 (4) The jurisdiction of the governing statute of the converted organization;

17 b. A statement that the plan of conversion has been approved by the converting
18 organization as provided in section 45-21-03;

19 c. A statement that the plan of conversion has been approved as required by the
20 governing statute of the converted organization;

21 d. The plan of conversion;

22 e. A copy of the originating record of the converted organization; and

23 f. If the converted organization is a foreign organization not authorized to
24 transact business or conduct activities in this state, then the street and mailing
25 address of an office which the secretary of state may use for the purposes of
26 subsection 3 of section 45-21-03.

27 2. ~~When a~~ The statement of conversion takes effect: must be signed on behalf of the
28 converting organization and filed with the secretary of state.

29 a. ~~All property owned by the converting partnership or limited partnership~~
30 ~~remains vested in the converted entity;~~ If the converted organization is a
31 domestic organization, then:

- 1 (1) The filing of the statement of conversion must also include the filing with
2 the secretary of state of the originating record of the converted
3 organization.
- 4 (2) Upon both the statement of conversion and the originating record of the
5 converted organization being filed with the secretary of state, the
6 secretary of state shall issue a certificate of conversion and the
7 appropriate certificate of creation to the converted organization or its
8 legal representative.
- 9 b. ~~All obligations of~~ If the converting partnership or limited partnership continue
10 ~~as obligations of the converted entity;~~ and organization is a foreign
11 organization:
- 12 (1) That is transacting business or conducting activities in this state, then:
- 13 (a) The filing of the statement of conversion must include the filing
14 with the secretary of state of an application for certificate of
15 authority by the converted organization.
- 16 (b) Upon both the statement of conversion and the application for a
17 certificate of authority by the converted organization being filed
18 with the secretary of state, the secretary of state shall issue a
19 certificate of conversion and a certificate of authority to the
20 converted organization or the legal representative.
- 21 (2) That is not transacting business or conducting activities in this state,
22 then upon the statement of conversion being filed with the secretary of
23 state, the secretary of state shall issue a certificate of conversion to the
24 converted organization or its legal representative.
- 25 e. ~~An action or proceeding pending against the converting partnership or limited~~
26 ~~partnership may be continued as if the conversion had not occurred.~~
- 27 3. A converting organization that is the owner of a trademark or trade name, is a
28 general partner named in a fictitious name certificate, or is a general partner in a
29 limited partnership that is on file with the secretary of state must change or amend
30 the name of the converting organization to the name of the converted organization
31 in each registration when filing the statement of conversion.

1 **SECTION 131.** Section 45-21-04.1 of the North Dakota Century Code is created and
2 enacted as follows:

3 **45-21-04.1. Abandonment of conversion.**

4 1. If the statement of conversion has not been filed with the secretary of state, and:

5 a. If the converting organization is a partnership, then subject to any contractual
6 rights, after a conversion is approved, and at any time before the effective
7 date of the plan, a converting partnership may abandon the planned
8 conversion:

9 (1) As provided in the plan; and

10 (2) Except as provided otherwise by the plan, by the same consent as was
11 required to approve the plan.

12 b. If the converting organization is not a partnership, then the abandonment of
13 the plan of conversion must comply with its governing statute.

14 2. If the statement of conversion has been filed with the secretary of state, but has not
15 yet become effective, then the converting organization shall file with the secretary
16 of state articles of abandonment that contain:

17 a. The name of the converting organization;

18 b. The provision of this section under which the plan is abandoned; and

19 c. If the plan is abandoned:

20 (1) By the consent of all of the partners, then the text of the resolution
21 abandoning the plan; or

22 (2) As provided in the plan, then a statement that the plan provides for
23 abandonment and that all conditions for abandonment set forth in the
24 plan are met.

25 **SECTION 132.** Section 45-21-04.2 of the North Dakota Century Code is created and
26 enacted as follows:

27 **45-21-04.2. Effective date of conversion - Effect.**

28 1. A conversion is effective when the filing requirements of subsection 2 of section
29 45-21-04 have been fulfilled or on a later date specified in the statement of
30 conversion.

- 1 2. With respect to the effect of conversion on the converting organization and on the
2 converted organization:
- 3 a. An organization that has been converted as provided in sections 45-21-01
4 through 45-21-07.1 is for all purposes the same entity that existed before the
5 conversion.
- 6 b. Upon a conversion becoming effective:
- 7 (1) If the converted organization is not a partnership, then the converted
8 organization has all the rights, privileges, immunities, and powers, and
9 is subject to the duties and liabilities as provided in its governing
10 statute;
- 11 (2) All property owned by the converting organization remains vested in the
12 converted organization;
- 13 (3) All debts, liabilities, and other obligations of the converting organization
14 continue as obligations of the converted organization;
- 15 (4) An action or proceeding pending by or against the converting
16 organization may be continued as if the conversion had not occurred;
- 17 (5) Except as otherwise provided by other law, all rights, privileges,
18 immunities, and powers of the converting organization remain vested in
19 the converted organization;
- 20 (6) Except as otherwise provided in the plan of conversion, the terms and
21 conditions of the plan of conversion take effect; and
- 22 (7) Except as otherwise agreed, the conversion does not dissolve a
23 converting partnership for the purposes of sections 45-20-01 through
24 45-20-07.
- 25 3. When a conversion becomes effective, each ownership interest in the converting
26 organization is deemed to be converted into ownership interests in the converted
27 organization or, in whole or in part, into money or other property to be received
28 under the plan.
- 29 4. A converted organization that is a foreign organization consents to the jurisdiction
30 of the courts of this state to enforce any obligations owed by the converting

1 partnership, if before the conversion the converting partnership was subject to suit
2 in this state on the obligation.

3 5. A converted organization that is a foreign organization and not authorized to
4 transact business or conduct activities in this state appoints the secretary of state
5 as its agent for service of process for purposes of enforcing an obligation under
6 this subsection.

7 **SECTION 133. AMENDMENT.** Section 45-21-05 of the North Dakota Century Code is
8 amended and reenacted as follows:

9 **45-21-05. (905) Merger of partnerships.**

- 10 1. Pursuant to a plan of merger approved as provided in subsection 3, a partnership
11 may be merged with one or more other organizations.
- 12 2. The plan of merger must set forth:
- 13 a. The name of:
- 14 (1) The partnership;
- 15 (2) Each other constituent organization proposing to merge; and
- 16 (3) The surviving organization into which the other organizations will
17 merge;
- 18 b. The status of each partner;
- 19 c. The terms and conditions of the merger;
- 20 d. The manner and basis of converting the ownership interests of each ~~party to~~
21 ~~the merger~~ constituent organization into ownership interests or obligations of
22 the surviving organization, or into money or other property in whole or part;
23 and
- 24 e. The street address of the principal executive office of the surviving
25 organization.
- 26 3. The plan of merger must be approved:
- 27 a. In the case of a partnership that is a party to the merger, by all of the partners,
28 or a number or percentage specified for merger in the partnership agreement;
29 and
- 30 b. In the case of a ~~limited~~ constituent organization other than a partnership that
31 is a party to the merger, by the vote required for approval of a merger by the

1 ~~law of the state or foreign jurisdiction in which the limited partnership~~
2 ~~governing statute of the constituent organization in the jurisdiction in which~~
3 ~~the constituent organization is organized and, in the absence of such a~~
4 ~~specifically applicable law, by all of the partners, notwithstanding a provision~~
5 ~~to the contrary in the partnership agreement.~~

6 4. After a plan of merger is approved and before the merger takes effect, the plan
7 may be amended or abandoned as provided in the plan.

8 5. The merger takes effect on the later of:

9 a. The approval of the plan of merger by all ~~parties to the merger~~ constituent
10 organizations, as provided in subsection 3;

11 b. The filing of all ~~documents~~ records required by law to be filed as a condition to
12 the effectiveness of the merger; or

13 c. Any effective date specified in the plan of merger.

14 **SECTION 134. AMENDMENT.** Section 45-21-06 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **45-21-06. (906) Effect of merger.**

17 1. When a merger takes effect:

18 a. The separate existence of ~~every partnership or limited~~ each constituent
19 partnership that is a party to the merger, other than the surviving ~~entity~~
20 organization, ceases;

21 b. All property owned by each of the ~~merged partnerships or limited~~ constituent
22 partnerships vests in the surviving ~~entity~~ organization;

23 c. All obligations of ~~every partnership or limited~~ each constituent partnership ~~that~~
24 ~~is a party to the merger~~ become the obligations of the surviving ~~entity~~
25 organization; and

26 d. An action or proceeding pending against a constituent partnership ~~or limited~~
27 ~~partnership that is a party to the merger~~ may be continued as if the merger
28 had not occurred, or the surviving ~~entity~~ organization may be substituted as a
29 party to the action or proceeding.

30 2. The secretary of state of this state is the agent for service of process in an action
31 or proceeding against a surviving foreign partnership ~~or limited partnership~~ to

- 1 enforce an obligation of a ~~domestic partnership or limited partnership~~ that is a party
2 ~~to a merger~~ constituent organization. The surviving entity organization shall
3 promptly notify the secretary of state of the mailing address of its principal
4 executive office and of any change of address. Upon receipt of process, the
5 secretary of state shall mail a copy of the process to the surviving foreign
6 partnership ~~or limited partnership~~.
- 7 3. A general partner of the surviving partnership ~~or limited partnership~~ is liable for:
- 8 a. All obligations of a party to the merger for which the general partner was
9 personally liable before the merger;
- 10 b. All other obligations of the surviving entity organization incurred before the
11 merger by a ~~party to the merger~~ constituent organization, but those
12 obligations may be satisfied only out of property of the entity surviving
13 organization; and
- 14 c. All obligations of the surviving entity organization incurred after the merger
15 takes effect, ~~but those obligations may be satisfied only out of property of the~~
16 ~~entity if the partner is a limited partner~~.
- 17 4. If the obligations incurred before the merger by a ~~party to the merger~~ constituent
18 partnership are not satisfied out of the property of the surviving ~~partnership or~~
19 ~~limited partnership~~ organization, then the general partners of ~~that party~~ the
20 constituent partnership immediately before the effective date of the merger shall
21 contribute the amount necessary to satisfy ~~that party's~~ the obligations of the
22 constituent partnership to the surviving entity organization, in the manner provided
23 in section 45-20-07 ~~or in the Limited Partnership Act of the jurisdiction in which the~~
24 ~~party was formed, as the case may be, as if the merged party were dissolved~~.
- 25 5. A partner of a ~~party to a merger~~ constituent partnership who does not ~~become a~~
26 ~~partner~~ receive an ownership interest of the surviving ~~partnership or limited~~
27 ~~partnership~~ organization is dissociated from the entity partnership, of which that
28 partner was a partner, as of the date the merger takes effect. The surviving entity
29 organization shall cause the partner's ownership interest of the partner in the entity
30 constituent partnership to be purchased under section 45-19-01 or another statute
31 specifically applicable to that partner's ownership interest of that partner with

1 respect to a merger. The surviving ~~entity~~ organization is bound under section
2 45-19-02 by an act of a general partner dissociated under this subsection, and the
3 partner is liable under section 45-19-03 for transactions entered into by the
4 surviving ~~entity~~ organization after the merger takes effect.

5 **SECTION 135. AMENDMENT.** Section 45-21-07 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **45-21-07. (907) Statement of merger.**

- 8 1. After a merger, the surviving organization may file a statement that one or more
9 partnerships or ~~limited partnerships~~ other constituent organizations have merged
10 into the surviving organization.
- 11 2. A statement of merger must contain:
- 12 a. The name of:
- 13 (1) The partnership;
- 14 (2) Each other constituent organization that is a party to the merger; and
- 15 (3) The surviving organization into which the other constituent
16 organizations were merged-;
- 17 b. The form of organization that the surviving organization will be;
- 18 c. The jurisdiction of the governing statute of the surviving organization; and
- 19 d. The street address of the principal executive office of the surviving
20 organization and of an office in this state, if any.
- 21 3. Except as otherwise provided in subsection 4, for the purposes of section
22 45-15-02, property of the surviving ~~partnership or limited partnership~~ organization
23 which before the merger was held in the name of another party to the merger is
24 property held in the name of the surviving ~~entity~~ organization upon filing a
25 statement of merger.
- 26 4. For the purposes of section 45-15-02, real property of the surviving ~~partnership or~~
27 ~~limited partnership~~ organization which before the merger was held in the name of
28 another ~~party to the merger~~ constituent organization is property held in the name of
29 the surviving ~~entity~~ organization upon recording a certified copy of the statement of
30 merger in the office for recording transfers of that real property.

1 5. A filed and, if appropriate, recorded statement of merger, executed and declared to
2 be accurate pursuant to subsection 3 of section 45-13-05, stating the name of a
3 constituent partnership or limited partnership that is a ~~party to the merger~~
4 constituent organization in whose name property was held before the merger and
5 the name of the surviving ~~entity~~ organization, but not containing all of the other
6 information required by subsection 2, operates with respect to the ~~partnerships or~~
7 ~~limited partnerships named~~ constituent partnership and the surviving organization
8 to the extent provided in subsections 3 and 4.

9 **SECTION 136.** Section 45-21-07.1 of the North Dakota Century Code is created and
10 enacted as follows:

11 **45-21-07.1. Liability of general partner after conversion or merger.**

12 1. A conversion or merger under this chapter does not discharge any liability under
13 sections 45-15-06, 45-15-07, and 45-15-08 of a person that was a general partner
14 in or dissociated as a general partner from a converting or constituent partnership,
15 but:

16 a. The provisions of this chapter pertaining to the collection or discharge of the
17 liability continue to apply to the liability;

18 b. For the purposes of applying those provisions, the converted or surviving
19 organization is deemed to be the converting or constituent partnership; and

20 c. If a person is required to pay any amount under this subsection, then:

21 (1) The person has a right of contribution from each other person that was
22 liable as a general partner under section 45-15-06 when the obligation
23 was incurred and has not been released from the obligation under
24 section 45-20-06; and

25 (2) The contribution due from each of those persons is in proportion to the
26 right to receive distributions in the capacity of general partner in effect
27 for each of those persons when the obligations were incurred as
28 provided in section 45-20-07.

29 2. In addition to any other liability provided by law:

30 a. A person that immediately before a conversion or merger became effective
31 was a general partner in a converting or constituent partnership is personally

1 liable for each obligation of the converted or surviving organization arising
2 from a transaction with a third party after the conversion or merger becomes
3 effective, if, at the time the third party enters into the transaction, the third
4 party:

5 (1) Does not have notice of the conversion or merger; and

6 (2) Reasonably believes that:

7 (a) The converted or surviving organization or business is the
8 converting or constituent partnership; and

9 (b) The person is a general partner in the converting or constituent
10 partnership; and

11 b. A person that was dissociated as a general partner from a converting or
12 constituent partnership before the conversion or merger became effective is
13 personally liable for each obligation of the converted or surviving organization
14 arising from a transaction with a third party after the conversion or merger
15 becomes effective, if at the time the third party enters into the transaction less
16 than two years have passed since the person dissociated as a general partner
17 and the third party:

18 (1) Does not have notice of the dissociation;

19 (2) Does not have notice of the conversion or merger; and

20 (3) Reasonably believes that:

21 (a) The converted or surviving organization or business is the
22 converting or constituent partnership; and

23 (b) The person is a general partner in the converting or constituent
24 partnership.

25 **SECTION 137. AMENDMENT.** Section 45-22-01 of the North Dakota Century Code is
26 amended and reenacted as follows:

27 **45-22-01. Definitions.** In this chapter, unless the context otherwise requires:

28 1. "Address" means:

29 a. In the case of a registered office or principal executive office, the mailing
30 address, including the zip code, of the actual office location which may not be
31 only a post-office box; and

- 1 b. In all other cases, the mailing address, including a the zip code.
- 2 2. "Authenticated electronic communication" means:
- 3 a. That the electronic communication is delivered:
- 4 (1) To the principal place of business of the limited liability partnership; or
- 5 (2) To a partner or agent of the limited liability partnership authorized by
- 6 the limited liability partnership to receive the electronic communication;
- 7 and
- 8 b. That the electronic communication sets forth information from which the
- 9 limited liability partnership can reasonably conclude that the electronic
- 10 communication was sent by the purported sender.
- 11 3. "Domestic limited liability partnership" means a partnership ~~that is organized~~
- 12 formed under the laws of this state chapter with a registration in effect and which is
- 13 not a foreign limited liability partnership.
- 14 4. "Domestic organization" means an organization created under the laws of this
- 15 state.
- 16 5. "Electronic" means relating to technology having electrical, digital, magnetic,
- 17 wireless, optical, electromagnetic, or similar capabilities.
- 18 6. "Electronic communication" means any form of communication, not directly
- 19 involving the physical transmission of paper:
- 20 a. That creates a record that may be retained, retrieved, and reviewed by a
- 21 recipient of the communication; and
- 22 b. That may be directly reproduced in paper form by the recipient through an
- 23 automated process.
- 24 7. "Electronic record" means a record created, generated, sent, communicated,
- 25 received, or stored by electronic means.
- 26 8. "Electronic signature" means an electronic sound, symbol, or process attached to
- 27 or logically associated with a record and executed or adopted by a person with the
- 28 intent to sign the record.
- 29 9. "Filed with the secretary of state" means, except as otherwise permitted by law or
- 30 rule:

- 1 a. That a ~~document~~ record meeting the applicable requirements of this chapter,
2 together with the fees provided in section 45-22-23, has been delivered or
3 communicated to the secretary of state by a method or medium of
4 communication acceptable by the secretary of state and has been determined
5 by the secretary of state to conform to law.
- 6 b. That the secretary of state ~~shall~~ did then:
- 7 (1) Record the actual date on which the ~~document is~~ record was filed, and
8 if different, the effective date of filing; and
- 9 (2) Record the ~~document~~ record in the office of the secretary of state.
- 10 10. "Foreign limited liability partnership" means a partnership ~~organized~~ formed as a
11 limited liability partnership under the laws of a jurisdiction other than ~~the laws of~~
12 this state which is in good standing in ~~the partnership's~~ its jurisdiction of origin.
- 13 11. "Foreign organization" means an organization created under laws other than the
14 laws of this state for a purpose for which ~~an~~ the organization may be created under
15 the laws of this state.
- 16 12. "Jurisdiction of origin" means the jurisdiction in which the limited liability partnership
17 status of the foreign limited liability partnership was created.
- 18 13. "Limited liability partnership" means a domestic limited liability partnership or a
19 foreign limited liability partnership.
- 20 14. "Managing partner" means ~~one of the partners~~ a partner charged with the
21 management of the limited liability partnership or foreign limited liability partnership
22 in this state and if no partners are so specifically designated, then all partners.
- 23 15. "Notice":
- 24 a. Is given to a limited liability ~~partnership or to a partner of the limited liability~~
25 ~~partnership:~~
- 26 (1) When in writing and mailed or delivered to ~~the limited liability~~
27 ~~partnership or the~~ a managing partner at the registered office or
28 principal executive office of the limited liability partnership; or
- 29 (2) When given by a form of electronic communication consented to by ~~the~~
30 ~~limited liability partnership or the~~ a managing partner of the limited
31 liability partnership to which the notice is given if by:

- 1 (a) ~~If by facsimile~~ Facsimile communication, when directed to a
2 telephone number at which a managing partner of the limited
3 liability partnership or the partner has consented to receive
4 notice.
- 5 (b) ~~If by electronic~~ Electronic mail, when directed to an electronic
6 mail address at which a managing partner of the limited liability
7 partnership or the partner has consented to receive notice.
- 8 (c) ~~If by posting~~ Posting on an electronic network on which a
9 managing partner of the limited liability partnership or the partner
10 has consented to receive notice, together with separate notice to
11 the limited liability partnership ~~or the partner~~ if the specific
12 posting, upon the later of:
13 [1] The posting; or
14 [2] The giving of the separate notice.
- 15 (d) ~~If by any~~ Any other form of electronic communication by which
16 ~~the limited liability partnership or a managing partner of the~~
17 limited liability partnership has consented to receive notice, when
18 directed to the limited liability partnership.
- 19 b. ~~Is given, in all other cases to a partner of the limited liability partnership:~~
- 20 (1) ~~When in writing and mailed or delivered to the person partner at an~~
21 ~~address designated by the person~~ the registered office or at the
22 ~~last known address of the person~~ principal executive office of the
23 limited liability partnership; or
- 24 (2) ~~When handed~~ given by a form of electronic communication consented
25 to the person; by the partner to which the notice is given if by:
- 26 (a) Facsimile communication, when directed to a telephone number
27 at which the partner has consented to receive notice;
- 28 (b) Electronic mail, when directed to an electronic mail address at
29 which the partner has consented to receive;

- 1 (c) Posting on an electronic network on which the partner has
2 consented to receive notice, together with separate notice to the
3 partner of the specific posting, upon the later of:
4 [1] The posting; or
5 [2] The giving of the separate notice; or
6 (d) Any other form of electronic communication by which the partner
7 has consented to receive notice, when directed to the partner.

8 c. Is given in all other cases:

- 9 (1) When mailed to the person at an address designated by the person or
10 at the last-known address of the person;
11 (2) When handed to the person;
12 (3) When left at the office of the person with a clerk or other person in
13 charge of the office or:
14 (a) If there is no one in charge, when left in a conspicuous place in
15 the office; or
16 (b) If the office is closed or the person to be notified has no office,
17 when left at the dwelling house or usual place of abode of the
18 person with some person of suitable age and discretion then
19 residing there; or
20 (4) When given by a form of electronic communication consented to by the
21 person to whom the notice is given if by:
22 (a) ~~If by facsimile~~ Facsimile communication, when directed to a
23 telephone number at which the person has consented to receive
24 notice.
25 (b) ~~If by electronic~~ Electronic mail, when directed to an electronic
26 mail address at which the person has consented to receive
27 notice.
28 (c) ~~If by posting~~ Posting on an electronic network on which the
29 person has consented to receive notice, together with separate
30 notice to the person of the specific posting, upon the later of:
31 [1] The posting; or

- 1 [2] The giving of the separate notice.
- 2 (d) ~~If by any~~ Any other form of electronic communication by which
- 3 the person has consented to receive notice, when directed to the
- 4 person.
- 5 e. ~~Is given when deposited in the United States mail with sufficient postage~~
- 6 ~~affixed.~~
- 7 e. ~~Is deemed received when given.~~
- 8 (5) When the method is fair and reasonable when all circumstances are
- 9 considered.
- 10 16. "Organization" means:
- 11 a. Whether domestic or foreign, a corporation ~~incorporated in or authorized to do~~
- 12 ~~business in this state under this or another chapter of this code~~, limited liability
- 13 company, general partnership, limited partnership, limited liability partnership,
- 14 limited liability limited partnership, ~~joint venture, association, business trust,~~
- 15 ~~estate, trust, enterprise, and any other legal or commercial entity~~ or any other
- 16 person subject to a governing statute; but
- 17 b. Excludes any nonprofit corporation, whether a domestic nonprofit corporation
- 18 which is incorporated under chapter 10-33 or a foreign nonprofit corporation
- 19 which is incorporated in another jurisdiction.
- 20 17. "Originally registered" and "original registration" means the ~~document~~ record
- 21 establishing the limited liability partnership status of the foreign limited liability
- 22 partnership in the jurisdiction of origin of the foreign limited liability partnership's
- 23 ~~jurisdiction of origin~~ partnership.
- 24 18. "Partnership" means an association of two or more persons to carry on as
- 25 coowners of a business for profit formed under chapters 45-13 through 45-21,
- 26 predecessor law, or comparable law of another jurisdiction.
- 27 19. "Principal executive office" means:
- 28 a. An office from which the limited liability partnership conducts business; or
- 29 b. If the limited liability partnership has no office from which the limited liability
- 30 partnership conducts business, the registered office of the limited liability
- 31 partnership.

- 1 20. "Record" means information that is inscribed on a tangible medium or that is stored
2 in an electronic or other medium and is retrievable in perceivable form.
- 3 21. "Register" means the act of filing with the secretary of state which causes:
4 a. A domestic limited liability partnership to be created; or
5 b. A foreign limited liability partnership to be authorized to transact business in
6 this state.
- 7 22. "Registered office" means the place in this state designated as the registered office
8 of the limited liability partnership.
- 9 23. "Registration" means the ~~document~~ record which, when filed with the secretary of
10 state, causes:
11 a. A domestic limited liability partnership to be created; or
12 b. A foreign limited liability partnership to be authorized to do business in this
13 state.
- 14 24. "Signed" means:
15 a. That the signature of a person which may be a facsimile affixed, engraved,
16 printed, placed, stamped with indelible ink, transmitted by telecommunication
17 or electronically, or in any other manner reproduced on the ~~document~~ record,
18 is placed on a ~~document~~ record, as provided under section 41-01-09; and
19 b. With respect to a ~~document~~ record required by this chapter to be filed with the
20 secretary of state means that:
21 (1) The ~~document~~ record is signed by a person authorized to do so by this
22 chapter, or by or pursuant to an agreement among the partners, or by a
23 resolution approved by the affirmative vote of the required proportion or
24 number of partners; and
25 (2) The signature and the ~~document~~ record are communicated by a
26 method or medium of communication acceptable by the secretary of
27 state.

28 **SECTION 138. AMENDMENT.** Section 45-22-04 of the North Dakota Century Code is
29 amended and reenacted as follows:

30 **45-22-04. Limited liability partnership - Name.**

- 31 1. The name of a limited liability partnership:

- 1 a. Must be in the English language or in any other language, expressed in
2 English letters or characters.
- 3 b. Must contain:
- 4 (1) ~~The~~ the words "limited liability partnership" or the abbreviation "L.L.P."
5 or the abbreviation "LLP", either of which abbreviations may be used
6 interchangeably for all purposes authorized by this chapter, including
7 real estate matters, contracts, and filings with the secretary of state; or
8 (2) ~~In the case of a foreign limited liability partnership, any other words or~~
9 ~~abbreviations as may be authorized or required under the laws of the~~
10 ~~jurisdiction of origin.~~
- 11 e. ~~May not contain a word or phrase indicating or implying the limited liability~~
12 ~~partnership may not be formed under this chapter.~~
- 13 e. c. May not contain the word "corporation", "company", "incorporated", "limited
14 liability company", "limited partnership", "limited liability limited partnership", or
15 any abbreviation of these words.
- 16 e. d. May not contain a word or phrase ~~indicating that indicates~~ or ~~implying that~~
17 implies that the limited liability partnership is:
- 18 (1) Is formed for a purpose other than ~~one or more business purposes for~~
19 ~~which a:~~
- 20 (a) A lawful purpose for which a limited liability partnership may be
21 formed under ~~North Dakota law~~ this chapter; or
- 22 (b) For a purpose stated in its registration; or
- 23 (2) May not be formed under this chapter.
- 24 f. e. May not be the same as or deceptively similar to:
- 25 (1) The name, whether foreign and authorized to do business in this state
26 or domestic, unless there is filed with the registration a ~~document~~
27 record that complies with subsection 3 of this section, of:
- 28 (a) Another limited liability partnership;
- 29 (b) A corporation;
- 30 (c) A limited liability company;
- 31 (d) A limited partnership; or

- 1 (e) A limited liability limited partnership;
- 2 (2) A name, the right to which is at the time of registration reserved in the
3 manner provided in section 10-19.1-14, 10-32-11, 10-33-11, ~~45-10.1-03~~
4 45-10.2-11, 45-13-04.2, or 45-22-05;
- 5 (3) A fictitious name registered in the manner provided in chapter 45-11; or
- 6 (4) A trade name registered in the manner provided in chapter 47-25.
- 7 ~~g.~~ f. Need not be filed as provided in chapter 45-11 except if transacting business
8 under a name other than the name as registered under this chapter.
- 9 2. The secretary of state shall determine whether a name is deceptively similar to
10 another name for purposes of this ~~section~~ chapter.
- 11 3. If the secretary of state determines that a limited liability partnership name is
12 deceptively similar to another name for purposes of this chapter, the limited liability
13 partnership name may not be used unless there is filed with the registration:
- 14 a. The written consent of the holder of the rights to the name to which the
15 proposed name has been determined to be deceptively similar; or
- 16 b. A certified copy of a judgment of a court in this state establishing the earlier
17 right of the applicant to the use of the name in this state.
- 18 4. This section and section 45-22-05 do not:
- 19 a. Abrogate or limit:
- 20 (1) The law of unfair competition or unfair practices;
- 21 (2) Chapter 47-25;
- 22 (3) The laws of the United States with respect to the right to acquire and
23 protect copyrights, trade names, trademarks, service names, and
24 service marks; or
- 25 (4) Any other rights to the exclusive use of names or symbols.
- 26 b. Derogate the common law or principles of equity.
- 27 5. A limited liability partnership that is the surviving organization in a merger with one
28 or more organizations, or that acquires by sale, lease, or other disposition to or
29 exchange with a domestic organization all or substantially all of the assets of
30 another organization including its name, may have the same name, subject to the

- 1 requirements of subsection 1, as that used in this state by any of the other
2 organizations, if the other organization whose name is sought:
- 3 a. Is incorporated, organized, formed, or registered under the laws of this state;
 - 4 b. Is authorized to transact business or conduct activities in this state;
 - 5 c. Holds a reserved name in the manner provided in section 10-19.1-14,
6 10-32-11, 10-33-11, ~~45-10.1-03~~ 45-10.2-11, 45-13-04.2, or 45-22-05;
 - 7 d. Holds a fictitious name registered in the manner provided in chapter 45-11; or
 - 8 e. Holds a trade name registered in the manner provided in chapter 47-25.
- 9 6. The use of a name by a limited liability partnership in violation of this section does
10 not affect or vitiate the limited liability partnership's status as a limited liability
11 partnership. However, a court of this state may, upon application of the state or of
12 an interested or affected person, enjoin the limited liability partnership from doing
13 business under a name assumed in violation of this section, even though the
14 limited liability partnership's registration may have been filed with the secretary of
15 state.
- 16 7. A limited liability partnership whose registration has expired or whose registration
17 has been forfeited as provided in section 45-22-21.1 may reacquire the right to use
18 that name by refiling a registration as provided in section 45-22-03 unless the
19 name has been adopted for use or reserved by another person, in which case the
20 filing will be rejected unless the filing is accompanied by a written consent or
21 judgment pursuant to subsection 3. A limited liability partnership that cannot
22 reacquire the use of its limited liability partnership name shall adopt a new limited
23 liability partnership name that complies with this section:
- 24 a. By refiling a registration as provided in section 45-22-03;
 - 25 b. By amending its registration as provided in section 45-22-03; or
 - 26 c. By reinstating the limited liability partnership pursuant to section 45-22-21.1,
27 unless the name has been adopted for use or reserved by another person, in
28 which case the filing will be rejected unless the filing is accompanied by a
29 written consent or judgment as provided in subsection 3.
- 30 8. With respect to foreign limited liability partnerships:

- 1 a. A foreign limited liability partnership may register under any name that would
2 be available to a domestic limited liability partnership, regardless of whether
3 the name is the same under which the foreign limited liability partnership is
4 authorized in the jurisdiction of original registration.
- 5 b. A fictitious name certificate must be filed as provided in chapter 45-11 only if
6 registering under a name other than the name as authorized in the jurisdiction
7 of original registration.

8 **SECTION 139. AMENDMENT.** Section 45-22-05 of the North Dakota Century Code is
9 amended and reenacted as follows:

10 **45-22-05. Reserved name.**

- 11 1. The exclusive right to the use of a limited liability partnership name otherwise
12 permitted by section 45-22-04 may be reserved by any person.
- 13 2. The reservation is made by filing with the secretary of state a request that the
14 name be reserved ~~together with the fees provided in section 45-22-22.:~~
- 15 a. If the name is available for use by the applicant, the secretary of state shall
16 reserve the name for the exclusive use of the applicant for a period of twelve
17 months.
- 18 b. The reservation may be renewed for successive twelve-month periods.
- 19 3. The right to the exclusive use of a limited liability partnership name reserved
20 pursuant to this section may be transferred to another person by or on behalf of the
21 applicant for whom the name was reserved by filing with the secretary of state a
22 notice of the transfer and specifying the name and address of the transferee
23 ~~together with the fees provided in section 45-22-22.~~
- 24 4. The right to the exclusive use of a limited liability partnership name reserved
25 pursuant to this section may be canceled by or on behalf of the applicant for whom
26 the name was reserved by filing with the secretary of state a notice of cancellation
27 ~~together with the fees provided in section 45-22-22.~~
- 28 5. The secretary of state may destroy ~~any~~ all reserved name ~~request~~ requests and
29 ~~name request~~ the index thereof one year after expiration.

30 **SECTION 140. AMENDMENT.** Section 45-22-17 of the North Dakota Century Code is
31 amended and reenacted as follows:

1 **45-22-17. Service of process on a limited liability partnership or a foreign limited**
2 **liability partnership and on a nonresident partner.**

3 1. The registered agent must be an agent of the limited liability partnership and any
4 nonresident partner upon whom any process, notice, or demand required or
5 permitted by law to be served on the limited liability partnership or partner may be
6 served.

7 a. When a foreign limited liability partnership transacts business without a
8 registration or when the registration of a foreign limited liability partnership is
9 suspended or revoked, the secretary of state is an agent of the foreign limited
10 liability partnership for service of process, notice, or demand.

11 b. Acceptance of a managing partnership status in a limited liability partnership
12 includes the appointment of the secretary of state as an agent for personal
13 service of legal process, notice, or demand.

14 2. A process, notice, or demand required or permitted by law to be served on a
15 limited liability partnership may be served ~~on~~:

16 a. On the registered agent ~~or on~~;

17 b. On any responsible person found at the registered office ~~or on~~;

18 c. On a managing partner of the partnership; or

19 d. On the secretary of state as provided in this section.

20 ~~2.~~ 3. If neither the registered agent nor a responsible person can be found at the
21 registered office and if a responsible person affiliated with the limited liability
22 partnership cannot be found at the principal place of business in this state, then the
23 secretary of state is ~~the~~ an agent of the limited liability partnership on whom the
24 process, notice, or demand may be served.

25 a. Service on the secretary of state:

26 a- (1) Shall be made by registered mail or personal delivery to the secretary
27 of state and not by electronic communication.

28 b- (2) Shall include the return of the sheriff or affidavit of a person not a party,
29 verifying that neither a registered agent nor a responsible person can
30 be found at the registered office or at the principal place of business in
31 this state.

- 1 e. (3) Is deemed personal service on the limited liability partnership and may
2 be made by filing with the secretary of state:
- 3 ~~(1)~~ (a) Three copies of the process, notice, or demand; and
4 ~~(2)~~ (b) The fees provided in section 45-22-22.
5 (4) Is returnable in not less than thirty days, notwithstanding a shorter
6 period specified in the process, notice, or demand.
- 7 e. b. The secretary of state immediately shall forward, by certified mail addressed
8 to the limited liability partnership at the limited liability partnership's registered
9 office or principal place of business in this state, a copy of the process, notice,
10 or demand.
- 11 e. ~~Service on the secretary of state is returnable in not less than thirty days,~~
12 ~~notwithstanding a shorter period specified in the process, notice, or demand.~~
- 13 4. Process, notice, or demand may be served on a limited liability partnership which
14 has voluntarily withdrawn its registration or which has forfeited its registration as
15 provided in section 45-22-21.1. The court shall determine if service is proper:
- 16 a. If a limited liability partnership has voluntarily withdrawn its registration, then
17 service may be made as provided in subsection 2.
- 18 b. If a limited liability partnership has forfeited its registration as provided in
19 section 45-22-21.1, then service may be made as provided in subsection 3.
- 20 ~~3.~~ 5. The secretary of state shall maintain a record of every process, notice, and
21 demand served on the secretary of state under this section, including the date of
22 service and the action taken with reference to the process, notice, or demand.
- 23 4. 6. This section does not limit the right of a person to serve process, notice, or
24 demand required or permitted by law to be served on a limited liability partnership
25 in any other manner permitted by law.

26 **SECTION 141. AMENDMENT.** Section 45-22-21.1 of the North Dakota Century Code
27 is amended and reenacted as follows:

28 **45-22-21.1. Secretary of state - Annual report of domestic limited liability**
29 **partnership and foreign limited liability partnership.**

- 1 1. Each domestic limited liability partnership and each foreign limited liability
2 partnership authorized to transact business in this state, shall file, within the time
3 ~~prescribed~~ provided by subsection 3, an annual report setting forth:
- 4 a. The name of the limited liability partnership and ~~the~~ its jurisdiction of origin.
5 b. The address of the registered office of the limited liability partnership in this
6 state, and the name of the limited liability partnership's registered agent in this
7 state at that address.
8 c. The address of the limited liability partnership's chief executive office.
9 d. A brief statement of the character of the business in which the limited liability
10 partnership is actually engaged in this state.
11 e. The name and respective address of each managing partner of the domestic
12 limited liability partnership or foreign limited liability partnership.
- 13 2. The annual report must be submitted on forms prescribed by the secretary of state.
14 The information provided must be given as of the date of the execution of the
15 report. The annual report must be signed as ~~prescribed~~ provided in subsection 24
16 of section 45-22-01, the partnership agreement, or in a resolution approved by the
17 affirmative vote of the required proportion or number of partners. If the limited
18 liability partnership is in the hands of a receiver or trustee, the annual report must
19 be signed on behalf of the limited liability partnership by the receiver or trustee.
20 The secretary of state may destroy any annual report provided for in this section
21 after the annual report is on file for six years.
- 22 3. The annual report of a limited liability partnership must be delivered to the
23 secretary of state before April first of each year, except the first annual report of a
24 limited liability partnership must be delivered before April first of the year following
25 the calendar year in which the registration is filed by the secretary of state. A
26 limited liability partnership in existence on July 1, 1999, shall file the first annual
27 report before April first in the year of the expiration of the registration in effect on
28 July 1, 1999.
- 29 a. An annual report in a sealed envelope postmarked by the United States postal
30 service before April first, or an annual report in a sealed packet with a verified

- 1 shipment date by any other carrier service before April first, complies with this
2 requirement.
- 3 b. The secretary of state must file the annual report if the annual report conforms
4 to the requirements of subsection 2.
- 5 (1) If the annual report does not conform, the annual report must be
6 returned to the limited liability partnership for any necessary
7 corrections.
- 8 (2) If the annual report is filed before the deadlines ~~prescribed~~ provided in
9 this subsection, penalties for the failure to file a report within the time
10 provided do not apply if the annual report is corrected to conform to the
11 requirements of subsection 2 and returned to the secretary of state
12 within thirty days after the annual report was returned by the secretary
13 of state for correction.
- 14 4. After the date established under subsection 3, the secretary of state shall notify
15 any limited liability partnership failing to file an annual report that the limited liability
16 partnership's registration is not in good standing and that the registration of the
17 limited liability partnership may be revoked pursuant to subsection 5.
- 18 a. The secretary of state shall mail notice of revocation to the last registered
19 agent at the last registered office of record.
- 20 b. If the limited liability partnership files an annual report after the notice is
21 mailed, together with the annual report filing fee and late filing penalty fee as
22 ~~prescribed~~ provided by section 45-22-22, the secretary of state shall restore
23 the limited liability partnership's registration to good standing.
- 24 5. A domestic limited liability partnership that does not file an annual report, along
25 with the statutory filing and penalty fees, within six months after the date
26 established in subsection 3, forfeits the limited liability partnership's registration.
- 27 a. The secretary of state shall note the revocation of the domestic limited liability
28 partnership's registration on the records of the secretary of state and shall
29 give notice of the action to the revoked domestic limited liability partnership.
- 30 b. Notice by the secretary of state must be mailed to the domestic limited liability
31 partnership's last registered agent at the last registered office of record.

- 1 6. A foreign limited liability partnership that does not file an annual report, along with
2 the statutory filing and penalty fees, within six months after the date established by
3 subsection 3, forfeits the foreign limited liability partnership's registration and
4 authority to transact business in this state.
- 5 a. The secretary of state shall note the revocation of the foreign limited liability
6 partnership's registration and authority on the records of the secretary of state
7 and shall give notice of the action to the foreign limited liability partnership.
8 b. Notice by the secretary of state must be mailed to the foreign limited liability
9 partnership's last registered agent at the last registered office of record.
10 c. The secretary of state's decision that a registration must be revoked under
11 this subsection is final.
- 12 7. A domestic limited liability partnership with a registration that is revoked for failure
13 to file an annual report or a foreign limited liability partnership with registration and
14 authority that are forfeited by failure to file an annual report may be reinstated by
15 filing a past-due report, together with the statutory filing and penalty fees for an
16 annual report and a reinstatement fee as ~~prescribed~~ provided in section 45-22-22.
17 The fees must be paid and the report filed within one year following the revocation.
18 Reinstatement under this subsection does not affect any right or liability of a
19 domestic limited liability partnership or a foreign limited liability partnership for the
20 time from the revocation to the reinstatement.

21 **SECTION 142. AMENDMENT.** Section 45-22-22 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **45-22-22. Secretary of state - Fees and charges.**

- 24 1. The secretary of state shall charge and collect for:
- 25 a. Filing a registration as a domestic limited liability partnership, twenty-five
26 dollars. If there are more than two managing partners, an additional three
27 dollars must be paid for each additional managing partner not to exceed two
28 hundred fifty dollars.
- 29 b. Filing a registration as a foreign limited liability partnership, fifty dollars.
- 30 c. Filing an annual report of a domestic limited liability partnership or foreign
31 limited liability partnership, twenty-five dollars.

- 1 (1) The secretary of state shall charge and collect additional fees for late
2 filing of an annual report as follows:
- 3 ~~(1)~~ (a) After the date ~~prescribed~~ provided in subsection 3 of section
4 45-22-21.1, twenty dollars; and
- 5 ~~(2)~~ (b) After the revocation of the domestic limited liability partnership
6 registration or the foreign limited liability partnership registration,
7 the reinstatement fee of fifty dollars.
- 8 (2) Fees paid to the secretary of state according to this subdivision are not
9 refundable if an annual report submitted to the secretary of state cannot
10 be filed because it lacks information required by section 45-22-21.1 or
11 the annual report lacks sufficient payment as required by this
12 subdivision.
- 13 d. Filing a statement of correction or amended registration, twenty-five dollars.
- 14 e. Filing an application to reserve a name, ten dollars.
- 15 f. Filing a notice of transfer of a reserved name, ten dollars.
- 16 g. Filing a cancellation of reserved name, ten dollars.
- 17 h. Filing a consent to use of name, ten dollars.
- 18 i. Filing a statement of change of address of registered office or change of
19 registered agent or both, ten dollars.
- 20 j. Filing a statement of change of address of registered office by registered
21 agent, ten dollars for each domestic limited liability partnership or foreign
22 limited liability partnership affected by the change.
- 23 k. Filing a registered agent's consent to serve in the capacity of registered
24 agent, ten dollars.
- 25 l. Filing a resignation as registered agent, ten dollars.
- 26 m. Filing a notice of withdrawal, ten dollars.
- 27 n. Filing a certificate of fact stating a merger of a foreign limited liability
28 partnership registered with the secretary of state, fifty dollars.
- 29 o. Filing any other statement of a domestic limited liability partnership, ten
30 dollars.
- 31 p. Filing any process, notice, or demand for service, twenty-five dollars.

- 1 q. Any ~~document~~ record submitted for approval before the actual time of
2 submission for filing, one-half of the fee provided in this section for filing the
3 ~~document~~ record.
- 4 2. The secretary of state shall charge and collect for:
- 5 a. Furnishing a copy of any ~~document, instrument,~~ record or paper relating to a
6 domestic limited liability partnership or foreign limited liability partnership, one
7 dollar for every four pages, or fraction of pages.
- 8 b. A certificate certifying a copy or reciting facts related to a domestic limited
9 liability partnership or foreign limited liability partnership, twenty dollars.
- 10 c. Each page of any ~~document~~ record or form sent by electronic transmission,
11 one dollar.

12 **SECTION 143. AMENDMENT.** Section 45-22-23 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **45-22-23. Secretary of state - Powers - Enforcement - Penalty - Appeal.**

- 15 1. The secretary of state shall administer this chapter.
- 16 2. The secretary of state may propound to any limited liability partnership subject to
17 this chapter and to any partner, any interrogatory reasonably necessary and proper
18 to ascertain whether the partnership has complied with this chapter.
- 19 a. Any interrogatory must be answered within thirty days after mailing or within
20 any additional time fixed by the secretary of state. Every answer to the
21 interrogatory must be full and complete and be made in writing and under
22 oath.
- 23 b. If an interrogatory is directed:
- 24 (1) To an individual, the interrogatory must be answered by that individual;
- 25 (2) To a domestic limited liability partnership, the interrogatory must be
26 answered by a managing partner; or
- 27 (3) To a foreign limited liability partnership, the interrogatory must be
28 answered by a resident partner or, if no partner is a resident partner, a
29 partner designated by the foreign limited liability partnership.

- 1 c. The secretary of state need not file any ~~document~~ record to which an
2 interrogatory relates until the interrogatory is answered, except if the answers
3 disclose the ~~document~~ record is not in conformity with this chapter.
- 4 d. The secretary of state shall certify to the attorney general, for any action the
5 attorney general determines appropriate, any interrogatory and answers that
6 disclose a violation of this chapter.
- 7 e. Each managing partner of a domestic limited liability partnership or a resident
8 partner or designated partner of a foreign limited liability partnership who fails
9 or refuses within the time provided by this section to answer truthfully and fully
10 every interrogatory propounded to that person by the secretary of state is
11 guilty of an infraction.
- 12 f. Any interrogatory propounded by the secretary of state and the answers are
13 not open to public inspection under section 44-04-18. The secretary of state
14 may not disclose any fact or information obtained from an interrogatory except
15 to the extent permitted by law or required for evidence in any criminal
16 proceeding or other action by this state.
- 17 3. If the secretary of state rejects any ~~document~~ record required by this chapter to be
18 approved by the secretary of state before the ~~document~~ record may be filed, the
19 secretary of state shall give written notice of the rejection to the person who
20 delivered the ~~document~~ record, specifying the reasons for rejection. ~~That person~~
21 a. Within thirty days after the service of the notice of denial, the limited liability
22 partnership may appeal to the district court of the county in which the
23 ~~registered office of the domestic limited liability partnership or foreign limited~~
24 ~~liability partnership is, or is proposed to be, situated~~ judicial district serving
25 Burleigh County by filing with the clerk of that court a petition setting forth a
26 copy of the ~~document~~ record sought to be filed and a copy of the written
27 rejection of the ~~document~~ record by the secretary of state. The court shall try
28 the matter de novo.
- 29 b. The court shall sustain the action of the secretary of state or direct the
30 secretary of state to take any action the court determines proper.

- 1 4. If the secretary of state revokes the registration of any foreign limited liability
2 partnership pursuant to section 45-22-16, then the foreign limited liability
3 partnership may appeal to district court ~~of the county where the registered office of~~
4 ~~the foreign limited liability partnership in this state is situated~~ in the judicial district
5 serving Burleigh County by filing with the clerk of that court a petition ~~setting forth~~
6 a, including:
- 7 a. A copy of the foreign limited liability partnership's registration; and a
8 b. A copy of the notice of revocation given by the secretary of state. The court
9 shall try the matter de novo. The court shall sustain the action of the
10 secretary of state or direct the secretary of state to take any action the court
11 determines proper.
- 12 5. If the court order sought is one for reinstatement of a domestic limited liability
13 partnership registration that has been revoked as provided in subsection 5 of
14 section 45-22-22.1, or for reinstatement of the registration of a foreign limited
15 liability partnership that has been revoked as provided in subsection 6 of section
16 45-22-21.1, then, together with any other action the court deems proper, any such
17 order which orders the reinstatement of the registration of a domestic or foreign
18 limited liability partnership registration shall require the domestic or foreign limited
19 liability partnership to:
- 20 a. File all past-due annual reports;
21 b. Pay the fees to the secretary of state for each annual report as provided in
22 subsection 1 of section 45-22-22; and
23 c. Pay the reinstatement fee to the secretary of state as provided in subsection 1
24 of section 45-22-22.
- 25 6. The attorney general may maintain an action to restrain a foreign limited liability
26 partnership from transacting business in this state in violation of this chapter.

27 **SECTION 144.** Section 45-22-23.1 of the North Dakota Century Code is created and
28 enacted as follows:

29 **45-22-23.1. Delivery to and filing of records by secretary of state and effective**
30 **date.**

- 1 1. A record authorized or required to be delivered to the secretary of state for filing
2 under this chapter must be captioned to describe the purpose of the record, be in a
3 medium permitted by the secretary of state, and be delivered to the secretary of
4 state. If the secretary of state determines that a record complies with the filing
5 requirements of this chapter, then the secretary of state shall file the record and
6 return a copy of the filed record to the person who delivered it to the secretary of
7 state for filing. That person shall then:
- 8 a. For a statement of dissociation, send a copy of the filed statement:
9 (1) To the person which the statement indicates has dissociated as a
10 partner; and
11 (2) To the limited liability partnership; and
- 12 b. For all other records, send a copy of the filed record to the person on whose
13 behalf the record was filed.
- 14 2. Upon request and payment of a fee provided in section 45-22-22, the secretary of
15 state shall send to the requester a certified copy of the requested record.
- 16 3. Except as otherwise specifically provided in this chapter, a record delivered to the
17 secretary of state for filing under this chapter may specify a delayed effective date
18 within ninety days. Except as otherwise provided in this chapter, a record filed by
19 the secretary of state is effective:
- 20 a. If the record does not specify a delayed effective date within ninety days, then
21 on the date the record is filed as evidenced by the endorsement of the
22 secretary of state of the date on the record.
- 23 b. If the record specifies a delayed effective date within ninety days, then on the
24 specified date.

25 **SECTION 145.** Section 45-22-23.2 of the North Dakota Century Code is created and
26 enacted as follows:

27 **45-22-23.2. Correcting a filed record.** With respect to correction of a filed record:

- 28 1. Whenever a record authorized by this chapter to be filed with the secretary of state
29 has been filed and inaccurately records the action referred to in the record,
30 contains an inaccurate or erroneous statement, or was defectively or erroneously

- 1 executed, sealed, acknowledged, or verified, the record may be corrected by filing
2 a statement of correction.
- 3 2. A statement of correction:
- 4 a. Must:
- 5 (1) Be signed by:
- 6 (a) The person who executed the original record; or
7 (b) By a person authorized to sign on behalf of that person;
- 8 (2) Set forth the name of the limited liability partnership that filed the
9 record;
- 10 (3) Identify the record to be corrected by description and by the date of its
11 filing with the secretary of the state;
- 12 (4) Identify the inaccuracy, error, or defect to be corrected; and
- 13 (5) Set forth a statement in corrected form of the portion of the record to be
14 corrected.
- 15 b. May not revoke or nullify the record.
- 16 3. The statement of correction shall be filed with the secretary of state.
- 17 4. With respect to the effective date of correction:
- 18 a. A certificate issued by the secretary of state before a record is corrected, with
19 respect to the effect of filing the original record, is considered to be applicable
20 to the record as corrected as of the date the record as corrected is considered
21 to have been filed under this subsection.
- 22 b. After a statement of correction has been filed with the secretary of state, the
23 original record as corrected is considered to have been filed:
- 24 (1) On the date the statement of correction was filed:
- 25 (a) As to persons adversely affected by the correction; and
26 (b) For the purposes of subsections 3 and 4 of section 45-10.2-06;
27 and
- 28 (2) On the date the original record was filed as to all other persons and for
29 all other purposes.

30 **SECTION 146. AMENDMENT.** Section 45-23-01 of the North Dakota Century Code is
31 amended and reenacted as follows:

- 1 **45-23-01. Definitions.** ~~In~~ For the purposes of this chapter, unless the context
2 otherwise requires:
- 3 1. "Address" means:
- 4 a. In case of a registered office or principal executive office, the mailing address
5 of the actual office location which may not be only a post-office box; and
6 b. In all other cases, the mailing address, including the zip code.
- 7 2. "Authenticated electronic communication" means:
- 8 a. That the electronic communication is delivered:
- 9 (1) To the principal place of business of the limited liability limited
10 partnership; or
11 (2) To a partner or agent of the limited liability limited partnership
12 authorized by the limited liability limited partnership to receive the
13 electronic communication; and
- 14 b. That the electronic communication sets forth information from which the
15 limited liability limited partnership can reasonably conclude that the electronic
16 communication was sent by the purported sender.
- 17 3. ~~"Domestic limited liability limited partnership" means a limited liability limited~~
18 ~~partnership that is formed under this chapter.~~
- 19 4. "Domestic organization" means an organization created under the laws of this
20 state.
- 21 ~~5.~~ 4. "Electronic" means relating to technology having electrical, digital, magnetic,
22 wireless, optical, electromagnetic, or similar capabilities.
- 23 ~~6.~~ 5. "Electronic communication" means any form of communication, not directly
24 involving the physical transmission of paper:
- 25 a. That creates a record that may be retained, retrieved, and reviewed by a
26 recipient of the communication; and
27 b. That may be directly reproduced in paper form by the recipient through an
28 automated process.
- 29 ~~7.~~ 6. "Electronic record" means a record created, generated, sent, communicated,
30 received, or stored by electronic means.

- 1 c. For a purpose for which a limited partnership may be organized under chapter
2 ~~45-10.4~~ 45-10.2; and
- 3 b. ~~d. Authorized to transact business in this state as provided in chapter 45-10.1 Is~~
4 in good standing in its jurisdiction of origin.
- 5 ~~12.~~ 11. "Foreign organization" means an organization created under laws other than the
6 laws of this state for a purpose for which ~~an~~ the organization may be created under
7 the laws of this state.
- 8 12. "General partner" means:
- 9 a. With respect to a limited liability limited partnership, a person:
- 10 (1) That becomes a general partner under section 45-10.2-37 and has not
11 become dissociated as a general partner under section 45-10.2-57; or
- 12 (2) That was a general partner in a limited partnership when the limited
13 partnership became subject to chapter 45-10.2 under section
14 45-10.2-03 and has not become dissociated as a general partner under
15 section 45-10.2-57; and
- 16 b. With respect to a foreign limited liability limited partnership, a person that has
17 rights, powers, and obligations similar to those of a general partner in a limited
18 liability limited partnership.
- 19 13. "Governing statute" means:
- 20 a. With respect to a domestic organization, the following chapters of this code
21 which govern the internal affairs of the organization:
- 22 (1) If a corporation, then chapter 10-19.1;
23 (2) If a limited liability company, then chapter 10-32;
24 (3) If a limited partnership, then chapter 45-10.2;
25 (4) If a general partnership, then chapters 45-13 through 45-21;
26 (5) If a limited liability partnership, then chapter 45-22; and
27 (6) If a limited liability limited partnership, then this chapter; and
- 28 b. With respect to a foreign organization, the laws of the jurisdiction under which
29 the organization is created and under which the internal affairs of the
30 organization are governed.

- 1 (2) When given by a form of electronic communication consented to by ~~the~~
2 ~~limited liability limited partnership or a general partner of the limited~~
3 ~~liability limited partnership~~ to which the notice is given if by:
- 4 (a) ~~If by facsimile~~ Facsimile communication, when directed to a
5 telephone number at which a general partner the limited liability
6 limited partnership ~~or a partner~~ has consented to receive notice;
- 7 (b) ~~If by electronic~~ Electronic mail, when directed to an electronic
8 mail address at which a general partner of the limited liability
9 limited partnership ~~or a partner~~ has consented to receive notice;
- 10 (c) ~~If by posting~~ Posting on an electronic network on which a general
11 partner of the limited liability limited partnership or a partner has
12 consented to receive notice, together with separate notice to the
13 limited liability limited partnership ~~or a partner~~ if of the specific
14 posting, upon the later of:
15 [1] The posting; or
16 [2] The giving of the separate notice; or
- 17 (d) ~~If by any~~ Any other form of electronic communication by which
18 ~~the partnership or a general partner of the limited liability limited~~
19 partnership has consented to receive notice, when directed to the
20 limited liability limited partnership;
- 21 b. ~~Is given in all other cases to a partner of the limited liability limited~~
22 partnership:
- 23 (1) When in writing and mailed or delivered to the ~~person~~ partner at ~~an~~
24 ~~address designated by the person or at the last known address of the~~
25 ~~person~~ the registered office or principal executive office of the limited
26 liability limited partnership; or
- 27 (2) When ~~handed~~ given by a form of electronic communication consented
28 to by the person; partner to which the notice is given if by:
- 29 (a) Facsimile communication, when directed to a telephone number
30 at which the partner has consented to receive notice;

- 1 (b) Electronic mail, when directed to an electronic mail address at
2 which the partner has consented to receive;
- 3 (c) Posting on an electronic network on which the partner has
4 consented to receive notice, together with separate notice to the
5 partner of the specific posting, upon the later of:
6 [1] The posting; or
7 [2] The giving of the separate notice; or
- 8 (d) Any other form of electronic communication by which the partner
9 has consented to receive notice when directed to the partner;
- 10 c. Is given in all other cases:
- 11 (1) When mailed to the person at an address designated
12 by the person or at the last-known address of the person;
- 13 (2) When handed to the person;
- 14 (3) When left at the office of the person with a clerk or other person in
15 charge of the office; or ~~if~~:
16 (a) If there is no one in charge, when left in a conspicuous place in
17 the office ~~and if~~; or
- 18 (b) If the office is closed or the person to be notified has no office,
19 when left at the dwelling house or usual place of abode of the
20 person with some person of suitable age and discretion residing
21 there; ~~or~~
- 22 (4) When given by a form of electronic communication consented to by the
23 person to whom the notice is given if by:
- 24 (a) ~~If by facsimile~~ Facsimile communication, when directed to a
25 telephone number at which the person has consented to receive
26 notice;;
- 27 (b) ~~If by electronic~~ Electronic mail, when directed to an electronic
28 mail address at which the person has consented to receive
29 notice;;

- 1 (c) ~~If by posting~~ Posting on an electronic network on which the
2 person has consented to receive notice, together with separate
3 notice to the person of the specific posting, upon the later of:
4 [1] The posting; or
5 [2] The giving of the separate notice; ~~or~~
6 (d) ~~If by any~~ Any other form of electronic communication by which
7 the person has consented to receive notice, when directed to the
8 person; or
9 (5) When the method is fair and reasonable when all circumstances are
10 considered:
11 e. d. Is given when deposited in the United States mail with sufficient postage
12 affixed; and
13 e. e. Is deemed received when given.
- 14 ~~47.~~ 19. "Organization" means:
15 a. Whether domestic or foreign, a corporation ~~incorporated in or authorized to do~~
16 ~~business in this state under this or another chapter of this code~~, limited liability
17 company, general partnership, limited partnership, limited liability partnership,
18 limited liability limited partnership, ~~joint venture, association, business trust,~~
19 ~~estate, trust, enterprise, and or~~ any other legal ~~or commercial entity~~ person
20 subject to a governing statute; but
21 b. Excludes any nonprofit corporation, whether a domestic nonprofit corporation
22 which is incorporated under chapter 10-33 or a foreign nonprofit corporation
23 which is incorporated in another jurisdiction.
- 24 ~~48.~~ 20. "Principal executive office" means:
25 a. An office from which the limited liability limited partnership conducts business;
26 or
27 b. If the limited liability limited partnership has no office from which the limited
28 liability limited partnership conducts business, then the registered office of the
29 limited liability limited partnership.
- 30 ~~49.~~ 21. "Record" means information that is inscribed on a tangible medium or that is stored
31 in an electronic or other medium and is retrievable in perceivable form.

1 **SECTION 148. AMENDMENT.** Section 45-23-03 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **45-23-03. Limited liability limited partnership name.**

4 1. The name of each limited liability limited partnership as set forth in the limited
5 liability limited partnership's certificate of limited liability limited partnership:

6 a. Must be in the English language or in another language expressed in English
7 letters or characters.

8 b. Must contain:

9 (1) ~~Without~~ without abbreviation the words "limited liability limited
10 partnership" or the abbreviation "L.L.L.P." or "LLLP", either of which
11 abbreviation may be used interchangeably for any purpose authorized
12 by this chapter including real estate matters, contracts, and filings with
13 the secretary of state; ~~or.~~

14 (2) ~~In the case of a foreign limited liability limited partnership, any other~~
15 ~~words or abbreviations as may be authorized or required under the laws~~
16 ~~of the jurisdiction of origin.~~

17 c. May ~~not~~ contain the name of a ~~limited~~ any partner ~~unless:~~

18 (1) ~~The name is also the name of a general partner; or~~

19 (2) ~~The business of the limited liability limited partnership was carried on~~
20 ~~under that name before the admission of that limited partner.~~

21 d. May not contain the word "corporation", "company", "incorporated", "limited
22 liability company", "limited liability partnership", or any abbreviation of these
23 words.

24 e. May not contain a word or phrase ~~indicating~~ that indicates or ~~implying that~~
25 implies that the limited liability limited partnership may:

26 (1) Is organized for a purpose other than:

27 (a) A lawful purpose for which a limited liability limited partnership
28 may be organized under this chapter; or

29 (b) For a purpose stated in its certificate of limited liability limited
30 partnership; or

31 (2) May not be organized under this chapter.

- 1 f. ~~May not contain a word or phrase indicating or implying the limited liability~~
2 ~~limited partnership is organized for a purpose other than a legal business~~
3 ~~purpose for which a limited liability limited partnership may be organized~~
4 ~~under this chapter.~~
- 5 g. ~~May not contain a word or phrase indicating or implying the limited liability~~
6 ~~limited partnership is organized other than for a purpose stated in the~~
7 ~~certificate of the limited liability limited partnership.~~
- 8 h. May not be the same as, or deceptively similar to:
- 9 (1) The name, whether foreign and authorized to do business in this state
10 or domestic, unless there is filed with the certificate a ~~document~~ record
11 in compliance with subsection 3, of:
- 12 (a) Another limited liability limited partnership;
- 13 (b) A limited partnership;
- 14 (c) A corporation;
- 15 (d) A limited liability company; or
- 16 (e) A limited liability partnership;
- 17 (2) A name the right to which is, at the time of organization, reserved in the
18 manner provided in section 10-19.1-14, 10-32-11, 10-33-11, ~~45-10.1-03~~
19 45-10.2-11, 45-13-04.2, or 45-22-05;
- 20 (3) A fictitious name registered in the manner provided in chapter 45-11; or
- 21 (4) A trade name registered in the manner provided in chapter 47-25.
- 22 2. The secretary of state shall determine whether a limited liability limited partnership
23 name is deceptively similar to another name for purposes of this chapter.
- 24 3. If the secretary of state determines a limited liability limited partnership name is
25 deceptively similar to another name for purposes of this chapter, the limited liability
26 limited partnership name may not be used unless there is filed with the certificate:
- 27 a. The written consent of the holder of the registered trade name or the holder of
28 the rights to the name to which the proposed name has been determined to
29 be deceptively similar; or
- 30 b. A certified copy of a judgment of a court in this state establishing the earlier
31 right of the applicant to the use of the name in this state.

- 1 4. This section does not ~~abrogate~~:
- 2 a. Abrogate or limit ~~the~~:
- 3 (1) The law of unfair competition or unfair practices; ~~chapter~~
- 4 (2) Chapter 47-25; ~~the~~
- 5 (3) The laws of the United States with respect to the right to acquire and
- 6 protect copyrights, trade names, trademarks, service names, service
- 7 marks; or ~~any~~
- 8 (4) Any other rights to the exclusive use of any name or symbol.
- 9 b. This section does not derogate the common law or the principles of equity.
- 10 5. A limited liability limited partnership that is the surviving organization in a merger
- 11 with one or more organizations, or that acquires by sale, lease, or other disposition
- 12 to or exchange with an organization all or substantially all of the assets of another
- 13 organization, including its name, may include in the limited liability limited
- 14 partnership's name, subject to the requirements of subsection 1, the name of any
- 15 of the other organizations, if the other organization whose name is sought to be
- 16 used:
- 17 a. Is incorporated, organized, formed, or registered under the laws of this state;
- 18 b. Is authorized to transact business or conduct activities in this state;
- 19 c. Holds a reserved name in the manner provided in section 10-19.1-14,
- 20 10-32-11, 10-33-11, ~~45-10.1-03~~ 45-10.2-11, 45-13-04.2, or 45-22-05;
- 21 d. Holds a fictitious name registered in the manner provided in chapter 45-11; or
- 22 e. Holds a trade name registered in the manner provided in chapter 47-25.
- 23 6. The use of a name of a limited liability limited partnership in violation of this section
- 24 does not affect or vitiate a limited liability limited partnership's existence. However,
- 25 a court in this state may, upon application of the state or of an interested or
- 26 affected person, enjoin the limited liability limited partnership from doing business
- 27 under a name assumed in violation of this section, although a certificate of limited
- 28 liability limited partnership may have been filed with the secretary of state.
- 29 7. A limited liability limited partnership whose period of existence has expired or that
- 30 is involuntarily dissolved by the secretary of state pursuant to section 45-10.2-108
- 31 may reacquire the right to use that name by refiling a certificate of limited liability

1 limited partnership pursuant to section 45-23-04, unless the name has been
2 adopted for use or reserved by another person, in which case the filing will be
3 rejected unless the filing is accompanied by a written consent or judgment as
4 provided in subsection 3. A limited liability limited partnership that cannot
5 reacquire the use of its limited liability limited partnership name shall adopt a new
6 limited liability limited partnership name that complies with the provisions of this
7 section:

- 8 a. By refiling the certificate of limited liability limited partnership pursuant to
9 section 45-23-04;
10 b. By amending pursuant to section 45-10.2-24; or
11 c. By reinstating pursuant to section 45-10.2-108, unless the name has been
12 adopted for use or reserved by another person, in which case the filing will be
13 rejected unless the filing is accompanied by a written consent or judgment
14 pursuant to subsection 3.

- 15 8. Subject to section 45-23-07, this section applies to any foreign limited liability
16 limited partnership transacting business in this state, having a certificate of
17 authority to transact business in this state, or applying for a certificate of authority.

18 **SECTION 149. AMENDMENT.** Section 45-23-04 of the North Dakota Century Code is
19 amended and reenacted as follows:

20 **45-23-04. Limited liability limited partnership formation and conversion of a**
21 **limited partnership to a limited liability limited partnership or conversion of a limited**
22 **liability limited partnership to a limited partnership.**

- 23 1. If a limited partnership does not exist, then a limited liability limited partnership may
24 be formed by filing with the secretary of state, together with the fees provided in
25 section 45-23-08, a certificate of limited liability limited partnership:
26 a. That complies with the name requirements in section 45-23-03;
27 b. That contains a statement that limited liability limited partnership status is
28 elected; and
29 c. That otherwise conforms to the requirements of section ~~45-10.1-08~~
30 45-10.2-23.
31 2. An existing limited partnership:

- 1 a. May elect to ~~become~~ convert to a limited liability limited partnership:
- 2 (1) By obtaining ~~approval to be governed by this chapter by the vote~~
3 ~~necessary~~ the consent of each general partner to amend convert the
4 limited partnership ~~agreement except, in the case of a limited~~
5 ~~partnership agreement that expressly considers contribution~~
6 ~~obligations, the vote necessary to amend those provisions; a limited~~
7 liability limited partnership unless:
- 8 (a) The certificate of limited partnership or the partnership agreement
9 of the limited partnership provides for the conversion with the
10 consent of less than all general partners; and
- 11 (b) Each general partner that does not consent to the amendment of
12 conversion has consented to that provision of the partnership
13 agreement.
- 14 A partner does not give the consent required by subparagraph a by
15 consenting to a provision in the partnership agreement which permits
16 the partnership agreement to be amended with the consent of fewer
17 than all partners;
- 18 (2) By complying with the name requirements of section 45-23-03; and
- 19 (3) By filing with the secretary of state, together with the fees provided in
20 sections ~~45-10.1-15~~ 45-10.2-109 and 45-23-08, a ~~document~~ record that
21 is designated as both an amended certificate of limited partnership and
22 a certificate of limited liability limited partnership which:
- 23 (a) Amends the limited partnership name to comply with the name
24 requirements of section 45-23-03;
- 25 (b) Contains a statement that limited liability limited partnership
26 status is elected; and
- 27 (c) Otherwise conforms to the requirements of section ~~45-10.1-09~~
28 45-10.2-23.
- 29 b. ~~Continues~~ Which converts to be a limited liability limited partnership is for all
30 purposes the same entity in existence that existed before the filing with the
31 ~~secretary of state pursuant to this section~~ conversion.

- 1 3. An existing limited liability limited partnership:
- 2 a. May elect to convert to a limited partnership:
- 3 (1) By obtaining the consent of each general partner to convert the limited
- 4 liability limited partnership to a limited partnership unless:
- 5 (a) The certificate of limited liability limited partnership or the
- 6 partnership agreement of the limited liability limited partnership
- 7 provides for the conversion with the consent of less than all
- 8 general partners; and
- 9 (b) Each general partner that does not consent to the amendment of
- 10 conversion has consented to that provision of the partnership
- 11 agreement.
- 12 A partner does not give the consent required by subparagraph a by
- 13 consenting to a provision in the partnership agreement which permits
- 14 the partnership agreement to be amended with the consent of fewer
- 15 than all partners;
- 16 (2) By complying with the name requirements of section 45-10.2-11; and
- 17 (3) By filing with the secretary of state, together with the fees provided in
- 18 sections 45-10.2-109 and 45-23-08, a record that is designated as both
- 19 an amended certificate of limited liability limited partnership and a
- 20 certificate of limited partnership which:
- 21 (a) Amends the limited liability limited partnership name to comply
- 22 with the name requirements of section 45-10.2-11; and
- 23 (b) Otherwise conforms to the requirements of section 45-10.2-23.
- 24 b. Which converts to a limited partnership is for all purposes the same entity that
- 25 existed before the conversion.

26 **SECTION 150. AMENDMENT.** Subsections 1 and 2 of section 45-23-05 of the North
27 Dakota Century Code are amended and reenacted as follows:

- 28 1. If a limited partnership does not exist, then a limited liability limited partnership is
29 formed on the later of the filing of the certificate of limited liability limited
30 partnership or the date specified in the certificate of limited liability limited

1 partnership which is within ninety days after the filing of the certificate of limited
2 liability limited partnership.

3 2. An existing limited partnership electing to ~~become~~ convert to a limited liability
4 limited partnership is governed by this chapter on the later of the filing of the
5 ~~document~~ record designated as both an amendment to the certificate of limited
6 partnership and a certificate of limited liability limited partnership or the date
7 specified in that ~~document~~ record which is within ninety days after the filing of the
8 ~~document~~ record.

9 **SECTION 151. AMENDMENT.** Section 45-23-06 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **45-23-06. General partner liability.** An obligation of a limited liability limited
12 partnership, whether arising in contract, tort, or otherwise, is solely the obligation of the limited
13 liability limited partnership.

14 1. A general partner is not personally liable, directly or indirectly by way of
15 contribution or otherwise, for an obligation of the limited liability limited partnership
16 solely by reason of being or acting as a general partner.

17 2. This section applies notwithstanding anything inconsistent in the partnership
18 agreement.

19 **SECTION 152. AMENDMENT.** Section 45-23-07 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **45-23-07. Foreign limited liability limited partnership – ~~Adopting limited liability~~**
22 **~~limited partnership status.~~** An existing With respect to a foreign limited liability limited
23 partnership authorized to transact business in this state pursuant to, in any case not provided
24 for in this chapter, chapter 45-10.2 and section 45-10.1-52 which subsequently adopts and
25 maintains limited liability limited partnership status in the jurisdiction of origin shall file with the
26 secretary of state, together with the fees required in sections 45-10.1-15 and 45-23-08:

27 1. ~~A document designated as both an amended foreign limited partnership~~
28 ~~registration as required by section 45-10.1-55 and a foreign limited liability limited~~
29 ~~partnership registration as required by section 45-10.1-52; and~~

1 ~~2. A certificate of identification, existence, and status of a foreign limited liability~~
2 ~~limited partnership, duly certified by the proper officer of the jurisdiction of origin~~
3 ~~45-23-02 shall govern.~~

4 **SECTION 153. AMENDMENT.** Section 45-23-08 of the North Dakota Century Code is
5 amended and reenacted as follows:

6 **45-23-08. Secretary of state - Fees for filing documents records.** The secretary of
7 state shall charge and collect for:

- 8 1. Filing a certificate of limited liability limited partnership, one hundred dollars.
- 9 2. Filing a certificate of limited liability limited partnership amendment, forty dollars.
- 10 3. Filing statement of conversion of a limited liability limited partnership, fifty dollars
11 and:
 - 12 a. If the organization resulting from the conversion will be a domestic
13 organization governed by the laws of this state, then the fees provided by the
14 governing laws to establish or register a new organization like the
15 organization resulting from the conversion; or
 - 16 b. If the organization resulting from the conversion will be a foreign organization
17 that will transact business in this state, then the fees provided by the
18 governing laws to obtain a certificate of authority or register an organization
19 like the organization resulting from the conversion.
- 20 4. Filing abandonment of conversion, fifty dollars.
- 21 5. Filing limited liability limited partnership articles of merger, fifty dollars.
- 22 6. Filing abandonment of merger or exchange, fifty dollars.
- 23 7. Filing limited liability limited partnership statement of correction, forty dollars.
- 24 8. Filing a certificate of limited liability limited partnership dissolution, twenty-five
25 dollars.
- 26 4- 9. Filing a certificate of limited liability limited partnership cancellation, twenty-five
27 dollars.
- 28 5- 10. Filing a reservation of limited liability limited partnership name, ten dollars.
- 29 6- 11. Filing a notice of transfer of reserved limited liability limited partnership name, ten
30 dollars.

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- 1 ~~7.~~ 12. Filing a cancellation of a reserved limited liability limited partnership name, ten
2 dollars.
- 3 ~~8.~~ 13. Filing a consent to use of a deceptively similar name, ten dollars.
- 4 ~~9.~~ 14. Filing a statement of change of address of registered office or change of registered
5 agent, or both, ten dollars.
- 6 ~~40.~~ 15. Filing a statement of change of address of registered office by registered agent, ten
7 dollars for each limited liability limited partnership affected by the change.
- 8 ~~41.~~ 16. Filing a registered agent's consent to serve in the capacity of registered agent, ten
9 dollars.
- 10 ~~42.~~ 17. Filing a resignation as registered agent, ten dollars.
- 11 ~~43.~~ 18. Filing a registration of foreign limited liability limited partnership, one hundred
12 dollars.
- 13 ~~44.~~ 19. Filing a certified statement of amendment of foreign limited liability limited
14 partnership, twenty-five dollars.
- 15 ~~45.~~ 20. Filing a certified statement of dissolution of foreign limited liability limited
16 partnership, twenty-five dollars.
- 17 21. Filing a certified statement of merger of foreign limited liability limited partnership,
18 fifty dollars.
- 19 22. Filing a certified statement of conversion of foreign limited liability limited
20 partnership, fifty dollars and:
- 21 a. If the organization resulting from the conversion will be a domestic
22 organization governed by the laws of this state, then the fees provided by the
23 governing laws to establish or register a new organization like the
24 organization resulting from the conversion; or
- 25 b. If the organization resulting from the conversion will be a foreign organization
26 that will transact business in this state, then the fees provided by the
27 governing laws to obtain a certificate of authority or register an organization
28 like the organization resulting from the conversion.
- 29 ~~46.~~ 23. Filing a certified statement of cancellation of foreign limited liability limited
30 partnership, twenty-five dollars.

- 1 ~~47.~~ 24. Filing a statement of withdrawal of foreign limited liability limited partnership,
2 twenty-five dollars.
- 3 ~~48.~~ 25. Filing an annual report of limited liability limited partnership, twenty-five dollars.
4 a. The secretary of state shall charge and collect additional fees for late filing of
5 the annual report as follows:
6 a- (1) After the date ~~prescribed~~ provided in subsection 3 of section
7 ~~45-10.1-14~~ 45-10.2-108, twenty dollars; and
8 b- (2) After the termination of the limited liability limited partnership or the
9 revocation of the registration of a foreign limited liability limited
10 partnership, the reinstatement fee of one hundred dollars.
11 b. Fees paid to the secretary of state according to this subsection are not
12 refundable if an annual report submitted to the secretary of state cannot be
13 filed because it lacks information required by section 45-10.2-108 or the
14 annual report lacks sufficient payment as required by this subsection.
- 15 ~~49.~~ 26. Any ~~document~~ record submitted for approval before the actual time of submission
16 for filing, one-half of the fee provided in this section for filing the ~~document~~ record.
- 17 27. Filing any process, notice, or demand for service, twenty-five dollars.
- 18 28. Furnishing a certificate or existence or authorization:
19 a. Fifteen dollars; and
20 b. Five dollars for a search of records.
- 21 29. Furnishing a certified copy of any record or paper relating to a limited partnership
22 or foreign limited partnership:
23 a. One dollar for every four pages or fraction;
24 b. Fifteen dollars for the certificate and affixing the seal thereto; and
25 c. Five dollars for a search of records.

26 **SECTION 154. AMENDMENT.** Section 45-23-09 of the North Dakota Century Code is
27 amended and reenacted as follows:

28 **45-23-09. Secretary of state - Confidential records.** Any social security number or
29 federal tax identification number disclosed or contained in any ~~document~~ record filed with the
30 secretary of state under this chapter is confidential. The secretary of state shall delete or

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- 1 obscure any social security number or federal tax identification number before a copy of any
- 2 ~~document~~ record is released to the public.
- 3 **SECTION 155. REPEAL.** Section 45-22-01.1 of the North Dakota Century Code is
- 4 repealed.