COMMITTEE REPORT

February 17, 2016

**S. 1049**

Introduced by Senator Massey

S. Printed 2/17/16--S.

Read the first time February 2, 2016.

**THE COMMITTEE ON JUDICIARY**

To whom was referred a Bill (S. 1049) to amend Article 13, Chapter 47, Title 33 of the 1976 Code, relating to marketing cooperative associations, by adding Section 33‑47‑1160 to allow associations, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, by striking page 1, lines 24‑27 and inserting the following:

/ “Section 33‑47‑1160. (A) An association whose term of existence has expired may apply to the Secretary of State for reinstatement within two years after the effective date of expiration. The application must: /

Amend the bill further, as and if amended, by striking page 1, lines 36‑37 and inserting the following:

/ effective date of reinstatement, file the original of the certificate, and provide a copy to the association. /

Renumber sections to conform.

Amend title to conform.

A. SHANE MASSEY for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Fiscal Impact Summary**

This bill would have no expenditure impact on the general fund, federal funds, or other funds.

This bill would have no revenue impact on the general fund or federal funds. The revenue impact on other funds is undetermined.

**Explanation of Fiscal Impact**

**State Expenditure**

This bill adds Section 33-47-1160, which allows a marketing cooperative association whose term has expired to apply to the Secretary of State for reinstatement within two years after the effective date of the expiration. The application for reinstatement must include the name of the association, the effective date of expiration, and include revised articles of incorporation. If the Secretary of State determines the application contains the required information, the expiration must be canceled and a certificate of reinstatement must be issued.

**Secretary of State.** The agency indicates that any expenditures associated with this bill can be absorbed within current appropriations.

**State Reve**n**ue**

This bill would allow the Secretary of State to reinstate a marketing cooperative association whose term has expired within a two year period, as long as the required documentation is received.

The Secretary of State’s Office indicates that marketing cooperative association filings are included with other business filings in their database. Therefore, they are not able to distinguish how many businesses are registered as marketing cooperative associations. Per the agency, any marketing cooperative association applying for reinstatement must pay a ten dollar fee for filing articles of incorporation pursuant to Section 33-47-260. Since the agency is unable to determine the number of marketing associations that may be affected by this bill, the revenue impact is undetermined for FY 2016-17.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND ARTICLE 13, CHAPTER 47, TITLE 33 OF THE 1976 CODE, RELATING TO MARKETING COOPERATIVE ASSOCIATIONS, BY ADDING SECTION 33‑47‑1160 TO ALLOW ASSOCIATIONS WITHIN TWO YEARS OF EXPIRATION TO SEEK REINSTATEMENT FROM THE SECRETARY OF STATE.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 13, Chapter 47, Title 33 of the 1976 Code is amended by adding:

“Section 33‑47‑1160. (A) An association whose term has expired may apply to the Secretary of State for reinstatement within two years after the effective date of expiration. The application must:

(1) recite the name of the association and the effective date of its expiration; and

(2) include revised articles of incorporation with a new term as required by Section 33‑47‑210(4).

(B) If the Secretary of State determines the application contains the information required by subsection (A) and the information is correct, the Secretary of State shall cancel the expiration and prepare a certificate of reinstatement reciting its determination and the effective date of reinstatement, file the original of the certificate, and serve a copy on the association.

(C) When reinstatement is effective, it relates back to and takes effect as of the effective date of the expiration and the association shall resume carrying on its activities as if the expiration had never occurred.”

SECTION 2. This act takes effect upon approval by the Governor.

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