

Topic: Email Notification for Annual/Biennial Reports

Question by: Kathleen Vasquez

Jurisdiction: California

Date: 23 November 2010

Jurisdiction	Question(s)			
	Does your jurisdiction currently use email notifications? If so, how do you collect email addresses? If so, for how long do you store the email addresses?	Do you have/need statutory or regulatory authority to do so?	What do you do when an email "bounces back"?	What challenges did you face when you changed from paper to electronic and how did you meet those challenges?
Manitoba				
Corporations Canada	Yes, for annual return (your annual report) reminder notices. Users can subscribe online to receive annual return reminder notices by email instead of by mail. Indefinitely.	No.	We are not able to tell when an individual email bounces back but since the second notice goes by regular mail, the user will eventually get the notice. They can update their email address at that point.	None, really. It has been very successful.
Alabama				
Alaska				
Arizona				
Arkansas	Yes. Previous online filers. One year.	No	Send a hard copy.	None.
California				

<p>Colorado</p>	<p>Yes. Currently, email notifications supplement the notifications that we send by postcard, but we plan to eliminate postcard notifications on January 1, 2012.</p> <p>The periodic report online filing application contains a field for an email address. Additionally, you can sign up by clicking on a link on an entity's Summary page. (The Summary page shows basic information (entity name, principal office address, registered agent, status, etc.) and provides a list of options (file a document, obtain a certificate of good standing, etc.)) We plan to add an email address field to the online filing application for all transactions within the next several months.</p> <p>An email address is retained until someone unsubscribes that particular email address from notifications. (Adding a new email address to notifications for the same entity <i>does not</i> unsubscribe any other email addresses.)</p>	<p>No. Previously we were required to deliver notice by mail, but the statutes were amended by HB10-1403 and notification became optional. At all times, it has been the entity's responsibility to file its report, even if we failed to provide notification.</p>	<p>We do not receive notification of bounce backs. The burden is on the subscriber to maintain a good email address.</p>	<p>We received comments and questions during the legislative hearings on HB10-1403 about moving to an all-electronic notification system. We mandated online filing of all record-opening documents in mid-2008, so we explained our success with working with people to find computers (or friends/neighbors/relatives with computers) to file online. We said that we felt that it would be a similar effort to encourage people to either sign up for email notification or to create a reminder themselves. We have an estimated savings of \$223,000 by eliminating postcards.</p>
<p>Connecticut</p>	<p>No.</p>	<p>Working on it.</p>		
<p>Delaware</p>				
<p>District of Columbia</p>	<p>Not yet. As a part of our new corporate systems we will start collecting emails for the</p>	<p>We have authority to implement this provision.</p>	<p>We will need to "flag" the file so that we might attempt to obtain correct email when customer</p>	<p>Some older customers claim not to use email. We will have to send one last paper notice to all</p>

	<p>purpose of sending certificate and notices for reports.</p> <p>We plan to collect it as a part of online filings.</p> <p>No specific timeframe has been set.</p>		calls us.	filers so that we can collect emails for subsequent reporting period.
Florida	<p>Yes. We still send out a few post card reminder notices to newly formed entities from the prior year that filed by "paper" and did not provide an email address. Once they file the annual report online they MUST give us an email address for the next year's mailing. No one will receive a post card two years in a row.</p> <p>We have a space on the cover sheet of all forms requesting an email address. We have a statement explaining that future annual report notices will be sent to the email address provided on the form. Initially, we saved email addresses from electronic online filers. In 2009 and 2010 we required that annual reports be filed online (this was a cost saving measure which made it easier for the public to accept). Part of the filing process is to provide us with an email address for the next year's annual report. If the address is different than the one on</p>	We have statutory authority to file any document online.	Unfortunately, we do nothing with bounced back messages. We have such a large number of mailings and the reason we are sending the messages by email is because of lost \$ and staff. We have no additional staff to work the list. It hasn't been too much of a problem because we remind business entities to file the annual report every way we can and every time they interact with our office or website.	Some people claim to not have access to a computer. If they go to a library to file then they don't have an email address to give us. We tell them to use an employee, friend, or family member's computer and their email address for future reminder notices. We find that a lot of the excuses are not reality. When you tell the person they must file online, that they have no other recourse, it's amazing how the annual report gets filed. Also, our reminder notices are "courtesy reminders". There is no provision in statute that we must remind each business entity to file. If they don't get a reminder notice, we're not at fault. We must, however give the business 60 days notice before we administratively dissolve/revoke it for failure to file its annual report. We also are required to notify them "if" they become dissolved/revoked. We do both of these notices by email. Email is free!!!

	<p>file, it replaces it. Otherwise the same address is kept in a file. Throughout the year we can update or change the email address at the request of the public.</p> <p>We copy and store a file indefinitely with the email address the annual report notice is sent to each year. Another “copy” of the file with email addresses is used the next year for reminder notices.</p>			
Georgia				
Hawaii	<p>Yes, this is in addition to postcard notifications.</p> <p>Customers have an option of receiving future email notifications at the time of filing the current year's annual report. If they opt for this service, they would enter the email address to which they would like to reminder to go to.</p> <p>The email addresses are kept permanently.</p>	<p>The mailing of the notifications and/or any pre-printed forms is done as a courtesy. Ultimately the filing the annual report is still the responsibility of the entity.</p>	<p>We hope that they received the postcard and are informed on the requirements of being registered.</p>	<p>Some people, especially those with mom & pop businesses, are hesitant about change and/or may not have access to a computer. For these individuals, they are able to contact our office to request that a pre-printed form be mailed to them. If they are willing to give the online website a try, our staff is willing to assist them through the entire filing process. Also to encourage more online filings, we offer a discounted fee for online filings and now accept e-check payments for those that do not have credit cards.</p>
Idaho				
Illinois				
Indiana	<p>Yes. We use email to send a complimentary reminder to file the business entity report. Emails are collected when the entity previously filed</p>	<p>Sending the notice is a courtesy; therefore no statutory authority is required.</p>	<p>Currently we do not have an email manager application to react to these messages. We ignore the bounces since it is an optional service.</p>	<p>Since we do not have an email address for all entities, we send the email – and if the entity has yet to file 30 days from the due date – we still mail a</p>

	<p>documents online. Currently our email data began in 2003. We have not set a retention schedule for this information yet.</p> <p>Our reports can be filed up to two months prior to the anniversary month of incorporation. In the first month of this three month period we send an email notice to any email addresses we have on file for reports. If they do not file in the next two months they are then sent a paper notice.</p> <p>Email addresses are collected when the report is filed online. Providing an email address is optional. We also allow users to change email addresses or opt-out. The email address is unique to the report (ie – an email address for each year filed), not to the company. We send the email to the most recent address on file.</p> <p>Email addresses are stored indefinitely.</p>			<p>complimentary notice letter by regular UPS. We had previously used a vendor to send the email messages – but we now use an internal application IQ to send the messages at no cost.</p> <p>Costs savings include labor, printing and postage. We save hundreds of dollars a year with email reminders.</p> <p>Our customers really appreciate the email reminder in this day and age too.</p> <p>We're developing an email manager where SOS staff and the customer can update our records with current email addresses if changes need to be made.</p> <p>We still allow filing by both paper and electronic. We also send both electronic (email) and paper notices. We changed the paper notice from a pre-printed report that could be signed and filed (if there were no changes) to a notice that encourages users to use the online filing feature.</p>
Iowa				
Kansas	No		N/A	N/A
Kentucky				
Louisiana	No	Yes.	N/A	N/A
Maine				

Maryland				
Massachusetts				
Michigan	<p>Michigan does not use email notifications for annual reports and does not have statutory authority to do so.</p> <p>In some instances the entity statutes prohibit use of electronic notice. See http://legislature.mi.gov/doc.aspx?mcl-450-1151 ; http://legislature.mi.gov/doc.aspx?mcl-450-4105 ; and http://legislature.mi.gov/doc.aspx?mcl-450-2151</p>	Michigan does not have statutory authority to use email notification for reports.		
Minnesota				
Mississippi				
Missouri	Not under the current processing system. We will have the ability under our new system to be implemented in late 2011, but e-mail notification will not be mandatory, meaning we will send paper notices to those not opting in to e-mail notice.	No, we have statutory authority to notify by e-mail and to file any document online.	N/A	N/A
Montana	<p>Yes, for every entity that previously filed on-line.</p> <p>When businesses file on-line we request their e-mail address. We are working on redesigning our forms to include a line for e-mail addresses though it would not be a requirement for filing the</p>	Not at this time.	We flag the address as being invalid and attempt to contact the entity for a valid address.	There were no real challenges. We have allowed for filing of annual reports on-line for years and have a 95% adoption rate.

	form. Forever.			
Nebraska				
Nevada	<p>Yes for all Commercial Registered Agents registered pursuant to MoRAA and any customers opting in for electronic notification</p> <p>Addresses are collected as part of the Commercial Registered Agent registration process or when they apply for opt-in notifications.</p> <p>E-mail addresses are stored until there is a change in the Commercial Registered Agent or opt-in registration</p>	<p>Statute allows for e-notification for Commercial Registered Agents and allows for e-notification of all others if they agree to have their notices sent electronically (opt-in notifications.)</p>	<p>We check to ensure that we have not entered the e-mail incorrectly. It is up to the customer to keep their e-mail address updated in our system.</p>	<p>The biggest challenge was to come up with the electronic notification process itself. We have had e-notifications for a couple of years now. We have less returns than with paper notifications.</p>
New Hampshire				
New Jersey				
New Mexico				
New York				
North Carolina	<p>I began doing e-notifications two three years ago for those Registered Agents with more than 15 entities designated. It took me a few months, but I called each registered agent for their e-mail information and created an Excel Spreadsheet. Our statute says we have to "notify" an LLC and doesn't indicate notify annually. My argument is that we notify each LLC upon creation of their annual report responsibility and the</p>			

	<p>information is posted on our website - so why do we even have to send anything out - we don't mail anything to Business Corporations.</p> <p>Anyway, the process now after the first year works with SOSKB and completes the task much more quickly. There is a sub-program in KB which when you enter the Registered Agent's Name, it generates a complete list of entities in Excel. This list is then e-mailed along with a reminder letter to the Registered Agent. Since the e-mails are sent through a Notice e-mail box, all bounce backs can be viewed and redirected to either another e-mail address or put in with the others going via mail.</p> <p>All e-mail notifications are sent out first. The e-mail addresses are stored in the Excel Spreadsheet permanently and changes are made randomly as notified.</p> <p>The first challenge was putting together the list of entities to attach for the Registered Agent, since KB now generates this that hurdle is over. It took two people about 1.5 weeks last year to e-mail all of the</p>			
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	<p>Registered Agents. There are about 460 in the list. The majority are still notified via mail.</p> <p>However, on our website there is an option for the entity to sign up for e-notification. Once they sign up for this the e-mail is captured and we can use these for individual entities.</p> <p>I may not be doing this in the most efficient manner, but right now this is what I can do.</p>			
North Dakota	No.	No.	N/A	N/A
Ohio	Not yet.	Yes.	N/A	N/A
Oklahoma				
Oregon				
Pennsylvania				
Rhode Island	Not at this time.	N/A	N/A	N/A
South Carolina				
South Dakota				
Tennessee				
Texas	<p>Texas collects email addresses for purposes of online filing. Any customer wishing to submit documents electronically via SOSDirect must input an email address when they establish the account. Filing acknowledgments and orders submitted electronically are returned to the customer electronically using this email address. The email address</p>			

	<p>is maintained by the customer and is stored in our records until the account becomes inactive and is purged.</p> <p>Report notices are still mailed to entities. But remember that annual reports for Corporations and LLCs are not filed with the Texas SOS but rather with the Comptroller of Public Accounts as part of the annual franchise tax return.</p>			
Utah	Not for renewal	Yes	N/A	We have online renewal and the most common problem is the occasional person who says they don't have a computer or access to one....hard to believe in this day.
Vermont				
Virginia				
Washington	<p>No, our statutes are specific in requiring mailings by first class, etc.</p> <p>We already collect email addresses from our online filings. This would give us about 30-40% of the emails we would require. We expect to offer an "opt in" program, where corporations may choose to get their notices by email and give us addresses.</p> <p>Forever.</p> <p>[The SOS only does the</p>	<p>Yes, we are submitting legislation this year that would allow electronic notices from our office as an opt-in program, however, and not mandatory.</p>	<p>We don't know yet but we assume we will mail a postcard notice at that time.</p>	<p>Don't know yet, but I expect many that we haven't thought of yet.</p>

	nonprofit corporation renewals. Profit corporations and LLCs are done by the Dept. of Licensing. They are not using email at this time for renewal notices, but have expressed interest in doing so.]			
West Virginia				
Wisconsin				
Wyoming	Yes. By email, paper filings, online filing of annual reports, by phone and walk-in. Indefinitely.	No.	We attempt to contact the entity.	Some customers prefer the paper form, some customers do not have Internet access

Additional comments:

In Connecticut we still have to “deliver” PAPER REPORTS to all entities (Can you say “Expensive?”). We are still trying to get mandatory online annual report filing through the legislature. Wish me luck. There is a good chance it will pass this time around, as our incoming Secretary is the current Majority Leader of the House. At any rate, included in our bill is language to expand the definition of “deliver” to include email delivery of Reports to entities. If the bill passes, that noncontroversial change should pass along with it. As a result, we will thereafter be able to notify by email instead of snail mail. That aside, even our current bill places an affirmative duty on entities to file, regardless of whether they receive the paper Report or not. We are definitely keeping that provision in the mandatory online filing bill. I suggest you add an affirmative duty clause to your bill or reg, as well, so that failure to receive notice from the state does not excuse failure to file the Report. If you have that protection, then you can just send the email notification to the last email address of record, and that will be that. Their affirmative duty to file will commensurately keep their email address updated in perpetuity, if they comply. If they don’t comply with the filing requirement anyway, then their failure to keep the email address updated will not excuse their failure to file. The state is safe either way. Also, by making the email address part of the public record, the state is safe emailing to that entity at that address, even if the entity changes email addresses without notice. This is because satisfactory “delivery” is to the last email address of record, and our bill will make the provision of a business email address mandatory. As a backup plan, we also collect email address info on filing parties when they log in to file. Because it costs virtually nothing to email a notice out, we may blast the notice to all email addresses associated with that entity, whether it is the officially provided email address in compliance with the mandatory “email address of record” requirement or otherwise. That’s another advantage of email over snail mail: because it is practically free (budget neutral on an annualized basis), you can send it to every possible related email address in hopes that one will work. Under these

circumstances, there is no need to “keep” an email for a specific amount of time, because the email address of record is the one that counts, and that is now part of the public record to be kept in perpetuity anyway.

Hope our thoughts on this are helpful.

Happy Thanksgiving, everyone!

-Seth

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Full text of email:

In an effort to reduce costs and streamline processes, California is considering moving forward with efforts to authorize our office to replace our current statement of information (aka Annual Report) mailed postcard notifications with an electronic notification via email. We would be interested in the following information:

- Does your jurisdiction currently use email notifications?
 - If so, how do you collect email addresses?
 - If so, for how long do you store the email addresses?
- Do you have/need statutory or regulatory authority to do so?
- What do you do when an email "bounces back"?
- What challenges did you face when you changed from paper to electronic and how did you meet those challenges?

We are putting together legislative proposals for the upcoming legislative cycle and timely responses would be very helpful!

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