

Topic: Mandatory Online Filings Support Personnel
 Question by: Cheri L. Myers
 Jurisdiction: North Carolina
 Date: 14 March 2011

Jurisdiction	Question(s)	
	<p>Question 1 How many positions were needed to be allocated to handle increased inquiries as to questions arising from the transition? Such inquiries would probably come over the phones and via the internet.</p>	<p>Question 2 Did your annual report or other such compliance rate change when you went to mandatory e-filing and if yes, what were the changes?</p>
Manitoba		
Corporations Canada	<p>Corporations Canada offers online filing of annual reports as a choice, but does not mandate it.</p>	
Alabama		
Alaska		
Arizona	<p>Arizona has no statutory mandate that any of our forms have to be electronically submitted. There have been bills the past few legislative sessions that would have mandated that a good chunk of our forms could only be submitted electronically, but the legislation has been defeated every year.</p> <p>Arizona examines all documents whether they are submitted online, by fax, mail or at our counter. The system can only detect that characters are in the various fields. So someone could type all x's or Mickey Mouse and the computer would take it. Therefore we examine all docs.</p> <p>The payment is made online at the time of the electronic submission. An officer, by Arizona statute is required to submit the annual report.</p>	<p>Currently, you can submit the annual report online and our e-submission rate is close to 70%.</p>

Jurisdiction	Question(s)	
	<p>Question 1 How many positions were needed to be allocated to handle increased inquiries as to questions arising from the transition? Such inquiries would probably come over the phones and via the internet.</p>	<p>Question 2 Did your annual report or other such compliance rate change when you went to mandatory e-filing and if yes, what were the changes?</p>
Arkansas		
California	<p>Instead of mandating, how about charging more for paper filings since they cost more to process? I am not sure how many states charge more for paper filings?</p>	
Colorado	<p>Colorado mandated online filing of annual reports (and many other documents) on May 1, 2010.</p> <p>Our online filing process does not require manual review, so we were able to shift resources from processing documents to answering questions.</p>	<p>We already had a very high adoption rate for online filing of annual reports (99%) prior to the mandate, but it allowed us to reach 100%.</p> <p>Prior to the mandate, we had a high fee differential for paper filings (\$100 on paper versus \$10 online), which definitely helped to promote online filing. We also changed from sending a postcard that they could update and send back to us to sending a postcard that reminded them that the annual report was due and gave instructions for filing online. We haven't tracked the number or percentage of entities who comply with the report filing requirements year-to-year, but we may be able to obtain the information if it would be helpful for you.</p>
Connecticut		
Delaware	<p>Delaware has mandated electronic filing of domestic corporation Annual Reports since 2007. We do have processes in place to assist those customers who do not have computers or need personal assistance from one of our staff. In response to your questions: Annually we hire one or two seasonal personnel to work during the busy filing season to respond to client requests through Live Chat, e-mail and walk in clients who need assistance.</p>	<p>98%-99% of Annual Reports are filed electronically. Electronic filing insures compliance with requirements of the Delaware Code.</p>
District of Columbia	<p>In the District of Columbia we do not have mandatory online report filing although it would be nice to have it.</p>	

Jurisdiction	Question(s)	
	<p>Question 1 How many positions were needed to be allocated to handle increased inquiries as to questions arising from the transition? Such inquiries would probably come over the phones and via the internet.</p>	<p>Question 2 Did your annual report or other such compliance rate change when you went to mandatory e-filing and if yes, what were the changes?</p>
<p>Florida</p>	<p>Florida does require that the annual report be filed online. For those who want to argue that they do not have access to a computer or don't want to pay online, our response is to plan ahead and have an employee or relative with internet access be responsible for filing the annual report. When a business entity is filed, we tell them that an annual report will be due in the next calendar year and that it must be filed online. We tell them to make plans now.</p> <p>For those who do not want to use a credit card online, we offer payment by check using a voucher printed from our website after completing the annual report. The voucher is barcoded to connect the money with the proper entity. The annual report is not "filed" until the money and voucher are received and validated.</p>	<p>We have a 6 person "Internet Help Desk" staff who answer all questions about filing online....any filing type. They also answer "Contact Us" email questions for the Division. Phone inquiries about online filings are also answered by each of the filing sections.</p> <p>This is the third year of mandatory annual report filing online and the questions and calls get fewer and fewer each year. Annual Reports do NOT have "human intervention". They are filed automatically. We have many edits in place to assure that mandatory fields are completed but we cannot prevent XXXXX or Mickey Mouse from being entered. We have not had any more problems with online filings than with paper filings with inaccurate or inappropriate info added on an annual report. We put the statement about "3rd degree felony for submitting false or inaccurate info on an annual report" all over our instructions and on the report "form". It also appears in the signature block and appears to scare would-be offenders off.</p> <p>Electronic signatures are by an officer/director/manager/general partner but can also be by someone "who has received permission to file on the behalf of" one of these individuals....attorneys in fact, accountants, trustees, etc. This too has not been a problem.</p> <p>Mandatory filing of annual reports has saved us over \$600,000. each year. It was rough the first year but has leveled off since then. I think I answered everything. Let me know if you have other questions.</p>
<p>Georgia</p>		
<p>Hawaii</p>	<p>Hawaii doesn't mandate online annual report filings.</p>	<p>At this time, online filings of annual reports is at 79%.</p>

Jurisdiction	Question(s)	
	<p>Question 1 How many positions were needed to be allocated to handle increased inquiries as to questions arising from the transition? Such inquiries would probably come over the phones and via the internet.</p>	<p>Question 2 Did your annual report or other such compliance rate change when you went to mandatory e-filing and if yes, what were the changes?</p>
Idaho		
Illinois		
Indiana		
Iowa		
Kansas	<p>Kansas does not mandate the filing of Annual Reports online. Our office has found that reduced time filing paper submissions will free up staff to answer the inquiries or be reassigned. Our average runs in the low 50's and we would love to increase our online rate.</p> <p>If you don't mind my adding a couple more questions Cheri? Kansas would also like to know:</p> <p>Are your online filings complete filings? In other words, is any manual intervention or review involved by your office? Ours does not.</p> <p>Is the payment made online with the filing as well? Ours is paid electronically at submission.</p> <p>Who is required by your laws to sign the Annual Report? Since we require officers to authorize under penalty of perjury and CPA's many times fill out the paperwork we wondered if that impacted our online filing rate.</p>	
Kentucky		
Louisiana	Louisiana does not mandate online filing of annual reports.	

Jurisdiction	Question(s)	
	<p>Question 1 How many positions were needed to be allocated to handle increased inquiries as to questions arising from the transition? Such inquiries would probably come over the phones and via the internet.</p>	<p>Question 2 Did your annual report or other such compliance rate change when you went to mandatory e-filing and if yes, what were the changes?</p>
Maine	Maine doesn't mandate online annual report filings; we'd never get away with that here. We still have the folks who refuse to file online, especially the nonprofit corporations.	Currently, 87% of our annual reports are filed online. We saw an increase in our adoption rates when we stopped mailing the annual report forms to the entities and they had to call our office or go online to download the annual report form.
Maryland		
Massachusetts		

Jurisdiction	Question(s)	
	<p>Question 1</p> <p>How many positions were needed to be allocated to handle increased inquiries as to questions arising from the transition? Such inquiries would probably come over the phones and via the internet.</p>	<p>Question 2</p> <p>Did your annual report or other such compliance rate change when you went to mandatory e-filing and if yes, what were the changes?</p>
<p>Michigan</p>	<p>Michigan has online filing for corporation annual reports and limited liability company annual statements. We encourage online filing and any reports or statements that do not need to be reviewed can be filed online.</p> <p>The MICH-ELF system to permit paperless submission and filing of documents was implemented in 1996. Provisions added to the entity statutes in 2005, effective January 1, 2006, require the administrator to accept delivery of documents by electronic mail or over the internet. Section 151 of the Business Corporation Act and Nonprofit Corporation Act and section 105 of the Michigan Limited Liability Company Act specifically provide if the document was originally submitted by electronic transmission the administrator may give the written notice of refusal to file by electronic transmission.</p> <p>However, for a variety of legal reasons we do not have mandatory online filing.</p> <p>If you are considering "mandatory" online filing you might want to look at the consumer consent provision in Electronic Signatures in Global and National Commerce Act(ESign) http://www.ftc.gov/os/2001/06/esign7.htm which provides consumers may choose paper.</p>	<p>States may limit or modify provisions in ESign if they adopt the Uniform Electronic Transactions Act as it existed on June 30, 2000. Michigan adopted the Uniform Electronic Transaction Act(UETA), 2000 PA 305 effective October 16, 2000. http://legislature.mi.gov/doc.aspx?mcl-Act-305-of-2000</p> <p>Section 5 makes it clear the act does not require the use of electronic records and the act only applies when both parties have agreed to conduct transactions by electronic means. Section 5(3) provides "A party that agrees to conduct a transaction by electronic means may refuse to conduct other transactions by electronic means. The right granted by this subsection may not be waived by agreement."</p> <p>See commentary to UETA on the NCCUSL website at http://www.law.upenn.edu/bll/archives/ulc/fnact99/1990s/ueta99.htm</p> <p>Both E-Sign and UETA preserve the ability to refuse electronic transactions.</p> <p>Section 18 permits Department of Management and Budget (now Department of Technology, Management and Budget), except as otherwise provided in section 12(6), to "determine whether, and the extent to which, each state department will send and accept electronic records and electronic signatures to and from other persons and otherwise create, generate, communicate, store, process, use, and rely upon electronic records and electronic signatures." State agencies and DTMB work together to ensure the authenticity and integrity of electronic records and appropriate storage and retention of electronic records and electronic signatures. Section 18, however, does not require use of electronic records.</p>
<p>Minnesota</p>		

Jurisdiction	Question(s)	
	<p>Question 1 How many positions were needed to be allocated to handle increased inquiries as to questions arising from the transition? Such inquiries would probably come over the phones and via the internet.</p>	<p>Question 2 Did your annual report or other such compliance rate change when you went to mandatory e-filing and if yes, what were the changes?</p>
Mississippi		
Missouri		
Montana	<p>Montana does not mandate on-line filing of annual reports and our adoption rate is at 89%. Montana electronically files annual reports only and there is no statutory mandate that they must be electronically submitted.</p>	
Nebraska		
Nevada	<p>Nevada does not mandate e-filing, but recommend it. While this is the way we eventually want to go, it would take a legislative change and it is not currently on our legislative agenda, and we are already in session. Electronic annual list adoption rate is 67% and growing. In 2 1/2 months since go-live of online articles, that usage is already around 55%.</p>	
New Hampshire		
New Jersey		
New Mexico		
New York		
North Carolina		
North Dakota		
Ohio		
Oklahoma		
Oregon		
Pennsylvania		
Rhode Island	<p>Rhode Island does not have mandatory online annual report filing.</p>	
South Carolina		
South Dakota		
Tennessee		

Jurisdiction	Question(s)	
	<p>Question 1 How many positions were needed to be allocated to handle increased inquiries as to questions arising from the transition? Such inquiries would probably come over the phones and via the internet.</p>	<p>Question 2 Did your annual report or other such compliance rate change when you went to mandatory e-filing and if yes, what were the changes?</p>
Texas		
Utah	Utah tried mandatory online but after a year, we had to offer an alternative....you will always have those who swear they have no access to computers.	We make it very easy to file online and less so with in house filings. We hover around 90% online filings.
Vermont		
Virginia		
Washington	Washington does not have mandatory filing, but in six years of offering voluntary online filing, we are seeing only about a 45% rate of using the online. We would like to mandate it but most likely will not for a few years yet.	
West Virginia		
Wisconsin		
Wyoming		

Additional comments:

Full text of email:

Good Morning everyone. North Carolina is considering mandatory annual report online filing. For those states, who have already mandated online filings:

1. How many positions were needed to be allocated to handle increased inquiries as to questions arising from the transition? Such inquiries would probably come over the phones and via the internet.

2. Did your annual report or other such compliance rate change when you went to mandatory e-filing and if yes, what were the changes?

Thank you so much for your input.

Cheri

Cheri L. Myers
Director of Corporations
NC Office of the Secretary of State
919-807-2050
919-807-2294 fax