



# **Office of the Indiana Secretary of State**

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News Release

FOR IMMEDIATE RELEASE

## **Lawson hails new act that modernizes business laws**

*New law simplifies business formation and creates consistent rules for business*

INDIANAPOLIS (April 24, 2017) – “The Indiana General Assembly has passed, and Governor Eric Holcomb has signed into law, the most far-reaching revision of Indiana business laws in more than two decades,” Indiana Secretary of State Connie Lawson said today. “The new law will simplify business formation and bring consistency to the rules that govern businesses and business transactions,” she said in hailing the passage of the legislation.

The Secretary of State’s Office, through its Business Services Division, is responsible for filing and maintaining all business registration records for the state. It is also the home of INBiz, a one-stop, online portal for businesses that streamlines compliance with registration and other government requirements.

Lawson said that the new statute, S.E.A. 443, reflects Indiana’s commitment to making the Hoosier State a great place to do business. “This legislation is another example of our state making every effort to cut government red tape for businesses and promote economic development,” she said.

Current law has similar but completely separate administrative requirements for business corporations, limited liability partnerships, limited partnerships, nonprofit corporations, and limited liability companies. The new legislation takes provisions on business filings, names, registered agents, foreign entities, and administrative dissolution from five different current laws, makes them identical to each other to the extent possible, and places them in a single place in the Indiana Code. A second part of the act also consolidates in one place and makes consistent provisions governing business mergers, interest exchanges, conversions, and domestications. The provisions of existing law affected by these changes have been repealed.

“Now no matter what entity type a business chooses,” Lawson said, “the rules will be the same. This will greatly simplify requirements for businesses and eliminate traps for the unwary,” she added.

The new law takes effect January 1, 2018.

Lawson praised Senator Rodric Bray (R-Martinsville), the principal author of the legislation, and Rep. Martin Carbaugh (R-Fort Wayne), the House sponsor of the bill, for their leadership. Other authors, co-authors, and sponsors of the bill were Senators Eric Koch (R-Bedford), Sen. Mark

Messmer (R-Jasper), Sen. Timothy Lanane (D-Anderson), Sen. Lonnie Randolph (D-East Chicago), and Rep. Edward DeLaney (D-Indianapolis). “The bill passed both houses of the legislature by unanimous votes,” Lawson said, “demonstrating the strong leadership exerted by its sponsors.”

The new legislation was recommended by the Indiana Business Law Survey Commission, a body established by law to advise the Indiana General Assembly on amendments to existing business laws and to recommend new legislation regarding Indiana’s business statutes. The Commission is chaired by Marci A. Reddick, Taft Stettinius & Hollister LLP. The Secretary of State is an ex officio member of the Commission and the Secretary of State’s Office provides the Commission staff. The bill was drafted by a committee of the Commission consisting of Commissioner Frank Sullivan, Jr., Professor of Practice, Indiana University Robert H. McKinney School of Law, and Commissioner Janet L. Monroe, Monroe Legal.

The new legislation was based on two model statutes (the Model Entity Transactions Act and Article 1 of the Uniform Business Organizations Code) developed by the Uniform Law Commission, a national organization that provides states with non-partisan, well-conceived, and well-drafted legislation that brings clarity and stability to critical areas of state statutory law. Indiana is an active participant in the Uniform Law Commission and has adopted many other statutes provided by the Commission.

Lawson thanked the Business Law Survey Commission and the Uniform Law Commission for their contributions to the project. She also expressed appreciation to the Business Law Section of the Indiana State Bar Association chaired by F. Bradford Johnson, Ittenbach & Johnson, PA, for its strong support.

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