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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2026

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A N A C T

RELATING TO UNIFORM COMMERCIAL CODE -- SECURED TRANSACTIONS

Introduced By: Representatives Shallcross Smith, Casey, Fogarty, Hull, Azzinaro,
DeSimone, Casimiro, Solomon, Furtado, and Messier

Date Introduced: March 20, 2026

Referred To: House Corporations

(Secretary of State)

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 6A-9-510 and 6A-9-516 of the General Laws in Chapter 6A-9
2 entitled "Secured Transactions" are hereby amended to read as follows:

3 **6A-9-510. Effectiveness of filed record.**

4 (a) Filed record effective if authorized. A filed record is effective only to the extent that it
5 was filed by a person that may file it under § 6A-9-509 [or by the filing office under § 6A-9-513](#).

6 (b) Authorization by one secured party of record. A record authorized by one secured party
7 of record does not affect the financing statement with respect to another secured party of record.

8 (c) Continuation statement not timely filed. A continuation statement that is not filed within
9 the six-month period prescribed by § 6A-9-515(d) is ineffective.

10 **6A-9-516. What constitutes filing; effectiveness of filing.**

11 (a) What constitutes filing. Except as otherwise provided in subsection (b), communication
12 of a record to a filing office and tender of the filing fee or acceptance of the record by the filing
13 office constitutes filing.

14 (b) Refusal to accept record; filing does not occur. Filing does not occur with respect to a
15 record that a filing office refuses to accept because:

16 (1) The record is not communicated by a method or medium of communication authorized
17 by the filing office;

18 (2) An amount equal to or greater than the applicable filing fee is not tendered;

19 (3) The filing office is unable to index the record because:

- 1 (i) In the case of an initial financing statement, the record does not provide a name for the
2 debtor;
- 3 (ii) In the case of an amendment or information statement, the record:
- 4 (A) Does not identify the initial financing statement as required by § 6A-9-512 or § 6A-9-
5 518, as applicable; or
- 6 (B) Identifies an initial financing statement whose effectiveness has lapsed under § 6A-9-
7 515;
- 8 (iii) In the case of an initial financing statement that provides the name of a debtor identified
9 as an individual or an amendment that provides a name of a debtor identified as an individual which
10 was not previously provided in the financing statement to which the record relates, the record does
11 not identify the debtor's surname; or
- 12 (iv) In the case of a record filed or recorded in the filing office described in § 6A-9-
13 501(a)(1), the record does not provide a sufficient description of the real property to which it relates;
- 14 (4) In the case of an initial financing statement or an amendment that adds a secured party
15 of record, the record does not provide a name and mailing address for the secured party of record;
- 16 (5) In the case of an initial financing statement or an amendment that provides a name of a
17 debtor which was not previously provided in the financing statement to which the amendment
18 relates, the record does not:
- 19 (i) Provide a mailing address for the debtor; or
- 20 (ii) Indicate whether the name provided as the name of the debtor is the name of an
21 individual or an organization;
- 22 (6) In the case of an assignment reflected in an initial financing statement under § 6A-9-
23 514(a) or an amendment filed under § 6A-9-514(b), the record does not provide a name and mailing
24 address for the assignee; ~~or~~
- 25 (7) In the case of a continuation statement, the record is not filed within the six-month
26 period prescribed by § 6A-9-515(d); ~~or~~
- 27 (8) In the case of an initial financing statement or an amendment that was not
28 communicated to the filing office by a trusted filer and the office reasonably believes that the record
29 was caused to be communicated to it with the intent to harass or defraud the person identified as a
30 debtor or if one or more of the following circumstances exist:
- 31 (i) The filing office has reasonable cause to believe the record is materially false or
32 unauthorized;
- 33 (ii) The record asserts a claim against a current or former employee or officer of a federal,
34 state, county, or other local governmental unit that relates to the performance of the officer's or

1 employee's public duties, and for which the filer does not hold a properly executed security
2 agreement or judgment from a court of competent jurisdiction;

3 (iii) The record indicates that the debtor and the secured party are substantially the same or
4 that an individual debtor is a transmitting utility.

5 The filing office has no duty to form a belief as to whether a record was caused to be
6 communicated with the intent to harass or defraud the person identified as debtor and has no duty
7 to investigate or ascertain facts relevant to whether such intent was present.

8 (c) Rules applicable to subsection (b). For purposes of subsection (b):

9 (1) A record does not provide information if the filing office is unable to read or decipher
10 the information; and

11 (2) A record that does not indicate that it is an amendment or identify an initial financing
12 statement to which it relates, as required by § 6A-9-512, 6A-9-514, or 6A-9-518, is an initial
13 financing statement.

14 (d) Refusal to accept record; record effective as filed record. A record that is communicated
15 to the filing office with tender of the filing fee, but which the filing office refuses to accept for a
16 reason other than one set forth in subsection (b), is effective as a filed record except as against a
17 purchaser of the collateral which gives value in reasonable reliance upon the absence of the record
18 from the files.

19 (e) A record that the filing office initially refuses to accept under subsection (b)(8) of this
20 section, but that it later accepts after it receives additional information is effective as if the office
21 had not initially refused to accept it, except as against a purchaser of the collateral that gives value
22 in reasonable reliance upon the absence of the record from the files.

23 SECTION 2. Section 6-1-1.1 of the General Laws in Chapter 6-1 entitled "Filing of Trade
24 Name" is hereby amended to read as follows:

25 **6-1-1.1. Definitions.**

26 For purposes of this chapter, the following definitions apply:

27 (1) "Business" means an occupation, profession, or employment engaged in for the purpose
28 of seeking a profit.

29 (2) "Department" means the department of state.

30 (3) "Distinguishable upon the record" means the standard used by the department of state
31 in its name availability guidelines for domestic entities.

32 (4) "Electronic transmission" means any form of communication, not directly involving
33 the physical transmission of paper, that creates a record that may be retained, retrieved, and
34 reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a

1 recipient through an automated process.

2 (5) "Filing" means delivered to the secretary of state in either paper format or electronic
3 transmission through a medium provided and authorized by the secretary of state.

4 (6) "Municipality" means and includes any city or town within the state.

5 (7) "Person" means any individual, partnership, limited liability company, or corporation
6 conducting or having an interest in a business in the state.

7 (8) "Signature" or "signed" or "executed" means an original signature, facsimile, or an
8 electronically transmitted signature submitted through a medium provided and authorized by the
9 secretary of state.

10 (9) "Solicitation" means a communication or advertisement from a nongovernment third-
11 party entity that is directed to a business that purports to:

12 (i) Notify the business of an operating requirement including, but not limited to, filing
13 documents with or retrieving documents from the secretary of state; or

14 (ii) Offer a service that relates to filing documents with, producing documents for, or
15 reporting information to the secretary of state.

16 ~~(9)~~(10) "Trade name" means a word(s) or names(s), or any combination of a word(s) or
17 name(s), used by a person to identify the person's business that:

18 (i) Is not, or does not include, the true and real name of all persons conducting the business;
19 or

20 (ii) Includes words that suggest additional parties of interest such as "company," "and
21 sons," or "and associates."

22 ~~(10)~~(11) "True and real name" means:

23 (i) The last name of an individual coupled with the first name, middle names, initials, or
24 any combination thereof; or

25 (ii) The designation or identifying name by which an individual is best known and called
26 in the business community where that individual transacts business, if this designation or
27 identifying name is used as that individual's legal signature.

28 SECTION 3. Chapter 6-1 of the General Laws entitled "Filing of Trade Name" is hereby
29 amended by adding thereto the following section:

30 **6-1-10. Prohibition on deceptive solicitations sent to businesses.**

31 (a) An electronic or mailed solicitation as defined in this chapter shall:

32 (1) Include the following statement: "THIS IS AN ADVERTISEMENT. THIS OFFER IS
33 NOT BEING MADE BY, OR ON BEHALF OF, ANY GOVERNMENT AGENCY. YOU ARE
34 NOT REQUIRED TO MAKE ANY PAYMENT OR TAKE ANY OTHER ACTION IN

1 RESPONSE TO THIS OFFER."

2 (i) The statement must be placed at the top of a physical document or the beginning of an
3 electronic communication and must be in at least twenty-four (24) point font;

4 (ii) All other text in the document must be smaller than the statement required by this
5 section.

6 (2) Provide information indicating where an individual can directly file a document with
7 the secretary of state or other state agency or retrieve a copy or certified copy of a certificate or
8 public record;

9 (3) Disclose the name and physical address of the nongovernment third-party entity
10 sending the solicitation. The physical address must not be a post office box or mail forwarding
11 service; and

12 (4) For a mailed solicitation, prominently display in capital letters on the envelope or outer
13 wrapper the words "THIS IS NOT A GOVERNMENT DOCUMENT."

14 (b) The overall design and language of a solicitation as defined in this chapter shall not:

15 (1) Create the impression that the solicitation is an official government notice or document;

16 (2) Incorporate the Rhode Island state seal or other logo or branding of the state or any
17 state agency; or

18 (3) Indicate or imply a legal duty to act on the solicitation or a penalty for failure to act on
19 the solicitation.

20 (c) The attorney general may enforce a violation of this section as an unlawful act or
21 practice under chapter 13.1 of title 6.

22 (d) Any business may bring action under § 6-13.1-5.2 for a violation of this section as an
23 unlawful act or practice under chapter 13.1 of title 6.

24 (e) A solicitation as defined in this chapter shall not include:

25 (1) A request for bona fide services that is initiated by a consumer; or

26 (2) Advertising or marketing to a person with whom the solicitor has a bona fide,
27 preexisting business relationship.

28 SECTION 4. Chapter 6A-9 of the General Laws entitled "Secured Transactions" is hereby
29 amended by adding thereto the following section:

30 **6A-9-513.1. Termination of wrongfully filed financing statement -- Reinstatement.**

31 (a) Trusted Filer. "Trusted filer" means a regulated financial institution or a representative
32 of a regulated financial institution. If a regulated financial institution is attempting to file a financing
33 statement and is organized under the law of a governmental unit other than this state, the filing
34 office may request the regulated financial institution or its representative to provide verification of

1 regulation or license in the jurisdiction under whose law the institution is organized.

2 (b) Affidavit of wrongful filing. A person identified as debtor in a filed financing statement
3 may deliver to the filing office a sworn notarized affidavit that identifies the financing statement
4 by file number, indicates the affiant's mailing address, and states that the affiant believes that the
5 filed record identifying the affiant as debtor was not authorized to be filed and was caused to be
6 communicated to the office with the intent to harass or defraud the affiant. The office may reject
7 an affidavit that is incomplete or that it believes was delivered to it with the intent to harass or
8 defraud the secured party. The secretary of state shall adopt a form of affidavit for use under this
9 section.

10 (c) Termination statement by filing office. Subject to subsection (k) of this section, if an
11 affidavit is delivered to the filing office under subsection (b) of this section, the office shall
12 promptly file a termination statement with respect to the financing statement identified in the
13 affidavit. The termination statement must identify by its file number the initial financing statement
14 to which it relates and must indicate that it was filed pursuant to this section. A termination
15 statement filed under this subsection is not effective until sixty (60) days after it is filed.

16 (d) No fee charged or refunded. The filing office shall not charge a fee for the filing of an
17 affidavit under subsection (b) of this section or a termination statement under subsection (c) of this
18 section. The office shall not return any fee paid for filing the financing statement identified in the
19 affidavit, whether or not the financing statement is reinstated under subsection (g) of this section.

20 (e) Notice of termination statement. On the same day that a filing office files a termination
21 statement under subsection (c) of this section, it shall send to the secured party of record for the
22 financing statement to which the termination statement relates a notice stating that the termination
23 statement has been filed and will become effective sixty (60) days after filing. The notice shall be
24 sent by certified mail, return receipt requested, to the address provided for the secured party of
25 record in the financing statement with a copy sent by electronic mail to the electronic mail address
26 provided by the secured party of record, if any.

27 (f) Administrative review; action for reinstatement. A secured party that believes in good
28 faith that the filed record identified in an affidavit delivered to the filing office under subsection (b)
29 of this section was authorized to be filed and was not caused to be communicated to the office with
30 the intent to harass or defraud the affiant may:

31 (1) Before the termination statement takes effect, request that the office conduct an
32 expedited review of the filed record and any documentation provided by the secured party. The
33 office may as a result of this review remove from the record the termination statement filed by it
34 under subsection (c) of this section before it takes effect and conduct an administrative review

1 under subsection (k) of this section.

2 (2) At any time, file an action against the office seeking reinstatement of the financing
3 statement to which the filed record relates. The action must be filed before the expiration of six
4 months after the date on which the termination stated filed under subsection (c) of this section
5 becomes effective. If the affiant is not named as a defendant in the action, the secured party shall
6 send a copy of the complaint to the affiant at the address indicated in the affidavit. The exclusive
7 venue for the action shall be in the Rhode Island superior court for the county where the filing
8 office in which the financing statement was filed is located. The action shall be considered by the
9 court on an expedited basis.

10 (g) Office to file notice of action for reinstatement. Within ten (10) days after being served
11 with process in an action under subsection (f) of this section, the filing office shall file a notice
12 indicating that the action has been commenced. The notice must indicate the file number of the
13 initial financing statement to which it relates.

14 (h) Action for reinstatement successful. If, in an action under subsection (f) of this section,
15 the court determines that the financing statement was authorized to be filed and was not caused to
16 be communicated to the office with the intent to harass or defraud the affiant, it shall order that the
17 financing statement be reinstated. If an order of reinstatement is issued by the court, the office shall
18 promptly file a record that identifies by its file number the initial financing statement to which the
19 record relates and indicates that the financing statement has been reinstated.

20 (i) Effect of reinstatement. Upon the filing of a record reinstating a financing statement
21 under subsection (h) of this section the effectiveness of the financing statement is reinstated and
22 the financing statement shall be considered never to have been terminated under this section. A
23 continuation statement filed as provided in § 6A-9-515(d) after the effective date of a termination
24 statement filed under subsection (c) or (k) of this section becomes effective if the financing
25 statement is reinstated.

26 (j) Liability for wrongful filing. If, in an action under subsection (f) of this section, the
27 court determines that the filed record identified in an affidavit delivered to the filing office under
28 subsection (b) of this section was caused to be communicated to the filing office with the intent to
29 harass or defraud the affiant, the secretary of state's office and the affiant may recover from the
30 secured party that filed the action the costs and expenses, including reasonable attorneys' fees, that
31 the secretary of state's office and the affiant incurred in the action. This recovery is in addition to
32 any recovery to which the affiant is entitled under § 6A-9-625.

33 (k) Procedure for record filed by trusted filer. If an affidavit delivered to a filing office
34 under subsection (b) of this section relates to a filed record communicated to the office by a trusted

1 filer, the office shall promptly send to the secured party of record a notice stating that the affidavit
2 has been delivered to it and that it is conducting an administrative review to determine whether the
3 record was caused to be communicated with the intent to harass or defraud the affiant. The notice
4 shall be sent by certified mail, return receipt requested, to the address provided for the secured party
5 in the financing statement with a copy sent by electronic mail to the electronic mail address
6 provided by the secured party of record, if any, and a copy shall be sent in the same manner to the
7 affiant. The administrative review shall be conducted on an expedited basis and the office may
8 require the affiant and the secured party of record to provide any additional information that the
9 office deems appropriate. If the office concludes that the record was caused to be communicated
10 with the intent to harass or defraud the affiant, it shall promptly file a termination statement under
11 subsection (b) of this section that will be effective immediately and send to the secured party of
12 record the notice required by subsection (e) of this section. The secured party may thereafter file
13 an action for reinstatement under subsection (f) of this section and the provisions of subsections (g)
14 through (j) of this section are applicable.

15 SECTION 5. Title 7 of the General Laws entitled "CORPORATIONS, ASSOCIATIONS,
16 AND PARTNERSHIPS" is hereby amended by adding thereto the following chapter:

17 CHAPTER 17

18 DECEPTIVE SOLICITATIONS SENT TO BUSINESSES

19 **7-17-1. Prohibition on deceptive solicitations sent to businesses.**

20 (a) For purposes of this chapter, "solicitation" shall be construed to mean a communication
21 or advertisement from a nongovernment third-party entity that is directed to a business that purports
22 to:

23 (1) Notify the business of an operating requirement including, but not limited to, filing
24 documents with or retrieving documents from the secretary of state; or

25 (2) Offer a service that relates to filing documents with, producing documents for, or
26 reporting information to the secretary of state.

27 (b) For purposes of this chapter, all entity formations authorized under title 7 shall be
28 considered a business that receives solicitations from a nongovernment third-party entity.

29 (c) An electronic or mailed solicitation include the following statement:

30 (1) "THIS IS AN ADVERTISEMENT. THIS OFFER IS NOT BEING MADE BY, OR
31 ON BEHALF OF, ANY GOVERNMENT AGENCY. YOU ARE NOT REQUIRED TO MAKE
32 ANY PAYMENT OR TAKE ANY OTHER ACTION IN RESPONSE TO THIS OFFER."

33 (i) The statement must be placed at the top of a physical document or the beginning of an
34 electronic communication and must be in at least twenty-four (24) point font;

1 (ii) All other text in the document must be smaller than the statement required by this
2 section.

3 (2) Provide information indicating where an individual can directly file a document with
4 the secretary of state or other state agency or retrieve a copy or certified copy of a certificate or
5 public record;

6 (3) Disclose the name and physical address of the nongovernment third-party entity
7 sending the solicitation. The physical address must not be a post office box or mail forwarding
8 service; and

9 (4) For a mailed solicitation, prominently display in capital letters on the envelope or outer
10 wrapper the words "THIS IS NOT A GOVERNMENT DOCUMENT."

11 (c) The overall design and language of a solicitation shall not:

12 (1) Create the impression that the solicitation is an official government notice or document;

13 (2) Incorporate the Rhode Island state seal or other logo or branding of the state or any
14 state agency; or

15 (3) Indicate or imply a legal duty to act on the solicitation or a penalty for failure to act on
16 the solicitation.

17 **7-17-2. Investigations and enforcement**

18 The attorney general may enforce a violation of § 7-17-1 as an unlawful act or practice
19 under chapter 13.1 of title 6.

20 **7-17-3. Private actions.**

21 Any business may bring action under § 6-13.1-5.2 for a violation of § 7-17-1 as an unlawful
22 act or practice under chapter 13.1 of title 6.

23 **7-17-4. Exemption.**

24 A solicitation does not include:

25 (1) A request for bona fide services that is initiated by a consumer; or

26 (2) Advertising or marketing to a person with whom the solicitor has a bona fide,
27 preexisting business relationship.

28 SECTION 6. Title 7 of the General Laws entitled "CORPORATIONS, ASSOCIATIONS,
29 AND PARTNERSHIPS" is hereby amended by adding thereto the following chapter:

30 CHAPTER 18

31 UNAUTHORIZED FILING

32 **7-18-1. Unauthorized entity formation.**

33 (a) For purposes of this section:

34 (1) "Complainant" means a person, director, officer, manager, member, or other authorized

1 representative of an entity, as hereinafter defined, who submits an affidavit of unauthorized
2 formation related to that entity to the secretary of state as prescribed in subsection (e) of this section;
3 and

4 (2) "Entity" means a business corporation, a nonprofit corporation, a limited liability
5 partnership, a limited liability company, or a limited partnership as defined in chapters 1.2, 6, 12.1,
6 13.1, and 16 of title 7, respectively.

7 (b) A complainant may submit an affidavit of unauthorized formation to the secretary of
8 state if the complainant alleges that an entity made a materially false statement when procuring
9 either its articles of incorporation, articles of organization, or articles of formation submitted to the
10 secretary of state. A complainant who knowingly submits an affidavit of unauthorized formation
11 to the secretary of state under false pretenses may be found guilty of a crime in accordance with §
12 11-18-1.

13 (c) An entity formation shall be considered unauthorized if a materially false statement is
14 made when procuring either its articles of incorporation, articles of organization, or articles of
15 formation submitted to the secretary of state by using the complainant's identity without the
16 complainant's permission or consent.

17 (d) Complainant shall file an affidavit of unauthorized formation on a form provided by
18 the secretary of state.

19 (e) The secretary of state may determine an entity formation as unauthorized upon receipt
20 of a duly complete affidavit of unauthorized formation that satisfies all requirements in this section
21 and in conjunction with:

22 (1) A review of any application, report, affidavit, or other document(s) submitted by the
23 complainant to the secretary of state;

24 (2) A review of any application, report, affidavit, or other document(s) submitted by the
25 entity's officer(s), board of directors, authorized representative, or registered agent to the secretary
26 of state;

27 (3) Evidence of any police report submitted by the complainant to the secretary of state
28 and/or of the police report number indicated on the affidavit of unauthorized formation submitted
29 by the complainant;

30 (4) Evidence that the complainant has reported the unauthorized formation to the United
31 States Federal Trade Commission; and

32 (5) Any other reasonable additional documentary evidence requested by the secretary of
33 state.

34 (f) Upon receipt of an affidavit of unauthorized formation submitted by a complainant

1 pursuant to this section, the secretary of state shall review the affidavit within five (5) business days
2 and confirm the affidavit satisfies the requirements of this section or:

3 (1) The secretary of state may ask the complainant to submit additional information or may
4 propound interrogatories that may be reasonably necessary and proper to enable the secretary of
5 state to ascertain whether the formation referenced in the affidavit complied with the applicable
6 provisions of title 7 to which the affidavit applies. The interrogatories must be answered within ten
7 (10) business days after their mailing, and the answers to the interrogatories must be full and
8 complete and made in writing and under oath. If the interrogatories are directed to an individual
9 they must be answered by him or her, and if directed to an entity they must be answered by an
10 officer, general partner, or authorized representative. Each individual or entity that fails or refuses
11 to answer truthfully and fully within the time period prescribed by this section, is guilty of a
12 misdemeanor and upon conviction of it may be fined in any amount not exceeding five hundred
13 dollars (\$500). Interrogatories propounded by the secretary of state and the answers to the
14 interrogatories are not open to public inspection, nor may the secretary of state disclose any facts
15 or information obtained from them except insofar as the secretary's official duty requires the facts
16 or information to be made public or in the event the interrogatories or their answers are required
17 for evidence in any criminal proceedings or any other action by this state.

18 (2) The secretary of state may reject an affidavit of unauthorized formation if the
19 complainant fails to complete the affidavit and/or respond to a request for additional information
20 or interrogatories.

21 (g) The secretary of state shall notify the complainant within ten (10) business days after
22 receipt of an affidavit of unauthorized formation and/or requested additional information or
23 answers to issued interrogatories, determining to:

24 (1)(i) Accept the allegation(s) submitted by the complainant in the affidavit of unauthorized
25 formation and deem the incorporation, organization, or formation null and void, thereby removing
26 the incorporation, organization, or formation document(s) and complainant's name and/or address
27 from the corporate record; or

28 (ii) If an entity's articles of incorporation, organization, or formation document(s) are
29 declared as an unauthorized by the secretary of state and an authorized person representing the
30 entity disagrees with the secretary of state's determination, they can appeal to the superior court of
31 the county in which the registered office of the entity is located, or is proposed to be situated by
32 filing with the clerk of the court a petition setting forth a copy of the articles of incorporation,
33 organization, or formation document(s) sought to be filed and a copy of the written disapproval of
34 the document by the secretary of state; at which time the matter may be tried de novo by the court,

1 and the court shall either sustain the action of the secretary of state or direct the secretary to take
2 any action that the court deems proper;

3 (2) Reject the allegation(s) submitted by the complainant in the affidavit of unauthorized
4 formation, either due to the complainant not fulfilling the requirements stipulated in this section,
5 and/or after determining the entity's incorporation, organization, or formation was authorized and
6 valid;

7 (i) If the secretary of state declines the allegation(s) submitted by the complainant in an
8 affidavit of unauthorized formation as described in this section, the complainant may:

9 (A) Resubmit an affidavit of unauthorized formation to the secretary of state; or

10 (B) Appeal to the superior court of the county in which the registered office of the entity
11 is, or is proposed to be, situated by filing with the clerk of the court a petition setting forth a copy
12 of the articles of incorporation, organization, or formation document(s) sought to be filed and a
13 copy of the written disapproval of the document by the secretary of state; at which time the matter
14 may be tried de novo by the court, and the court shall either sustain the action of the secretary of
15 state or direct the secretary to take any action that the court deems proper.

16 (h) The secretary of state may refer to the attorney general or state police the allegation(s)
17 submitted by the complainant in the affidavit of unauthorized formation for any potential criminal
18 investigation.

19 (i) The secretary of state may promulgate rules and regulations for the application of this
20 section pursuant to chapter 35 of title 42 ("administrative procedures.").

21 **7-18-2. Unauthorized entity reporting.**

22 (a) For purposes of this section:

23 (1) "Complainant" means a person, director, officer, manager, member, or other authorized
24 representative of an entity, as hereinafter defined who submits an affidavit of unauthorized
25 reporting to the secretary of state as prescribed in subsection (e) of this section related to that entity;
26 and

27 (2) "Entity" means a business corporation, a nonprofit corporation, a limited liability
28 partnership, a limited liability company, or a limited partnership as defined in this title in chapters
29 1.2, 6, 12.1, 13.1, and 16 of title 7, respectively.

30 (b) A complainant may submit an affidavit of unauthorized reporting to the secretary of
31 state if the complainant alleges that a materially false statement was made on any application,
32 report, affidavit, or other document(s) submitted to the secretary of state. A complainant who
33 knowingly submits an affidavit of unauthorized reporting to the secretary of state under false
34 pretenses may be found guilty of a crime in accordance with § 11-18-1.

1 (c) An entity's application, report, affidavit, or other document(s) submitted to the secretary
2 of state shall be considered unauthorized if a materially false statement was made in any
3 application, report, affidavit, or other document(s) submitted to the secretary of state without the
4 complainant's permission or consent.

5 (d) The secretary of state may determine an entity's filed application, report, affidavit, or
6 other document(s) as unauthorized upon receipt of a duly complete affidavit of unauthorized
7 reporting that satisfies all requirements in this section and in conjunction with:

8 (1) A review of any application, report, affidavit, or other document(s) submitted by the
9 complainant to the secretary of state;

10 (2) A review of any application, report, affidavit, or other document(s) submitted by the
11 entity's officer(s), board of directors, authorized representative, or registered agent to the secretary
12 of state;

13 (3) Evidence of any police report submitted by the complainant to the secretary of state
14 and/or of the police report number indicated on the affidavit of unauthorized reporting submitted
15 by the complainant;

16 (4) Evidence that the complainant has reported the unauthorized reporting to the United
17 States Federal Trade Commission; and

18 (5) Any other reasonable additional documentary evidence requested by the secretary of
19 state.

20 (e) Complainant shall file an affidavit of unauthorized reporting on a form provided by the
21 secretary of state.

22 (f) Upon receipt of an affidavit of unauthorized reporting submitted by a complainant
23 pursuant to this section, the secretary of state shall review the affidavit within five (5) business days
24 and confirm the affidavit satisfies the requirements of this section or:

25 (1) The secretary of state may ask the complainant to submit additional information or may
26 propound interrogatories that may be reasonably necessary and proper to enable the secretary of
27 state to ascertain whether the formation referenced in the affidavit complied with the applicable
28 provisions of title 7 to which the affidavit applies. The interrogatories must be answered within ten
29 (10) business days after their mailing, and the answers to the interrogatories must be full and
30 complete and made in writing and under oath. If the interrogatories are directed to an individual
31 they must be answered by him or her, and if directed to an entity they must be answered by an
32 officer, general partner, or authorized representative. Each individual or entity that fails or refuses
33 to answer truthfully and fully within the time prescribed by this section, is guilty of a misdemeanor
34 and upon conviction of it may be fined in any amount not exceeding five hundred dollars (\$500).

1 Interrogatories propounded by the secretary of state and the answers to the interrogatories are not
2 open to public inspection, nor may the secretary of state disclose any facts or information obtained
3 from them except insofar as the secretary's official duty requires the facts or information to be made
4 public or in the event the interrogatories or their answers are required for evidence in any criminal
5 proceedings or any other action by this state.

6 (2) The secretary of state may reject an affidavit of unauthorized reporting if the
7 complainant fails to complete the affidavit and/or respond to a request for additional information
8 or interrogatories.

9 (g) The secretary of state shall notify the complainant within ten (10) business days after
10 receipt of an affidavit of unauthorized reporting and/or requested additional information or answers
11 to issued interrogatories, determining to:

12 (1)(i) Accept the allegation(s) submitted by the complainant in the affidavit of unauthorized
13 reporting and deem the application, report, affidavit, or other document(s) null and void, thereby
14 removing them from the entity's record; or

15 (ii) If an entity's application, report, affidavit, or other document(s) are declared as an
16 unauthorized reporting by the secretary of state and an authorized person representing the entity
17 disagrees with the secretary of state's determination, they can appeal to the superior court of the
18 county in which the registered office of the entity is located, or is proposed to be situated by filing
19 with the clerk of the court a petition setting forth a copy of the entity's application, report, affidavit,
20 or other document(s) sought to be filed and a copy of the written disapproval of the document by
21 the secretary of state; at which time the matter may be tried de novo by the court, and the court
22 shall either sustain the action of the secretary of state or direct the secretary to take any action that
23 the court deems proper;

24 (2) Reject the allegation(s) submitted by the complainant in the affidavit of unauthorized
25 reporting, either due to the complainant not fulfilling the requirements stipulated in this section
26 and/or after determining an entity's application, report, affidavit, or other document(s) is authorized
27 and valid;

28 (i) If the secretary of state declines the allegation(s) submitted by the complainant in an
29 affidavit of unauthorized reporting as described in this section, the complainant may:

30 (A) Resubmit an affidavit of unauthorized reporting to the secretary of state; or

31 (B) Appeal to the superior court of the county in which the registered office of the entity is
32 located, or is proposed to be located, situated by filing with the clerk of the court a petition setting
33 forth a copy of the articles or other document sought to be filed and a copy of the written disapproval
34 of the document by the secretary of state; at which time the matter may be tried de novo by the

1 court, and the court shall either sustain the action of the secretary of state or direct the secretary to
2 take any action that the court deems proper.

3 (h) The secretary of state may refer to the attorney general or state police the allegation(s)
4 submitted by the complainant in the affidavit of unauthorized reporting for any potential criminal
5 investigation.

6 (i) The secretary of state may promulgate rules and regulations for the application of this
7 section pursuant to chapter 35 of title 42 ("administrative procedures").

8 SECTION 7. This act shall take effect on July 1, 2026.

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LC006142
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO UNIFORM COMMERCIAL CODE -- SECURED TRANSACTIONS

1 This act would make a series of amendments and add new provisions of law to address
2 business identity theft and deceptive solicitations sent to businesses and the unauthorized formation
3 of entities.

4 This act would take effect on July 1, 2026.

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LC006142
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