

BEFORE THE SECRETARY OF STATE  
OF THE STATE OF MONTANA

In the matter of the adoption of New ) NOTICE OF PUBLIC HEARING ON  
Rule I pertaining to the Business ) PROPOSED ADOPTION  
Services annual report filing fee )  
waiver in 2024 )

TO: All Concerned Persons

1. On February 3, 2023, at 11:00 a.m., the Secretary of State will hold a public hearing in the Secretary of State's Office conference room, Room 260, State Capitol, Helena, Montana, to consider the proposed adoption of the above-stated rule.

2. The Secretary of State will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact the Secretary of State no later than 5:00 p.m., January 27, 2023, to advise us of the nature of the accommodation that you need. Please contact Sue Ames, Secretary of State's Office, P.O. Box 202801, Helena, MT 59620-2801; telephone (406) 444-2807; fax (406) 444-3976; TDD/Montana Relay Service (406) 444-9068; or email [sames@mt.gov](mailto:sames@mt.gov).

3. The rule proposed to be adopted provides as follows:

NEW RULE I 2024 ANNUAL REPORT FEE WAIVER (1) For all annual reports filed between January 1, 2024 and April 15, 2024, the Secretary of State's Office will waive the fee required by ARM 44.5.114(3)(e) and 44.5.115(3)(d).

AUTH: 2-15-405, MCA  
IMP: 2-15-405, MCA

REASONABLE NECESSITY: Montana has experienced record growth in new business filings over the last three years (21% in 2020, 28% in 2021, and 3% in 2022). In addition, the online business filing system implemented in December 2020 provides efficiencies that reduce review and processing time by the Secretary of State's Office staff. Montana law (2-15-405, MCA) allows the Secretary of State to establish fees commensurate with the overall costs of the office. After a review of the office's operational revenue and expenses, it was determined that it is appropriate to propose a one-time fee waiver for all businesses filing an annual report (on time) in 2024.

4. With regard to the requirements of 2-4-302(1)(c), MCA, it has been determined that these changes will have a fiscal impact. It is estimated that there are currently approximately 224,000 active businesses. If those businesses file their 2024 annual report by the deadline, the elimination of the annual report filing fee will

result in an estimated \$4,480,000 savings for those businesses. The estimated impact for each fee is below:

- 44.5.114(3)(e) – Corporations
  - Approximately 62,000 businesses will save \$1,240,000 through this fee waiver.
- 44.5.115(3)(d) – Limited Liability Companies
  - Approximately 162,000 businesses will save \$3,240,000 through this fee waiver.

5. Concerned persons may submit their data, views, or arguments either orally or in writing at the hearing. Written data, views, or arguments may also be submitted to: Angela Nunn, Secretary of State's Office, P.O. Box 202801, Helena, Montana 59620-2801, or by e-mailing [angela.nunn@mt.gov](mailto:angela.nunn@mt.gov), and must be received no later than 5:00 p.m., February 10, 2023.

6. Austin James, Secretary of State's Office, has been designated to preside over and conduct the hearing.

7. The Secretary of State maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list may submit their request online at <https://sosmt.gov/arm/secretary-of-state-administrative-rules/> or submit a written request which includes the name and contact information of the person who wishes to receive notices. Written requests may be mailed or delivered to the Secretary of State's Office, Administrative Rules Services, 1301 E. 6th Avenue, P.O. Box 202801, Helena, MT 59620-2801, or emailed to [sosarm@mt.gov](mailto:sosarm@mt.gov).

8. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

9. With regard to the requirements of 2-4-111, MCA, the Secretary of State has determined that the adoption of the above-referenced rule will directly impact small businesses. Based on the Montana Department of Labor and Industry's Quarterly Census of Employment and Wages, 99.9% of all Montana businesses are small businesses. Therefore, it is estimated that approximately 223,776 businesses registered with the Secretary of State's Office will be positively impacted by the proposed annual report fee waiver in 2024.

/s/ AUSTIN JAMES  
Austin James  
Rule Reviewer

/s/ CHRISTI JACOBSEN  
Christi Jacobsen  
Secretary of State

Dated this 3rd day of January, 2023.