

From: Phil McGrane pmcgrane@sos.idaho.gov 
Subject: FW: HB 708 Amendment
Date: March 13, 2024 at 10:59 AM
To: Representative Dustin Manwaring dmanwaring@house.idaho.gov
Cc: jehlers@house.idaho.gov, Rob McQuade rmcquade@sos.idaho.gov, Jason Lehosit jlehosit@sos.idaho.gov, Nicole Fitzgerald nfitzgerald@sos.idaho.gov

Hi Representatives Manwaring and Ehlers,

Thanks again for meeting with us yesterday and being willing to hear out some of our concerns. Based upon our discussion, Rob worked through a few ways we could try to address our primary concern about it being interpreted to encompass other corporations. Take a look at the suggested edits below. I believe it captures what you said, Rep. Manwaring, while also addressing what we are concerned about. We tried to be judicious in our edits. Our thought is that we could work over the break to propose any other changes for next session. If this looks okay to you, we can work with you on the Senate side to incorporate these changes.

Thanks,
Phil



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VOTE IDAHO

- (2) The state shall not ~~create a corporation or act as the incorporator of~~ file, nor cause to be filed on its behalf, and the secretary of state shall not accept, articles of incorporation for any corporation that is provided for in subsection (1) of this section except as expressly authorized by the legislature through the enactment of general laws pursuant to subsection (4) of this section. Provided, however, that the state shall not constitute the voting majority of the board of directors or members of a corporation or its subsidiary. For purposes of this section, "state" means the state of Idaho, a state officer acting in an official capacity, a state employee acting within the scope of employment, or a state agency, department, division, bureau, board commission, or institution.
- (3) ~~A corporation shall not be incorporated by the state~~ The state shall not file, nor cause to be filed on its behalf, articles of incorporation for a corporation to carry out a purpose or function in lieu of the state or to receive or expend appropriated funds in furtherance of such purpose or function.

The language is based on the incorporation code sections in the General Business Corporations Act (Chapter 29, Title 30) and the Nonprofit Corporations Act (Chapter 30, Title 30), which are below.

30-29-203. INCORPORATION. (a) Unless a delayed effective date is specified, the corporate existence begins when the articles of incorporation are filed.