

HB 3588 -1 STAFF MEASURE SUMMARY

House Committee On Economic Development, Small Business, and Trade

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Meeting Dates: 3/17, 4/9

WHAT THE MEASURE DOES:

The measure directs the Secretary of the State to study the effect of requiring physical street addresses for business registrations, in light of changes to postal regulations. It requires them to send a report to the Legislative Assembly by September 15, 2026, and repeals these requirements on January 2, 2027.

ISSUES DISCUSSED:

- How other states regulate Commercial Mail Receiving Agencies (CMRAs)
- Impact of updates to United State Postal Service (USPS) regulations

EFFECT OF AMENDMENT:

-1 Replaces the measure. It directs the Secretary of State to accept a Commercial Mail Receiving Agency (CMRA) as a business entity's principal office if the physical street address of the business entity's principal executive offices is the same as that of the CMRA. It directs the Secretary of State to protect such addresses from public disclosure if requested. It declares an emergency and is effective on passage.

- *FISCAL: Has minimal fiscal impact.*
- *REVENUE: No revenue impact.*

BACKGROUND:

Current law requires businesses to include a physical street address when they register with the Secretary of State. It specifies that the physical address may not be a Commercial Mail Receiving Agencies (CMRAs), mail forwarding service, or virtual office. House Bill 2191 (2017) enacted these changes, aiming to prevent shell companies from conducting illegal activities in the state. In 2023, the United State Postal Service (USPS) updated its regulations to broaden the definition of CMRAs, classifying many legitimate office spaces as CMRAs, including co-working spaces and law office suites. Due to this change, an increasing number of businesses have been unable to register at their office location because they receive mail through a shared system. Some business owners are using their home addresses, which raises privacy concerns.

House Bill 3588 directs the Secretary of the State to study the effect of requiring physical street addresses for business registrations in light of these changes. The -1 amendment directs the Secretary of State to accept a CMRA as a business entity's principal office, if the physical street address of the business's principal executive offices is the same as that of the CMRA.