

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4519-02
Bill No.: HB 1664
Subject: Business and Commerce: Corporations; Secretary of State
Type: Original
Date: March 24, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Public Defender, Department of Corrections,** and the **Department of Insurance** stated this proposal would have no fiscal impact on their respective agencies.

Officials from the **Office of Attorney General** assume any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Office of State Courts Administrator** stated this proposal would have no fiscal impact on the Courts.

Officials from the **Office of Secretary of State (SOS)** assumed the rules, regulations and forms issued by the Office of Secretary of State could require as many as 8 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual costs could be more or less the SOS's estimated cost of \$492 for FY 2005. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

ASSUMPTION (continued)

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Office of Secretary of State - Corporations Division** assume the reduction in filing fees for online annual report filings will be offset with the reduction in FTE. Fictitious filing will have to renew which will also assist in offsetting the reduction of online filing fees. Any technology requirements will be funded by the Secretary of State Technology Trust Fund, not General Revenue.

Officials from the **Office of Prosecution Services** did not respond to a request for fiscal note; however, **Oversight** assumes that any costs to prosecutors could be absorbed with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses could be fiscally impacted due to filing requirement changes.

DESCRIPTION

This proposal modifies procedures for registration of an entity as a limited liability company (LLC), limited partnership (LP), limited liability partnership (LLP), or limited liability limited partnership (LLLP).

The proposal eliminates all notary acts on corporate documents, removes the requirement for duplicate documents for the customer as well as provide clarification on a number of filing

DESCRIPTION (continued)

requirements for business customers. For mergers it simplifies the merger process to require only summaries for mergers. These changes will eliminate several areas that employees have to check for accuracy. Additionally it allows for the possibility to expand online filing of other corporate documents.

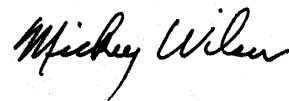
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Secretary of State
Corporations Division
Administrative Rules Division
Office of State Public Defender
Office of State Courts Administrator
Department of Insurance
Department of Corrections

NOT RESPONDING

Office of Prosecution Services



Mickey Wilson, CPA
Director
March 24, 2004