COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

<u>LR No.</u>:   1493-02
<u>Bill No.</u>:   HCS for SB 308
<u>Subject</u>:   Secretary of State: Corporations
<u>Type</u>:   Original
<u>Date</u>:   April 18, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> 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 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	**$0**	**$0**	**$0**

FISCAL ANALYSIS

<u>ASSUMPTION</u>

SECTION 351.488

Officials from the **Department of Revenue** state this proposal has no fiscal impact on their agency.

Officials from the **Department of Revenue - Division of Taxation and Collection** state this proposal will have no administrative fiscal impact on their Division.

According to officials from the office of **Secretary of State - Division of Business Services** state that there would be a decrease of $55 per affected business; however, the number of businesses affected is estimated to be less than ten per year. **Oversight** assumes the amount to be minimal and for fiscal note purposes, this amount will be shown as $0.

SECTION 355.716

Officials of the **Office of Attorney General** assume no fiscal impact to their office.

Officials of the **Office of Secretary of State - Business Services Division** assume no fiscal impact to their division or to the State's General Revenue Fund. Officials stated that there could

WB:LR:OD (12/02)

ASSUMPTION (continued)

be an increase of revenue from fees related to reinstatement. **Oversight** assumes because this proposal only applies to a corporation that forfeited after 1978 for failure to file an annual report, that this would only affect a small number of corporations, and any fee revenue would be minimal. For the purposes of this fiscal note, fiscal impact will be shown as $0.

FISCAL IMPACT - State Government	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>$0</u>	<u>$0</u>	<u>$0</u>

FISCAL IMPACT - Local Government	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>$0</u>	<u>$0</u>	<u>$0</u>

FISCAL IMPACT - Small Business

Small businesses that would apply for reinstatement after forfeiture for failing to file an annual report would be expected to pay a reinstatement fee as a result of this proposal. Cost savings could result if a small savings was an LLC or a corporation and the owner is service in the military.
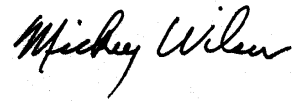
DESCRIPTION

The proposed legislation allows a not-for-profit corporation to apply for reinstatement if it had been forfeited after 1978 for failure to file an annual report. If the corporation is administratively dissolved for failure to file an annual registration report and the Secretary of State determines that the failure was due to military service, the proposal authorizes the Secretary of State to waive the reinstatement fees and other associated penalties, cancel the certificate of dissolution, prepare a certificate of reinstatement, and provide a copy to the corporation.

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
        Division of Business Services
Department of Revenue
        Division of Taxation and Collection
Office of Attorney General

Mickey Wilson, CPA
Director
April, 2005