

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2777-03
BILL NO.: Perfected SB 896
SUBJECT: Corporations: Business and Commerce
TYPE: Original
DATE: March 15, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	\$0 to (\$65,813)	(unknown)	(unknown)
Total Estimated Net Effect on <u>All</u> State Funds*	\$0 to (\$65,813)	(unknown)	(unknown)

*Costs are expected to be less than \$65,813.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Department of Revenue assumes no fiscal impact.

Department of Insurance assumes no fiscal impact.

Officials of the **Office of Secretary of State** stated this proposal requires limited liability and limited partnership companies to publish notice of dissolution in the Missouri Register if they want to bar unknown claims against their company. Officials stated that last year approximately 2925 voluntary dissolutions were filed with the Secretary of State. Officials assume some but not all of these dissolving companies would publish notice to bar unknown claims. Officials stated that they have no record of the number of companies that actually publish such a notice, however, the estimated cost of publishing one page in the Missouri Register is \$22.50.

The maximum estimated cost based on 1999 records if every dissolving company chose to publish would be \$65,813, but the actual cost would be some amount less than this number, since it is unlikely that every company would publish notice. For FY2001 cost of publication will be shown as \$0 to \$65,813 and for FY2002 and FY2003 cost will be shown as (unknown). Officials assume that each year cost would decrease.

<u>FISCAL IMPACT - State Government</u>	FY 2001	FY 2002	FY 2003
	(10 Mo.)		
GENERAL REVENUE FUND			
<u>Cost to Secretary of State</u>	\$0 to		
for publication cost *	(65,813)	(unknown)	(unknown)

***Number of filings for publication are expected to decrease each year, therefore, costs in FY2002 and FY2003 should be less than in FY2001. Costs in FY2001 are estimated to be less than \$65,813.**

<u>FISCAL IMPACT - Local Government</u>	FY 2001	FY 2002	FY 2003
	(10 Mo.)		
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

L.R. NO. 2777-03
BILL NO. Perfected SB 896
PAGE 3 OF 3
March 15, 2000

DESCRIPTION

This act makes several changes to laws relating to limited liability companies (LLC) and limited liability partnerships (LLP).

LIMITED LIABILITY COMPANIES

Notice requirements for winding up a dissolved LLC would require publication in the Missouri Register. The requirement to provide local notice is deleted.

LIMITED LIABILITY PARTNERSHIPS

Allows LLPs to be perpetual in their existence. Current law limits existence to a number of years.

Adds notice of winding up and publishing requirements for LLP's which is similar to that for LLCs.

GENERAL BUSINESS ORGANIZATIONS

Notice requirements for winding up a dissolved corporation would require publication in the Missouri Register. The requirement to provide local notice is deleted.

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

Secretary of State
Department of Insurance
Department of Revenue



Jeanne Jarrett, CPA
Director
March 15, 2000