

State Corporation Commission 2022 Fiscal Impact Statement

1. Bill Number: HB 309

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Rasoul

3. Committee: Commerce and Energy

4. Title: Limited liability companies; prepayment of annual registration fees.

5. Summary: Permits domestic and foreign limited liability companies to prepay annual registration fees for two or three years. Under the bill, a domestic or foreign limited liability company must make the election to prepay its annual registration fees before its annual registration fee would otherwise be due and seek approval from the State Corporation Commission to engage in prepayment for two or three years. The bill provides that such optional prepayment does not apply to the initial annual registration fees assessed against limited liability company that is newly formed or recently converted from another entity. The bill requires that, if applicable, the Commission provide notice of this prepayment option to a foreign or domestic limited liability company that has failed to pay its annual registration fee as a method of avoiding future delinquencies.

6. Budget Amendment Necessary: Yes

7. Fiscal Impact Estimates: Fiscal Impact Estimates are Preliminary

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2023	164,000		02173 (Cardinal)
2024			

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2023		
2024	8,890,068	SF
2025	2,074,349	SF
2026	(29,634)	SF
2027	(1,200,159)	SF
2028	(1,304,766)	SF
2029	1,315,048	SF

8. Fiscal Implications: Total estimated one-time programming cost that will be realized in fiscal year 2023 is \$164,000. The amount of money transferred annually from the Regulation of Business Practices Special Fund to the General Fund will be impacted since registration

fee revenue will vary from year to year as a result of entities prepaying registration fees for up to 3 years.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission

10. Technical Amendment Necessary: No

11. Other Comments: None