

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5032-01  
Bill No.: HB 2092  
Subject: Business and Commerce; Secretary of State  
Type: Original  
Date: April 4, 2008

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Bill Summary: Changes the laws regarding limited liability companies.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	\$125,000	\$150,000	\$150,000
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$125,000</b>	<b>\$150,000</b>	<b>\$150,000</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Technology	\$6,250	\$7,500	\$7,500
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$6,250</b>	<b>\$7,500</b>	<b>\$7,500</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Economic Development** and **Department of Revenue** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Secretary of State (SOS)** estimate that limited liability company (LLC) creations will increase by 5%. Approximately 30,000 new LLCs are filed annually with the SOS. Therefore, filing fees (to General Revenue and Technology Fund) will increase by an estimated total of \$157,500 annually.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
<b>GENERAL REVENUE FUND</b>			
<u>Income - SOS</u>			
Filing fees	<u>\$125,000</u>	<u>\$150,000</u>	<u>\$150,000</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>\$125,000</u></b>	<b><u>\$150,000</u></b>	<b><u>\$150,000</u></b>
<b>TECHNOLOGY FUND</b>			
<u>Income - SOS</u>			
Filing fees	<u>\$6,250</u>	<u>\$7,500</u>	<u>\$7,500</u>
<b>ESTIMATED NET EFFECT ON TECHNOLOGY FUND</b>	<b><u>\$6,250</u></b>	<b><u>\$7,500</u></b>	<b><u>\$7,500</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### FISCAL IMPACT - Small Business

This proposal will directly impact small business limited liability companies.

HWC:LR:OD (12/02)

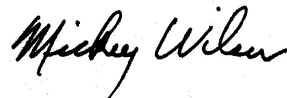
### FISCAL DESCRIPTION

This proposal changes the designation for a limited liability company's representative for tax payment purposes from an authorized person to a responsible person. A "responsible person" is specified as a manager or any member who is designated a responsible member in the articles of incorporation or has the direct control, supervision, or responsibility for filing returns and making tax payments. No member of a company can be held liable for any payroll, sales, or employment security taxes solely on the basis of the person's membership in the company. A certificate of amendment for continuation of a limited partnership under Section 359.451, RSMo, is required to be signed by each general partner designated in the certificate as a new general partner with a statement affirming the occurrence of the specific event of withdrawal of the former partners.

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

Department of Economic Development  
Department of Revenue  
Office of Secretary of State



Mickey Wilson, CPA  
Director  
April 4, 2008