

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0906-01
Bill No.: Perfected HB 233
Subject: Agriculture and Animals; Agriculture Department; Corporations
Type: Original
Date: February 25, 2015

Bill Summary: This proposal waives corporate registration report requirements for certain farming corporations.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	Up to (\$14,000)	Up to (\$30,000)	Up to (\$30,000)
Total Estimated Net Effect on General Revenue	Up to (\$14,000)	Up to (\$30,000)	Up to (\$30,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Secretary of State's Technology Trust	(\$30,000)	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(\$30,000)	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§ 351.120 - Farming Corporation Registration Report Requirements:

Officials from the **Office of Secretary of State (SOS)** assume this proposal would exempt Authorized Farm Corporations and Family Farm Corporations from filing annual registration reports with a \$45 fee if no registration information has changed.

SOS notes there are approximately 765 Authorized Farm Corporations and Family Farm Corporations in good standing in Missouri. SOS would anticipate 40% of those companies will not file an annual or biennial report in the first year, and 85% of the qualifying corporations not filing an annual or biennial report in subsequent years.

SOS assumes they would have to contract with a vendor to change the automated processes performed by SOS business software. This would include removing certain notifications sent to businesses about annual report requirements. SOS anticipates a cost of \$30,000 to their Technology Trust Fund to change the current software operated by the Business Services Division.

SOS also estimates losses of \$14,000 from the report filing fees in the first year and \$30,000 in subsequent years.

Officials from the **Department of Agriculture** assume the proposal would not fiscally impact their agency.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
-----------------------------------------	---------------------	---------	---------

GENERAL REVENUE FUND

Loss - SOS

§ 351.120 - Annual Registration Report exemption for Authorized Farm Corporations and Family Farm Corporations	<u>Up to (\$14,000)</u>	<u>Up to (\$30,000)</u>	<u>Up to (\$30,000)</u>
----------------------------------------------------------------------------------------------------------------	-------------------------	-------------------------	-------------------------

ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND

<u><u>Up to (\$14,000)</u></u>	<u><u>Up to (\$30,000)</u></u>	<u><u>Up to (\$30,000)</u></u>
--------------------------------	--------------------------------	--------------------------------

SECRETARY OF STATE'S TECHNOLOGY TRUST FUND

Costs - SOS

§ 351.120 - Business Software Changes	<u>(\$30,000)</u>	<u>\$0</u>	<u>\$0</u>
---------------------------------------	-------------------	------------	------------

ESTIMATED NET EFFECT TO THE SECRETARY OF STATE'S TECHNOLOGY TRUST FUND

<u><u>(\$30,000)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
--------------------------	-------------------	-------------------

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
-----------------------------------------	---------------------	---------	---------

<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
-------------------	-------------------	-------------------

FISCAL IMPACT - Small Business

§ 351.120 - Farming Corporation Registration Report Requirements:

Small business authorized farm corporations and family farm corporations will annually save \$45 if no annual registration report is required to be filed.

FISCAL DESCRIPTION

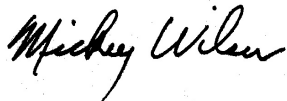
§ 351.120 - Farming Corporation Registration Report Requirements:

This proposal waives the corporate registration report requirement for specified farming corporations and family farm corporations if the corporate name, the name and Missouri physical address of its registered agent, the name and business or residence of its officers and directors, and the mailing address of the corporation's principal place of business or corporate headquarters have not changed since the corporation's original articles of incorporation or its most recent report was filed.

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
Department of Agriculture



Mickey Wilson, CPA
Director
February 25, 2015

Ross Strobe
Assistant Director
February 25, 2015