

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6075S.06T  
 Bill No.: Truly Agreed To and Finally Passed SS for SCS for HCS for HB 2508  
 Subject: Corporations; Secretary of State  
 Type: Original  
 Date: June 16, 2026

Bill Summary: This proposal modifies provisions relating to entities regulated by the Secretary of State.

**FISCAL SUMMARY**

**ESTIMATED NET EFFECT ON GENERAL REVENUE FUND**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

\*OSCA's potential unknown costs assumed to be less than \$250,000 annually.

**ESTIMATED NET EFFECT ON OTHER STATE FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

**ESTIMATED NET EFFECT ON FEDERAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

**ESTIMATED NET EFFECT ON LOCAL FUNDS**

FUND AFFECTED	FY 2027	FY 2028	FY 2029
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §§347.044, 347.143 & 347.186 – Limited Liability Companies

Officials from the **Office of the State Courts Administrator (OSCA)** state they may have some impact but there is no way to quantify that amount currently. Any significant changes will be reflected in future budget requests.

**Oversight** notes OSCA assumes this proposal may have some impact on their organization although it can't be quantified at this time. As OSCA is unable to provide additional information regarding the potential impact, Oversight assumes the proposed legislation will have a \$0 or (Unknown) cost to the General Revenue Fund. For fiscal note purposes, Oversight also assumes the impact will be under \$250,000 annually. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note. If additional information is received, Oversight will review it to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

Officials from the **Office of the Attorney General (AGO)** assumed any potential litigation costs arising from this proposal could be absorbed with existing resources. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation costs.

**Oversight** does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

Officials from the **Office of the Secretary of State (SOS)** state this proposal allows each series to receive a Good Standing Certificate. As the current system is to allow one Certificate of Good Standing given to an LLC to be applied to all series created under the LLC, it is unknown how many companies will want to purchase these Certificates of Good Standing for each series.

The Secretary of State reserves the right to offset or request additional resources for estimated fiscal note impacts during the budget process.

In response to a previous version, the **SOS** stated there are roughly 3,500 active individual series, many of which are not profiled. It takes roughly 5-10 minutes to profile and ensure that each individual series is searchable. This is equivalent to 290-585 hours of work (.25-.5 FTE). This cost can be absorbed.

**Oversight** assumes the proposal could result in additional filings and requests for Certificates of Good Standing related to the series of limited liability companies. Any increase in filing fee revenue is indeterminate and dependent upon the number of businesses electing to form series

under this section but is not expected to be significant. Therefore, Oversight will reflect no impact in the fiscal note.

§347.048 – LLCs Owning Real Property

**Oversight** notes this provision specifies that limited liability companies that own real property in St. Louis County must designate a contact person with the county clerk.

Responses regarding the proposed legislation as a whole

Officials from the **Department of Commerce and Insurance** assume the proposal will have no fiscal impact on their respective organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
<b>GENERAL REVENUE</b>			
<u>Cost – OSCA (§§347.044, 347.143, &amp; 347.186) Potential increase in court costs p.3</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

This proposal may impact small business limited liability companies.

FISCAL DESCRIPTION

The bill allows for any person to apply to the Secretary of State (SOS) for a certificate of good standing for a domestic limited liability company (LLC) or a foreign LLC. The requirements to receive a certificate of good standing from the SOS are outlined in the bill. A certificate of good standing issued by the SOS must be prima facie evidence that the domestic or foreign limited liability company exists and is authorized to transact business in this State.

This bill requires each series to be individually profiled and searchable on the SOS's business entity database and authorizes a series to obtain a separate certificate of good standing.

Furthermore, the bill requires any LLC that owns and rents or leases real property, or owns unoccupied real property, located in any county with more than one million inhabitants to file with the county clerk an affidavit listing the name and street address of at least one natural person who has management control and responsibility for the real property owned and leased or rented by the LLC or owned by the LLC and unoccupied under specified circumstances. Within 30 days following the cessation of management control, the LLC must file a successor affidavit listing the name and street address of a natural person successor.

Currently, an LLC can be dissolved by a decree of the circuit court located in the county of the registered office of the LLC upon application by or for a member of the LLC when it is not reasonably practicable to carry on business in conformity with the operating agreement.

This bill expands this provision to also allow the court to dissolve an LLC:

- (1) When dissolution is reasonably necessary for protection of the rights or interests of complaining members;
- (2) When the business of the LLC has been abandoned;
- (3) The management of the LLC is deadlocked or subject to internal dissension;
- (4) The business operations of the LLC are substantially impaired; or
- (5) Those in control of the LLC have been found guilty of, or have knowingly allowed, persistent and pervasive fraud, mismanagement, or abuse of authority.

The bill contains a severability clause.

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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 the Secretary of State  
Office of the State Courts Administrator  
Attorney General's Office  
Department of Commerce and Insurance  
Joint Committee on Administrative Rules



Julie Morff  
Director  
June 16, 2026



Jessica Harris  
Assistant Director  
June 16, 2026