

COMMITTEE ON LEGISLATIVE RESEARCH
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4949-02
Bill No.: HB 2085
Subject: Business and Commerce
Type: Original
Date: March 6, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on All State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Unemployment Compensation Trust*	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
Total Estimated Net Effect on All Federal Funds*	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

*Loss expected to exceed \$100,000 annually

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Office of Secretary of State** assume that any cost associated with implementing an online filing program for corporations' annual registration reports would be more than offset by savings in mailing, copying, and postage costs. Therefore officials assume no fiscal impact.

Officials of the **Department of Labor and Industrial Relations** stated that they are unable to determine the actual fiscal impact to the Unemployment Compensation Trust Fund, however, based on the proposed language in Section 351.247 there is the possibility of being unable to collect some unemployment taxes. Officials assume the fiscal impact is Unknown and estimate the loss to be greater than \$100,000 annually.

Officials of the **Department of Revenue** assume no fiscal impact.

In response to similar legislation (fiscal note 3681-03 SB 931), the **State Treasurer's Office**, and the **Department of Insurance** assumed no fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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FEDERAL FUNDS

Loss to Unemployment Compensation Trust Fund from Unemployment Tax collection (Section 351.247)*

<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
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* Loss is estimated to exceed \$100,000 annually.

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

DESCRIPTION

This bill makes several changes regarding limited liability companies and corporations. In its

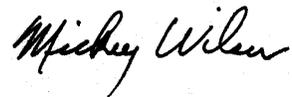
main provisions, the bill:

- (1) Provides for judicial dissolution of limited liability companies in the event members are deadlocked;
- (2) Provides that corporations may change registered agents with the filing of annual registration reports;
- (3) Allows corporations to confer the power to vote upon holders of bonds, debentures, or other obligations;
- (4) Provides that under certain circumstances, boards of directors may delegate to officers the right to grant stock options;
- (5) Allows corporations which have elected to not be governed by the close corporation provisions of Chapter 351, RSMo, to modify, by shareholder agreement, various corporate requirements;
- (6) Allows corporations to adopt a provision in their articles renouncing any interest in specified business opportunities;
- (7) Provides for disposition of corporate assets on the terms and conditions determined by the board of directors, without shareholder approval;
- (8) Allows corporations to abandon approved mergers or consolidations prior to the merger or consolidation becoming effective; and
- (9) Provides that shareholders with voting shares who object to mergers or consolidations have the right to appraisal if the objection is filed prior to the shareholder meeting.

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

State Treasurer's Office
Secretary of State
Department of Labor and Industrial Relations
Department of Revenue
Department of Insurance



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