

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 2777-03  
BILL NO.: SB-896  
SUBJECT: Corporations: Business and Commerce  
TYPE: Original  
DATE: February 24, 2000

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON STATE FUNDS</b>                   |                          |                  |                  |
|--|--------------------------|------------------|------------------|
| FUND AFFECTED  | FY 2001                  | FY 2002          | FY 2003          |
| General Revenue  | \$0 to (\$65,813)        | (unknown)        | (unknown)        |
|  |                          |                  |                  |
| <b>Total Estimated Net Effect on <u>All</u> State Funds*</b> | <b>\$0 to (\$65,813)</b> | <b>(unknown)</b> | <b>(unknown)</b> |

\*Costs are expected to be less than \$65,813.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2001    | FY 2002    | FY 2003    |
|   |            |            |            |
|   |            |            |            |
| <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 LOCAL FUNDS</b> |            |            |            |
|--|------------|------------|------------|
| FUND AFFECTED                              | FY 2001    | FY 2002    | FY 2003    |
| <b>Local Government</b>                    | <b>\$0</b> | <b>\$0</b> | <b>\$0</b> |

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

**Department of Revenue** assumes no fiscal impact.

**Department of Insurance** assumes no fiscal impact.

Officials of the **Office of Secretary of State** stated this proposal requires limited liability and limited partnership companies to publish notice of dissolution in the Missouri Register if they want to bar unknown claims against their company. Officials stated that last year approximately 2925 voluntary dissolutions were filed with the Secretary of State. Officials assume some but not all of these dissolving companies would publish notice to bar unknown claims. Officials stated that they have no record of the number of companies that actually publish such a notice, however, the estimated cost of publishing one page in the Missouri Register is \$22.50.

The maximum estimated cost based on 1999 records if every dissolving company chose to publish would be \$65,813, but the actual cost would be some amount less than this number, since it is unlikely that every company would publish notice. For FY2001 cost of publication will be shown as \$0 to \$65,813 and for FY2002 and FY2003 cost will be shown as (unknown). Officials assume that each year cost would decrease.

| <u>FISCAL IMPACT - State Government</u> | FY 2001  | FY 2002   | FY 2003   |
|---|----------|-----------|-----------|
|   | (10 Mo.) |           |           |
| <b>GENERAL REVENUE FUND</b>             |          |           |           |
| <u>Cost to Secretary of State</u>       | \$0 to   |           |           |
| for publication cost *                  | (65,813) | (unknown) | (unknown) |

**\*Number of filings for publication are expected to decrease each year, therefore, costs in FY2002 and FY2003 should be less than in FY2001. Costs in FY2001 are estimated to be less than \$65,813.**

| <u>FISCAL IMPACT - Local Government</u> | FY 2001  | FY 2002 | FY 2003 |
|---|----------|---------|---------|
|   | (10 Mo.) |         |         |
|   | \$0      | \$0     | \$0     |

FISCAL IMPACT - Small Business

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

DESCRIPTION

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This act makes several changes to laws relating to limited liability companies (LLC) and limited liability partnerships (LLP).

**LIMITED LIABILITY COMPANIES**

Notice requirements for winding up a dissolved LLC would require publication in the Missouri Register. The requirement to provide local notice is deleted.

**LIMITED LIABILITY PARTNERSHIPS**

Allows LLPs to be perpetual in their existence. Current law limits existence to a number of years.

Adds notice of winding up and publishing requirements for LLP's which is similar to that for LLCs.

**GENERAL BUSINESS ORGANIZATIONS**

Notice requirements for winding up a dissolved corporation would require publication in the Missouri Register. The requirement to provide local notice is deleted.

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**

Secretary of State  
Department of Insurance  
Department of Revenue



Jeanne Jarrett, CPA  
Director  
February 24, 2000