19.0127.02000

FISCAL NOTE

Requested by Legislative Council
02/28/2019

Amendment to: Engrossed HB 1045

1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$0	$0	$0	$0
Expenditures	$0	$0	$80,000	$0	$0	$0
Appropriations	$0	$0	$80,000	$0	$0	$0

1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 Biennium
Counties	$0	$0	$0
Cities	$0	$0	$0
School Districts	$0	$0	$0
Townships	$0	$0	$0

2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

The bill creates a new business entity type known as a Series LLC.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

To accommodate a Series LLC, FirstStop must be enhanced to accommodate the following filings: articles of organization, articles of amendment, statement of correction, restated articles of organization, statement of authority, statement of amending or canceling the statement of authority, articles of conversion, abandonment of conversion, articles of domestication, articles of merger or exchange, abandonment of merger or exchange, reserve name, notice of transfer of reserved name, cancellation of reserved name, consent to use of name, statement of change of registered agent or address of registered agent, resolution for the establishment of a class or series of membership interests, notice of dissolution, certificate of authority, amendment of certificate of authority, certificate of fact of merger, statement of conversion, application for withdrawal, and annual report.

The agency is required to promulgate rules regarding the connection between each entity within a series, whether or not all in the series will need to file an annual report or only one annual report will be required for all, determination as to whether all in the series will have the same registered agent or if they may each have a separate registered agent, and naming convention for each entity within a given series.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Revenue will be generated, but the amount is unknown because it is dependent on the number of businesses that may organize under this new entity type. The fees collected are itemized in section 10-32.1-92 of the NDCC. For example, the fee for filing articles of organization for a new LLC is $135. The fee for filing an annual report is $50. Revenue collected will be deposited into the state's general fund.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

See 2B. for details.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

An appropriation is needed to cover the costs of the programming and to promulgate the administrative rules

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