

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 8097

BILL NUMBER: SB 489

DATE PREPARED: Jan 16, 2001

BILL AMENDED:

SUBJECT: Business Entity Matters.

FISCAL ANALYST: John Parkey

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FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that the filing fee for a renewal of a nonprofit reserved name is \$20. The bill establishes certain filing fees for business entity name filings. The bill revises procedures related to filing for business entity names. It changes certain fees. The bill allows a corporation's bylaws to be amended to permit staggered terms for a corporation's board of directors without first amending the articles of incorporation. The bill provides reduced fees or eliminates fees for certain items filed electronically. The bill allows a filing with the Secretary of State to contain multiple assumed business names. The bill requires the Secretary of State to forward to the Department of Financial Institutions a new filing or an amendment changing the business entity name if the filing or amendment contains the term "bank" in the name of the business entity. The bill provides that a filing that contains the term "bank" in the business name may not be accepted by the Secretary of State until the filing's use of "bank" is approved by the Department of Financial Institutions. The bill allows electronic signatures on certain electronic filings with the Secretary of State. The bill eliminates the fee for the cancellation of a limited partnership reserved name. The bill establishes a filing fee for articles of merger. The bill allows for a renewable reservation of a nonprofit corporation name.

Effective Date: July 1, 2001.

Explanation of State Expenditures: This bill will provide cost incentives for persons wishing to transmit and receive documents electronically to and from the Secretary of State's Office. While the precise impact of this proposal is unknown, it is expected to provide some administrative efficiencies with the Secretary's Office.

Explanation of State Revenues: Depending on how extensively the reduced-fee electronic transactions established in this bill replace the transactions which occur at the current fee level, this bill could cause a decrease in General Fund revenue. However, the bill increases the filing fees of articles of a merger and increases the fee for submitting a written request for information. These fee increases may mitigate any

reduced revenue

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Secretary of State's Office, Department of Financial Institutions.

Local Agencies Affected:

Information Sources: Secretary of State's Office.