

State Corporation Commission

2003 Fiscal Impact Statement

1. **Bill Number** HB1753

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. **Patron** Parrish

3. **Committee** Passed Both Houses

4. **Title** Names of business entities.

5. **Summary/Purpose:**

Names of business entities. Requires that the name of any corporation, limited liability company, business trust, or limited partnership be distinguishable upon the records of the State Corporation Commission from the name of any of the set types of business entities. There is an October 1, 2004, effective date on the bill.

6. **Fiscal Impact Estimates are** : Final. See item #8

6a. **Expenditure Impact:**

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|-------------|
| 2002-03 | | | |
| 2003-04 | \$72,800 | | 0217 |
| 2004-05 | | | |

7. **Budget amendment necessary:** No.

8. **Fiscal implications** : Under current conditions, the bill will require that a name distinguishability search be performed manually on every different type of business entity. This will require additional staff to perform, or extensive system computer modification to be made to accommodate this. It is estimated that the modification effort will take one full-time programmer/analyst six months (1,040 hours x \$70 an hour = \$72,800). This year, the Clerk's Office is planning to develop a new Uniform Commercial Codes system due to mandated legislation and to gain process efficiencies in a very manual labor-intensive operation. The Clerk's Office plans to begin development of a new business entity system in fiscal year 2004 - 2005.

8. **Specific agency or political subdivisions affected:** State Corporation Commission's Clerk's Office and its Information Technology Division.

10. **Technical amendment necessary:** No.

11. **Other comments:** The new business entity system will search automatically and provide "all" business entity names that are similar to the one entered into the system by the staff of the

Clerk's Office. This will be the most efficient and accurate method of searching. There is an effective date of October 1, 2004, on this legislation

Date: 03/06/03/JHP

cc: Secretary of Commerce and Trade