

*****REVISED*****
State Corporation Commission
2010 Fiscal Impact Statement

1. Bill Number: HB1040

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

2. Patron: Byron

3. Committee: Commerce and Labor

4. Title: **Limited liability companies; SCC to correct its records to eliminate effects of clerical error, etc.**

5. Summary: Limited liability companies. Authorizes the State Corporation Commission (SCC) to correct its records to eliminate the effects of clerical errors and filings made by a person without authority to act on behalf of a limited liability company. Similar provisions exist in the Code for stock and nonstock corporations. The measure also authorizes the SCC to assess against each domestic and foreign limited liability company an annual registration fee based on the month it was organized or registered to transact business in Virginia. Currently, all limited liability companies are assessed an annual registration fee on July 1, which is due by October 1 to avoid a penalty. The SCC is required to enter an order by August 1, 2010, regarding the schedule for implementing the change in assessment dates.

6. Fiscal Impact Estimates: See Item 8.

6b. Revenue Impact:

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Fund</i> |
|--------------------|----------------|---------------------|
| 2010 | | |
| 2011 | | |
| 2012 | 6,000,000 | Special Fund (0217) |
| 2013 | | |
| 2014 | | |
| 2015 | | |
| 2016 | | |

7. Budget Amendment Necessary: No

8. Fiscal Implications: There will be a minimal fiscal impact to adjust information systems and to cover one-time increased mailing costs. In addition, transitioning from assessing all limited liability companies on July 1, to assessing each limited liability company based on the month it was organized or registered to transact business is expected to cause a shift from one fiscal year to another in the collection of approximately \$6 M as the result of the transition.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission

10. Technical Amendment Necessary: No

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11. Other Comments: House Bill 1040 was introduced at the request of the State Corporation Commission's Clerk's Office. The legislation is sought in conjunction with the State Corporation Commission's eFile project.

Date: 2/8/2010 J. H. Peck