

## State Corporation Commission 2017 Fiscal Impact Statement

1. **Bill Number:** HB1984

<b>House of Origin</b>	<input checked="" type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
<b>Second House</b>	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Enrolled

2. **Patron:** Webert

3. **Committee:** Commerce and Labor

4. **Title:** Limited Liability Company Protected Series Act.

5. **Summary:** Limited Liability Company Protected Series Act. Provides for the creation by a limited liability company (LLC) of one or more protected series. The measure provides that each protected series may have different ownership, management structures, assets, and liabilities. Each protected series may function in a manner analogous to a separate legal entity within the LLC that established the protected series, which is referred to as the series LLC. The measure provides a process through which debts and obligations of one protected series are neither the debts nor obligations of any other protected series nor of the series LLC. Under the measure, a separate public filing is required to establish each protected series of a series LLC. The measure specifies rules for disregarding the internal liability shields that protect the assets of one protected series from the creditors of another. The measure provides that assets not properly associated with a protected series may be subject to the claims of creditors even if the internal shields among series remain intact. The measure is based on the December 8, 2016, draft of the uniform Limited Liability Company Protected Series Act prepared by the National Conference of Commissioners on Uniform State Laws. The measure has a delayed effective date of July 1, 2018.

6. **Budget Amendment Necessary:** Yes, see Item 7a.

7. **Fiscal Impact Estimates:** Fiscal Impact Estimate for the State Corporation Commission is preliminary. See Item 8.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2017			
2018	138,734	0	02173 (Cardinal)
2019			

8. **Fiscal Implications:** The State Corporation Commission's Clerk's Office and Information Technology Division estimate that it will cost \$138,734 to implement the limited liability companies' series legislation.

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

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None

JHP 1/18/17