State Corporation Commission
2019 Fiscal Impact Statement

1. **Bill Number:** HB2272

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

2. **Patron:** Webert

3. **Committee:** Passed Both Houses

4. **Title:** Limited liability companies; Protected Series Act.

5. **Summary:** 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 Uniform Protected Series Act prepared by the National Conference of Commissioners on Uniform State Laws. The measure has a delayed effective date of July 1, 2020.

6. **Budget Amendment Necessary**: Yes. Although it is estimated to be a one-time cost of $250,000 for the programming changes, we cannot absorb that amount in the current FY2020 budget.

7. **Fiscal Impact Estimates:** Fiscal Impact Estimates are Preliminary. See Item 8.

7a. Expenditure Impact:

Fiscal Year	*Dollars*	*Positions*	*Fund*
2019	0	0	
2020	$250,000	0	02173 (Cardinal)
2021	0	0	
2022	0	0	
2023	0	0	
2024	0	0	
2025	0	0	

8. **Fiscal Implications:** There will be a one-time programming cost estimated to be $250,000 to implement this legislation in the new clerk's information computer system.

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

10. Technical Amendment Necessary: No

11. Other Comments: None

JHP 2/25/19