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PREPARED BY: Scott Danigole
DATE PREPARED: January 30, 2012
PHONE: 471-0055

LB 1018

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		1,183		(81)
CASH FUNDS		592		592
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		1,175		511

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 1018 changes provisions related to certain corporation's organization and reorganization.

The Secretary of State estimates some additional revenue due to conversions. The effects are minimal. These estimates appear to be reasonable.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	David Spatz	1/30/12	PHONE 471-4179
COMMENTS			
SECRETARY OF STATE – No basis to dispute agency analysis and estimate of increased revenue fiscal impact.			
DEPT. OF REVENUE – Concur with analysis and estimate of no revenue or expenditures fiscal impact.			

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LEGISLATIVE FISCAL

2012

Please complete ALL (5) blanks in the first three lines.

LB⁽¹⁾ 1018 FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Secretary of State

Prepared by: (3) Suzanne Hinzman Date Prepared: (4) 1/27/2012 Phone: (5) 402-471-2384

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		1,183		(81)
CASH FUNDS		592		592
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	0	1,775	0	511

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

After researching a neighboring state with similar legislation, we estimate that 47 corporations per year could convert to LLCs, resulting in the following fiscal impact:

To convert under the bill, a corporation or limited partnership files articles of conversion along with the corresponding fee. This would generate increased revenue of approximately \$1,775 year (split \$1,183 GF, 592 CF) based upon the number of Iowa conversions.

For each corporation that converts, there would be a negative fiscal impact of \$16 (at the minimum) or approximately \$1,264 in the even-numbered years.

We would also have to add programming to file the articles of conversion. Since this isn't a major programming change, the cost would be minimal.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2012-2013 EXPENDITURES	2013-2014 EXPENDITURES
	12-13	13-14		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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LB 1018

Fiscal Note 2012

LEGISLATIVE FISCAL State Agency Estimate

State Agency Name: Department of Revenue	Date Prepared:				Date Due LFA:	
Approved by: Douglas Ewald					Phone: 471-5700	
	FY 2012-2013		FY 2013-2014		FY 2014-2015	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds						
Cash Funds						
Federal Funds						
Other Funds						
Total Funds						

LB 1018 provides procedures by which a corporation can reorganize as another business entity. The bill also provides procedures by which a limited partnership can merge with another business entity. The successor entity assumes the liabilities of the reorganized or merged business entities.

There is no revenue impact associated with this bill, and there is no Departmental cost to implement the bill.

Major Objects of Expenditure

Class Code	Classification Title	12-13 FTE	13-14 FTE	14-15 FTE	12-13 Expenditures	13-14 Expenditures	14-15 Expenditures