PREPARED BY: DATE PREPARED: PHONE: Scott Danigole January 30, 2014 471-0055

LB 751

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 201	4-15	FY 2015-16				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS							
CASH FUNDS	10,640						
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS	10,640						

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 751 is the Nebraska Benefit Corporation Act.

The bill's provisions allow entities to migrate between the newly created type of corporation called "Benefit Corporations" and other corporation types. A Benefit Corporation shall have a purpose of creating general public benefit, in addition to its purpose under section 21-2024.

Section 13 requires a benefit corporation to prepare an annual benefit report and send the report to each shareholder and the Secretary of State for filing.

The Secretary of State estimates one-time programming costs to alter the database to be \$10,640. This estimate appears to be reasonable.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB: 751 AM: AGENCY/POLT. SUB: Dept. of Revenue						
REVIEWED B	Y: Gary Bush		DATE: January 30, 2014	PHONE: 471-4161		
COMMENTS: Agree with the agency's estimate of impact.						

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES							
LB: 751 AM: AGENCY/POLT. SUB: Nebraska Secretary of State							
REVIEWED BY: Ga	ary Bush		DATE: January 21, 2014	PHONE: 471-4161			
COMMENTS: The agency's estimate of impact appears to be reasonable.							

State Agency Estimate						
State Agency Name: Department	of Revenue				Date Due LFA:	1/17/2014
Approved by: Kim Conroy		Date Prepared:	1/17/2014		Phone: 471-5896	
	FY 201	<u>4-2015</u>	FY 201	<u>5-2016</u>	FY 20	16-2017
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		\$0		\$0		\$0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		\$0		\$0		\$0
	<u> </u>		•	•	- <u> </u>	

LB 751 would authorize the creation of benefit corporations. A benefit corporation is a business corporation except that its articles of incorporation state that it is a benefit corporation and it must prepare and publish an annual benefit report which describes the ways the corporation pursued general public benefits and its successes or reasons for its failures. A benefit corporation may, but is not required to, have a benefit officer who has a duty to prepare the report.

It may also have a benefit director who prepares a benefit report to shareholders detailing whether or not the benefit corporation acted in accordance with its public benefits purposes and whether its officers and other directors have considered the impact that the decisions of the corporation have on shareholders, employees, customers, the community, and the ability of the corporation to achieve its general public benefit purpose. The benefit director must be independent of the corporation, meaning the director is not an employee or significant shareholder. A corporation may be created as a benefit corporation or a current business corporation may be converted to a benefit corporation by a 2/3rds vote of each class of shareholders.

It is estimated that this bill will have no impact on the General Fund.

It is estimated that there will be no costs to the Department to implement this bill.

	Major Objects of Expenditure							
Class Code	Classification Title	14-15 <u>FTE</u>	15-16 <u>FTE</u>	16-17 <u>FTE</u>	14-15 Expenditures	15-16 Expenditures	16-17 Expenditures	
Benefits								
Travel								
Capital Outlay								
A * 1								
	nts							
Total								

Benefits.....
Operating.....

LB ⁽¹⁾ 751				FISCAL NOTE				
State Agency OR Political Subdivision Name: (2) Prepared by: (3) Suzanne Hinzman		Nebraska Secretary of State						
		Date Prepared: (4) 1	402-471-2384					
	ESTIMATE PROVIDE	D BY STATE AGENCY	OR POLITICAL SUBDIVIS	ION				
	FY 20	14-15	FY 201	15-16				
	EXPENDITURES	REVENUE	<u>EXPENDITURES</u>	REVENUE				
GENERAL FUNDS								
CASH FUNDS	10,640							
FEDERAL FUNDS								
OTHER FUNDS								
TOTAL FUNDS	10,640	0	0	0				
Explanation of Estimate	e:							
allow entities to migra that is sent to shareh that corporations curr	ate between Benefit C olders to also be filed rently file. A new entit nd added to the Corpo	orporation and other C with the Secretary of S y type as well as syste	ew entity type in Nebraska corporation types. It requi State in addition to the oc m filing actions and fees em. We do not have an e	res an annual report cupation tax report to accompany will				
Programming change	es to the database for	the new entity type are	e estimated at \$10,640.					
	nnn							
Personal Services:	BREAKDO	<u>OWN BY MAJOR OBJEC</u>	TS OF EXPENDITURE					
POSITION T	_	MBER OF POSITIONS 4-15 15-16	2014-15 EXPENDITURES	2015-16 EXPENDITURES				

10,640

10,640

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