

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1328

April 4, 2019

SUMMARY OF BILL: Reduces the filing fee for limited liability companies, from the current minimum of \$300 and maximum of \$3,000, to a flat fee of \$20.

ESTIMATED FISCAL IMPACT:

**Decrease State Revenue – Exceeds \$4,692,200/General Fund
Exceeds \$145,100/Secretary of State**

Assumptions:

- This legislation will result in a recurring decrease in state revenue.
- It is assumed that only those LLCs formed under the original LLC Act will be impacted by the proposed reduction; LLCs formed under the *Tennessee Revised Limited Liability Company Act* will not be impacted.
- Based on information provided by the Secretary of State's Office, the recurring decrease in state revenue is estimated to exceed \$4,837,280 (17,276 LLCs x \$280 minimum decrease).
- Such filing fee revenue is allocated 97 percent to the General Fund, while the Secretary of State keeps the remaining 3 percent.
- A recurring decrease in state revenue to the General Fund estimated to exceed \$4,692,162 (\$4,837,280 x 97%); and a recurring decrease in state revenue to the Secretary of State estimated to exceed \$145,118 (\$4,837,280 x 3%).

IMPACT TO COMMERCE:

Decrease Business Expenditures – Exceeds \$4,837,300

Assumptions:

- This legislation will result in a recurring decrease in business expenditures estimated to exceed \$4,837,280.
- Any impact on jobs in this state is estimated to be not significant.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

Handwritten signature of Krista Lee Carsner in black ink.

Krista Lee Carsner, Executive Director

/jdb