

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

March 29, 2021

TO: Honorable Chris Turner, Chair, House Committee on Business & Industry

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB3506 by Turner, Chris (Relating to registered and protected series of domestic limited liability companies; authorizing fees.), **As Introduced**

No significant fiscal implication to the State is anticipated; however, the bill could result in an increase in revenue from business filing fees. According to the Comptroller of Public Accounts, the revenue impact on the state cannot be estimated.

The bill would amend the Business and Commerce Code to modify the regulation of limited liability corporations (LCCs) in Texas. Current law does not distinguish between "protected series" LLCs and "registered series" LLCs. The bill would establish this distinction and provide separate governing rules for each series. The bill would also establish fees for registered series LLCs similar to existing fees for other for-profit LLCs.

The provisions of the bill that would create a new registered series type would require the Secretary of State (SOS) to make certain modifications to the Business Entity Secured Transaction (BEST) system used by the agency to store registration information for LLCs. It is anticipated that the cost of these modifications could be completed with existing resources.

According to the SOS, the increase in revenue from the provisions of the bill related to registration fees cannot be determined or estimated at this time.

According to the Comptroller of Public Accounts, the revenue impact on the state cannot be estimated.

According to the Office of the Attorney General, no fiscal impact to the state is anticipated.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 307 Secretary of State

LBB Staff: JMc, SZ, LCO, GP, HGR