



## Fiscal Estimate Narratives

DFI 9/20/2017

LRB Number	<b>17-4055/1</b>	Introduction Number	<b>SB-404</b>	Estimate Type	<b>Original</b>
<b>Description</b> the fee for filing limited liability company articles of organization with the Department of Financial Institutions					

### Assumptions Used in Arriving at Fiscal Estimate

The Division of Corporate & Consumer Services (DCCS) at the Department of Financial Institutions (DFI) is the filing office for the formation of Limited Liability Companies (LLC). Whether filers are students or not is not currently collected within the available solutions, however it is estimated that less than 100 LLCs are formed by students annually. The proposed Student Exemption should have minimal impact on the overall operation of the day-to-day business processes and supporting application systems of the DFI.

Since there are so few filings that adhere to the given requirements, they will be filled via paper and verified manually. LLC formations are filed on-line via the One Stop Business portal, which will need to be modified to direct students forming an LLC to the DFI web site. The DFI web site will be enhanced to include an instruction page along with an updated down-loadable paper-based filing form.

An initial filing for articles of organization to form a limited liability company(LLC) is \$130. It is estimated there are approximately 100 of these type of filings by students annually. The total loss of revenue for the Department would be \$13,000 annually.

Cost to the agency:

Web site and content updates – 4 hours @ \$75/hour = \$300

One Stop Business Portal Enhancement \$3,000

Business process engineering – 8 hours @ \$75/hour = \$600

Form updates – 4 hours @ \$75/hour = \$300

TOTAL Cost to DFI \$4,200

DFI would use the current operating budget to absorb these costs.

### Long-Range Fiscal Implications