



## Fiscal Estimate Narratives

DOR 5/3/2006

LRB Number	05-4911/1	Introduction Number	AB-1186	Estimate Type	Original
<b>Description</b> Unincorporated cooperative associations, granting rule-making authority, and providing a penalty					

### Assumptions Used in Arriving at Fiscal Estimate

The bill would authorize the creation of a new form of business entity called an unincorporated cooperative association (UCA). A UCA is a hybrid form of organization that has characteristics of a cooperative and a limited liability company.

A UCA may be organized to market, process, or otherwise change the form or marketability of products, to manufacture products, to accomplish other purposes that are necessary or convenient to facilitate the production or marketing of products, or to accomplish other purposes related to the business of the UCA. The UCA may also be organized to provide products, supplies, and services to its members or to accomplish any other lawful purpose.

No cooperative may be organized for the purpose of furnishing natural gas, heat, light, power, or water to its members. Cooperatives organized under Chapter 185 of the statutes may not convert to a UCA.

The bill would take effect on September 1, 2005, or on the day after publication, whichever is later.

### Long-Range Fiscal Implications