

Fiscal Estimate - 2005 Session

Original Updated Corrected Supplemental

LRB Number 05-1745/2	Introduction Number AB-327
Subject Cooperatives	
Fiscal Effect	
State:	
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input checked="" type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
Local:	
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
Fund Sources Affected	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS s. 20.144(1)(g)	
Affected Ch. 20 Appropriations	
Agency/Prepared By DFI/ Susan Dietzel (608) 267-0399	Authorized Signature Susan Dietzel (608) 267-0399
Date 5/3/2005	

Fiscal Estimate Narratives

DFI 5/4/2005

LRB Number	05-1745/2	Introduction Number	AB-327	Estimate Type	Original
Subject					
Cooperatives					

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a new business type called the Unincorporated Cooperative Association. The bill creates flexibility in capital raising and changes membership investing rules for these new cooperatives.

Revenue

Based on experience in other states who have passed similar legislation, the Department estimates a moderate number of these new entities will be created. The fee for filing articles for a new unincorporated cooperative association is \$25 if the new cooperative is organized with no capital stock. If the new cooperative is organized with capital stock, the fee is \$1.25 for each \$1,000 of capital stock, or \$25, whichever is greater. Assuming 15 new cooperatives each year, the annual revenue increase would be approximately \$375. Because of the volume, other fees for amendments, articles of merger, etc. will also have a limited impact on revenue.

Expenditures

To accommodate the new cooperative, a new business type will need to be added to the corporate registration information system, the Department's database for maintaining all business records. The cost is an estimated \$6,000 in IT costs for programming and updating tables. Additionally, new forms will need to be created and program staff trained in the details of the new cooperative type. These costs can be covered with existing resources.

Long-Range Fiscal Implications