



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	S. 0189	Introduced on January 10, 2017
Author:	Goldfinch	
Subject:	Uniform Limited Liability Company Act of 2017	
Requestor:	Senate Labor, Commerce, and Industry	
RFA Analyst(s):	Kokolis	
Impact Date:	March 2, 2017	

Estimate of Fiscal Impact

	FY 2017-18	FY 2018-19
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	Undetermined	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds. This bill may increase filing fees for the Secretary of State. However, the revenue impact is undetermined due to unknown demand for services.

Explanation of Fiscal Impact

Introduced on January 10, 2017

State Expenditure

This bill repeals the Uniform Limited Liability Company (LLC) Act of 1996 and replaces it with the Uniform LLC Act of 2017. This bill provides for the manner in which limited liability companies are organized, operated, regulated, dissolved, and transferred. The bill also states that an LLC operating agreement may restrict or eliminate statutory fiduciary duties, a LLC member cannot be held liable for the malfeasance of an LLC by virtue of his membership alone, and a nonprofit LLC may be formed in South Carolina.

Secretary of State. The agency indicates this bill will have no expenditure impact on the General Fund, Other Funds, or Federal Funds. The agency will have to create additional forms and would have to modify their online filing and document retrieval system. These changes can be accomplished without additional resources.

State Revenue

The Secretary of State indicates this bill will raise the filing fee for a Statement of Correction from \$2 to \$25. In 2015, 150 Statements of Correction were filed. At this service level, fee

revenue would increase \$3,450 at the new \$25 fee. The bill also creates a Statement of Dissolution and a Statement of Termination, each with a \$10 filing fee. A Statement of Termination was previously named an Article of Termination. A Statement of Dissolution may be filed prior to filing a Statement of Termination. In FY 2015-16, 3,500 Articles of Termination were filed, each with a \$10 filing fee. An LLC may file a Statement of Dissolution and/or a Statement of Termination, but is not required to do so. Since the filing fee remains \$10, the only increase in revenue would be for filing both a Statement of Dissolution and a Statement of Termination. The maximum revenue based upon 3,500 filings would be \$35,000 if every entity files both. However, the actual amount may be less, depending upon an unknown demand for this service.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director