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FISCAL IMPACT REPORT

SPONSOR Padilla ORIGINAL DATE 2/5/21
LAST UPDATED _____ HB _____
SHORT TITLE LLC Membership in Articles of Organization SB 203
ANALYST Fischer/Courtney

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY21	FY22	FY23	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI	NFI	NFI	NFI	NFI

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Secretary of State (SOS)

SUMMARY

Synopsis of Bill

Senate Bill 203 amends corporations statute Section 53-19-8 NMSA 1978 by adding a requirement that the name and address of each member of a limited liability company (LLC) be included in the company's articles of organization. The bill also requires that amended articles of organization include the name and address of each member of the LLC not already provided to the SOS.

The effective date of this bill is July 1, 2021.

FISCAL IMPLICATIONS

SB203 does not contain an appropriation. SOS notes the passage of SB203 would create a need to update forms and the functionality of online business filing system to correspond with the change. However, SOS does not anticipate this cost to be significant.

SIGNIFICANT ISSUES

SOS reports that, under the current law, LLCs can be created merely by listing a registered agent within the state of New Mexico, who may or may not be a member of the organization. If that

registered agent ceases or changes at any point, SOS may not be able to contact the company. The changes in SB203 will newly require the contact information for all LLC members to be available to SOS, which should allow SOS to have a more consistent point of contact with the LLC.

MF/JC/al