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## FISCAL IMPACT REPORT

SPONSOR Smith ORIGINAL DATE 3/3/15  
LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Reinstatement of Certain Corporations SB 604

ANALYST Jorgensen

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

|              | FY15 | FY16 | FY17 | 3 Year<br>Total Cost | Recurring or<br>Nonrecurring | Fund<br>Affected |
|--------------|------|------|------|----------------------|------------------------------|------------------|
| <b>Total</b> | 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 604 allows a nonprofit entity with a revoked certificate of incorporation to apply to the SOS for reinstatement beyond the current two year period if the entity can show that more than two years were required to complete a merger, consolidation, or liquidation of the corporation's assets and affairs.

### FISCAL IMPLICATIONS

There are no fiscal implications associated with enactment of SB 604.

### SIGNIFICANT ISSUES

The SOS writes:

Once a corporation's status is reflected as "Revoked and Beyond Appeal", the corporation name is available for other corporations to incorporate with this same name. The proposed legislation would impact name availability of corporations and limited liability companies seeking to incorporate in New Mexico. If a corporation is allowed to reinstate beyond the two year period, another entity may have already registered with the name previously used by the corporation in "Revoked Final and Beyond Appeal" status. Section 53-8-7 (B) Corporate Name "shall not be

the same as, or confusingly similar to, the name of any corporation, whether for profit or not for profit, existing under the laws of New Mexico, or any foreign corporation, whether for profit or not for profit, authorized to transact business or conduct affairs in New Mexico, or a corporate name reserved or registered as permitted by the laws of New Mexico.”

CJ/je