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FISCAL IMPACT REPORT

SPONSOR Sanchez ORIGINAL DATE 01/26/19
LAST UPDATED _____ HB _____
SHORT TITLE LLC Articles with Info for Every Member SB 169
ANALYST Iglesias

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	No Fiscal Impact					

Parenthesis () indicate expenditure decreases

SOURCES OF INFORMATION

Responses Received From
Secretary of State

SUMMARY

Synopsis of Bill

Senate Bill 169 amends Section 53-19-8 NMSA 1978, adding a requirement that the name and address of each member of a limited liability company (LLC) be included in the 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 secretary of state.

This bill also cleans up references to the commission (Public Regulation Commission) and references the secretary of state instead.

The effective date of this bill is July 1, 2019.

FISCAL IMPLICATIONS

According to the Secretary of State (SOS), there is no fiscal impact expected by the SOS.

SIGNIFICANT ISSUES

Currently, LLCs may be created only by listing a registered agent within the state of New Mexico, who may not be a member of the organization. If the company does not list contact information for its members, and the registered agent ceases, at any point, to serve in that capacity (and a new registered agent is not named), the secretary of state is not able to contact

the company for any reason. Requiring members and contact information to be named will allow the secretary of state to have a constant point of contact with the LLC.

ADMINISTRATIVE IMPLICATIONS

The Secretary of State would have to amend its forms. There could be a period of time in which old forms circulating might be submitted and would have to be rejected since the old forms do not require the name and address of each member.

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