



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #441

### **Business Association Fees (Financial Institutions)**

[LFB 2001-03 Budget Summary: Page 298, #5]

#### **CURRENT LAW**

Under current law, the level of many fees for services provided by the Department of Financial Institutions (DFI) relating to the regulation of business associations are specified in statute.

#### **GOVERNOR**

Require DFI to establish, by rule, fees for all of the following:

- a. Providing electronic access to, or preparing and supplying copies or certified copies of, any resolution, deed, bond, record, document or paper deposited with or kept by DFI under the statutes relating to business formation records.
- b. Providing in an expeditious manner, electronic access to any document deposited with or kept by DFI under the statutes relating to business formation records.
- c. Preparing, in an expeditious manner, any copies, certified copies, certificates or statements provided under the statutes relating to business formation records.
- d. Issuing certificates or statements, in any form, relating to the results of searches of DFI's records and files.
- e. Processing any service of process, notice or demand served on the Department.
- f. Processing, in an expeditious manner, a document filed with the Department.

Eliminate the current statutory fees for certain services provided by the Department and, instead, specify that these fees would be established by rule. The specific fees that would be affected and the current statutory fee amounts are listed in the appendix to this paper.

## DISCUSSION POINTS

1. DFI indicates that most of the fees identified in the appendix likely would be raised if established by rule. The Department maintains that these fees are generally nominal and do not necessarily cover the cost of providing the service.

2. Should the proposal be enacted, the Department estimates that the fee increases would raise roughly \$40,000 PR during each year of the 2001-03 biennium. As of the time of this writing, DFI had determined neither which fees would be raised nor the extent of any increases.

3. At the end of each fiscal year, all unexpended balances in the Department's PR appropriation for general program operations lapse to the general fund as GPR-earned. Thus, if the proposal is enacted and fees raised, an additional \$40,000 per year potentially could lapse to the general fund and be available for other uses.

## ALTERNATIVES

1. Approve the Governor's recommendation to require that the fees identified in the appendix be established by administrative rule. Estimate additional GPR-earned of \$40,000 per year.

<b>Alternative 1</b>	<b>GPR</b>
<b>2001-03 REVENUE</b> (Change to Bill)	\$80,000

2. Maintain current law.

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## APPENDIX

### Current Business Association Fees Imposed by DFI

Fee levels currently set in statute that would be established by administrative rule under the Governor's proposal are itemized below. The current level of the fee is also listed.

a. Serving process on DFI under the uniform partnership act, the uniform limited partnership act or the statutes relating to corporations, nonstock corporations, limited liability companies (LLCs), and cooperative associations: \$10.

b. Expedited processing of documents filed with DFI under these statutes and the statutes relating to business formation records and for expeditiously providing certain information: \$25.

c. Providing verification of the existence or registration of, or certain other information pertaining to, a limited partnership or cooperative association: \$4 if written, \$7 if faxed.

d. Providing names and addresses of general partners and an office address for a partnership: \$7 plus \$.50 per additional page if more than one page is needed.

e. Certificate or statement of status of a corporation or LLC: \$5.

f. Certificate or statement of status of a nonstock corporation: \$5, or \$10 if additional information is requested.

g. Copying a document deposited or kept by DFI under the statutes relating to business formation records and attaching a certificate: \$.50 per page and \$5 for a certificate. If a copy is not to be certified and if the reproduction is performed by DFI: the actual and necessary costs of reproduction and transcription or \$2, whichever is greater.

h. Recording any document authorized or required by law to be recorded in DFI: \$1 per page.

i. Providing certified copies of certificates of incorporations or amendments, licenses of foreign corporations, or similar certificates, and for certificates as to results of searches of DFI records and files, when a printed form is used: \$5. If a specially prepared form is required: \$10.

j. Telegraphic reports as to results of record searches: \$5 plus the cost of the telegram.

k. Written information regarding the status of a cooperative association plus a list of the names and addresses of officers and directors, and the association's principal place of business: \$7 plus \$.50 per additional page if more than one page is needed.