

## ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

<p>1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original   <input type="checkbox"/> Updated   <input type="checkbox"/> Corrected</p>	<p>2. Date August 1, 2019</p>
<p>3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) Section DFI-CCS 10.04</p>	
<p>4. Subject Fees associated with Wisconsin's Revised Uniform Partnership Act, ch. 178, Stats.</p>	
<p>5. Fund Sources Affected <input type="checkbox"/> GPR   <input type="checkbox"/> FED   <input checked="" type="checkbox"/> PRO   <input type="checkbox"/> PRS   <input type="checkbox"/> SEG   <input type="checkbox"/> SEG-S</p>	<p>6. Chapter 20, Stats. Appropriations Affected 20.144(1)(g)</p>
<p>7. Fiscal Effect of Implementing the Rule <input type="checkbox"/> No Fiscal Effect   <input checked="" type="checkbox"/> Increase Existing Revenues   <input type="checkbox"/> Increase Costs   <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Indeterminate   <input type="checkbox"/> Decrease Existing Revenues   <input type="checkbox"/> Could Absorb Within Agency's Budget</p>	
<p>8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy   <input checked="" type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units   <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses <b>(if checked, complete Attachment A)</b></p>	
<p>9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). <b>\$39 averaged annual cost.</b></p>	
<p>10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes   <input checked="" type="checkbox"/> No</p>	
<p>11. Policy Problem Addressed by the Rule This proposed rule sets fees for certain filings or requests made to the department pursuant to Wisconsin's Revised Uniform Partnership Act (RUPA), which was enacted in 2016 and codified as ch. 178, Stats. RUPA authorizes the Department to collect "a fee for filing, or providing a certified copy of, a record under this chapter," and states that any such fees must be "established by the department by rule." s. 178.0120, Stats. Since the 2016 enactment of RUPA, no such rule has been promulgated—and thus the department has collected no fees for general and limited liability partnership filings, despite continuing to collect filing fees for corporations, limited liability companies, and other types of business entities. This proposed rule remedies that inconsistency and ensures that partnerships pay their fair share of the state's cost of maintaining business filings and responding to certified-copy requests. The proposed rule would establish the fees the department is authorized to collect for: (1) filing documents under RUPA; (2) providing certified copies of business records under RUPA; (3) providing certificates of status for limited liability partnerships; (4) expediting filings or certificates; and (5) filing records in paper format.</p>	
<p>12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. The rule will affect domestic and foreign partnerships, as defined under ss. 178.0102(6) and 178.0102(11), Stats. These entities have not been individually contacted for comment, but will have the opportunity to comment pursuant to the rule making process under ch. 227, Stats.</p>	
<p>13. Identify the Local Governmental Units that Participated in the Development of this EIA. n/a</p>	
<p>14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred) The proposed rule would have no significant impact on small businesses, as defined in s. 227.114(1), Stats. The department contemplates that the fees to be charged will be comparable to those charged for similar filings by other entities, with standard (i.e., non-expedited) fees ranging from \$10 to \$150 depending on the type of document and</p>	

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whether the partnership is domestic or foreign. The department contemplates that document fees at the high end of that range would relate to a one-time event (e.g., articles of merger or foreign registration statements), while fees for filing annual reports would be only \$25 for domestic partnerships and \$65 for foreign partnerships. Taking the total number of expected annual filings and the fees collected for these, the department estimates that the average cost for a partnership would be approximately \$39.

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### 15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

Implementing the rule brings the department into compliance with the legislature's requirement under s. 178.0120(2)(a), Stats., that the department promulgate a rule to collect fees for filing partnership records, providing certified copies and certificates of status, processing expedited requests, and filing records in paper for format. The legislature did not authorize an alternative to the requirement to promulgate a rule.

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### 16. Long Range Implications of Implementing the Rule

These fees fund the department's general program operations, including the cost of filing, maintaining and providing records under ch. 178. Any remaining balance is transferred at year-end to the state's general fund, pursuant to s. 20.144(1)(g), Stats.

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### 17. Compare With Approaches Being Used by Federal Government

The Wisconsin Uniform Partnership Act is based on the Revised Uniform Partnership Act, a uniform law which has been approved and recommended for enactment in all states by the National Conference of Commissioners on Uniform State Laws. Laws regarding the organization and registration of partnerships are matters of state law; there is no parallel federal regulation.

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### 18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Illinois, Minnesota and Iowa have adopted the Revised Uniform Partnership Act, and for records under this act, established comparable fees. Michigan has not adopted the act, but has established comparable fees for the same. Filing fees in these states range as follows: Illinois, \$25 - \$500; Minnesota \$25 - \$135; Iowa and Michigan, \$5 - \$100. Expedited fees in these states range up to the following: Illinois, \$200; Minnesota, \$520; Michigan, \$1000. Iowa does not offer expedited service..

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### 19. Contact Name

Matthew Lynch, Chief Legal Counsel

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### 20. Contact Phone Number

608-266-7968

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**ATTACHMENT A**

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

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3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
  - Less Stringent Schedules or Deadlines for Compliance or Reporting
  - Consolidation or Simplification of Reporting Requirements
  - Establishment of performance standards in lieu of Design or Operational Standards
  - Exemption of Small Businesses from some or all requirements
  - Other, describe:
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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

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5. Describe the Rule's Enforcement Provisions

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes     No
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