

BILL SUMMARY
1st Session of the 52nd Legislature

Bill No.:	HB 2148
Version:	Introduced
Author:	Representative Armes
Date:	February 3, 2009
Impact:	Secretary of State- \$43,000- \$226,000
	Dependent on Computer Modifications;
	Nominal Increase to GRF

Bill Summary

Research Analyst: Tricia Dameron

The measure allows individuals in rural and urban settings to use a cooperative structure to own, run, and share in the benefit of their business in combination with modern financing techniques. Natural gas and rural electric cooperatives are exempt from being formed under this act. The measure does not replace the current cooperative law or affect cooperatives formed under existing law.

Source: American Bar Association

Fiscal Summary

Fiscal Analyst: Terry McKenna

HB 2148, as introduced, creates the Uniform Limited Cooperative Association Act of 2009. The measure modifies or repeals elements of the Uniform Commercial Code which relates to the laws of sales and other commercial transactions, including negotiable instruments, bank deposits, investment securities, letters of credit, etc. The purpose of the Code is to impose consistency and to streamline routine transactions such as the processing of checks, notes and other commercial paper to include: negotiable instruments, bank deposits and collections, consumer accounts and warehouse liens. HB 2148 also provides that the Secretary of State is an agent for service of process for a limited cooperative association or foreign cooperative in this state if the association or cooperative does not appoint or maintain one or if one cannot be found at the address on file with the agency.

Fiscal Analysis

The Office of the Secretary of State estimates it would cost between \$43,000 and \$226,000 to modify its computer system to accommodate the new entity types created under the provisions of this measure. If the agency is able to accomplish these modifications in-house, then the cost would be nearer the lower amount; however if extensive outside vendor or contract assistance is required, then the cost would be at the upper range of the estimate.

The agency also estimates that the new fee for one additional entity type would only provide a nominal (\$500) deposit to the General Revenue Fund.

Long Term Fiscal Considerations

As Stated Above

Fiscal Analysis Reviewed by:

Mark Tygret

House Fiscal Director