LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 3513
STATE OF NEW JERSEY
219th LEGISLATURE

DATED: AUGUST 3, 2020

SUMMARY

Synopsis: Modernizes business filing statutes to include entity conversion and domestication.

Type of Impact: Indeterminate annual State revenue and expenditure increases.

Agencies Affected: Department of the Treasury.

Office of Legislative Services Estimate

Fiscal Impact	Annual
State Expenditure Increase	Indeterminate
State Revenue Increase	Indeterminate

- The Office of Legislative Services (OLS) estimates that this bill will result in an indeterminate annual State revenue increase due to the collection of the $75 filing fee for a certificate of conversion. The OLS does not have sufficient information to accurately forecast the number of corporations that would be domesticated.

- The OLS notes that this bill may result in a potential, likely insignificant, increase in annual State expenditures tied to the requirement for the Department of the Treasury to issue foreign corporations a certificate of authority to transact business in New Jersey.

BILL DESCRIPTION

This bill modifies applicable business filing statutes contained in the "New Jersey Business Corporation Act" by adding domestication and conversion provisions across all business entity types. Conversion is the process of converting from one type of business entity to another type. Domestication is the process of an out-of-State business entity converting to a domestic corporation. New Jersey law currently does not permit these actions.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

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Section:	*Commerce, Labor and Industry*
Analyst:	*Juan C. Rodriguez* *Senior Fiscal Analyst*
Approved:	*Frank W. Haines III* *Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).