

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 10** SLS 24RS 90

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 25, 2024 6:18 PM	Author: PRESSLY
Dept./Agy.: Judiciary	Analyst: Tanesha Morgan
Subject: Separate legal personalities	

COMMERCIAL REGULATIONS EG NO IMPACT See Note Page 1 of 1
Provides for the recognition of separate legal personalities among affiliated corporations and other business entities. (8/1/24)

Proposed law provides that the separate juridical personality of a business organization should not be disregarded between one business organization and another, except on grounds that would justify disregarding the separate personality between the business organization and a natural person. Proposed law provides circumstances that should not be used as the sole basis for disregarding the separate legal personalities of business organizations, such as common control, directors, offices, or employees; unified administrative control; centralized accounting; or one organization financing or organizing another. Proposed law defines "business organization" and provides that it shall not affect any legal or regulatory action taken by the commissioner of insurance or any law or administrative rule that requires or permits a group of business organizations to be consolidated or disregarded for specific purposes. The provisions of proposed law would apply prospectively to all business organizations. Provisions of proposed law legislatively overrule the decision in Green v. Champion Ins. Co., 577 So.2d 249 (La. App.1st Cir. 1991) in favor of a traditional veil piercing analysis.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law establishes legal principles regarding the separate legal personalities of affiliated business organizations. Proposed law does not require any specific actions or changes in business practices that would impact governmental expenditures.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


Patrice Thomas
Deputy Fiscal Officer