



March 7, 2022

SUMMARY OF BILL AS AMENDED (014635): Authorizes the creation of a decentralized organization (DO) as a limited liability company (LLC) and prescribes how a DO may be formed, organized, operated, amended, managed, and dissolved. Authorizes an LLC formed under the Tennessee Revised Limited Liability Company Act to convert to a DO by amending its articles of organization. Requires a DO to have and continuously maintain in this state a registered agent just as LLCs do. Authorizes the Secretary of State (SOS) to dissolve a DO if the DO is deemed to no longer perform a lawful purpose; requires the DO to execute a statement of intent to dissolve in the form prescribed by the SOS. Prohibits the SOS from issuing a certificate of authority for DO based outside of the United States or its territories.

FISCAL IMPACT OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- LLCs are not governmental entities so any impact to state or local government is estimated to be not significant.
- Pursuant to Tenn. Code Ann. § 48-203-102 and § 48-249-109, LLCs must register with the Secretary of State and maintain a registered agent in the state. Authorizing the creation of DOs and LLCs to convert to a DO is not expected to result in a significant number of DOs registering in the state and, therefore, will not result in any significant impact to state government.
- LLCs are required to file a notice of dissolution with the SOS; requiring a DO to file a statement of intent is not expected to result in any impact to state expenditures.
- Prohibiting the SOS from issuing certificates of authority for DOs based outside of the United States will not have any impact to state government.

IMPACT TO COMMERCE OF BILL AS AMENDED:

Other Commerce Impact – The extent and timing of any impact to jobs and commerce in Tennessee cannot reasonably be determined.

Assumptions for the bill as amended:

- The proposed legislation provides that a DO may form and operate for a lawful purpose, whether for profit or not for profit.
- Authorizing the creation of DOs in this state may result in an increase to jobs and commerce in Tennessee; however, the extent and timing of such increases cannot reasonably be determined.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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