

## **Massachusetts House of Representatives Bill Summary**

<b>Bill #</b>	H.494
<b>Title:</b>	An Act reducing costs for microbusinesses
<b>Sponsor:</b>	Rep. Orlando Ramos
<b>Committee:</b>	Economic Development and Emerging Technologies
<b>Hearing Date:</b>	June 5, 2025
<b>Reporting Deadline:</b>	August 4, 2025 (subject to extensions under House Rule 27)
<b>Prior History:</b>	N/A
<b>Similar Matters:</b>	H.479 (Rep. Arciero-Similar to H.494)-in the Economic Development Committee
<b>Key Terms:</b>	MGL refers to the Massachusetts General Laws.

A certificate of organization is a legal document filed with the state to officially establish a limited liability company (LLC) and to prove its existence as a registered business entity.

A limited liability company or a domestic limited liability company refers to an unincorporated organization formed under chapter 156C of MGL and having 1 or more owners. This is a type of business that offers members liability protection, meaning their personal assets are shielded from their business debts and obligations.

**Current Law:** Chapter 23A of MGL concerns the Massachusetts Department of Economic Development.

- Section 69 of this chapter defines a micro business as a business with no more than 5 employees, located in a census tract as reported in the most recently completed decennial

census published by the United States Census Bureau that has a median household income not greater than 80% of the statewide median household income, and with no more than \$250,000 in annual revenue.

Chapter 156C of MGL deals with the limited liability company act.

- Section 12 of this chapter outlines the process of certifying a limited liability company as an organization. Subsection (a) requires the execution of a certificate of organization in order to form a limited liability company. Subsection (c) of this section requires all limited liability companies formed under this chapter to file an annual report with the state secretary. Subsection (d) of this section establishes that the fee for the filing of the certificate of organization shall be \$500 and that the fee for the filing of the annual report shall be \$500.

**Summary:** This bill decreases the cost for microbusinesses to file a certificate of an organization, which proves a company's existence as a registered business entity in Massachusetts, and the cost to file an annual report from \$500 for each filing to \$200 for each filing.

Section 1 amends section 12 of chapter 156C of MGL, by decreasing the cost of the fee in subsection (d) for microbusinesses filing a certificate of organization from \$500 to \$200. All other limited liability companies shall continue to pay the \$500 for the filing of the certificate of organization.

Section 2 further amends section 12 of chapter 156C of MGL, by decreasing the cost of the fee for microbusinesses filing an annual report required in subsection (d) of this section from \$500 to \$200. All other limited liability companies shall continue to pay \$500 for the filing of the annual report.