



Wyoming Secretary of State

Business Division

Colin Crossman, Director

Joint Corporations, Elections, & Political Subdivisions Committee
Lander, May 30-31, 2023

Overview of the Business Division



- Largest single division of the Office of the Secretary of State
- 11 staff members, handling over 500,000 (and growing) filings annually
 - ~245k new & amendment filings, and ~257k annual reports as of 2023-05-10
- Responsible for the intake of more than \$36M annually

Overview of the Business Division



- Primary point-of-contact for small businesses getting started
- Provide the highest level of customer service as compared to the other 48 States' offices
 - Over 48,000 citizen phone calls annually
 - More than 1,500 face-to-face interactions annually
- Oversee & audit our Commercial Registered Agents

History of the LLC Act



- Wyoming passed the first groundbreaking LLC act on March 4th, 1977
- Hamilton Brothers Oil Company was looking for a way to more reasonably structure affairs, coupling the flexibility and tax treatment of a partnership, with the liability protection of a corporation
- Initially proposed in Alaska in 1975 & 1976, without success
- Introduced in Wyoming in 1977, and quickly passed with minimal dissent

History of the LLC Act



- The LLC remained unpopular for 11 years, as the innovation was not fully accepted by Washington & other States
- In 1988, the IRS formally recognized the LLC and accepted the partnership tax treatment it is now known for
- Further revisions in 1994 & 1996, as well as every other State following Wyoming's lead by 1996, finally cemented the LLC as the most used and most flexible corporate form for small and medium sized businesses

History of the LLC Act



SB 218 3rd Date 2/12

Roll Call of the Senate of the FORTY-FOURTH LEGISLATURE of Wyoming

	Excused	Absent	Ayes	Noes
31 ARNEY			✓	
30 BOYLE			✓	
29 CHRISTENSEN			✓	
28 CUNDALL			✓	
27 DAILY			✓	
26 FRISBY			✓	
25 GEIS	✓			
24 HITCHCOCK			✓	
23 JOHNSON			✓	
22 KIMBALL			✓	
21 MADSEN			✓	
20 MAJHANOVICH			✓	
19 McDANIEL			✓	
18 MOORE			✓	
17 MURRAY			✓	

16 NICHOLS			✓	
15 NORRIS			✓	
14 NORTHROP				
13 NOVOTNY			✓	
12 OSTLUND			✓	
11 PECK			✓	
10 PROFFIT			✓	
9 RECTOR			✓	
8 SADLER			✓	
7 SEDAR				✓
6 STAFFORD			✓	
5 TAGGART			✓	
4 TRUE			✓	
3 TURNER			✓	
2 ZIMMER			✓	
1 MR. PRESIDENT			✓	

PRESENT _____	AYES <u>28</u>
	NOES <u>1</u>
	EXCUSED <u>1</u>
	ABSENT <u>0</u>
	TOTAL <u>30</u>

History of the LLC Act



SF 218 Third Reading Date 2-25-77

Roll Call of the House of the FORTY-FOURTH LEGISLATURE of Wyoming

	Ayes	Noes	Excused	Absent		Ayes	Noes	Excused	Absent
63 BAUMAN	✓				28 McMILLAN	✓			
62 BRYANT	✓				27 MEENAN	✓			
61 BUCK	✓				26 MEIER	✓			
60 BURNETT	✓	✓			25 MICHELI	✓			
59 BUSSART	✓				24 MORTON	✓			
58 CHAMBERLAIN	✓				23 O'NEIL	✓			
57 CLAPP	✓				22 ORRISON	✓			
56 COPENHAVER	✓				21 OSLUND	✓			
55 CRANFILL	✓	✓			20 PARKS	✓			
54 CREWS	✓				19 PERRY	✓			
53 CROSS	✓				18 PHELAN	✓			
52 CROWLEY	✓				17 PROSSER	✓			
51 CURRY	✓				16 ROTH	✓			
50 DONLEY	✓				15 SALISBURY	✓			

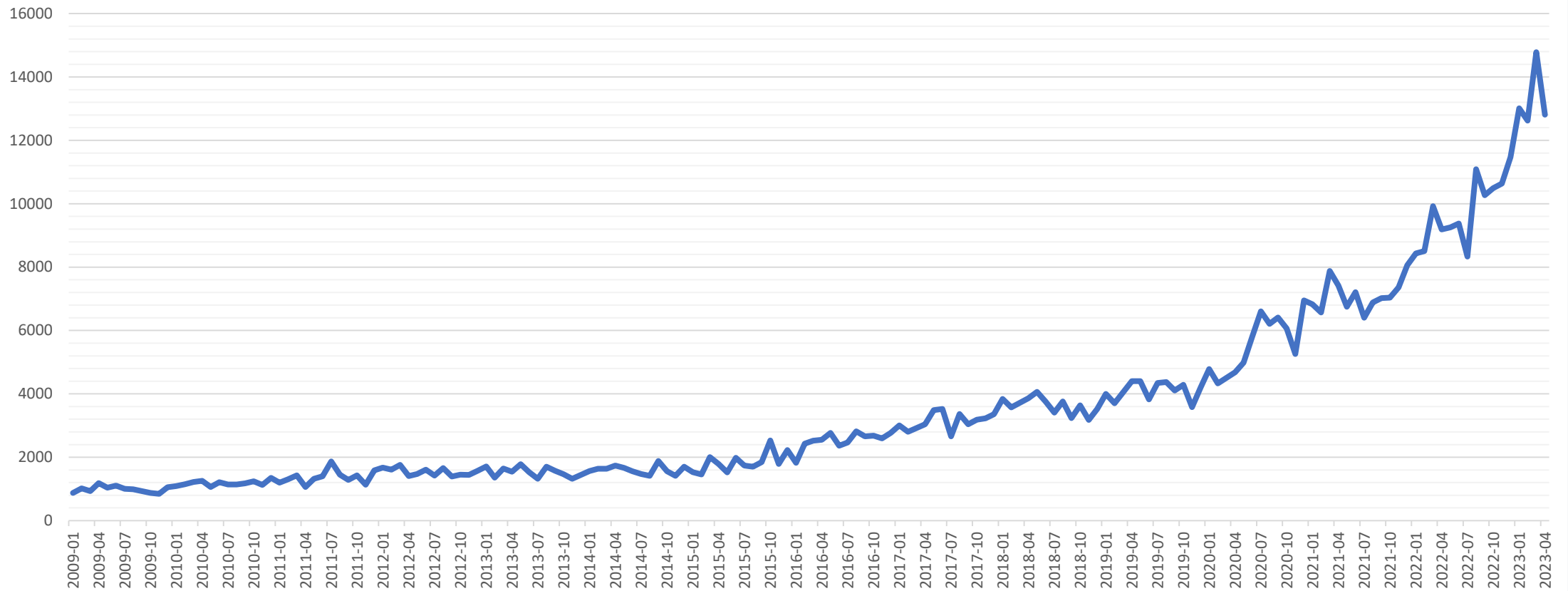
49 DOWNING	✓				14 SANDERS	✓			
48 EDWARDS	✓				13 SCOTT	✓			
47 ENGEN	✓				12 SIDI	EX		✓	
46 ESKENS	✓				11 SIMPSON				
45 FLEISCHLI	✓				10-SMITH	✓			
44 A. LEFTY GRAHAM	✓				9 STAUFFER	✓			
43 J. L. GRAHAM	✓				8 STEWART	✓			
42 GROPP	✓				7 STICKLEY	✓			
41 GUFFEY	✓				6 TARTER	✓			
40 HANSEN	✓				5 TRUJILLO	✓			
39 HEMMERT	✓				4 URBIGKIT	✓			
38 HOLLAND	✓				3 VINICH	✓			
37 HUNTER	✓				2 WILKINS	✓			
36 HURSH	✓				1 MR. SPEAKER	Pro test ✓			
35 JENNINGS	✓								
34 JENSEN	✓								
33 JONES	✓								
32 KINNAMAN	✓								
31 LARSON	✓								
30 McCARTHY	✓								
29 McILVAIN	✓								

PRESENT	AYES	58
	NOES	3
	EXCUSED	1
	ABSENT	
	TOTAL	62
	LESS	

Statistics



New LLC Filings By Month

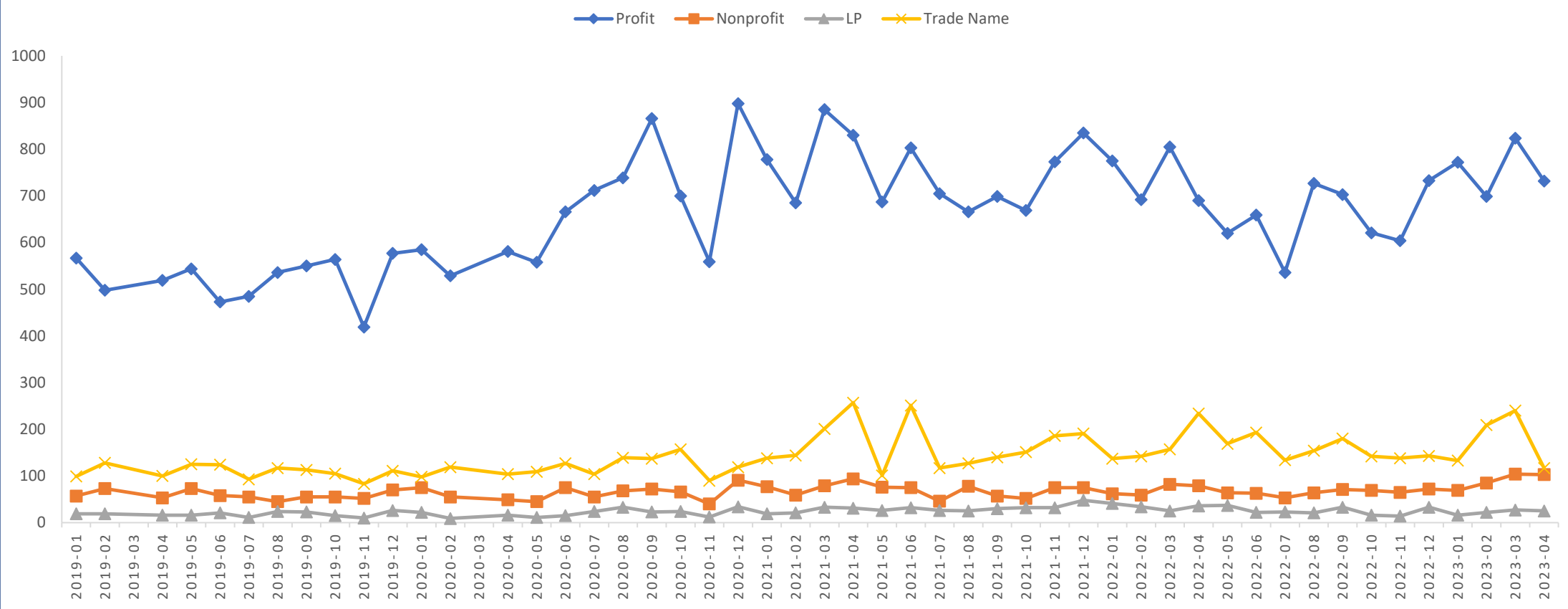




Statistics

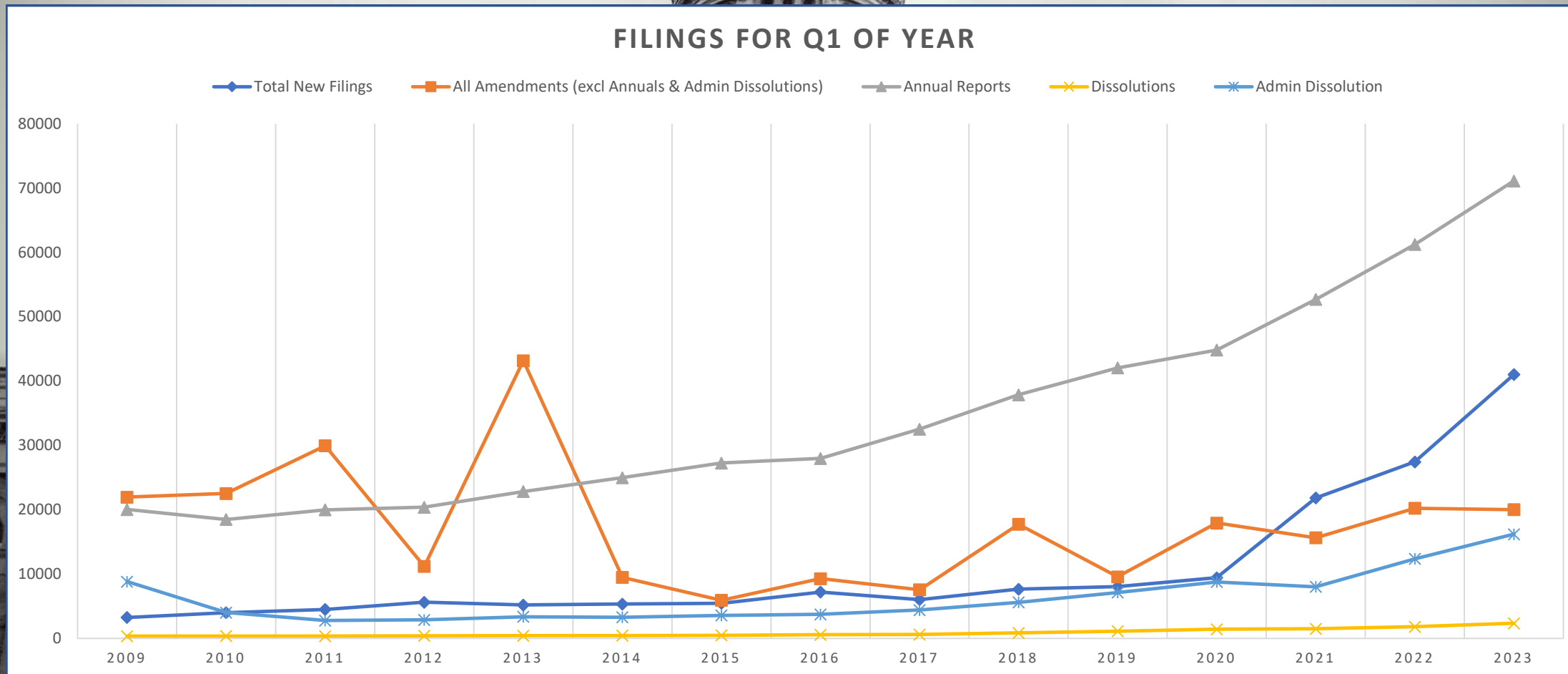


OTHER NEW ENTITY FILINGS (EXCLUDING LLCs)





Statistics





Statistics

Q1 Year	New Domestic	New Foreign	Total New Filings	All Amendments (excl Annuals & Admin Dissolutions)	Annual Reports	Dissolutions	Admin Dissolution	Total
2009	2821	443	3264	21972	20049	352	8830	54115
2010	3456	548	4004	22538	18500	377	4022	49064
2011	3937	575	4512	29955	19991	364	2784	57242
2012	5045	586	5631	11204	20409	405	2887	40131
2013	4710	491	5201	43185	22837	436	3360	74583
2014	4835	515	5350	9498	24991	455	3295	43134
2015	4989	471	5460	5933	27277	479	3576	42246
2016	6774	439	7213	9290	27977	573	3741	48221
2017	5804	225	6029	7566	32533	603	4409	50537
2018	7414	248	7662	17754	37882	865	5601	68899
2019	7709	343	8052	9573	42053	1120	7149	66827
2020	9117	316	9433	17943	44843	1418	8779	80998
2021	21279	563	21842	15649	52713	1497	8029	98233
2022	26862	581	27443	20238	61256	1812	12371	121308
2023	40415	615	41030	20027	71121	2358	16198	148376



Statistics

- Filings, led by new LLCs, are growing quickly
 - 2023Q1 New business filings are up 33% vs 2022Q1 and 47% vs 2021Q1
 - 2023Q1 Total Filings are up 18% vs 2022Q1 and 34% vs 2021Q1
- Revenues are also growing quickly
 - FY2022 Q1-Q3: \$24,208,472
 - FY2023 Q1-Q3: \$28,996,143 – up ~19.5%
- The rate of growth is itself accelerating quickly



Takeaways

- The Business Division is working to address the growth by Identifying efficiencies and deploying tools to assist
 - Since 2016, each online initial filing had to be manually checked for name suitability
 - This process grew to consume 4-6 hours of staff time each day
 - New system employed as of May 1st 2023 has reduced that considerably
- The remarkable pace of growth opens opportunities for enhancing our team dynamics and leveraging advanced technology for efficiency.