

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5120-01
Bill No.: HB 2352
Subject: Secretary of State: Business and Commerce
Type: Original
Date: March 17, 2008

Bill Summary: Changes provisions relating to the registration of fictitious names.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2009 | FY 2010 | FY 2011 |
| | | | |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------------|--------------------|------------|
| FUND AFFECTED | FY 2009 | FY 2010 | FY 2011 |
| Technology Trust | \$134,549 | (\$134,549) | \$0 |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$134,549 | (\$134,549) | \$0 |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2009 | FY 2010 | FY 2011 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------|----------|----------|
| FUND AFFECTED | FY 2009 | FY 2010 | FY 2011 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2009 | FY 2010 | FY 2011 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Office of the Secretary of State - Business Services Division** stated that currently Section 417.210 RSMo requires all fictitious name registrations filed on or before August 28, 2004, to renew the registration within six months prior August 28, 2009. This is a new responsibility placed on the SOS as mandated by HB 1664, in the 2004 legislative session. Registrations filed August 28, 2004, and after, have a five year expiration from the date they are filed in the Secretary of State's office.

Under current law there are approximately 475,600 fictitious name registrations that will expire on August 28, 2009, if not renewed. The SOS will mail a postcard type mailer to each of these business registrations to notify them of the requirement to renew their registration. It is estimated that between 45% - 50% will renew the fictitious name registration between February and August 28, 2009, placing a huge burden on business filers and the SOS.

Officials estimate they would have a reduction in postage costs in FY 2009 and an increase in postage costs in FY 2010. Officials assume the costs and savings would be \$134,549 in each of the fiscal years. Fiscal impact would be to the Technology Trust Fund.

| <u>FISCAL IMPACT - State Government</u> | FY 2009 (10 Mo.) | FY 2010 | FY 2011 |
|--|-------------------------|---------------------------|-------------------|
| TECHNOLOGY TRUST FUND | | | |
| <u>Savings</u> To Secretary of State from postage and mailing supplies costs | \$134,549 | \$0 | \$0 |
| <u>Cost</u> - To Secretary of State from additional postage and mailing supplies costs. | <u>\$0</u> | <u>(\$134,549)</u> | <u>\$0</u> |
| ESTIMATED NET EFFECT TO TECHNOLOGY TRUST FUND | <u>\$134,549</u> | <u>(\$134,549)</u> | <u>\$0</u> |

FISCAL IMPACT - Local Government

FY 2009
(10 Mo.)

FY 2010

FY 2011

\$0

\$0

\$0

FISCAL IMPACT - Small Business

This proposal would have a positive impact because it would give small businesses longer to renew their fictitious name registration.

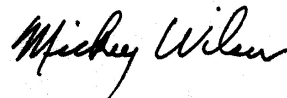
FISCAL DESCRIPTION

This bill extends the time period allowed for the Secretary of State to inactivate expired fictitious name reservations for businesses registered in Missouri. Any name registration will expire on the first occurrence of the anniversary of the month and day it was registered after August 28, 2009.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State - Business Services



Mickey Wilson, CPA
Director
March 17, 2008