

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1344-01
Bill No.: HB 535
Subject: Secretary of State
Type: Original
Date: April 2, 2019

Bill Summary: This proposal modifies sunset dates for certain fees collected by the Secretary of State.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
Technology Trust Fund (0266)	\$0	\$0	\$1,350,000	\$2,700,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$1,350,000	\$2,700,000

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
Total Estimated Net Effect on FTE	0	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
Local Government	\$0	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State (SOS)** state:

This proposal extends the SOS's technology trust fund. The fund pays for the establishing, procuring, developing, modernizing and maintaining:

- (1) An electronic data processing system and programs capable of maintaining a centralized database of all registered voters in the state;
- (2) Library services offered to the citizens of this state;
- (3) Administrative rules services, equipment and functions;
- (4) Services, equipment and functions relating to securities;
- (5) Services, equipment and functions relating to corporations and business organizations;
- (6) Services, equipment and functions relating to the Uniform Commercial Code;
- (7) Services, equipment and functions relating to archives;
- (8) Services, equipment and functions relating to record services; and
- (9) Services, equipment and functions relating to state and local elections.

An estimated impact of \$2,700,000 for each fiscal year is based on historical fee collections as follows:

Collected			Average
FY2016	FY2017	FY2018	
\$ 2,676,598	\$ 2,678,515	\$ 2,758,713	\$ 2,704,609

Impact will be \$1,350,000 in FY22, \$2,700,000 in FY23 - 26 and \$1,350,000 in FY27.

The Secretary of State states they reserve the right to offset or request additional resources for estimated fiscal note impacts during the budget process.

Oversight notes that the Technology Trust Fund (0266) had a balance of \$4,486,627.56 as of March 29, 2019.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect estimated impact provided by SOS on the fiscal note.

FISCAL IMPACT -
State Government

	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
TECHNOLOGY TRUST FUND				

Revenue - SOS -
fees collected

<u>\$0</u>	<u>\$0</u>	<u>\$1,350,000</u>	<u>\$2,700,000</u>
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**ESTIMATED NET
EFFECT ON
TECHNOLOGY
TRUST FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$1,350,000</u>	<u>\$2,700,000</u>
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FISCAL IMPACT -
Local Government

	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill extends the expiration date from December 31, 2021, to December 31, 2026, for the additional \$5 fee collected by the Secretary of State for every fee required in Chapter 347, RSMo, (Limited Liability Companies); Chapter 351 (General and Business Corporations); Chapter 355 (Nonprofit Corporations); Chapter 356 (Professional Corporations); Chapter 359 (Uniform Limited Partnership Law); Article 9 (Secured Transactions) of Chapter 400 (Uniform Commercial Code); and Chapter 417 (Trademarks, Names and Private Emblems). The additional fee is deposited in the Secretary of State's Technology Trust Fund.

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

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SOURCES OF INFORMATION

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