

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1990H.01P
Bill No.: Perfected HB 770
Subject: Secretary of State; Fees
Type: Original
Date: April 1, 2025

Bill Summary: This proposal extends the sunset date on various fees collected by the secretary of state.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue	\$0	\$1,704,955	\$3,409,910
Total Estimated Net Effect on General Revenue	\$0	\$1,704,955	\$3,409,910

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on FTE	0	0	0

- ☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☒ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Sections 347.740, 351.127, 355.023, 356.233, 359.653, 400.9-528 and 417.018 – Extends the sunset on various fees the Secretary of State can collect

Officials from the **Office of the Secretary of State (SOS)** state if the provisions aren't extended, there will be loss of approximately \$3.4 million per year in technology fees used to support the SOS IT Department's hardware/software needs.

Officials from the **SOS Rules Division** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight has no information to the contrary. Therefore, Oversight will present the fiscal impact of this proposal as provided by the Office of the Secretary of State. Oversight assumes the collection of fees is extended beginning January 1, 2027.

Officials from the **Office of the State Treasurer** assume the proposal will have no fiscal impact on their respective organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE FUND			
<u>Loss Avoidance – SOS (§§ 347.740-417.018)</u>	\$0	\$1,704,955	\$3,409,910
ESTIMATED NET EFFECT ON GENERAL REVENUE FUNDS	<u>\$0</u>	<u>\$1,704,955</u>	<u>\$3,409,910</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<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.

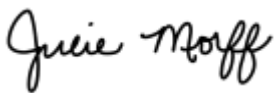
FISCAL DESCRIPTION

This proposal will allow numerous fees collected by the Secretary of State and credited to the Secretary of State's Technology Trust Fund are set to expire in 2026. This bill extends the date of expiration on these funds to 2030.

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
Office of the State Treasurer



Julie Morff
Director
April 1, 2025



Jessica Harris
Assistant Director
April 1, 2025