

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5105-03
Bill No.: Perfected SCS for SB 1150
Subject: Secretary of State: Technology Trust Fund
Type: Original
Date: April 2, 2008

Bill Summary: Removes the sunset provisions for fees to be credited to the Technology Trust Fund.

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	\$0	\$1,154,000	\$2,308,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$1,154,000	\$2,308,000

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 if the filing fees that are designated to the Technology Trust Fund, which is used by the Secretary of State's office to fund all technology related programs, services, equipment, and maintenance, are not reinstated thereby eliminating the Technology Trust Fund funding, the Secretary of State would need to request that this loss of revenue be replaced with General Revenue Fund monies.

Officials estimate they would need an annual core appropriation from the General Revenue Fund of \$2,308,000 to ensure that their office could continue providing both statutorily required mandates as well as existing levels of customer service in all operating divisions of their office.

Officials stated that the fees that would be discontinued (due to the sunset provision) generates approximately \$2,308,000 annually.

Oversight assumes if this proposal passes certain filing fees would be continued creating a positive fiscal impact to the Technology Trust Fund of approximately \$2,308,000 annually.

Oversight assumes that the sunset provision would sunset all of the fees on December 31, 2009.

Oversight assumes first impact of the renewed fees income collections would be realized for 6 months of fiscal year 2010.

Oversight will show no fiscal impact to the Technology Trust Fund in fiscal year 2009; and impact for 6 months of fiscal year 2010; and 12 months of fiscal year 2011. **Oversight** assumes no local government fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2009	FY 2010 (6Mo.)	FY 2011
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TECHNOLOGY TRUST FUND

<u>Income</u> - To Technology Trust Fund			
From renewed filing fees.	<u>\$0</u>	<u>\$1,154,000</u>	<u>\$2,308,000</u>
ESTIMATED NET EFFECT TO TECHNOLOGY TRUST FUND	<u>\$0</u>	<u>\$1,154,000</u>	<u>\$2,308,000</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2009	FY 2010 (6Mo.)	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small business would benefit from the development of online filings and web accessible information that the continuation of funding promotes.

FISCAL DESCRIPTION

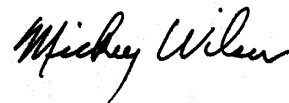
Several provisions in current law allow the Secretary of State to collect an additional \$5 fee for filings relating to business organizations, commercial transactions, and trademarks, names and private emblems to be credited to the State's Technology Trust Fund. These provisions are set to sunset on December 31, 2009.

This act extends the sunset provisions to December 31, 2017

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



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Director
April 2, 2008