

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0355-03  
Bill No.: Truly Agreed To and Finally Passed CCS for HCS for SB 95  
Subject: Counties; County Government; Secretary of State  
Type: Original  
Date: June 2, 2017

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Bill Summary: This proposal extends the expiration dates on certain provisions relating to public funds.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Technology Trust Fund	\$1,461,896	\$3,035,188	\$3,150,829
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$1,461,896</b>	<b>\$3,035,188</b>	<b>\$3,150,829</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §50.622

In response to a previous version, officials at the **Callaway County Commission** assumed no fiscal impact from this proposal.

**Oversight** assumes this proposal changes the sunset from July 1, 2016 to July 1, 2027 for provisions related to amending county budgets and will have no fiscal impact.

#### §§347.740, 351.127, 355.023, 356.233, 359.653, 400.9-528, 417.018

In response to similar legislation from this year, SB 348, officials at the **Office of the Secretary of State (SOS)** stated the Technology Trust Fund supports the SOS IT Division in supplying updated servers, computers, paying vendors for system support and providing updated technology for the office.

Since go-live of the current corporate filing system in June 2014, there has not been a year-on-year decrease in Technology Fund deposits. The monies deposited into the Technology Fund for FY 2013 through FY 2016 are as follows:

FY 2013 = \$2,428,598  
FY 2014 = \$2,420,388  
FY 2015 = \$2,516,135  
FY 2016 = \$2,713,114

The last three fiscal years (FY 2014, FY 2015 and FY 2016) were used to determine an increase/decrease between the years. The average was then calculated and applied to get the estimated Technology Fund deposits for FY 2018, FY 2019, and FY 2020.

#### Percentage of Increase/Decrease between Fiscal Years

FY 2014 - FY 2013 = Increase/Decrease  
 $\$2,420,388 - \$2,428,598 = -\$8,570$   
 $-\$8,570 / \$2,428,598 * 100 = -.33\%$  decrease FY 2014

FY 2015 - FY 2014 = Increase/Decrease  
 $\$2,516,135 - \$2,420,388 = \$95,747$   
 $\$95,747 / \$2,420,388 * 100 = 3.95\%$  increase FY 2015

ASSUMPTION (continued)

FY 2016 - FY 2015 = Increase/Decrease  
 $\$2,713,114 - \$2,516,135 = \$196,979$   
 $\$196,979 / \$2,516,135 = 7.82\%$  increase FY 2016

FY 2017 - FY 2016 = Increase/Decrease (FY 2017 is being estimated with the yearly average in order to find FY 2018's total loss)  
 $\$2,713,114 * .0381 = \$103,369.64$   
 $\$2,713,114 + \$103,369.64 = \$2,816,483.64$  FY 2017 estimate Technology Fund deposit

Average

Change percentages to a decimal (percentage / 100)  
FY 2014 =  $.33\% / 100 = -.0033$   
FY 2015 =  $3.95\% / 100 = .0395$   
FY 2016 =  $7.82\% / 100 = .0782$

$.0033 + .0395 + .0782 / 3 = .0381$   
 $.0381 * 100 = 3.81\%$  average yearly increase

FY 2018 (6 months is used for the estimated deposit for 1/2018 to 6/2018)  
 $\$2,816,483.64 * 3.81\% = \$2,816,483.64 * .0381 = \$107,308.02$   
 $\$2,816,483.64 + \$107,308.02 = \$2,923,791.66$   
 $\$2,923,791.66 / 12 \text{ months} = \$243,649.31$  monthly deposit  
 $\$243,649.31 * 6 \text{ months} = \$1,461,895.86$  estimated Technology Fund deposit FY 2018

FY 2019  
 $\$2,923,791.66 * 3.81\% = \$2,923,791.66 * .0381 = \$111,396.46$   
 $\$2,923,791.66 + \$111,396.46 = \$3,035,188.12$  estimated Technology Fund deposit FY 2019

FY 2020  
 $\$3,035,188.12 * 3.81\% = \$3,035,188.12 * .0381 = \$115,640.67$   
 $\$3,035,188.12 + \$115,640.67 = \$3,150,828.79$  estimated Technology Fund deposit FY 2020

As of May 31, 2017, the Technology Trust Fund (0266) had a balance of \$4,844,418.

Officials at the **Office of the State Auditor**, the **Office of Administration**, the **Office of the State Treasurer** and the **Department of Insurance, Financial Institutions and Professional Registration** each assume no fiscal impact to their respective agencies from this proposal.

ASSUMPTION (continued)

Officials at the **St. Louis County Board of Election Commissioners**, the **Jackson County Board of Election Commissioners**, the **Platte County Board of Election Commissioners**, the **City of Kansas City** and the **City of Columbia** each assume no fiscal impact to their respective entities from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (6 Mo.)	FY 2019	FY 2020
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**TECHNOLOGY TRUST FUND**

<u>Revenue - SOS - fees from extension of sunset from 12/31/17 to 12/31/21</u>	<u>\$1,461,896</u>	<u>\$3,035,188</u>	<u>\$3,150,829</u>
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<b>ESTIMATED NET EFFECT ON THE TECHNOLOGY TRUST FUND</b>	<b><u>\$1,461,896</u></b>	<b><u>\$3,035,188</u></b>	<b><u>\$3,150,829</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2018 (6 Mo.)	FY 2019	FY 2020
	<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

Several provisions in current law allow the Secretary of State to collect an additional \$5 fee on fees 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, 2017. The proposal extends the sunset to December 31, 2021.

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  
Callaway County Commission  
Office of State Auditor  
Office of Administration  
Office of the State Treasurer  
Department of Insurance, Financial Institutions and Professional Registration  
St. Louis County Board of Election Commissioners  
Platte County Board of Election Commissioners  
Jackson County Board of Election Commissioners  
City of Kansas City  
City of Columbia



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