

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0515-01  
Bill No.: SB 47  
Subject: Secretary of State; Civil and Criminal Procedure; Newspapers and Publications  
Type: Original  
Date: February 13, 2017

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Bill Summary: This proposal allows legally required notice to be published on a website to be established and maintained by the Secretary of State.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	\$74,838 to \$683,168	\$225,605 to \$955,605	\$224,855 to \$954,855
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$74,838 to \$683,168</b>	<b>\$225,605 to \$955,605</b>	<b>\$224,855 to \$954,855</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 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>
General Revenue	2 FTE	2 FTE	2 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>2 FTE</b>	<b>2 FTE</b>	<b>2 FTE</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>
Local Government	\$0	\$0	\$0

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Office of the Secretary of State (SOS)** assumes this proposal will require the Secretary of State's Office to develop a web page to allow the electronic submission and publication of legally required notices. The Information Technology Division estimates these costs at \$113,788.92 in FY 2018, with ongoing storage/production costs of \$43,796.91 in FY 2018 and each year thereafter. The FY 2018 cost is lower because the proposal will not take effect until September, 2018 ( $\$43,796.91 \times 10/12$ ). The Publications Division will require 2 additional FTE's to process deposits, customer inquiries/requests and the queue of electronic signatures at an initial salary of \$29,580 and \$27,624. Costs for supplies necessary to process customer requests are unknown at this time. Paid legal notice postings are estimated to average between 100 and 300 per day, at \$10 per posting, 365 days per year.

#### FY 2018

FTE salaries/benefits: (\$79,046)

IT development: (\$150,286)

Deposits: \$304,170 - \$912,500 ( $100 \times \$10 \times 365 \times 10/12$  [rounded to nearest \$10] -  $300 \times \$10 \times 365 \times 10/12$ )

Net benefit to state: \$74,838 - \$683,168

#### FY 2019

FTE salaries/benefits: (\$95,598)

IT development: (\$43,797)

Deposits: \$365,000 - \$1,095,000 ( $100 \times \$10 \times 365 - 300 \times \$10 \times 365$ )

Net benefit to state: \$225,605 - \$955,605

#### FY 2020

FTE salaries/benefits: (\$96,348)

IT development: (\$43,797)

Deposits: \$365,000 - \$1,095,000 ( $100 \times \$10 \times 365 - 300 \times \$10 \times 365$ )

Net benefit to state: \$224,855 - \$954,855

In addition, officials from the SOS state 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 \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs.

ASSUMPTION (continued)

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 the 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** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

This proposal could increase **Total State Revenue**.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
<b>GENERAL REVENUE FUND</b>			
<u>Revenue</u> - SOS - filing fees	\$304,170 - \$912,500	\$365,000 - \$1,095,000	\$365,000 - \$1,095,000
<u>Costs</u> - SOS			
Personal Services	(\$47,670)	(\$57,776)	(\$58,354)
Fringe Benefits	(\$31,376)	(\$37,822)	(\$37,994)
Equipment and Expense	<u>(\$150,286)</u>	<u>(\$43,797)</u>	<u>(\$43,797)</u>
<u>Total Costs</u> - SOS	<u>(\$229,332)</u>	<u>(\$139,395)</u>	<u>(\$140,145)</u>
FTE Change - SOS	2 FTE	2 FTE	2 FTE
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b>\$74,838 to <u>\$683,168</u></b>	<b>\$225,605 to <u>\$955,605</u></b>	<b>\$224,855 to <u>\$954,855</u></b>
Estimated Net FTE change for General Revenue Fund	2 FTE	2 FTE	2 FTE
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

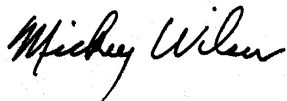
FISCAL DESCRIPTION

This act provides that in lieu of publication in a newspaper, a person can publish a legally required notice or advertisement on a website to be established and maintained by the Secretary of State.

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



Mickey Wilson, CPA  
Director  
February 13, 2017

Ross Strobe  
Assistant Director  
February 13, 2017