

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0506-01  
Bill No.: SB 146  
Subject: Secretary of State  
Type: Original  
Date: April 4, 2019

Bill Summary: This proposal extends sunset dates on the collection of certain fees credited to the Secretary of State’s Technology Trust Fund for 1 year.

**FISCAL SUMMARY**

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

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

## 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, \$1,350,000 in FY23.

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

**TECHNOLOGY  
 TRUST FUND**

Revenue - SOS -  
 fees collected -  
 extension of the  
 sunset date from  
 12/31/21 to 12/31/22

	FY 2020	FY 2021	FY 2022	Fully Implemented (FY 2023)
	<u>\$0</u>	<u>\$0</u>	<u>\$1,350,000</u>	<u>\$1,350,000</u>

**ESTIMATED NET  
 EFFECT ON  
 TECHNOLOGY  
 TRUST FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$1,350,000</u>	<u>\$1,350,000</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

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, 2021. This act extends the sunset provisions to December 31, 2022.

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

Office of the Secretary of State



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April 4, 2019

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April 4, 2019