

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3813-01
Bill No.: SB 1014
Subject: Business and Commerce; Uniform Laws; Contracts and Contractors
Type: Original
Date: February 5, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Conservation** and the **Department of Transportation** assume the proposed legislation would have no fiscal impact on their office.

Officials from the **Secretary of State's Office (SOS)** assume the proposal could result in the Office of Information Technology (OIT) promulgating rules. SOS assumes the rules, regulations and forms issued by the OIT could require as many as 16 pages in the *Code of State Regulations*. SOS notes for any given rule, roughly half again as many pages are published in the *Missouri Register* as in the *Code* because cost statements, fiscal notes and the like are not repeated in the *Code*. SOS estimates the cost of a page in the *Missouri Register* and the *Code of State Regulations* to be \$23 and \$27, respectively. SOS estimates costs of \$984 for FY 2003. SOS states the impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple proposals pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decision to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Office of Administration - Office of Information Technology (OIT)** state there are several issues related to electronic transactions and digital signatures that will require the development and support of policies, standards, and procedures. OIT assumes some state entity will need to be responsible for these functions. OIT notes such responsible entity is not identified in this proposal; however, in a similar proposal, HB 1642, these responsibilities are assigned the OIT. OIT assumes their office would be the logical office to house the responsibilities. OIT assumes, regardless which office is assigned responsibility, costs to General Revenue Fund, associated with the proposal, would be \$303,129 in FY 2003; \$328,839 in FY 2004; and \$338,327 in FY 2005. OIT assumes costs would result from hiring an additional Computer Information Technology Specialist I, consultants, and related expense and equipment.

Oversight notes the proposal does not specifically assign functions to a state entity and, therefore, assumes the direct administrative fiscal impact to be zero.

FISCAL IMPACT - State Government

FY 2003
(10 Mo.)

FY 2004

FY 2005

\$0

\$0

\$0

FISCAL IMPACT - Local Government

FY 2003
(10 Mo.)

FY 2004

FY 2005

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Small businesses would need to become familiar with the provisions of the new Uniform Electronic Transactions Act.

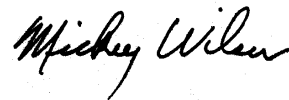
DESCRIPTION

This proposal repeals the current Missouri Digital Signatures Act contained in Sections 28.600 through 28.681, RSMo. The proposal would enact the provisions of the Uniform Electronic Transactions Act which would make electronic transactions as enforceable as traditional paper transactions if the parties agree to transact electronically. There are some exceptions for documents which must still be executed manually including laws governing the creation of execution of wills, codicils or testamentary trust and other certain provisions of the Uniform Commercial Code.

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 Administration - Office of Information Technology
Department of Conservation
Department of Transportation
Secretary of State's Office



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Mickey Wilson, CPA
Acting Director

February 5, 2002

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