

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4960-02
Bill No.: HB 2104
Subject: Secretary of State; Business and Commerce; Fees; Boards, Commissions, Committees, Council
Type: Original
Date: March 1, 2010

Bill Summary: Creates the Small Business Technology Fund consisting of a portion of business registration fees for small high technology businesses.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(\$40,000)	(\$0 to \$642,716)	(\$0 to \$642,716)
Total Estimated Net Effect on General Revenue Fund	(\$40,000)	(\$0 to \$642,716)	(\$0 to \$642,716)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Small Business Technology Fund	\$0	\$0 to \$642,716	\$0 to \$642,716
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0 to \$642,716	\$0 to \$642,716

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
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 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of the Secretary of State** assume the proposed legislation authorizes a portion of the existing business registration fee (up to \$2.00) to be deposited into the Small Business Technology Fund. The loss to the General Revenue Fund would be dependent on the amount of the fee to be diverted to the Small Business Technology Fund; based on the number of business registrations in calendar year 2009, the GR loss is estimated to be from \$0 to \$642,716.

Computer programming will be needed to account for a portion of the business registration fees going into a new revenue fund.

Business Services Filings for Selected Filing Types

	2009
Acceptance	44
Accepted	48
Admin Dissolution	14,432
Agent Change/Resign	14,652
Amend/Restate	4,271
Annual Report	158,551
Creation Filing	41,207
Fictitious Cancellation	2,861
Fictitious Creation	42,821
Fictitious Amendment	212
Fictitious Correction	161
Fictitious Renewal	27,990
Merged	849
Name Reservation	886
Reinstatement	3,935

Renewal	409
Statement of Correction	1,301
With/Term/Dissolve	6,728
Total	321,358 @ \$2.00= \$642,716

Officials at the **Office of the State Treasurer** assume that there is no fiscal impact from this proposal.

This bill has an effective date of July 1, 2011, so **Oversight** has only shown the potential fee change in FY 2012 and FY 2013.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
GENERAL REVENUE			
<u>Cost</u> - Secretary of State one-time computer updates	(\$40,000)	\$0	\$0
<u>Loss</u> - Secretary of State fee no longer goes to general revenue		<u>\$0</u>	<u>(\$0 to \$642,716)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUNDS	<u>(\$40,000)</u>	<u>(\$0 to \$642,716)</u>	<u>(\$0 to \$642,716)</u>
SMALL BUSINESS TECHNOLOGY FUND			
<u>Revenue</u> - Small Bus. Tech Fund fee collected	\$0	<u>\$0 to \$642,716</u>	<u>\$0 to \$642,716</u>
ESTIMATED NET EFFECT ON SMALL BUSINESS TECHNOLOGY FUND	<u>\$0</u>	<u>\$0 to \$642,716</u>	<u>\$0 to \$642,716</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
<u>FISCAL IMPACT - Small Business</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

FISCAL DESCRIPTION

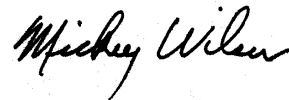
This bill requires up to \$2 from each business registration fee collected by the Secretary of State to be deposited into the newly created Small Business Technology Fund and, upon appropriation, used for small business technology grants.

The bill becomes effective July 1, 2011.

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
Office of the State Treasurer



Mickey Wilson, CPA
Director
March 1, 2010