

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3638-01  
Bill No.: SB 587  
Subject: Secretary of State  
Type: Original  
Date: January 8, 2020

---

Bill Summary: This proposal extends the sunset on the collection of certain fees credited to the Secretary of State's technology trust fund.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Technology Trust Fund (0266)*	\$0	\$1,411,250	\$2,822,500
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$1,411,250</b>	<b>\$2,822,500</b>

\* Reflects a continuation of a fee that is scheduled to expire on December 31, 2021.

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 2021</b>	<b>FY 2022</b>	<b>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>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</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 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
<b>Local Government</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.

A conservative estimate for each fiscal year was based on historical fee collections as follows:

Collected			Average
FY2017	FY2018	FY2019	
\$ 2,809,522	\$ 2,829,228	\$ 2,828,747	\$ 2,822,499

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 \$4,880,175 as of December 31, 2019. Oversight notes the proposal extends the sunset of collection into the SOS' Technology Trust Fund from December 31, 2021 (FY 2022) to December 31, 2026. Oversight will reflect a continuation of this fee starting on January 1, 2022 (FY 22). Oversight will assume six months of impact in FY 2022.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
<b>TECHNOLOGY TRUST FUND</b>			
<u>Revenue - SOS - fees collected - extension of the sunset date from 12/31/21 to 12/31/26</u>	<u>\$0</u>	<u>\$1,411,250</u>	<u>\$2,822,500</u>
<b>ESTIMATED NET EFFECT ON TECHNOLOGY TRUST FUND</b>	<b><u>\$0</u></b>	<b><u>\$1,411,250</u></b>	<b><u>\$2,822,500</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<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 to December 31, 2026.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

L.R. No. 3638-01  
Bill No. SB 587  
Page 5 of 5  
January 8, 2020

SOURCES OF INFORMATION

Office of the Secretary of State



Julie Morff  
Director  
January 8, 2020



Ross Strobe  
Assistant Director  
January 8, 2020