

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3731-01  
Bill No.: HB 1712  
Subject: Secretary of State: Article 9, Uniform Commercial Code  
Type: Original  
Date: February 26, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 3 pages.

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**FISCAL ANALYSIS**

**ASSUMPTION**

Officials of the **Office of Secretary of State** stated that this proposal would change the current statutes to be more like the Uniform Commercial Code Model Act. The proposal clarifies that funds collected on behalf of the County Employees' Retirement Fund, which are non-state funds, are administered by the Department of Revenue. Officials assume no fiscal impact to their office.

Officials of the **Department of Revenue** assume no fiscal impact.

Officials of the **Department of Labor and Industrial Relations** assume no fiscal impact.

**St. Charles and Callaway County Recorder of Deeds** assume there would be no fiscal impact from this proposal.

Officials of the **County Employees' Retirement Fund (CERF)** assume this proposal would generate attorney and actuary costs for CERF to analyze the specific reductions in member benefits that CERF will have to make because of the loss of revenue that supports such benefits. Officials estimate attorney and actuary cost at \$25,000 in FY 2003.

Officials stated that there would be a loss in revenue as counties retain fees for filings that would otherwise have been deposited for investment in the County Employees' Retirement Fund for the benefit of CERF members and their beneficiaries. Officials estimate the loss in revenue in FY 2003 at \$600,000; \$606,000 in FY 2004; and \$612,000 in FY 2005.

**Oversight would point out that fiscal impact to the County Employees' Retirement Fund will not be shown, because the System is not a political subdivision of the State. However, Oversight will show their comments in the Assumption Section of this fiscal note.**

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

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

DESCRIPTION

This bill makes technical changes to Article 9 (secured transactions) of the Uniform Commercial Code. The bill corrects some intersectional references, changes some language to correspond to the current version of the revised Article 9 model act, clarifies that certain collected fees are nonstate funds, and remedially removes the perfection method for liens on manufactured homes from the governance of Article 9 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

Department of Labor and Industrial Relations  
Office of Secretary of State  
Department of Revenue  
County Employees' Retirement Fund  
Callaway County Recorder of Deeds  
St. Charles County Recorder of Deeds

NOT RESPONDING

Office of Attorney General



Mickey Wilson, CPA  
Acting Director  
February 26, 2002