

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1533-03
Bill No.: HB 783
Subject: Secretary of State; Business and Commerce; Fees; Boards, Commissions, Committees, Councils
Type: Original
Date: March 14, 2011

Bill Summary: This proposal requires two dollars from every business registration fee collected by the Secretary of State to be deposited into the Missouri Small Business Development Centers Fund.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(\$501,955)	(\$590,346)	(\$590,346)
Total Estimated Net Effect on General Revenue Fund	(\$501,955)	(\$590,346)	(\$590,346)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Missouri Small Business Development Centers Fund	\$491,955	\$590,346	\$590,346
Total Estimated Net Effect on Other State Funds	\$491,955	\$590,346	\$590,346

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
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 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of the Secretary of State (SOS)** assume the proposed legislation authorizes \$2.00 of the existing business registration fee currently deposited into the General Revenue Fund to be deposited into the Missouri Small Business Development Centers Fund. The loss to the General Revenue Fund would be approximately \$590,346 each year; that amount would be deposited into the Missouri Small Business Development Centers Fund.

FY 2010 Filings by Type

Acceptance	45
Agent Change/Resign	14,018
Amend/Restate	4,265
Annual Report	139,151
Biennial Report	16,168
Consolidation	3
Creation Filing	42,830
Fictitious Amendment	239
Fictitious Correction	190
Fictitious Creation	45,834
Fictitious Renewal	18,861
Name Reservation	853
Reinstatement	3,676
Renewal (LLP and LLLP's)	406
Statement of Correction	1,326
Survivor	542
With/Term/Dissolve	6,766
TOTAL	295,173 x \$2.00 = \$590,346

SOS assume computer programming would be needed to account for a portion of the business registration fees going into the new revenue fund. Since the effective date of this legislation is 8/28/2011, both the existing processing system (KB) and the new system (SystemWORKS) to be implemented in November 2011 will need to be programmed for the change.

Officials at the **Department of Economic Development (DED)** assume this proposed legislation collects \$2 from every business registration and deposits it into the Small Business Development Center fund created in Section 620.1001, which is under the administration of the Department of Economic Development. The collected funds would be used to fund the Small Business Development Center program in Missouri which is administered by the University of Missouri

ASSUMPTION (continued)

Extension. DED would contract with the University of Missouri in order to transfer the funds.

DED assumes an unknown negative impact to total state revenue over \$100,000 as a result of this proposed legislation. However, DED also assumes this impact will be offset by an unknown amount of positive impact as a result of economic development activity generated by Missouri small businesses who receive consulting services through the Small Business Development Center program.

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

Oversight assumes this proposal would have a positive impact on the state. However, Oversight considers this to be indirect impact of the proposals and will not reflect them in the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE			
<u>Loss - Secretary of State</u> \$2.00 registration fee	(\$491,955)	(\$590,346)	(\$590,346)
<u>Cost - Secretary of State</u> Computer upgrades	<u>(\$10,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$501,955)</u>	<u>(\$590,346)</u>	<u>(\$590,346)</u>
MISSOURI SMALL BUSINESS DEVELOPMENT CENTERS FUND			
<u>Income - from the \$2.00 registration fee</u>	<u>\$491,955</u>	<u>\$590,346</u>	<u>\$590,346</u>
ESTIMATED NET EFFECT ON MISSOURI SMALL BUSINESS DEVELOPMENT CENTERS FUND	<u>\$491,955</u>	<u>\$590,346</u>	<u>\$590,346</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<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.

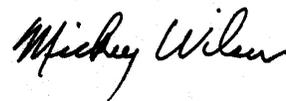
FISCAL DESCRIPTION

This bill requires \$2 from every business registration fee collected by the Secretary of State to be deposited into the Missouri Small Business Development Centers Fund.

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 Economic Development
Office of the Secretary of State
Office of the State Treasurer



Mickey Wilson, CPA
Director
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