

FISCAL NOTE

Requested by Legislative Council
01/21/2003

Bill/Resolution No.: SB 2298

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2001-2003 Biennium		2003-2005 Biennium		2005-2007 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	\$0	\$0	\$100	\$0	\$0	\$0
Expenditures	\$0	\$0	\$5,000	\$0	\$0	\$0
Appropriations	\$0	\$0	\$5,000	\$0	\$0	\$0

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2001-2003 Biennium			2003-2005 Biennium			2005-2007 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Section 1 of this bill places a mandate on the Secretary of State to develop a system to register professional employer organizations even though it would at their option whether or not to register. Since the information, which must be disclosed by the registrant under subsection 2, is not required of any other type of registration filed in the Secretary of State's office, it is unknown how many registrations would actually be filed since the registration requirement is optional.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The registration fee proposed in this bill is \$10, which is inconsistent and lower than the other fees already set in law for similar registrations and filings. If ten of these organizations voluntarily register, the revenue generated to the general fund would only be \$100.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

It is estimated that it would cost approximately \$5,000 to do the necessary programming to implement this optional registration program.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The agency's budget, as recommended by the Governor, does not include discretionary funds to implement a registration program that is optional as to whether or not the identified organizations even register. Therefore, without an additional appropriation, the Secretary of State cannot justify the expenditure of general fund dollars for an optional registration program. It would take away from the agency's other more critical operational requirements.

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Agency: Secretary of State

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