

PREPARED BY: Scott Danigole  
 DATE PREPARED: January 29, 2020  
 PHONE: 471-0055

**LB 910**

Revision: 00

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2020-21</b>		<b>FY 2021-22</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS			(300,000)	(137,000)
CASH FUNDS			300,000	469,000
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>			0	332,000

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

LB 910 changes provisions to allow for the Secretary of State greater reliance on Cash Funds and less reliance on General Funds.

Section 1 creates the Secretary of State Cash Fund for the administration of the office of the Secretary of State including duties related to oaths and bonds under Chapter 11, corporations and other business entities under Chapter 21, address confidentiality under Chapter 42, collection agencies and credit service organizations under Chapter 45, distribution of session laws and legislative journals under Chapter 49, liens under Chapter 52, notaries public under Chapter 64, partnerships under Chapter 67, debt management under Chapter 69, private detectives under Chapter 71, truth and deception examiners under Chapter 81, administrative duties, the Great Seal of the State of Nebraska, and rules and regulations under Chapter 84, trade names, trademarks and service marks under Chapter 87, and the Uniform Commercial Code.

The State Treasurer shall transfer the balance of the Administration Cash Fund, the Corporation Cash Fund, the Nebraska Collection Agency Fund, the Secretary of State Administration Cash Fund, and the Uniform Commercial Code Cash Fund to the Secretary of State Cash Fund on July 1, 2021.

Further provisions of LB 910 alter current fees for services and filings.

The Secretary of State estimates the provisions of LB 910 will generate \$469,000 in increased Cash Fund revenue and a General Fund revenue loss of (\$137,000) per year. On the expenditure side, General Fund reliance is estimated to be reduced by (\$300,000) per year and be offset with a Cash Fund expenditure increase of \$300,000 per year. There is no basis to disagree with these estimates.

Section 47 provides an operative date of July 1, 2021.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 910	AM:	AGENCY/POLT. SUB: Nebraska Secretary of State	
REVIEWED BY: Lucas Martin	DATE: 1/31/2020	PHONE: (402) 471-4181	
COMMENTS: Given the assumptions used by the Secretary of State, there is no basis to disagree with their assessment of fiscal impact.			

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**2020**

**LB<sup>(1)</sup> 910**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Secretary of State

Prepared by: <sup>(3)</sup> Joan Arnold Date Prepared: <sup>(4)</sup> 1/16/2020 Phone: <sup>(5)</sup> 402-471-2384

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS			(\$300,000)	(\$137,000)
CASH FUNDS			\$300,000	\$469,000
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>			<b>\$0</b>	<b>\$332,000</b>

**Explanation of Estimate:**

LB 910 combines several existing Secretary of State cash funds into a single combined Secretary of State cash fund and adjusts filing fees related to the programs in the newly combined cash fund. As a result of these changes, the Secretary of State will have sufficient funding to fund budget Program 22, Administration; Program 52, Corporations; Program 53, Collections; and Program 89, UCC from cash funds and will not need to request general funds for these programs. This results in an estimated reduction in future general fund requests in the amount of \$300,000 per fiscal year. The general fund appropriations request for these programs was \$328,227 in FY20 and \$271,446 in FY21.

In addition, the adjustments to the filing fees per LB910 are estimated to decrease general fund revenues by approximately \$137,000 in FY22 and cash fund revenues are estimated to increase by approximately \$469,000 in FY22. This estimation is based on the change in fees multiplied by the historic average number of filings in an even filing year for each fee type. The net effect for FY22 by fund type is shown below. It is anticipated that the net cash fund revenues of \$169,000 will be used for technology improvements and for the promotion of international trade for Nebraska businesses.

	<u>Expenditures</u>	<u>Revenues</u>	<u>Net Effect</u>
General Funds	\$ (300,000)	\$(137,000)	<b>\$ 163,000</b>
Cash Funds	\$ 300,000	\$ 469,000	<b>\$ 169,000</b>

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>				