

## State Corporation Commission 2015 Fiscal Impact Statement

**1. Bill Number:** SB1080

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed  
**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Vogel

**3. Committee:** Passed Senate

**4. Title:** State Corporation System; secure online system.

**5. Summary:** State Corporation System; secure online system. Reverses a measure enacted in the 2014 Session prohibiting the State Corporation Commission (SCC) from accepting through its eFile electronic registration system articles of dissolution of a business entity or data or documents that contain officer or director changes until the SCC has implemented a system, to be implemented by July 1, 2018, that ensures that such documents are capable of being submitted electronically only by a user designated to make such submissions on behalf of the business entity and whose identity has been established satisfactorily through a verification process. This measure permits such articles of dissolution and other data or documents to be filed electronically through the eFile system commencing July 1, 2015. This measure also removes the July 1, 2018, deadline and in its place directs the SCC to use diligent efforts to incorporate capabilities into the system that ensure that such articles, data, and documents are capable of being submitted by such a designated user whose identity has been verified.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** Fiscal Impact Estimates are Preliminary. Please see Item 8 for additional estimated ongoing expenses.

**7a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2015	10,650	0	SF
2016	187,572	3	SF
2017	616,572	3	SF

**8. Fiscal Implications:**

Re-enable ability to update officers and directors and update help text on website \$10,650.

Based on assumptions and calculations made in connection with the 2014 legislation (HB168):  
Computer Programming: \$187,500

- Develop and maintain a Pin Generation System

- Send a Pin to every business entity (Principal and or Registered Office)
- User would key in a Pin in order to invoke a change to an entity record via eFile
- Provide the ability to reissue Pins on demand
- Integration with third-party identity verification service (\$27,600)

Third-Party Verification Service: \$351,467 each year starting fiscal year 2016

- RFP process: Approximately 8-months
- On-going cost of service - Preliminary estimates are \$1.00 per eFile transaction (Estimated annual number of eFile transactions are 351,467)

Pin Mailings: \$332,705 plus \$82,705 each year thereafter

- Existing entities 500,000 = \$250,000 Reoccurring mailings starting in the first year of implementation (New entities, reinstatements, registered agent change etc. 165,410 = \$82,705
- Existing business entities would receive a Pin. Businesses will be able to request a Pin online or by phone.
- Reoccurring mailings for new entities, reinstatements, request for new pins etc.

Staffing: \$182,400 each year starting fiscal year 2016

- ITD: 1 FTE with benefits: \$106,400
- Clerk's Office: Call Center Agent/Administrative support (2 Principal Office Technicians) \$76,000

**9. Specific Agency or Political Subdivisions Affected:** State Corporation Commission

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None