

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 2/9/15
SPONSOR James **LAST UPDATED** _____ **HB** 287

SHORT TITLE Secretary of State Copying Services **SB** _____

ANALYST Jorgensen

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		
None	(\$20.5)	(\$20.5)	Recurring	General

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Transaction Fee Retention		\$20.5	\$20.5	\$41.0	Recurring	SOS Operating
Change of Address Requirement		(\$13.0)	(\$13.0)	(\$26.0)	Recurring	SOS Operating
Total		\$7.5	\$7.5	\$15	Recurring	SOS Operating

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Secretary of State (SOS)

SUMMARY

Synopsis of Bill

House Bill 287 requires registered agents representing multiple corporate entities who wish to change their address to pay a single fee to update their address regardless of how many entities they represent. Currently, registered agents of corporate entities are required to pay a change of address fee for each corporate entity they represent. HB 287 allows the SOS to retain fees charged for the handling of credit and debit cards. Under current law, handling fees collected by SOS are transferred to the general fund. Finally, HB 287 includes technical clean up to reflect the

transfer of the corporations divisions from the Public Regulation Commission to the SOS and states that the SOS shall not accept filings of any document from an individual who is liable to the SOS for a fee, tax, penalty, interest, or civil penalty until the liability is discharged.

FISCAL IMPLICATIONS

HB 287 would allow the SOS to retain credit card handling fees which are currently directed to the general fund. In FY14, the SOS reported that the collection of these fees generated \$20.5 thousand. If HB 287 were enacted, the general fund would receive \$20.5 thousand less as shown in the revenue table above, though the SOS would receive a \$20.5 thousand increase in their operating budget as shown in the estimated additional operating budget impact table.

The SOS estimates that changing the fee assessment on registered agents for a change of address could cost the SOS up to \$13 thousand per year as shown in the estimated additional operating budget impact table above. Under current law, the SOS may charge a registered agent the \$25 fee for a change of address for each entity the agent represents; under the provisions of HB 287, the SOS would only be able to charge a registered agent for one change of address regardless of how many entities the agent represents.

The net effect of increasing revenue to the SOS from credit card handling fees and the revenue reduction from change of address changes would be a positive \$7.5 thousand per year.

SIGNIFICANT ISSUES

The SOS is increasingly reliant on online, electronic document filings paid for by credit and debit cards. Allowing the SOS to retain revenue generated through the imposition of handling fees will defray the costs to the SOS of providing electronic payment services to the public.

CJ/bb