



Ohio Legislative Service Commission

Terry Steele

Fiscal Note & Local Impact Statement

Bill: S.B. 26 of the 131st G.A. **Date:** March 10, 2015
Status: As Reported by Senate State & Local Government **Sponsor:** Sen. Obhof

Local Impact Statement Procedure Required: No

Contents: Reduces certain business filing fees charged and collected by the Secretary of State and provides additional access to the OhioMeansJobs website

State Fiscal Highlights

- The bill reduces certain filing fees charged and collected by the Secretary of State from \$125 to \$99 and from \$50 to \$39. Business filing fees collected by the Secretary of State are deposited into the Corporate and Uniform Commercial Code Filing Fund (Fund 5990).
- Given the number of new business filings every calendar year, these fee reductions will result in a loss of approximately \$2.0 million in filing fee revenue each fiscal year. In FY 2014, Fund 5990 received \$15.6 million in filing fee revenue.
- The bill requires that any Ohio-based company in good standing with the state have access to all features of the OhioMeansJobs website. There does not appear to be any direct fiscal impact to this provision.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

Secretary of State

Corporate filing fee reductions

The bill reduces various filing fees charged and collected by the Secretary of State. First, for corporations that do not issue shares of capital stock, the bill reduces the fee for filing and recording articles of incorporation from \$125 to \$99. For stock-issuing corporations, the minimum filing fee of \$125 is reduced to \$99; however, the maximum filing fee of \$100,000 is unchanged by the bill. Under current law, the filing fee for stock-issuing corporations is calculated based on how many shares of stock the corporation is authorized to issue. In addition to these fee reductions, Table 1 below lists the other fee reductions proposed in the bill.

Table 1. Secretary of State Filing Fee Reductions		
Type of Filing	Previous Fee	New Fee
Articles of Incorporation – Savings and Loan	\$125	\$99
Certificate of Conversion, Merger or Consolidation and Designation of Agent	\$125	\$99
Articles of Incorporation – credit union or American Credit Union Guaranty Association	\$125	\$99
Articles of Organization of LLC, Application of Registered Foreign LLC, and Registration Application of Domestic or Foreign LLP	\$125	\$99
Certificate of Limited Partnership, Application of Registration as a Foreign Limited Partnership, or Initial Statement of Partnership Authority	\$125	\$99
License to Transact Business in Ohio by a Foreign Profit or Nonprofit Corporation	\$125	\$99
Report to Operate a Business Trust or Real Estate Investment Trust, Foreign or Domestic	\$125	\$99
Recordation of a Trade Name or Fictitious Name Registration	\$50	\$39
Exclusive Right for Name Use or Application to Reserve a Name	\$50	\$39

All filing fees charged and collected by the Secretary of State are deposited into the Corporate and Uniform Commercial Code Filing Fund (Fund 5990). The overall magnitude of revenue losses experienced by the Secretary of State as a result of the bill would depend largely upon the number of new business filings that occur each year. According to the Secretary of State's records, there has been a steady rise in annual new business filings in Ohio in recent years, from 88,068 in calendar year 2012 to 89,735 in calendar year 2013, and to 93,775 in calendar year 2014. Given these current filing trends, the Secretary of State estimates that these fee reductions would result in

approximately \$2.0 million in decreased filing fee revenue each fiscal year. In FY 2014, Fund 5990 received \$15.6 million in filing fee revenue.

Department of Job and Family Services

OhioMeansJobs website

The bill requires that any Ohio-based company in good standing with the state to have access to all features of the OhioMeansJobs (OMJ) website, including, but not limited to: (1) posting job openings and searching resumes of job applicants, (2) identifying and exploring employment programs, (3) accessing the website's business support center and veterans support center, (4) improving a company's workforce, (5) hiring veterans, and (6) hiring or making accommodations for employees with disabilities. These are functions of the website currently. Although the bill does not appear to require any additional modifications to the OMJ website, there could be some increased traffic to the website and a consequent increase in requests for assistance.

The OMJ website is managed by the Office of Workforce Development within the Ohio Department of Job and Family Services (ODJFS). The website is free to all Ohioans and employers. In FY 2014, 56.3 million job searches were conducted on the OMJ website, with more than 2.4 million unique visitors to the site. During the FY 2014-FY 2015 biennium, ODJFS used a \$12.0 million Workforce Innovation Fund Grant from the U.S. Department of Labor to enhance the functionality of the OMJ website.