
 COL All
 SCH VIIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

STATE, DEPT OF 45000000

PRIORITY SUMMARY NARRATIVE:

In considering possible reductions that could be recommended for FY 2010-11, the Department of State looked at all program areas and assessed the effect of potential reductions on the operation of each area. The Department also considered the impact that any reductions would have on programs that receive federal dollars and require state funds for Maintenance of Effort or state matching dollars. Other considerations included the impact that any further personnel reductions would have in continuing to perform the Department's programs and business operations in an efficient and effective manner.

SCHEDULE VIIIIB REDUCTIONS -
 OPERATING

CORPORATE FEE WAIVER ELIMINATIONS	1	33B0000	33B0710
GENERAL REVENUE FUND.....	1-		1000

=====

SCH VIIIIB-2 NARR 10-11 NOTES:

Currently the Department of State, Division of Corporations charges a \$400 late fee for Corporate Annual Reports filed after May 1. The current law, 607.193(2)(b) allows the fee to be waived if the corporation claims that they did not receive notice from the Division.

In FY 2008-09, 15,321 electronic filers paid the late fee for a total of \$6,124,800. During the same period, 136,400 electronic filers claimed no notice had been provided and the Division waived the fee as required by law. This equates to 151,721 electronic filers that were late.

The Department proposes that the fee be reduced to \$200 and made mandatory. This would require changes to FS 607.193. It is anticipated that this will generate up to \$30,344,200 in revenue the first year (FY 2010-2011).

In addition, the Department currently charges \$600 for a corporate reinstatement. This is subject to the same waiver provision. The Department proposes that this fee be lowered to \$300 and made mandatory. In FY 2008-09, 45,346 waivers were applied. This would equate under the proposal to an additional \$13,603,800.

For the first year (FY2010-2011), the Department estimates the additional revenue from this proposal could be as high as \$43,948,000. The Department expects that the number of filers filing late will be 50% of the current total in subsequent years.

While this is not a budget reduction for the Department, it is an increase in General Revenue that far exceeds the Department's 10% reduction amount of \$4,117,671.

The following is data to support this proposal:

Electronic filers	FY 2006-07	FY 2007-08	FY 2008-09
-----	-----	-----	-----

 COL All
 SCH VIIIB-2
 REDUCTIONS
 POS AMOUNT PRIORITY CODES

STATE, DEPT OF 45000000
 SCHEDULE VIIIB REDUCTIONS -
 OPERATING 33B0000
 CORPORATE FEE WAIVER ELIMINATIONS 1 33B0710

Total Annual Reports Filed	791,889	864,321	1,238,678
Number of filers paying fee	12,629	12,818	15,312
Number of filers requesting waiver	120,959	119,133	136,400
Entities filing electronically	67%	67%	100%
Reinstatements (Dissolutions negated)	44,044	49,390	45,346
