

# **Fiscal Note**



Fiscal Services Division

<u>SF 546</u> – Posting of Statutorily Required Public Notices (LSB2387SZ) Staff Contact: Anthony Arellano (515.281.6764) <u>anthony.arellano@legis.iowa.gov</u> Fiscal Note Version – New

## **Description**

<u>Senate File 546</u> requires the Secretary of State (SOS) to create an online portal on which a public posting entity must post all statutorily required public notices. A public posting entity is also permitted to post a statutorily required public notice on an official Internet site, an official social media account, or in an official newspaper. A "public posting entity" is defined as the following: the State of Iowa, an Iowa city, an Iowa county, an Iowa public school district, or an Iowa private or public agency as defined in Iowa Code section <u>28E.2</u>. The Bill requires the SOS to collect a fee of \$5 from a public posting entity for each notice posted by the entity. Moneys collected by the SOS are to be deposited into the Business Administration Fund. The Bill is effective on July 1, 2024, but allows the SOS to adopt administrative rules prior to this date.

#### **Background**

Current law requires certain governmental entities to publish public notices in newspapers, given proper circulation within the municipality, and a governmental entity's Internet site if the governmental entity maintains an Internet site. The Business Administration Fund is composed of moneys collected in surcharges implemented, assessed, and collected by the SOS. Moneys in the Business Administration Fund are appropriated to the Office of the SOS to support the administration of the Office. Currently, Iowa counties pay approximately \$50 to \$250 per publication of a required public notice in a county newspaper.

The Technology Modernization Fund under the control of the SOS is to be appropriated to the SOS for purposes of modernizing their Business Services Division. Funds are available to the SOS until June 30, 2026, or until fully expended. As of March 27, 2023, approximately \$3.8 million was available in the Fund.

#### **Assumptions**

- According to the SOS, the implementation of the Bill is dependent on the capability of the online portal system with the SOS's current Fast Tracking Filing System, with a one-time cost between \$150,000 and \$500,000 to be funded by the Technology Modernization Fund.
- The SOS's new online portal will need ongoing maintenance and additional full-time equivalent (FTE) positions. Ongoing costs will be approximately \$500,000 per fiscal year and are to be funded by the revenue generated by the new \$5 fee charged by the SOS to public posting entities. The fee will be deposited into the Business Administration Fund.
- The SOS estimates needing \$215,000 and 3.0 full-time equivalent (FTE) positions to administer the program.

SOS FTE Positions	
Position Title	Salary
Software Developer 1	\$ 82,000
Help Desk Technician 1	65,000
Training Specialist	68,000

- Total fee revenue that governmental entities will pay to the SOS is unknown.
- The number of counties that will no longer publish required public notices in county newspapers cannot be estimated.

# **Fiscal Impact**

The one-time cost to implement the online portal will be between \$150,000 and \$500,000. This cost will be funded from the Technology Modernization Fund in FY 2024. Annual maintenance of the database and additional FTE positions will cost approximately \$500,000 beginning in FY 2024 and will be funded from the Business Administration Fund. The Bill will increase revenue to the SOS by an unknown amount. The Bill will reduce expenditures for local entities by an unknown amount.

## **Sources**

Secretary of State Office Iowa State Association of Counties Legislative Services Agency analysis

Legislative Services Agency analysis	
	/s/ Jennifer Acton
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The fiscal note for this Bill was prepared pursua	ant to Joint Rule 17 and the Iowa Code. Data used in developing this

The fiscal note for this Bill was prepared pursuant to <u>Joint Rule 17</u> and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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