



**CHESTER J. CULVER**  
**IOWA SECRETARY OF STATE**  
STATEHOUSE  
DES MOINES, IA 50319

TEL (515) 281-8993  
FAX (515) 242-5952

[www.sos.state.ia.us](http://www.sos.state.ia.us)  
[sos@sos.state.ia.us](mailto:sos@sos.state.ia.us)

**Secretary of State Testimony**  
Administration and Regulation Appropriation Subcommittee  
February 26, 2002

- ◆ FY '02 Budget Status/Biennial Report Update
  - ◆ Making good faith effort to process biennial reports.
    - ◆ Procedure has been changed assuring checks getting to the Treasurer's office.
    - ◆ Processing of reports significantly delayed risking corporate good standings.
  - ◆ Seeking relief by keeping FY '02 UCC termination money (new money to general fund; estimated at \$150,000).
    - ◆ If relief granted, no need for other requests in H.S.B. 537
      - ◆ UCC processing remains at two days (rather than proposed legislation to delay timing to ten (10) days).
      - ◆ Credit card, portion of biennial report, and UCC fees will be unnecessary.
  - ◆ At this point, may still be necessary to close the office.
  
- ◆ Biennial Report Fee Reduction
  - ◆ Tremendous work-load (75,000 reports mailed, 65,000 expected returns)
  - ◆ Struggled with whether to reduce fee. Reduced because:
    - ◆ Creates an incentive and motivates businesses to file electronically (necessary for the office to handle the workload).
      - ◆ To date, 24,200 corporations have filed on-line.
    - ◆ Fundamentally unfair to charge the same amount as report filed by paper because of the less intensive workload. Must pass savings on to Iowans.
    - ◆ Only received 3,000 electronic filings out of 25,000 non-profit reports mailed last year (indicative of need for more incentive).
    - ◆ UCC law (passed by legislature) requires electronic filing fee to be half. Following lead of legislature to reduce fee.
  - ◆ Iowa Code gives SOS authority to set biennial report fee (Iowa Code section 490.1622(3)).
  - ◆ Historically fee had been \$30/year; Secretary Pate reduced to \$45/biennially.
  
- ◆ UCC Termination Funds Assistance
  - ◆ Termination money estimated at \$150,000 for FY '02 (due to new law).
    - ◆ Projected to drop-off in FY '03.
  - ◆ UCC fees: \$10 for all paper filings /\$5 for all electronic filings.
  - ◆ SOS now processing all UCC filings (County Recorders no longer accept filings).
  
- ◆ FY '03 Budget Request
  - ◆ Will do our part by accepting Governor's recommendation, plus termination money.
    - ◆ SOS FY '03 request reflects roughly the same dollar amount as the UCC termination money.
  - ◆ Governor's FY '03 recommendation reflects an increase in funds and FTE's due to re-organization effort with Professional Licensing.
    - ◆ Further contributing by saving with re-organization of Professional Licensing (10% across the board to re-organize (\$80,000 savings)).

February 26, 2002

Senators Neal Schuerer and Tom Flynn, Representatives Scott Raecker and John Connors,  
and Members of the Administration and Regulation Appropriation Subcommittee  
State Capitol  
Des Moines, Iowa 50319

Dear Senators Schuerer and Flynn, Representatives Raecker and Connors, and Members:

We understand that your Subcommittee will be meeting with Secretary of State Chet Culver on Tuesday, February 26, 2002, concerning his Office's appropriation for Fiscal Year 2003 and current status for Fiscal Year 2002. Our organizations and members depend heavily upon the services provided by the Secretary of State's Office. We have been extremely pleased with these services, and wish to note to you the progress in e-government achieved by that Office, and to endorse the Secretary's request for a modicum of financial relief in these tight budget times.

Revised Article 9 of the Uniform Commercial Code became effective on July 1, 2001. The electronic filing system for UCC documents established by the Iowa Secretary of State is second to none. Additionally, electronic filing of corporate Reports by that Office is a model for the rest of the nation. Furthermore, the access to Iowa's corporate records and ability to view and print images supports and fosters much needed economic growth.

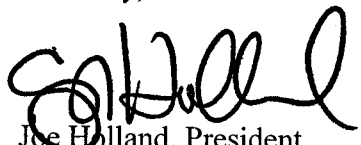
The members of our organizations pay fees for their filings and other services. We are informed that these fees have totaled, on average, about \$4.2 million annually. We are also informed that the Business Services appropriation was reduced by \$12,500 in FY 2000, \$25,000 in FY 2001, and \$313,932 in FY 2002, before the 4.3% across the board cut of \$69,809. These reductions, totaling \$421,241 (approximately 20%), leave the office at its 1995 funding level of approximately \$1.5 million, and are disproportionate to the overall Administration and Regulation reduction.


We understand that these are difficult budget times, but feel very strongly that the business, legal and lending communities are essential to Iowa's economic vitality. We must take good care of the businesses we have, even as we look for ways to promote new growth.

This is why we support Secretary Culver's efforts to retain a portion of our fees. The Secretary's request is proportional, reasoned, and funded by resources directly attributable to the services provided.

Thank you for your consideration of our input.

Sincerely,

  
Joe Holland, President  
Iowa State Bar Association

  
Pat Jury, Vice President  
Iowa Credit Union League

CHESTER J. CULVER  
IOWA SECRETARY OF STATE

TEL: (515) 281-5204  
FAX: (515) 242-5953



LUCAS BUILDING, FIRST FLOOR  
DES MOINES, IOWA 50319

E-MAIL: [SOS@SOS.STATE.IA.US](mailto:SOS@SOS.STATE.IA.US)  
WEB: [WWW.SOS.STATE.IA.US](http://WWW.SOS.STATE.IA.US)

January 1, 2002

[REDACTED]  
[REDACTED]  
[REDACTED]  
DAVENPORT, IA 52801



**IMPORTANT BIENNIAL REPORT FILING INSTRUCTIONS**

Dear Corporate Filer:

I am pleased to announce that, for the first time ever, you will now be able to file your Biennial Report electronically. The fee for filing your report electronically will be reduced to \$30 – a \$15 savings. Electronic filing results in production and processing savings, and honors my commitment to streamline business access to the Office of Secretary of State. It is only fair that these savings be passed on to you.

Because of severe budget cuts to our office, we no longer have the resources necessary to process over 75,000 paper Biennial Reports. We encourage you to file electronically to help conserve resources, but if you are unable, you may still file your Biennial Report by paper. The fee for filing by paper remains at \$45.

You will immediately note that, unlike previous years, neither your printed Biennial Report, nor the Change of Registered Office/Agent forms are enclosed. Please follow the instructions below for filing electronically, or by paper.

Please remember that Iowa law requires that your filing be delivered by **APRIL 1, 2002**. Failure to deliver the Report or pay the fee will result in administrative dissolution/revocation.

**INSTRUCTIONS**

PLACE AN "X" IN THE APPROPRIATE BOX TO INDICATE WHETHER YOU ARE E-FILING OR PAPER FILING. THEN, FOLLOW THE ACCOMPANYING INSTRUCTIONS.

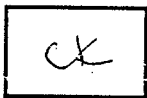
**e-Filing Instructions**

1. Log onto our website ([www.sos.state.ia.us](http://www.sos.state.ia.us)), click on "File Your Biennial Report", and follow the simple instructions.
2. Enter the corporation's PIN # and Corp. # as noted below in the right hand corner.
3. **Return this letter**, along with a check for \$30 payable to "Secretary of State", in the enclosed return envelope. (Please write the corporation # on your check).
4. If you need to change your registered office/agent, complete the fillable form on our website, and place it, too, in the enclosed return envelope.

**Paper Filing Instructions**

1. **Return this letter**, along with a check for \$45 payable to "Secretary of State", in the enclosed return envelope. (Please write the corporation # on your check).
2. Once we receive your \$45 fee, we will mail the Report to the above address.
3. If you need to change your registered office/agent, check this box.   
We will mail the form with your Biennial Report.

Place an "X" here  
if you are e-Filing



Send \$30

Place an "X" here if  
you are Paper Filing



Send \$45

I am glad to be able to provide this service and pass these savings on to you.

Sincerely,

Chet Culver, Iowa Secretary of State

Corp. #121270

PIN #3630

# UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

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B. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

**1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names**

1a. ORGANIZATION'S NAME				
OR				
1b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
				COUNTRY
1d. TAX ID #:	SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION
				1g. ORGANIZATIONAL ID #, if any
				<input type="checkbox"/> NONE

**2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names**

2a. ORGANIZATION'S NAME				
OR				
2b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
				COUNTRY
2d. TAX ID #:	SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION
				2g. ORGANIZATIONAL ID #, if any
				<input type="checkbox"/> NONE

**3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)**

3a. ORGANIZATION'S NAME				
OR				
3b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
3c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
				COUNTRY

**4. This FINANCING STATEMENT covers the following collateral:**

5. ALTERNATIVE DESIGNATION (if applicable):	<input type="checkbox"/> LESSEE/LESSOR	<input type="checkbox"/> CONSIGNEE/CONSIGNOR	<input type="checkbox"/> BAILEE/BAILOR	<input type="checkbox"/> SELLER/BUYER	<input type="checkbox"/> AG. LIEN	<input type="checkbox"/> NON-UCC FILING
6. <input type="checkbox"/> This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum	<input type="checkbox"/> If applicable	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) (ADDITIONAL FEE) optional		<input type="checkbox"/> All Debtors	<input type="checkbox"/> Debtor 1	<input type="checkbox"/> Debtor 2
8. OPTIONAL FILER REFERENCE DATA						

**UCC FINANCING STATEMENT AMENDMENT**

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

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B. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # \_\_\_\_\_

1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2.  **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3.  **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4.  **ASSIGNMENT (full or partial):** Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. **AMENDMENT (PARTY INFORMATION):** This Amendment affects  Debtor or  Secured Party of record. Check only one of these two boxes.  
 Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

**CHANGE** name and/or address: Give current record name in item 6a or 6b; also give new name (if name change) in item 7a or 7b and/or new address (if address change) in item 7c.  **DELETE** name: Give record name to be deleted in item 6a or 6b.  **ADD** name: Complete item 7a or 7b, and also item 7c; also complete items 7d-7g (if applicable).

6. **CURRENT RECORD INFORMATION:**

6a. ORGANIZATION'S NAME \_\_\_\_\_

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7. **CHANGED (NEW) OR ADDED INFORMATION:**

7a. ORGANIZATION'S NAME \_\_\_\_\_

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7c. MAILING ADDRESS \_\_\_\_\_

CITY	STATE	POSTAL CODE	COUNTRY
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7d. TAX ID #:	SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any
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NONE

8. **AMENDMENT (COLLATERAL CHANGE):** check only one box.  
 Describe collateral  deleted or  added, or give entire  restated collateral description, or describe collateral  assigned.

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT** (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here  and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME \_\_\_\_\_

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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10. OPTIONAL FILER REFERENCE DATA \_\_\_\_\_