

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Haylee Morse-Miller
Reviewed by: Ken Rocco
Date: April 2, 2019

Measure Description:

Removes requirement that documents related to business organizations that are submitted for filing to Secretary of State must be in English language.

Government Unit(s) Affected:

Secretary of State (SOS)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Analysis:

HB 2998 removes the requirement that business filings with the Secretary of State (SOS) be submitted only in English.

With the - 2 amendment, SOS is required to make business filing forms available in Spanish, Chinese, Vietnamese, Russian, and Korean, with a process to change the five required form languages. The measure further requires that a person submitting a form in a language other than English be required to submit an English translation of the information. This measure includes an unspecified General Fund appropriation that would allow SOS to create forms in five languages and to hire four bilingual staff to assist with business registrations.

Implementation of this measure in the 2019-21 biennium is estimated to cost \$1,075,517 General Fund beyond what is already included in the agency budget, and will require seven new positions. In addition, SOS estimates costs of \$730,000 for use of existing staff resources. Cost estimates include:

- Translation of up to 70 business filing forms
- Upgrades to the SOS online business registration system, including creation of three new positions
- Creation of four new bilingual Public Service Representative 4 positions in the SOS Corporation Division

Translation of forms

Translation of up to 70 forms used in business filings is anticipated to cost \$50,000 total.

Upgrades to the SOS Online Business Registry

SOS anticipates costs of \$1,255,961 in 2019-21 and \$678,579 in 2021-23 to upgrade their online business registration system. This includes reprogramming all the pages in the online business registration system to display business registration forms in five new languages with the form input done in the Latin character alphabet used to write the English language.

In 2019-21 SOS would create three new IT positions at an estimated cost of \$525,961. Additionally, in 2019-21 existing staff would be reassigned from other IT projects to work on the business registration system upgrades. The estimated cost for existing staff's time on this project is \$730,000, which is already included in the agency budget. In 2021-23, the three new positions would continue providing business registration system maintenance, at an estimated cost of \$678,579.

	2019-21 All positions at 0.75 FTE	2021-23 All positions at 1.00 FTE
Existing Staff Resources	\$730,000	\$0
Information Systems System 7 Developer	\$191,179	\$246,717
Information Systems System 6 Quality Assurance Tester	\$177,530	\$228,518
Operations & Policy Analyst 2 Application Administrator	\$157,252	\$203,344
TOTAL	\$1,255,961	\$678,579

An IT project of this complexity might need to go through a more extensive review process to better understand total project costs and any possible alternative implementation options. This measure does not explicitly include funding and position authority for these IT upgrades.

Bilingual Support Staff

This measure includes position authority for four new bilingual staff to support customers from communities that speak Chinese, Russian, Vietnamese, and Korean. SOS already has several staff who are bilingual in Spanish and English.

The cost for four new bilingual Public Service Representative 4 (PSR 4) positions is expected to be \$499,556 in 2019-21 and \$644,720 in 2021-23, which includes a 5 percent language differential salary increase.

While as many as 18,000 entrepreneurs in Oregon could potentially benefit from bilingual forms, systems and services, HB 2998 - 2 is not anticipated to result in an increase in company formations as people's names and addresses are the most common information collected on business registration forms.

This measure warrants a sub referral to Joint Ways and Means due to the expenditure impacts associated with implementation.