



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

April 19, 2005

Joint Committee on Finance

Paper #671

Agency Collections Appropriation Lapse (Secretary of State)

CURRENT LAW

The Office of the Secretary of State is responsible for issuing notary public commissions, registering trademarks and trade names, issuing authentications and apostilles, recording annexations and charter ordinances of municipalities, publishing state laws, filing oaths of office, and filing deeds for state lands and buildings.

GOVERNOR

No provision.

DISCUSSION POINTS

1. Fees charged for services provided are the primary source of funding for the Office of the Secretary of State. Specifically, fees are charged for notary public commissions, certificates of authentication and apostilles, and registration and assignment of trademarks or trade names. The fees range from \$10 to \$50, depending on the type of transaction. In addition, the Office receives an annual transfer of \$200,000 from the Department of Financial Institutions. Fee revenues and the transferred funding are placed in a program revenue appropriation and any year-end unencumbered amount in the appropriation balance in excess of 10% of the prior year's expenditures is lapsed to the general fund.

2. The Secretary of State is statutorily required to make a copy of any law, resolution, deed, bond, record, document, or paper deposited or kept in his or her office, upon request. Under the statutes, the Office is required to charge \$5.00 and 50 cents per page for certified copies of documents, and the greater of \$2.00 or the actual and necessary cost of reproduction and transcription required to produce an uncertified copy. Currently, the cost of obtaining uncertified photocopies of records is \$2.00 per document (up to 20 pages) and 10 cents a page after 20 pages.

3. Monies collected for certified copies of documents are placed in the Office's main program fees appropriation, which is the primary source of funding for the agency. Fees collected for uncertified copies are placed in a separate continuing program revenue appropriation for agency collections.

4. The agency collections appropriation is specifically authorized to fund the Office's costs for photocopying and microfilm copying of documents, generation of copies of documents, generation of copies of documents from optical disc or electronic storage, publication of books, and other services provided in carrying out the functions of the Office. As noted, the source of revenue for the appropriation is fees charged for uncertified copies and other related services.

5. The agency collections appropriation is provided annual expenditure authority of \$4,000. A total of \$2,000 is placed in unallotted reserve to be released by DOA if necessary to fund annual expenditures. For fiscal years 2001-02 through 2003-04 annual actual expenditures averaged \$1,900, and decreased from \$2,200 in 2001-02 to \$1,600 in 2003-04. Under provisions included in 2003 Wisconsin Act 33, the Office is required to lapse funds from the agency collections appropriation to the general fund. For fiscal years 2003-04 and 2004-05 the amount of the lapse was \$8,900 and is projected to be \$10,000 in each year of the 2005-07 biennium.

6. For fiscal years 2001-02 through 2003-04 average annual revenues for the appropriation were \$21,900, and increased from \$15,400 in 2001-02 to \$28,800 in 2003-04. Because the agency collections appropriation is continuing, the year-end unencumbered balance in the appropriation carries over to the next fiscal year. The year-end unencumbered balance in the appropriation has increased from \$141,400 in 2001-02 to \$179,300 in 2003-04. The table below shows projected revenues, expenditures, and the year-end unencumbered balance in the agency collections appropriation for 2005-06 and 2006-07.

	<u>2005-06</u>	<u>2006-07</u>
Opening Balance	\$181,400	\$182,400
Revenues	<u>15,000</u>	<u>15,000</u>
Total Revenues	\$196,400	\$197,400
Expenditures	\$4,000	\$4,000
Required Lapse to General Fund	<u>10,000</u>	<u>10,000</u>
Total Expenditures and Lapse	\$14,000	\$14,000
Closing Balance	\$182,400	\$183,400

7. The table shows that in 2006-07 the projected unencumbered year-end balance in the agency collections appropriation is \$183,400. This estimate includes the required lapse to the general fund, and annual expenditure authority of \$4,000 and estimated annual revenues of \$15,000.

8. The Committee may wish to lapse to the general fund the 2006-07 unencumbered balance of \$183,400 in the agency collections appropriation. It could be argued that this would provide the state with reimbursement for general statewide support services, such as mainframe computer and personnel provided by the Departments of Administration and Employment Relations, that are funded by GPR. The table indicates that ongoing revenues should be sufficient to fund ongoing expenditures. As a second alternative, statutory provisions could be modified to require that the year-end unencumbered balance in the appropriation lapse to the general fund. This would result in a lapse of \$182,400 in 2005-06 and \$1,000 in 2006-07. Automatic lapses would occur in subsequent years.

ALTERNATIVES

1. Maintain current law.

2. Require that that the 2006-07 year-end unencumbered balance in the agency collections appropriation be lapsed to the general fund.

<u>Alternative 2</u>	<u>GPR-REV</u>
2005-07 REVENUE (Change to Bill)	\$183,400

3. Modify current law provisions to require that the year-end unencumbered balance in the agency collections appropriation lapse to the general fund. This would result in a lapse of \$182,400 in 2005-06 and \$1,000 in 2006-07.

<u>Alternative 3</u>	<u>GPR-REV</u>
2005-07 REVENUE (Change to Bill)	\$183,400

Prepared by: Ron Shanovich