

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 1830

SPONSOR: Senator Scott

SUBJECT: Filings with the Department of State

DATE: March 26, 1999

REVISED: 03/30/99

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Joseph</u>	<u>Maclure</u>	<u>CM</u>	<u>Fav/ 1 amendment</u>
2.	<u></u>	<u></u>	<u>FP</u>	<u></u>
3.	<u></u>	<u></u>	<u></u>	<u></u>
4.	<u></u>	<u></u>	<u></u>	<u></u>
5.	<u></u>	<u></u>	<u></u>	<u></u>

## I. Summary:

This bill would authorize the Department of State (department) to create a uniform business report. The business report would be used as a substitute for annual reports and renewals required by certain statutes and would be compiled into the master business index and directory of business activity. Corporations would be permitted to file required reports and renewals electronically (i.e., via the Internet).

This bill would give the Department of State authority to prescribe the use of the uniform business report and to consolidate and establish filing and renewal dates. The bill would remove statutory barriers to the use of technology (i.e., the Internet) and streamline current practices of the Department of State.

This bill would repeal certain copying fee provisions as well as certain search fees for which there is no longer service provided. Provisions requiring the reporting of intangible tax liability on annual reports would be repealed. Finally, the notice of voluntary contributions to the Election Campaign Financing Trust Fund on annual report forms supplied by the department would be repealed.

This bill substantially amends sections 15.09, 15.091, 15.16, 339.12, 495.071, 606.03, 606.04, 607.0120, 607.0121, 607.0123, 607.0124, 607.0125, 607.0127, 607.01401, 607.0141, 607.1622, 608.4511, 617.1622, 620.177, and 865.09, Florida Statutes; creates section 606.06, Florida Statutes; and repeals sections 15.09(1)(d), (1998 Supp.), 15.091(2), and 607.1622 (1)(g) and (h), Florida Statutes.

## II. Present Situation:

The Department of State (department) conducted a study pursuant to ch. 97-15, L.O.F., which considered ways to use the master business index to: facilitate the efficient exchange of business information; aid in the economic development of the state; streamline the workings of state

government; and lessen the impact of redundant tasks put upon businesses because of state regulation. The study considered ways to use a uniform business report and current technology to minimize the work necessary to comply with state regulation. Section 606.04, F.S., directs the Department of State to create a master business index. The master business index draws information from databases already in existence at the department. The department assigns each business in the master business index a unique number for interagency use. The department consolidates other information into the master business index. The department also consolidates mailings and filing deadlines.

State agencies now use any number of forms and methods to gather and share information regarding licensees, registrants, and others. These differing practices create barriers to the exchange of information within government and with the private sector.

Section 620.177, F.S., requires domestic and foreign limited partnerships to meet certain requirements relating to renewal of certificates. The statute requires annual reports on or before December 31 of each year and sets forth information which must be included in the report.

Under s. 15.09(1)(d), F.S., (1998 Supp.), the department now collects a fee for verifying and certifying copies of corporate charters. The use of this fee has become confusing to the public and cumbersome to the department. Section 15.091(2), F.S., establishes a fee for the searching of papers or records. The department no longer supplies staff for this function and the service is no longer available as a result. Section 607.1622(1)(g), F.S., requires the disclosure of intangible tax liability on the annual report of any corporation filing such a report. This statute also requires the department to compile a list of liabilities for the purposes of the Department of Revenue. This statutory provision has become cumbersome to the department and is difficult to enforce. Section 607.1622(1)(h), F.S., requires annual report forms supplied by the department to include language concerning the voluntary contribution of \$5.00 per taxpayer to the Election Campaign Financing Trust Fund. The Department of State indicates that this is an unnecessary burden on the department and filers since the mentioned trust fund does not exist.

### **III. Effect of Proposed Changes:**

This bill would require participating agencies to use, contribute, and share current information through the master business index. The Department of State (department) would be required to create a directory of business activity in the state based on the master business index in order to facilitate economic development. The department would be authorized to prescribe the use of a uniform business report which could be filed electronically. Certain outdated, cumbersome, and unenforceable provisions would be repealed.

This bill would require that the master business index become the state's central index of businesses. Further, the index would have to include all licenses and registrations held by a business with any participating agency. "Any participating agency" is defined as any agency choosing to use the master business index to exchange information. Each participating agency would have to provide current information on businesses they regulate. They would have discretion to use the master business index as an information resource and use that information in fulfillment of the agency's statutory duties. The Department of State would be authorized to digest the master business index into a directory of business activity to serve as an aid to Florida's

economic development. Finally, the department would be authorized to make agreements with any other governmental agency to aid in business registration with such an agency.

This bill would permit the use of the uniform business report as a substitute for required annual reports and renewal filings. This would facilitate the efficient exchange of information pursuant to registrant requests and agreements with any other governmental agency. Information from the uniform business report could be used as a substitute for annual reports and renewals required by certain statutes and could be compiled into the master business index and directory of business activity.

This bill allows the department to consolidate renewal dates. The bill includes the Federal Employer Identification Number as a required component of the annual report. It adds provisions establishing when the first annual report of a domestic or foreign partnership must be filed, requiring that the information therein must be current on the date of execution, and provides for the incorporation of additional information. Any partnership that fails to file a timely report is deprived of access to Florida's courts, both in maintaining and defending actions. The uniform business report may be substituted as a form required by the statute.

This bill adds ch. 55, F.S., relating to Judgments, and ch. 606, F.S., relating to Business Coordination, to the list of chapters for which required information may be filed electronically. New language is added to provide guidelines for the acceptance, delivery, use, form, and fees associated with electronically filed information. The department would be able to use government or private contractors in relation to electronic filing.

This bill repeals the following provisions: requiring fees for verifying and certifying copies of corporate charters and searching for papers or records; requiring the disclosure of intangible tax liability on the annual report of any corporation filing such a report; requiring the department to compile a list of liabilities; and requiring annual report forms supplied by the department to include language concerning the voluntary contribution of \$5.00 per taxpayer to the Election Campaign Financing Trust Fund.

Following is a section by section analysis:

**Section 1.** Amends s. 606.03, F.S., to provide definitions of terms used in new statutory language.

**Section 2.** Amends s. 606.04, F.S., to require that the master business index become the state's central index of businesses. Authorizes the development of a business activity directory.

**Sections 3-9.** Creates ss. 606.06, 607.1622(9), 608.4511(8), and 617.1622(9), F.S., and amends ss. 495.071, 607.0121, and 617.0121(1)(d), F.S., to authorize use of the uniform business report as a substitute for required reports.

**Section 10.** Amends s. 620.177, F.S., to conform the statute to other changes made by the bill, add information required in certain filings, restrict access to the courts in certain circumstances and authorize the use of the uniform business report.

**Section 11.** Amends s. 865.09(6) and (11), F.S., to make technical changes to renewal dates and the process of notification for need of renewal. The uniform business report may be required by the department to satisfy provisions of this statute.

**Section 12.** Amends s.15.16, F.S., to allow electronic filing.

**Section 13.** Amends s. 607.0120, F.S., and creates s. 607.0120(10), F.S., to provide for the form and delivery of electronic filings to the department and requiring provision for the payment of fees when filing electronically or otherwise.

**Section 14.** Amends (1) and (2) of s. 607.0123, F.S., to make technical changes to the effective date and time of a filing. The filing will be effective on the date filed as evidenced by such means as the department may use. The word date would replace the word time where it occurs in this statute. Effectiveness would now occur at the start of the business day.

**Section 15.** Amends s. 607.0124, F.S., to provide alternative language concerning correcting filed documents. Variations of the terms “inaccurate” and “defective” would be substituted for current analogous language. Provision would be made for correction of a defective electronic transmission.

**Section 16.** Amends s. 607.0125(2), F.S., to allow the department the discretion over the required method by which the department records filings.

**Section 17.** Amends s. 607.0127, F.S., to simplify the process of certifying copies of filed documents.

**Section 18.** Amends, creates and renumbers subsections of s. 607.01401, F.S., to provide definitions regarding the delivery, transmission, and signing of documents to aid in the use of electronic filing.

**Section 19.** Amends s. 607.0141, F.S., to allow and provide for the use of electronic means to provide notice as required under the statute.

**Section 20.** Amends s. 339.12(4)(a), F.S., to correct a cross-reference error created by the renumbering associated with section 18 of this bill.

**Section 21.** Repeals ss. 15.09(1)(d), F.S., (1998 Supp.), 15.091(2), F.S., and 607.1622(1)(g) and (h), F.S., to remove outdated, cumbersome, and unenforceable provisions.

**Section 22.** Provides an effective date of upon becoming law.

**IV. Constitutional Issues:**

## A. Municipality/County Mandates Restrictions:

None.

## B. Public Records/Open Meetings Issues:

None.

## C. Trust Funds Restrictions:

None.

**V. Economic Impact and Fiscal Note:**

## A. Tax/Fee Issues:

The bill would reduce the collection of certain fees pursuant to ch. 15, F.S. This bill has not been reviewed by the Revenue Estimating Conference. The reduction of fees has an indeterminate cost.

## B. Private Sector Impact:

Businesses would benefit from streamlined government and reduced filing requirements.

## C. Government Sector Impact:

Indeterminate.

**VI. Technical Deficiencies:**

There is a spelling error on page 13, line 7: "te" should read "be."

**VII. Related Issues:**

None.

**VIII. Amendments:**

#1 by Commerce and Economic Opportunities:  
Technical amendment.