



Legislative Fiscal Office  
 82<sup>nd</sup> Oregon Legislative Assembly  
 2024 Regular Session

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**Bill Title:** Relating to information collected in conjunction with business registrations in this state; prescribing an effective date.

**Government Unit(s) Affected:** Secretary of State

**Summary of Fiscal Impact**

| 2023-25 Biennium           | General Fund | Lottery Funds | Other Funds       | Federal Funds | Total Funds       | Positions | FTE         |
|----------------------------|--------------|---------------|-------------------|---------------|-------------------|-----------|-------------|
| Secretary of State         | \$ -         | \$ -          | \$ 827,102        | \$ -          | \$ 827,102        | 3         | 1.50        |
| <b>Total Fiscal Impact</b> | <b>\$ -</b>  | <b>\$ -</b>   | <b>\$ 827,102</b> | <b>\$ -</b>   | <b>\$ 827,102</b> | <b>3</b>  | <b>1.50</b> |

  

| 2025-27 Biennium           | General Fund | Lottery Funds | Other Funds       | Federal Funds | Total Funds       | Positions | FTE         |
|----------------------------|--------------|---------------|-------------------|---------------|-------------------|-----------|-------------|
| Secretary of State         | \$ -         | \$ -          | \$ 655,794        | \$ -          | \$ 655,794        | 2         | 2.00        |
| <b>Total Fiscal Impact</b> | <b>\$ -</b>  | <b>\$ -</b>   | <b>\$ 655,794</b> | <b>\$ -</b>   | <b>\$ 655,794</b> | <b>2</b>  | <b>2.00</b> |

- There is an additional indeterminate impact related to questions from the public about changes made under this measure, which could lead to increased staffing needs for the Secretary of State’s office.

**Measure Description**

This measure directs the Business Registration Information Center within the Office of the Secretary of State (SOS) to collect information on a voluntary basis about the ethnicity, gender, and veteran status of each owner and principal of a business that applies for, updates, or renews a business registration, as well as the individual’s address and email address. The SOS Business Registration Information Center may share this information with Executive Branch agencies, small business development centers, and organizations that are community-based, foster economic development, and engage in efforts to increase the number of businesses owned by women, minorities, and veterans.

**Fiscal Analysis**

The fiscal impact for SOS is estimated at \$827,102 Other Funds in the 2023-25 biennium, and \$655,794 Other Funds in the 2025-27 biennium. These costs include:

- One limited-duration, full-time Information Systems Specialist 7 (0.50 FTE in 2023-25), to work with a contractor on modifications to the License Directory to include the information required under this measure.
- One permanent full-time Compliance Specialist 2 position (0.50 FTE in 2023-25, 1.00 FTE in 2025-27) to conduct rulemaking and work on agreements with community-based organizations.
- One permanent full-time Business Operations Manager 1 position (0.50 FTE in 2023-25, 1.00 FTE in 2025-27) to coordinate License Directory enhancement and oversee compliance of community-based organizations.

- Estimated costs of \$310,000 in the 2023-25 biennium to contract for updates to the License Directory, and \$99,000 in the 2025-27 biennium for maintenance.
- Additional funding totaling \$75,000 in the 2025-27 biennium to contract for security review and testing for secure storage of the data collected.

Other Funds are derived from Corporations Division revenues. Because excess revenue in this division is transferred to the General Fund, this measure could impact the amount of General Funds revenue available for other purposes.

SOS notes that the Information Systems Division is currently at capacity, and that the time it takes to hire a new Information Systems Specialist, coupled with the complications of updating SOS applications, could make it difficult for SOS to be ready to collect information by the January 1, 2026 deadline.

There is an additional indeterminate cost related to an increase in call/email volume, and the additional time it will take to review business filings. The Office of the Secretary of State initially estimates that two new Public Service Representative 4 positions could be needed due to this additional work, but further analysis of this increase in workload is required. The agency will need to request any additional position authority in the context of current resources and work volume during the 2025-27 budget process.

**Relevant Dates**

The measure takes effect on the 91st day after sine die.

Section 1 of the measure, which outlines information collection and sharing requirements, is operative January 1, 2026.