

### **Agency Description**

The Office of the Secretary of State conducts its daily operations through a single program: the Business and Government Services Program. Except for federal funding currently being pursued to support activities under the Help America Vote Act of 2002, the agency operates entirely with proprietary funds derived from fees for service.

### **Summary of Legislative Action**

<b>Secretary of State</b>
<b>Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>○ Language appropriation of \$20.0 million federal funds and \$750,000 state special revenue was approved for the Help America Vote Act of 2002</li> <li>○ All other funds are enterprise type proprietary funds for which the legislature does not approve fees and charges</li> </ul>

The legislature approved a language appropriation to the Secretary of State authorizing expenditure of \$20 million of federal funds associated with the Help America Vote Act of 2002 and passed other related law changes that have no direct fiscal impact other than to implement the provisions of the act:

- HB 190 - an act that generally revised election laws and implements the provisions of the Help America Vote Act of 2002 concerning a statewide registration list, information sharing, and provisional voting
- HB 201 - an act that generally revised voter registration and absentee ballot provisions for electors absent from the polling place on election day
- HB 548 - an act that created a federal special revenue account to implement the Help America Vote Act of 2002

### **Executive Budget Comparison**

The legislative budget includes a language appropriation for \$20 million federal funds and \$750,000 state special revenue. These funds were not included in the Executive Budget. The increase is associated with federal funding and the associated state match for the Help America Vote Act of 2002. This funding is intended to improve voting services across the nation and provides funds to states to:

- Replace punch card voting systems
- Establish the Election Assistance Commission to assist in the administration of federal elections and to otherwise provide assistance with the administration of certain federal election laws and programs
- Establish minimum election administration standards for states and units of local government with responsibility for the administration of federal elections

### **Funding**

The typical operations of the Secretary of State are funded with proprietary funds, which are not budgeted. However, for the 2005 biennium the Secretary of State anticipates federal funding associated with the Help America Vote Act of 2002. In order for the Secretary of State to expend the funds of the Help America Vote Act, the legislature approved a language appropriation of federal funds and the associated state matching funds.

### **Language**

The legislature approved the following language appropriation for the Secretary of State to provide spending authority associated with the Help America Vote Act of 2002.

"The secretary of state is appropriated up to \$20 million of federal special revenue and up to \$750,000 of state special revenue for the 2005 biennium to provide voter services under the federal Help America Vote Act of 2002. Federal special revenue funds are contingent upon receiving federal grant authority under the Help America Vote Act. State special revenue funds are contingent upon receiving matching funds from local government voting entities. Funding is

restricted for use only on expenditures associated with the Help America Vote Act and are biennial appropriations for the 2005 biennium."

## Proprietary Rates

### Program Description

The Secretary of State business services enterprise fund is used to account for costs and revenues for all office functions, except for the records management functions. The office administers corporate filings, registers assumed names and trademarks, processes notary public registrations, and administers the Administrative Rules of Montanan (ARM) and the Montana Administration Register. The office reviews, approves, maintains, and distributes records of business and nonprofit organizations, and registers and maintains records of secured financial transactions under the Uniform Commercial Codes, including agricultural products, in accordance with the Federal Food Security Act of 1985. The Secretary of State serves as Montana's chief election official and is responsible for the interpretation and application of election laws, except those pertaining to campaign finance. The office also qualifies candidates for the ballot, qualifies initiatives and referendums for the ballot, certifies the language and form of the ballot, publishes the official state voter-information pamphlet, conducts the official canvass of election results, and trains local election officials.

Beginning in the 2005 biennium, the Records Management Bureau will begin operating with funding from the Secretary of State business services enterprise fund. The Records Management Bureau is responsible for storing, accessing, microfilming, scanning, preserving, and disposing of public documents generated by state and local governments.

### Revenues and Expenses

Revenues to finance the operations of the Secretary of State are derived from fees charged to public and private entities to support the services provided by the office. In fiscal 2002, the Secretary of State received \$3.2 million in fee revenues. These fee revenues, along with \$51,000 non-fee operating revenues, supported expenses of \$2.8 million and funded 43.8 FTE and the operations of the office as stated above.

### Rate Explanation

For the 2005 biennium, the Secretary of State will be funded entirely with enterprise type proprietary funds. As such, the legislature does not approve fees and charges for the Secretary of State. The various fees and charges of the office are contained in Montana law or administrative rule.