



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0544

Title: Generally revise trademark law and procedure

Primary Sponsor: Sullivan, Katie

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Other - Proprietary	\$124,469	\$121,669	\$123,464	\$125,286
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Other - Proprietary	\$4,000	\$4,000	\$4,000	\$4,000
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 544 requires the Office of the Secretary of State to facilitate the name contest procedures in new Section 1. There is a fiscal impact to the office, related to legal work necessary to research each contest.

FISCAL ANALYSIS

Assumptions:

- The Office of the Secretary of State estimates there will be 20 trademark registration contests a year with \$200 in revenue from each contest. The office will retain \$100 of this revenue and \$100 will be awarded to the prevailing party.
- Each trademark registration contest will require an estimated 40 hours of legal work. The office will contract with Agency Legal Services (Department of Justice) to perform this work at a billing rate of \$121 per hour (\$96,800 per year). An inflationary factor of 1.5% has been added to this amount for fiscal years 2024 and 2025.
- The office will need to hire an 0.50 FTE Customer Service Assistant 1 to perform research and to document the name contests at a market rate of \$22,536 for fiscal years 2022 and 2023 (\$45,072 for 1.00 FTE/2). An inflationary factor of 1.5% has been added to this amount for fiscal years 2024 and 2025.

Fiscal Note Request – As Introduced

(continued)

4. The office will incur one-time costs in fiscal year 2022 for a new employee computer equipment (\$1,200) and office package (\$1,600).
5. An additional phone line will need to be added at a cost of \$332.52 per year. An inflationary factor of 1.5% has been added to this amount for fiscal years 2024 and 2025.

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.50	0.50	0.50	0.50
<u>Expenditures:</u>				
Personal Services	\$22,536	\$22,536	\$22,874	\$23,217
Operating Expenses	\$99,933	\$97,133	\$98,590	\$100,069
Claims - Prevailing Parties	\$2,000	\$2,000	\$2,000	\$2,000
TOTAL Expenditures	<u>\$124,469</u>	<u>\$121,669</u>	<u>\$123,464</u>	<u>\$125,286</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Other - Proprietary (06)	\$124,469	\$121,669	\$123,464	\$125,286
TOTAL Funding of Exp.	<u>\$124,469</u>	<u>\$121,669</u>	<u>\$123,464</u>	<u>\$125,286</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Other - Proprietary (06)	\$4,000	\$4,000	\$4,000	\$4,000
TOTAL Revenues	<u>\$4,000</u>	<u>\$4,000</u>	<u>\$4,000</u>	<u>\$4,000</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Other	(\$120,469)	(\$117,669)	(\$119,464)	(\$121,286)

NOT SIGNED BY SPONSOR

_____ 3/10/21 KA 3/2/21
 Sponsor's Initials Date Budget Director's Initials Date