

- Help America Vote Act requires the Secretary of State to maintain a statewide list of registered voters that is accessible to election officials via the Internet
- Work continues in the area of e-commerce initiatives, such as electronic signatures and electronic notarization of documents

## Secretary of State

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### ROLE

The Secretary of State has two program series: Election Oversight and Administration and Business Services. The Elections Oversight and Administration program series is responsible for overseeing, administering, and upholding Ohio's elections laws. In addition, through the elections program series, the Secretary of State maintains certain required records on elections. The Business Services program series is responsible for licensing and record keeping regarding corporations and commercial transactions in Ohio.

The staff employed by the Secretary of State is distributed over the two program areas, plus technology support and administrative positions. About 52% of all Secretary of State staff will work exclusively in the Business Services program series in the FY 2004-2005 biennium. About 17% of the employees work in the Elections Oversight and Administration program series. The other 31% of the employees work in technology support or central administration positions, such as information technology or finance and legal, which support both program series, but primarily supports the Business Services Division.

Agency In Brief					
Number of Employees*	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2004	2005	2004	2005	
164	\$17.8 million	\$18.2 million	\$3.2 million	\$3.2 million	Am. Sub. H. B. 95

\*Employee head count obtained from the Department of Administrative Services (DAS) payroll reports as of June 28, 2003.

### OVERVIEW

#### *ELECTIONS DIVISION*

The Secretary of State oversees Ohio elections and supervises the 88 county boards of elections in their duties related to conducting elections. As Ohio's chief election officer, the Secretary of State supervises the administration of election laws, approves ballot language, and reviews statewide initiative and referendum petitions. The Secretary of State also chairs the Ohio Ballot Board, which also approves ballot language (for statewide issues), canvasses votes for all elected state offices and election issues, investigates election fraud, and trains election officials. The Elections Division compiles and maintains

election statistics, political party records, and other election-related records. In addition, the division licenses ministers to perform marriage ceremonies and maintains certain other public records related to state and local governments.

### ***BUSINESS SERVICES DIVISION***

The Business Services Division receives and approves articles of incorporation for Ohio corporations and grants licenses to out-of-state corporations seeking to do business in Ohio. Limited partnerships and limited liability companies also must file. The Corporations Section keeps a registry of information about each corporation in Ohio. In order to claim an interest in collateral used for a loan and to have the claim indexed for public notice, secured parties must file financing statements with the Uniform Commercial Code section of the Business Services Division. The Business Services program serves the legal, banking, and business communities, and the general public so that business transactions may be handled in real time and with less risk of fraud. Minimizing the application time needed to incorporate a business in Ohio continues to be one of the primary objectives of the Business Services Division; and currently, the division maintains a one to two-day turnaround time to process applications for incorporation.

## **BUDGET ISSUES**

### ***HELP AMERICA VOTE ACT***

Ohio's current authorized funding from the federal government for the initial administration of the Help America Vote Act, (HAVA), a federal mandate, is estimated at approximately \$150 million. The total cost to fully implement the Act is unknown, but to comply with the federal requirements, Ohio must provide a matching share of \$5.8 million, which has been appropriated for this purpose from state bond money in the capital bill, H.B. 675 of the 124th General Assembly.

Online voter registration, one of the two central components of the Help America Vote Act, is the largest information technology (IT) initiative for the Secretary of State over the next biennium. The project is estimated to generate costs of approximately \$10 million to upgrade the Secretary of State's server so that a centralized database is linked to each of Ohio's 88 counties and is updated in real time. The new system will allow voters to register online as well as the traditional means of registration.

The replacement of approximately 12,000 voting machines in Ohio's 88 counties constitutes the second aspect of the requirements to be met by Ohio's Secretary of State. Machine replacement will be the largest overall project for the Secretary of State.

### ***E-BUSINESS AND BUSINESS FILINGS***


The Secretary of State eliminated the backlog of business filings through staff cross-training and technology upgrades. With an emphasis on web-enabled software and the use of applications designed to facilitate e-business, the Secretary of State continues to bring business forms and services online. Due to the need for greater security, the Secretary of State is upgrading all computers to the XP operating system.

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***UNIFORM COMMERCIAL CODE (UCC) FILINGS AND COUNTY REIMBURSEMENTS***

In compliance with the provisions of Sub. S. B. 174 of the 124th General Assembly, the Secretary of State will reimburse county recorders in all 88 counties on a graduated scale for the loss of revenue based on the Uniform Commercial Code (UCC) filings that each county filed in 1998. Payments from the Secretary of State to the counties will amount to \$1,191,556 in FY 2004 and \$893,667 in FY 2005.

***NOTARY COMMISSION FEE INCREASES***

Am. Sub. H. B. 95 increased the fees to be charged for notary commissions, beginning July 1, 2003. The fee for a regular notary commission is being increased from \$5 to \$15, and for an attorney notary commission from \$10 to \$15. The increased fees will produce new revenue each year for FY 2004 and for FY 2005 estimated at \$365,000 for regular notaries and \$4,940 for attorney notaries. 

**FY 2004 - 2005 Final Appropriation Amounts**

**All Fund Group**

**Line Item Detail by Agency**

*FY 2001:*      *FY 2002:*      *FY 2003:*      **FY 2004**      *% Change*      **FY 2005**      *% Change*  
*Appropriations:*      *Appropriations:*      *Appropriations:*      **Appropriations:**      *2003 to 2004:*      *Appropriations:*      *2004 to 2005:*

**Report For: Main Operating Appropriations Bill**

**Version: Enacted**

**SOS Secretary of State**

GRF	050-321	Operating Expenses	\$ 9,887,335	\$ 3,228,332	\$3,229,326	\$ 2,750,000	-14.84%	\$ 2,750,000	0.00%
GRF	050-403	Election Statistics	\$ 83,025	\$ 159,169	\$78,003	\$ 110,570	41.75%	\$ 110,570	0.00%
GRF	050-407	Poll workers Training	\$ 290,760	\$ 152,518	\$268,819	\$ 295,742	10.02%	\$ 295,742	0.00%
GRF	050-409	Litigation Expenditures	\$ 7,531	---	\$5,077	\$ 4,949	-2.52%	\$ 4,949	0.00%
<b>General Revenue Fund Total</b>			<b>\$ 10,268,651</b>	<b>\$ 3,540,019</b>	<b>\$ 3,581,225</b>	<b>\$ 3,161,261</b>	<b>-11.73%</b>	<b>\$ 3,161,261</b>	<b>0.00%</b>
413	050-601	Information Systems	\$ 167,396	\$ 90,877	\$237,468	\$ 163,418	-31.18%	\$ 169,955	4.00%
414	050-602	Citizen Education Fund	\$ 7,544	\$ 16,937	\$68,767	\$ 72,800	5.86%	\$ 75,712	4.00%
5M3	050-604	Precinct Reimbursement Expense	\$ 472,101	---	\$0	\$ 0	N/A	\$ 0	N/A
412	050-609	Notary Commission	---	---	\$186,048	\$ 178,124	-4.26%	\$ 185,249	4.00%
4S8	050-610	Board of Voting Machine Examiners	\$ 3,131	\$ 4,904	\$7,110	\$ 7,200	1.27%	\$ 7,200	0.00%
<b>General Services Fund Group Total</b>			<b>\$ 650,173</b>	<b>\$ 112,719</b>	<b>\$ 499,393</b>	<b>\$ 421,542</b>	<b>-15.59%</b>	<b>\$ 438,116</b>	<b>3.93%</b>
3X4	050-612	Ohio Cntr/Law Related Educ Grant	---	---	\$41,000	\$ 41,000	0.00%	\$ 41,000	0.00%
<b>Federal Special Revenue Fund Group Total</b>			<b>---</b>	<b>---</b>	<b>\$ 41,000</b>	<b>\$ 41,000</b>	<b>0.00%</b>	<b>\$ 41,000</b>	<b>0.00%</b>
599	050-603	Business Services Operating Expenses	\$ 3,254,240	\$ 11,403,270	\$14,041,586	\$ 13,889,462	-1.08%	\$ 14,241,966	2.54%
5N9	050-607	Technology Improvements	---	\$ 87,870	\$150,778	\$ 124,582	-17.37%	\$ 129,565	4.00%
<b>State Special Revenue Fund Group Total</b>			<b>\$ 3,254,240</b>	<b>\$ 11,491,140</b>	<b>\$ 14,192,364</b>	<b>\$ 14,014,044</b>	<b>-1.26%</b>	<b>\$ 14,371,531</b>	<b>2.55%</b>
R01	050-605	Uniform Commercial Code Refunds	\$ 51,570	\$ 91,364	\$44,038	\$ 65,000	47.60%	\$ 65,000	0.00%
R02	050-606	Corporate/Business Filing Refunds	\$ 258,946	\$ 89,970	\$71,041	\$ 100,000	40.76%	\$ 100,000	0.00%
<b>Holding Account Redistribution Fund Group Total</b>			<b>\$ 310,516</b>	<b>\$ 181,334</b>	<b>\$ 115,079</b>	<b>\$ 165,000</b>	<b>43.38%</b>	<b>\$ 165,000</b>	<b>0.00%</b>
<b>Secretary of State Total</b>			<b>\$ 14,483,580</b>	<b>\$ 15,325,211</b>	<b>\$ 18,429,061</b>	<b>\$ 17,802,847</b>	<b>-3.40%</b>	<b>\$ 18,176,908</b>	<b>2.10%</b>