

BILL SUMMARY

1st Session of the 53rd Legislature

Bill No.:	SB 772
Version:	CS
Request Number:	
Author:	Shannon
Date:	4/13/2011
Impact:	Potential fee revenue reduction of \$92,000,000
	Estimated loss to General Revenue of \$9.2 million
	Mandated 15% savings using one-stop-shop structure

Research Analysis

Section 1 of the Committee Substitute for SB 772 establishes the Oklahoma State Government Business Licensing One-Stop Program. This section of the measure authorizes the Chief Information Officer (CIO) to promulgate procedures for state agencies to enter into a shared services agreement with the Office of State Finance, allowing for real-time, online, web-based licensing and permitting services via a specified website. Per Section 1, the CIO is to demonstrate a cost savings to state agencies of at least 15%, and state agencies are to lower certain fees to reflect this savings. Section 1 of the measure also transfers assets and personnel of the 2nd Century Entrepreneurship Center to the Office of State Finance, and outlines exemptions for certain state agencies.

Amendatory language in Section 2 of the measure, related to the 2nd Century Entrepreneurship Center, changes various references to the Department of Commerce to reference the Office of State Finance.

Prepared By: Alexandra Edwards

Fiscal Analysis

The CS for SB 772 directs the Chief Information Officer of the Office of State Finance to take over the 2nd Century Entrepreneurship Center, currently housed in the Department of Commerce, and use the Center's business licensing framework to allow for online licensing and permitting through a shared services agreement with state agencies. The measure further mandates a demonstrable savings of 15% by OSF using this one-stop-shop methodology and a concurrent reduction of agency fees to reflect those savings.

Officials at the Office of State Finance estimate that this fee reduction could lead to a loss of fee revenue to the General Revenue Fund of \$9.2 million, and are still in the process of determining how the mandated 15% savings is to be realized. Based on the \$9.2 million figure and assuming both the required 15% savings and that this fee revenue would not be subject to the exemption provided for in the measure, the a total reduction in fee revenue to the state could be as high as

\$92 million. This is based on a standard assumption of 10% of fee revenue going to the General Revenue Fund.

The Department of Commerce states that there are no FTE's currently assigned to the 2nd Century Center and that the transfer required in the measure would have no significant fiscal impact to their agency.

Prepared By: Mark Nichols

Other Considerations

None