

Topic: Online Business Filings – Impact on the Office  
 Question by: Allison A. DeSantis  
 Jurisdiction: Ohio  
 Date: September 19, 2013

Jurisdiction	Question(s)
	How did it impact fees, staffing, processing time, etc. If anyone has documentation like this, would you be willing to share it with me?
<b>Manitoba</b>	
<b>Corporations Canada</b>	
<b>Alabama</b>	
<b>Alaska</b>	
<b>Arizona</b>	
<b>Arkansas</b>	
<b>California</b>	
<b>Colorado</b>	
<b>Connecticut</b>	
<b>Delaware</b>	

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<p><b>District of Columbia</b></p>	<p>In the District of Columbia we have half of our filing available online.</p> <p>The website is <a href="https://corp.dhra.dc.gov/LogOnWeb.aspx">https://corp.dhra.dc.gov/LogOnWeb.aspx</a> (about 36 filings)</p> <p>Our fees are uniform whether you pay online or in person or via mail. Online filers can opt to do expedited services if they wish.</p> <p>Online filings speed up the processing since system validates most of the information and my staff only needs to check very few things before approving the filing. Filing evidence is delivered via email and also stored under customer's online account for future retrieval.</p> <p>We are planning to add 20 more online filings so that we will have 70% of our filings available online.</p> <p>Let me know if you have any specific questions.</p>
<p><b>Florida</b></p>	
<p><b>Georgia</b></p>	
<p><b>Hawaii</b></p>	<p>FY 2013</p> <p>Annuals</p> <p>Total: 89,030 Online: 72,968 (82%)</p> <p>LLCs</p> <p>Total: 8,915 Online: 5,767 (65%)</p> <p>Ease in review with uniform filing format, ease with data transfer vs manual data entry, less scanning, copies readily available, reduces costs with postage, paper products/stationery/envelopes etc., filer's contact information available (name, phone, email &amp; mailing address) and reduction in processing times.</p>

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Idaho	
Illinois	
Indiana	<p>IN has a number filing available online. We plan to increase with the new system. See the link below for adoption rates (business entity reports, ucc filings and searches). I don't have specific adoption rates for other online filings. The totals below will give you some idea.</p> <p>2012 BE Filing Totals:                      Total # of online filings = 53,275                      Total # of internal filings = 172,416</p> <p>SOS Corporations  <a href="https://secure.in.gov/sos/online_corps/stats.aspx">https://secure.in.gov/sos/online_corps/stats.aspx</a></p> <p>SOS UCC  <a href="https://secure.in.gov/sos/bus_service/online_ucc/get_stats.asp">https://secure.in.gov/sos/bus_service/online_ucc/get_stats.asp</a></p>
Iowa	
Kansas	
Kentucky	
Louisiana	
Maine	
Maryland	
Massachusetts	
Michigan	
Minnesota	
Mississippi	
Missouri	

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<p><b>Montana</b></p>	<p>At this time only annual reports are filed online with this office.</p> <p>2007 - 13,315 paper filings and 70,145 Online Filings – 84% online adoption rate                  2008 - 11,685 paper filings and 83,081 Online Filings – 87% online adoption rate                  2009 - 12,026 paper filings and 87,562 Online Filings – 88% online adoption rate                  2010 - 10,713 paper filings and 92,007 Online Filings – 89% online adoption rate                  2011 - 10,401 paper filings and 96,836 Online Filings – 90% online adoption rate                  2012 - 9,252 paper filings and 101,603 Online Filings - 92% online adoption rate                  2013 – January 2 – September 23, 2013 – 105,030 Online Filings have been filed</p> <p>The fee to file paper filings and online filings is the same.</p> <p>Before online filing, the turnaround time for paper filings was 1 month to six weeks and required 4 temporary employees in addition to 2 full time employees.</p> <p>Temporary employees are no longer required and the 2 full time employees are able to process certificates and certified copies in addition to filing paper annual reports.</p>
<p><b>Nebraska</b></p>	

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<p><b>Nevada</b></p>	<p>For Calendar year 2013 -                      January through July of 2013:                      ARTICLES (currently only domestic articles for corps and LLCs available online)                      Total: 34,174                      Online: 26,502                      %: 77.6</p> <p>INITIAL/ANNUAL LISTS OF OFFICERS (or equivalents)(All entity types available online)                      Total: 198,116                      Online: 140,454                      %: 70.9</p> <p>UCC                      Total: 40,616                      Online: 29,180                      %: 71.84</p> <p>There is no difference in the fees for online service v. in-house services.</p> <p>Turnaround times for in-house processes were generally 7 – 10 business days prior to online filings. Currently 1 – 2 business days. Same day in many cases, especially mid-month and at times are awaiting documents to be receipted into system.</p>

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New Hampshire	
New Jersey	
New Mexico	
New York	
North Carolina	
North Dakota	
Ohio	
Oklahoma	
Oregon	
Pennsylvania	
Rhode Island	
South Carolina	
South Dakota	
Tennessee	

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<b>Texas</b>	<p>In addition to substantially reducing overtime, eliminating the use of temporary employees, online business filings through SOSDirect enabled the Corporations Section to reduce staffing (high of 65 to current 54) and improve turnaround (75% within 3 business days to 99%) in spite of an increasing workload (10% increase in new business formations in FY 2013 ending August 31, 2013).</p> <p>Currently 60% of all certificates of formation creating new Texas business entities are filed online and 45% of all documents are submitted online. This percentage is calculated by comparing web filings to the total of all documents submitted to the SOS whether or not the document is web enabled. While we offer web submission for most documents, we do not yet offer mergers, conversions, amendments (other than name change amendments) and other miscellaneous documents online. Ninety percent of all requests for copies and certificates are submitted through SOSDirect.</p> <p>Unlike UCC, there is no fee incentive to encourage online filing. The fee is the same for all documents no matter how the document is submitted to the SOS. However, the \$25 per document expedite fee is not charged for online filings or the \$10 per order expedite fee charged for copies or certificates ordered through SOSDirect.</p> <p>Also note that we have not quantified the significant savings in postage, paper and envelopes that we experience with online filings and orders. SOSDirect returns all completed work via email—so no printing of acknowledgments and certificates, no folding and stuffing in envelopes and no postage on the outgoing envelopes.</p> <p>See more below.</p>
<b>Utah</b>	
<b>Vermont</b>	
<b>Virginia</b>	
<b>Washington</b>	
<b>West Virginia</b>	
<b>Wisconsin</b>	
<b>Wyoming</b>	

**Additional comments:**

**TEXAS:**

I don't have any formal documentation on this, but I can tell you what the impact has been on the Uniform Commercial Code Section in Texas and provide stats showing the shift from paper to electronic filing.

In August of 2001 we went live with online filing in UCC. In addition to online filing we also had EDI as an option for bulk electronic filing.

At this time I had 51 budgeted positions that did nothing but UCC. We processed roughly 2,000 filings per day.

The fee to file a paper filing is \$15 when 1 to 2 pages. The fee is \$30 for filings that are 3 pages or more. The fee for filing electronic is \$5.

Yearly stats showing growth of electronic filings.

	Paper	Web	EDI
Sept 2001	93.92%	6.08%	0%
Sept 2002	72.26%	22.34%	5.4%
Sept 2003	57.49%	31.81%	10.69%
Sept 2004	43.93%	42.04%	14.02%
Sept 2005	38.6%	43.38%	18.02%
Sept 2006	34.6%	41.53%	23.87%
Sept 2007	31.34%	44.07%	24.59%
Sept 2008	26.80%	45.25%	27.95%

Replaced EDI with XML

	Paper	Web	XML
Sept 2009	24.1%	36.07%	39.82%
Sept 2010	23.51%	33.37%	43.13%



Sept 2011	20.72%	33.35%	45.93%
Sept 2012	20.06%	32.34%	47.60%

I haven't compiled the percentages for 2013 at this time, but I believe the percentages will not be much different than 2012.

A staff of 51 for UCC has been reduced to roughly 11 people in our UCC UNIT (8 dedicated to UCC plus other staff that share duties among different units).

No one lost their job as a result of the reduction. As people retired or resigned, I simply did not post the position. Many people were transferred to other jobs in the agency almost completely on a volunteer basis.

In 2004 I went to Lorna to ask if there was any additional work in the agency that I could take over, instead of transferring people out (didn't want to work myself out of a job). I was given the duty of filing periodic reports for Limited Partnerships and Non Profits. In addition we file the Annual Statements for Professional Associations. This work is done in what we call our REPORTS UNIT which is roughly 8 people (6 dedicated and other shared staff among different units).

Around 2010 one of the Directors in our agency retired. Instead of hiring a new director, the staff and duties under this director were split up. I acquired what we call our REGISTRATIONS UNIT which handles 16 different things including Athlete Agents, Credit Service Organization, Auto Clubs, Health Spas and 12 other things. This unit has roughly 5 people (4 dedicated and 1 shared).

For all 3 units that I currently manage, I have a staff of 24 which includes myself.

Hope this helps Allison. Feel free to call if you have any questions.

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Randy Moes

Director, Uniform Commercial Code Section

512-475-2709

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**Full text of email:**

Good Afternoon –

Ohio has recently released some online business filing options and will be continuing to add additional services. We are wondering if any other state who has done this already has documentation to show the impact on the office. For example, how did it impact fees, staffing, processing time, etc. If anyone has documentation like this, would you be willing to share it with me?

Thanks!

Allison

Allison A. DeSantis

Director of Business Services

Ohio Secretary of State, Jon Husted's Office

180 East Broad Street, 16th Floor

Columbus, Ohio 43215

Tel. 614-466-0952

Fax 614-485-7609

[adesantis@ohiosecretaryofstate.gov](mailto:adesantis@ohiosecretaryofstate.gov)