

Topic: Funding and Compliance

Question by: Jaime Weddle-Jones

Jurisdiction: Oregon

Date: December 23, 2021

Jurisdiction	Question(s)	
	<p><b>Question 1</b> How is your division funded? Is it self-funded or do you get your budget through the legislature or governor? We just switched to a process where we keep our budgeted monthly amount plus 2 months and the rest goes to the general fund.</p>	<p><b>Question 2</b> Do you have a compliance arm to your division? We are mostly ministerial other than some authority to investigate and impose penalties for corporations and limited liability companies that violate statute.</p>
Manitoba		
Corporations Canada		
Alabama		
Alaska		
Arizona		
Arkansas		
California		
Colorado		
Connecticut		
Delaware		
District of Columbia		
Florida		
Georgia		
Hawaii		
Idaho		
Illinois		

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Indiana		
Iowa		
Kansas		
Kentucky		
Louisiana	Self-funded	Ministerial only
Maine		
Maryland	<p>Maryland's charter division is self-funded by fees paid for expedited service, although the budget allocation is set annually by the legislature/governor. Surplus expedited fee revenue over budget allocation goes into a non-lapsing fund, which for the past 7 years has been used to pay for IT modernization projects after getting the appropriate approval to do so. Prior to that the surplus would occasionally be diverted to the state's general fund.</p>	<p>Maryland's charter department is mostly ministerial, although there is a statutory process for SDAT to adjudicate fraudulent filing claims upon notification from a party. There have been and will continue to be some legislative attempts to increase our compliance responsibilities.</p>
Massachusetts	<p>Almost all entity types have an annual report filing requirement. The filing fees may be found via this link: <a href="https://www.sec.state.ma.us/cor/corpdf/Fee_Schedule.pdf">https://www.sec.state.ma.us/cor/corpdf/Fee_Schedule.pdf</a></p>	
Michigan		
Minnesota		
Mississippi		
Missouri		
Montana		
Nebraska		
Nevada		

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<b>New Hampshire</b>	<p>The NH SOS budget is included in the State's Biennial Operating Budget. It is funded by the General Fund, with the exception of certain fees that are dedicated for business services operations and IT expenditures:</p> <ul style="list-style-type: none"> <li>- All filing fees related to corporations, including late fees (excepting annual reports, name reservations, and COA fees)</li> <li>- Expedited fees and data/image sales</li> <li>- \$15 from each UCC filing</li> </ul>	<p>We do not have any investigative or enforcement functions.</p>
<b>New Jersey</b>		
<b>New Mexico</b>		
<b>New York</b>		
<b>North Carolina</b>	<p>North Carolina is budgeted by the General Assembly and all fees for the Business Registration Division go directly into the general fund.</p>	<p>We also are mostly ministerial with some authority to investigate and impose penalties and/or cancel filings for nonpayment.</p>
<b>North Dakota</b>		
<b>Ohio</b>		
<b>Oklahoma</b>		
<b>Oregon</b>		
<b>Pennsylvania</b>	<p>We are fortunate to have a restricted fund which is to be used solely for the operation of the Bureau of Corporations and Charitable Organizations and for its modernization as may be required for improved operations.</p> <p>The fund is comprised of 30% of the fees for business filings and 5% of UCC filings. The remainder goes to the General Fund for the Legislature and Governor to figure out how to spend via the annual budgeting process. See 15 Pa.C.S. ? 155&lt;<a href="https://www.legis.state.pa.us/cfdocs/legis/LI/consCheck.cfm?txtType=HTM&amp;ttl=15&amp;div=0&amp;chpt=1&amp;sctn=55&amp;subsctn=0">https://www.legis.state.pa.us/cfdocs/legis/LI/consCheck.cfm?txtType=HTM&amp;ttl=15&amp;div=0&amp;chpt=1&amp;sctn=55&amp;subsctn=0</a>&gt; (relating to Disposition of Funds).</p>	<p>As to compliance, the Bureau is largely ministerial, with no authority to investigate and impose penalties on associations that violate statute.</p>

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<b>Rhode Island</b>		
<b>South Carolina</b>		
<b>South Dakota</b>		
<b>Tennessee</b>		
<b>Texas</b>		
<b>Utah</b>		
<b>Vermont</b>		
<b>Virginia</b>		
<b>Washington</b>	<p>We are self-funded though (non-appropriated) user fees. Specifically \$10 of each annual report goes to a dedicated (revolving fund) account to sustain operations. We then have to up or down staff according to business needs. It also provides enough revenue to sustain our existing system while preparing for the next generation of filing system.</p>	<p>We are ministerial and fight to stay that way. If there is a conflict in the record, or accusations of wrong doing then it becomes a civil or law enforcement matter to resolve. The AG will get involved if the dispute/disagreement rises to a level of consumer protection or fraud.</p>
<b>West Virginia</b>		
<b>Wisconsin</b>		
<b>Wyoming</b>		

**Additional comments:**

NASS did a survey of the Chief Deputies that included a question on how the offices are funded.  
<http://lists.iaca.org/private.cgi/iaca-section-bos-iaca.org/attachments/20211227/009dfec8/attachment.xlsx>

I hope it helps you!  
 Happy Holidays!  
 Leslie

Leslie Reynolds  
 Executive Director

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**Full text of email:**

Hello,

I have a couple of questions that I was hoping to learn more about how your jurisdictions handle them.

How is your division funded? Is it self-funded or do you get your budget through the legislature or governor? We just switched to a process where we keep our budgeted monthly amount plus 2 months and the rest goes to the general fund.

Do you have a compliance arm to your division? We are mostly ministerial other than some authority to investigate and impose penalties for corporations and limited liability companies that violate statute.

Thank you in advance!

Jaime Weddle-Jones  
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