



6. Secure the future of Business One-Stop

Description of issue and how recommending the agency's request furthers the agency's mandates: Businesses of all sizes across the state depend on AZSOS through its Business Services department. Services include support with various required filings, including Uniform Commercial Code transactions, trademark and trade-name registrations, limited partnership formations and limited-liability partnership formations. The successful establishment of these businesses is robust and grows over time as small and medium-sized businesses upscale their services and products.

AZSOS takes its role of supporting business establishment seriously and, as such, has been a strong partner and proponent of Arizona Business One Stop (B1S), a single online portal with personalized tools to plan, start and operate a business in Arizona. It is a secure, digital experience that allows prospective and existing businesses to easily comply with formation requirements and resources at state agencies including, the Arizona Department of Revenue, the Arizona Corporation Commission, the Arizona Commerce Authority, AZSOS and more.

Since its inception, the broader management tasks within B1S have been managed by the Arizona Department of Administration (ADOA) and funded by the Automation Projects Fund. The FY2025 budget initially eliminated all funding for B1S. With the support of AZSOS and many in the business community, some funding was restored; however, the total B1S budget was cut by more than 76%.

Unfortunately, the B1S program is currently in the Maintenance and Operations-only status, which only provides enough funding to keep the figurative lights on for the project. This makes it nearly impossible to fulfill the potential that was originally intended. As such, AZSOS believes the ownership, management, promotion and funding of B1S should be transferred from ADOA to AZSOS. AZSOS contains the program management, IT development and business-community outreach skillsets necessary to ensure the future success of B1S.

AZSOS would fund B1S by amending the relevant statute to retain the approximately \$1.6 million of existing fees it annually collects and otherwise deposits into the state general fund. The project has the potential to not only pay for itself, but also for other government programs because of its high return on investment to taxpayers. Therefore, reestablishing funding and consolidating tasks will result in the state collecting *more* money than it will spend.

Proposal: Amend the relevant statutes to allow AZSOS to deposit into the Data Processing Acquisition Fund the approximately \$1.6 million of existing fees it annually collects and otherwise deposits into the state general fund so that it may manage, operate and promote B1S. Appropriate 11 FTEs to be funded by the Data Processing Acquisition Fund.

Alternatives considered and reasons for rejection: Keeping the status quo, which will leave opportunity for economic development on the table.

Impact of not funding this fiscal year: Allowing B1S to continue to wither on the vine is a disservice for Arizona businesses and the economy.

Statutory reference:

- Data Processing Acquisition Fund (A.R.S. 18-441)
- Lobbyist Registration Fees (A.R.S. 41-1232)
- Telemarketer Registration Fees (A.R.S. 41-1275)
- Existing UCC Filing Surcharge (A.R.S. 41-126.B)
- LP, LLP & LLLP, FLP Filing Fees (A.R.S. 29-366)
- Notary Application Fee (A.R.S. 41-126.A.2)
- Trade Mark Filing Fees (A.R.S. 41-126.A.3)
- Trade Name Filing Fees (A.R.S. 41-126.A.4)
- UCC Filing Fees (A.R.S. 41-126.A.6)
- Expediting and other Miscellaneous Fees (A.R.S. 41-126)

Equipment to be purchased: TBD

Classification of new positions: The request includes funding for 11 FTE positions to support the operation and management of B1S. These positions will likely include roles such as:

- IT Manager
- IT Technical Lead/ Architect
- (4) IT Senior Developer
- IT Analyst/ Tester
- Business Services Program Manager
- Business Services Outreach Manager
- (2) Business Services Customer Services Rep

Annualization: \$1.6 million of existing fees retained by AZSOS for operation of B1S.