

## Department of the Secretary of State

## Bureau of Corporations, Elections and Commissions

Shenna Bellows Secretary of State Julie L. Flynn
Deputy Secretary of State

## JOINT STANDING COMMITTEE ON STATE AND LOCAL GOVERNMENT

Testimony in Favor of
L.D. 693 "An Act to Support the Department of the Secretary of State, Bureau of
Corporations, Elections and Commissions"

Shenna Bellows Secretary of State, Department of the Secretary of State

March 19, 2025

Senator Baldacci, Representative Salisbury, and Members of the Joint Standing Committee on State and Local Government, my name is Shenna Bellows. I am the Secretary of State. I am providing testimony in favor of L.D. 693.

Among the responsibilities of the Division of Corporations, UCC and Commissions is to serve as a repository and filing office for all records relating to the business entities and nonprofit corporations operating in the State and liens filed on personal property. The Division also administers the appointment, renewal and continuing education of Notaries Public and Marriage Officiants; administers the application process of Dedimus Justice candidates for the Governor's Office; records appointments to boards and commissions and publishes vacancy listings; and processes authentications, apostilles and incumbencies certifying the acts of public officials.

There are only 13 staff members in the Division, which has not had a new position added since 1993.

When I first became Secretary of State, the Division had a backlog of work, which at that time seemed to be likely a result of the COVID-19 pandemic. Given the types of work backlogs other sectors were seeing, along with the in-migration of new folks to Maine, this seemed logical at the time. To solve it, I authorized hiring three temporary contract staff members to get us caught up.

We currently have 4 part-time temps working in the Division, and the backlogs have not gone away. A closer review of the issue after my first year on the job indicated that the number of corporate filings across all categories had increased substantially over the last decade, dramatically increasing the workload of the Division. I have included charts at the end of this testimony so you can see the sustained and continual growth in work the Division has been handling.

Last year, the Division of Corporations handled over 35,500 new filings and changes to current entities, an increase of about 15,250 total filings or 75% seen by the division since 2015. While this is welcomed news for Maine businesses and our state's economy, the serious increase has also resulted in an unprecedented high volume of work.

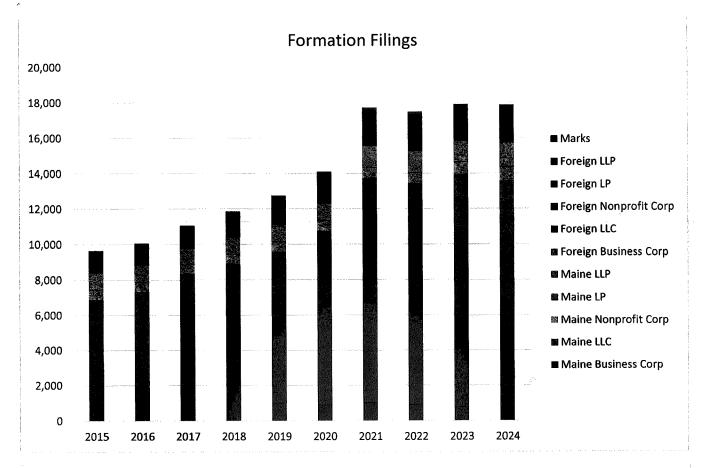
It is simply not feasible for our small and very experienced team to be able to process such an enormous increase in workload without additional human resources. The unfortunate result is sustained backlogs, more expensive filings by those who can afford it to get quicker turnarounds, and longer waits for those who can't afford it, or who don't know or think to file for same-day or next-day completions.

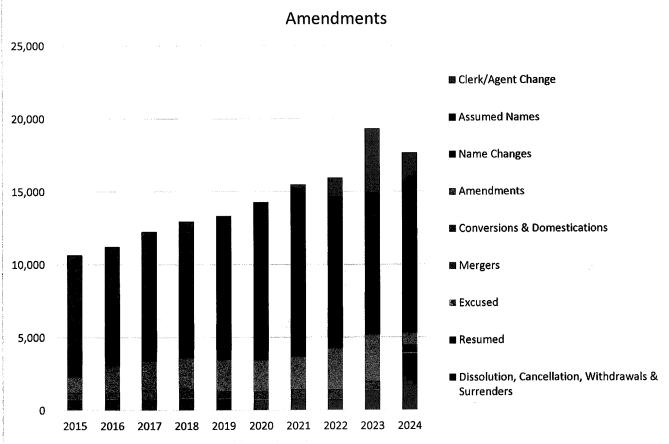
This is a burden on Maine businesses. We hear routinely from business owners and their legislators about the length of time it takes to get formation filings turned around and the challenges it poses to starting businesses or getting projects off the ground.

L.D. 693 would convert the three temp positions into full-time Office Specialist II positions. This would help us keep talent in the Division, as it has proven hard to keep good people on temp contracts. These positions are vital to the Division getting its work done more efficiently, which would be a welcome benefit to Maine's business community.

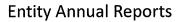
These positions were also proposed in the biennial budget, and the initiative was supported by a majority of members on the Veterans and Legal Affairs Committee. We appreciate Senator Pierce also submitting a bill to establish the positions, as we are agnostic as to how these positions are created. The budget proposal also funded the positions from an Other Special Revenue fund, which we remain open to using in this proposal as well.

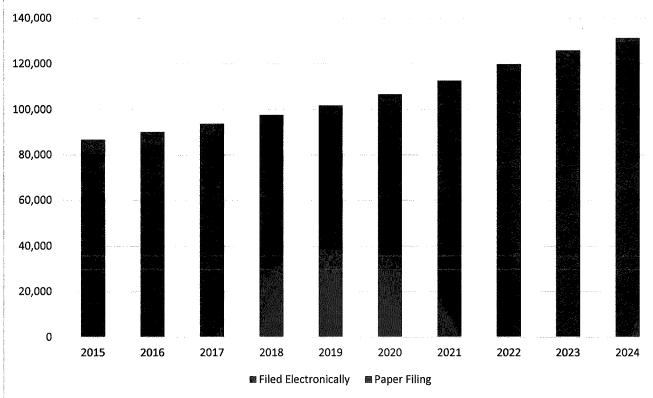
For all these reasons, we support this bill. Thank you for your time, and I am happy to answer any questions.



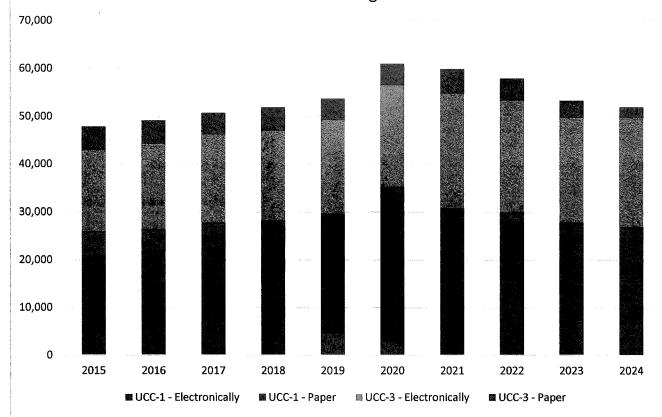


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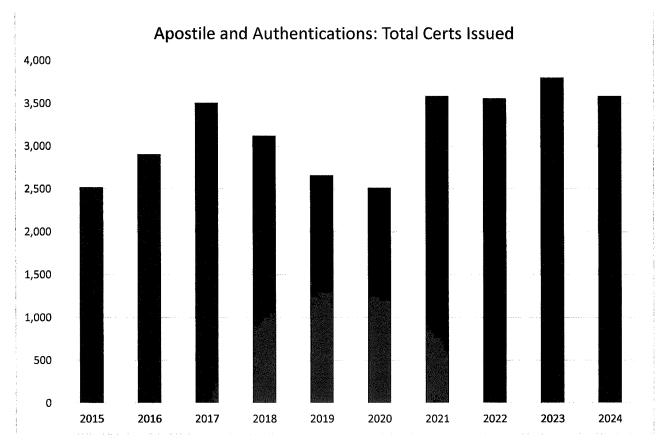


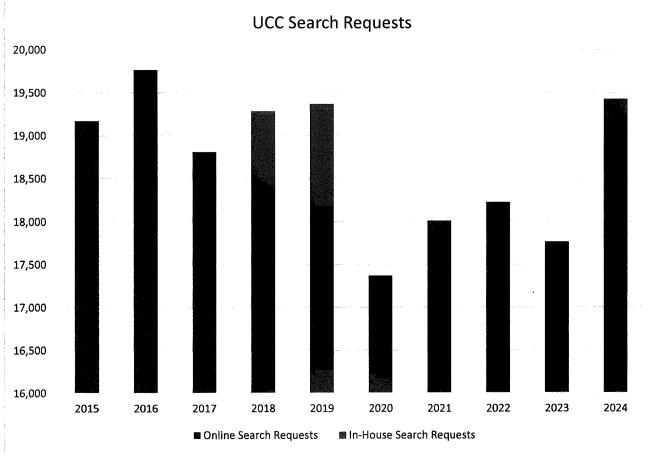


## **UCC** Filings



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