



**STATE OF MINNESOTA**  
Office of Minnesota Secretary of State  
Steve Simon

Senate Finance Committee  
Minnesota Senate Building, Room 1200  
95 University Avenue W.  
Saint Paul, MN 55155

April 22, 2025

Dear Senators:

I would like to first thank Chair Xiong for including in SF3045 the Business Filing Fraud Prevention Act. The Act is an important step to protect Minnesotans and businesses operating in the state from business identity fraud. Bad actors can hijack a legitimate business or create fake ones in someone else's name - often chosen by chance with no connection to the perpetrator. The Office of the Secretary of State (OSS) handles phone calls daily from Minnesotans who are suddenly dealing with this crime without a clear answer of why and how to clear their name. The language included in the bill gives the OSS the statutory ability to help by creating a clear process for handling fraudulent filings, making it easier to literally set the record straight and unwind the damage. Protecting business owners and individuals from fraud strengthens trust in the system and keeps Minnesota's business community strong.

While I appreciate the inclusion of the Business Filing Fraud Prevention legislation, I have significant concerns with the operating adjustment funding for the core work of the Office of the Secretary of State. I would respectfully ask the committee to fully fund the OSS's operating adjustment of \$1,762,000 for each biennium. (\$791,000 in FY26, \$971,000 in FY27, \$791,000 in FY28 , \$971,000 in FY29)

I recognize that the operating adjustment in SF3045 is the amount included in the Governor's recommendation, but that amount was not the amount that the OSS included in our budget request. The current level of funding in SF3045, and the amount recommended in the Governor's budget, will mean not being able to support the full contingent of current OSS staff – which would mean not being able to continue to provide the timely services to Minnesota businesses, election administrators, voters, and those who fear for their physical safety.

This operating increase is necessary to allow us to continue the statutorily mandated services that we provide Minnesotans at current levels. All areas of the OSS have seen continued growth from Minnesotans seeking services from our office. That growth, in addition to cost pressures such as insurance/benefit costs, contractual salary increases, and items like postage, are why we are asking for an operating increase just to continue what we are already doing. Some examples of that growth include:

- Business filings have risen over 25 percent from 770,000 filings in 2018 to over 970,000 filings in 2024.
- The number of official documents filed with the office has increased 37 percent compared to 2020.
- Boards and commissions that the OSS supports has grown 46 percent over the last decade.
- Since 2017, the elections division has administered over \$47 million in grant funds to local election administrators.
- Participation in the state's address confidentiality program has increased 15 percent since 2022. Mail handled for those participants has increased 23 percent and postage costs have risen 41 percent during that same timeframe.

Fully funding the operating adjustment request will allow the OSS to maintain current service levels and continue to grow our contribution to the general fund. The OSS's net contribution to the general fund in 2021 was \$22 million over the biennium. Now, that contribution has grown to \$29 million over the most recent biennium. The operating adjustment the OSS has requested is *less than* the growth in our general fund contribution and ensures we can continue to meet the needs of Minnesotans.

Thank you for your consideration.

Respectfully,



Steve Simon  
Secretary of State