***Department of State
Single Business Identifier/Master Business Index***

***Policy Issue***

Should the Legislature have the Department of State continue to pursue the use of the Single Business Identifier/Master Business Index (SBI/MBI)?

***Background***

Individuals that start businesses in Florida must interact with multiple state agencies to obtain needed registrations, licenses, and tax certificates. Businesses may find it hard to determine what licenses, permits, and registrations they need to legally operate in Florida, and the process often asks applicants for similar information (e.g., name, address, and business type) by multiple agencies.

In 1997, the Legislature recognized that state government requirements for establishing businesses were cumbersome and placed an undue hardship on the business community. To address these issues, the Legislature enacted the Florida Business Coordination Act[[1]](#footnote-1). This act directed the Department of State to develop a master business index, which was to consolidate all business entity records maintained by state agencies and assign a single identifying number to each business to enable agencies to share and easily retrieve business registration and license information.

The 1999 Legislature modified the act to require participating agencies to use, contribute, and share information through the master business index. However, the act does not require state agencies to participate[[2]](#footnote-2). In addition, the Legislature directed that the master business index be a central index of business entities and list all licenses and registrations held by a business with any participating state agency. The Legislature also required the Department of State to create a uniform business report for collecting and updating data for the master business index.

***Findings***

In 1999, the department created a single business identifier to meet the requirements of the Florida Business Coordination Act. However, as no other agency volunteered to participate in this effort, the business identifier is used only by the Department of State and it cannot yet be used to access business registration or license information from other agencies. Also, in 2000 the department implemented a Uniform Business Report to list registration and licensure information for each business. However, as no other agency has participated in this effort, only Department of State data are included in the report.

Currently starting a business in Florida requires separate interaction with multiple agencies:

*The Department of State*

Department of State, Division of Corporations Business registration – Corporate entities must usually register with the Division of Corporations, and entities conducting business under a name other than their own are required to register their fictitious name.

*Department of Revenue*

Department of Revenue, General Tax Administration Tax certificate(s) – Businesses that sell taxable goods and services must obtain a tax certificate(s) from the Department of Revenue, which administers the collection of 33 taxes and fees, including sales and use, corporate income, and Unemployment Compensation Tax.

*Department of Business and Professional Regulation*

Department of Business and Professional Regulation, Professional Regulation Program Business or professional license – Individuals and companies in many business and professional fields must obtain licenses from the Department of Business and Professional Regulation.

*Other State Agencies*

Other licenses and permits – Individuals and companies in many business fields must interact with other agencies, including the Department of Agriculture and Consumer Services, Department of Environmental Protection, Department of Financial Services, and Department of Health.

Over the last decade, the state has considered several proposals to consolidate and streamline state agency business-related functions.

* **1999** - The Senate Committee on Governmental Oversight and Productivity reviewed the reorganization of the Florida Cabinet structure to assess the status and jurisdiction of four departments that were headed by individual cabinet officers[[3]](#footnote-3). The review proposed dismantling the Department of State and redistributing its programs to other agencies, including merging Division of Corporations functions into the Department of Business and Professional Regulation.
* **2003** - The Legislature considered a proposal to abolish both the Department of State and Department of Community Affairs to create the Department of State and Community Affairs[[4]](#footnote-4). The intent of this change was, in part, to promote a positive business climate by maintaining efficient and effective business registration activities and to promote the economical and efficient management of public records.
* **2003** - The Governor’s Office of Policy and Budget examined the feasibility of merging the Division of Corporations and the Department of Revenue’s General Tax Administration program. The study concluded that the entities had similar processes, and integration or merger would increase awareness of tax obligations by corporations.

In 2009, the department renewed its efforts to implement the act by initiating a pilot project with the Department of Business and Professional Regulation. The two agencies agreed to share information related to licensed construction businesses. The Department of State has developed a master business index database that the Department of Business and Professional Regulation can access to obtain information. As of January 2010, the database had been populated with a test set of corporate data, and once test protocols are completed the database will be fully populated with Department of State data.

Once completed, the database will contain demographic information on entities registered with the Department of State and construction licensure information maintained by the Department of Business and Professional Regulation. This information will be searchable by a single business identifier assigned to each entity. The department reports that when the pilot is completed, it will be able integrate information from other agencies interested in participating in the effort.

***Recommendation***

It is the recommendation of the Joint Sunset Committee that the Legislature pursues using the Single Business Identifier/Master Business Index. The Legislature should create a task force that would include, at a minimum, the Department of State, the Department of Business and Professional Regulation, the Department of Revenue and the Agency for Enterprise Information Technology to formulate and propose an implementation plan for state agencies to use the SBI/MBI. The plan will outline, but is not limited to, how the SBI/MBI will be administered, who will maintain the data, how the information will made available to the public and indentify other agencies who can utilize the SBI/MBI.

1. Chapter 97-15, Laws of Florida. [↑](#footnote-ref-1)
2. Section 606.03(4), F.S., defines “participating agency” as an agency of government, which elects to participate in the exchange of information through the master business index. [↑](#footnote-ref-2)
3. These agencies included the Department of Banking and Finance, the Department of Education, the Department of Insurance, and the Department of State [↑](#footnote-ref-3)
4. House Bill 1687 – Governmental Reorganization. [↑](#footnote-ref-4)