

February 18, 2021

The Honorable Sean Tarwater, Chairperson  
House Committee on Commerce, Labor and Economic Development  
Statehouse, Room 151D-S  
Topeka, Kansas 66612

Dear Representative Tarwater:

**SUBJECT:** Fiscal Note for HB 2391 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2391 is respectfully submitted to your committee.

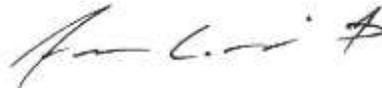
HB 2391 would amend existing law requiring business entities on file with the Secretary of State to file an annual report. The bill would replace the annual filing requirement with a requirement to file a business entity information report biennially. A business that would file formation documents with the Secretary of State in an even-numbered year would file its business information report biennially in an even-numbered year and a business that filed formation documents in an odd-numbered year would file its report in an odd-numbered year. The bill would maintain the current fee structure for annual reports but would adjust the fees to reflect a two-year filing period. It would also adjust the business reinstatement provisions by setting a maximum of up to five biennial reports and fees required to be filed to reinstate a business. The bill has a delayed effective date of January 1, 2023, which would enable the Office of the Secretary of State to modernize its computer system to accommodate the new filing schedule.

HB 2391 would also clarify the definition of street address as used in business filings, align state statute regarding the abbreviation of the term “professional associations,” and allow for electronic signatures for certain business filings received by the Office. In addition, the bill would amend state law to provide that information such as a social security number that is improperly placed on a Uniform Commercial Code form, included in a description on a form, or included as an attachment, is exempt from the requirement to remove the information. The bill would also repeal three laws dating back to 1939 regarding blanket music licenses.

The Office of the Secretary of State does not anticipate any additional expenditures resulting from enactment of HB 2391. The bill would reduce the number of business entity

information reports filed each year, which in conjunction with the agency's new business filing system, may result in a reduction in expenditures when the bill is implemented. The agency does not expect enactment of the bill would affect revenues, as businesses filing a biennial report would pay the same fees assessed for annual reports for each of the two years of the biennial filing.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt  
Director of the Budget

cc: Sandy Tompkins, Office of the Secretary of State