SCOTT SCHWAB Secretary of State



Memorial Hall, 1st Floor 120 S.W. 10th Avenue Topeka, KS 66612-1594 (785) 296-4564 sos.ks.gov

STATE OF KANSAS

March 8, 2024

Testimony on HB2660 (In-Person / Proponent)

House Committee on Judiciary Monday, March 11, 2024

Chair Warren and members of the Committee:

Thank you for the opportunity to provide testimony on House Bill 2660, which passed the House 120-0.

After five years of effort, the Secretary of State completed replacing its antiquated 1980s business filing system. The completely new system, created wholly in-house, rolled out January 22, 2024. At the same time, pursuant to a 2021 law, the old annual reports have been replaced by biennial information reports.

To ensure the law applicable to business filings is fully coordinated with and leverages the capabilities of the new software and to make the system as customer friendly as possible, we introduced House Bill 2660. A summary of its provisions follows:

Four Major Improvements:

- 1. Standardized the due date for filing the biennial information report. This greatly simplifies the administration of information report filings and would affect less than 10% of all filing entities. The current due date is still linked to the entity's fiscal year, a legacy of the franchise tax which was eliminated in 2004. HB2660 will require that all 12 types of entities file the biennial information report in the same time-period (for profit: Jan-April 15; non-profit: Jan to June 15).
- 2. Simplifies the administrative process and lowers the cost for a non-Kansas business entity to file to begin doing business in Kansas.
- 3. Allows a residential homeowner to remove their address as the publicly listed resident agent for an entity, if the homeowner resident asserts, he or she is not the resident agent.
- 4. Eliminating provisions for fees that are no longer needed because the software, not requiring human intervention, conducts the requested search or action without charge.

Minor Improvements Include:

- For two types of cooperatives, slightly modifies what is reported in the biennial information report so that it matches the other 10 types of entities.
- Removes two obsolete provisions regarding the franchise tax.
- Removes references to the obsolete "certificate of fact."
- Corrects references to certificates of "reinstatement," "revival," and "restoration," that were missed in the major corporation law bill from 2023. "

• Removes some minor filing data that had no substantive value but caused a disproportionate number of filing rejections.

/Jameson Beckner

Jameson Beckner Deputy Secretary of State, Director of Business Services Office of the Kansas Secretary of State clay.barker2@ks.gov