

SESSION OF 2024

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2660

As Amended by House Committee on Judiciary

Brief*

HB 2660, as amended, would create and amend law related to required business filings submitted to the Secretary of State (Secretary).

Change of Address—Registered Office

The bill would add provisions to the Business Entity Standard Treatment Act to allow a residential address to be removed from a business filing.

If the address for the registered office of a required entity under the the Act is a residential address, and the registered agent no longer resides at that address, the bill would authorize the current occupant of the residence to have the address removed from the public record.

In order to request removal of the address, the current occupant would be required to attest to the following information on a form designated by the Secretary:

- The current occupant's name;
- The address for the residence listed on the public record;
- Affirmation that the address is residential;

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

- Affirmation that the person is the current occupant of the residential address; and
- Affirmation that the person or entity associated with the business filing is no longer associated with the residential address.

Confidentiality

Once submitted, the form would be confidential and not subject to the Kansas Open Records Act (KORA). The bill would also place a sunset date of July 1, 2029, on this KORA exception, unless extended by the Legislature.

Agency Procedure

Upon receiving a submitted form, the Secretary would be required to:

- Attempt to contact the entity on the form and its resident agent to request an address change pursuant to continuing law; and
- Remove the residential address from the public record as the address for a registered office.

The bill would require an entity that receives notice from the Secretary pursuant to the bill to designate and certify the name and address of its registered agent, as required by continuing law.

Standardization of Business Filings

The bill would make similar changes for various types of business entities that are required to file biennial reports with the Secretary. Rather than requiring reports be made by December 31, as required by current law, the bill would require such reports be made on or before April 15 (for-profit

entities) or June 15 (non-profit entities) in the year the entity is required to file.

For-profit entities that would be required to file a report by April 15 would include:

- Domestic corporations;
- Electric cooperatives;
- Foreign corporations;
- Foreign covered entities;
- Foreign limited partnerships;
- Foreign limited liability partnerships;
- Limited liability corporations;
- Limited liability partnerships;
- Limited partnerships;
- Professional corporations; and
- Renewable energy electric cooperatives.

With respect to fees associated with filing these reports, the bill would remove a requirement that the fee be multiplied by the number of tax periods included in the report.

Amendments for Specific Business Entity Types

The bill would amend law related to certain business entity types in various ways.

Cooperative

A cooperative that submits articles of amendment would no longer be required to include the address of its principal office.

Electric Cooperative

Current law requires an electric cooperative to report the names and addresses of its officers, including a president, secretary, and treasurer. The bill would add a provision allowing the entity to report the same information for an equivalent officer to any of the named positions. The bill would also require reporting of the same information for all trustees of the entity rather than all directors, as found in current law. Finally, the bill would remove a requirement that the entity report the number of memberships issued during the biennium and changes in the particulars since the last report.

Foreign Covered Entity

A foreign covered entity would be required to make a statement under penalty of perjury that, on the day of filing, it exists in good standing in its jurisdiction of organization. Current law does not include a provision on perjury and requires a similar statement be issued within 90 days of the date of application.

Limited Liability Partnership

The bill would amend law governing the statement of qualification required to be filed with the Secretary if a partnership has decided to become a limited liability partnership to clarify that such statement be prescribed by the Secretary.

Certificate of Revival

Under continuing law, a corporation whose articles of incorporation or authority to do business have become forfeited or void, could revive its articles of incorporation or become authorized to engage in business by filing a certificate of revival. The bill would require the date of filing of the corporation's articles of incorporation to be included on the certificate and would remove a requirement that the original name of the corporation be included.

Report of Record Search Fee

The bill would remove provisions authorizing the Secretary to charge a fee of \$5 for a report of record search.

Technical Amendments

The bill would make a number of technical amendments to conform to the provisions of 2023 House Sub. for SB 244, which made numerous changes to laws concerning corporations and other types of business entities.

Certificate of Reinstatement

The bill would allow the Secretary to charge a fee of up to \$150 for issuing, filing, or indexing a certificate of reinstatement. [Note: Provisions of 2023 House Sub. for SB 244 refer to the fee for a certificate of reinstatement. However, the certificate was not included in the fees statute. This bill would make a technical amendment to conform with those provisions.]

Updated References

Throughout the bill, references to certificates of reinstatement, revival, and restoration would be updated to reflect the correct certificate type.

Mailing of Report and Fees—Deadlines

References to postmarked reports, fees, and related deadlines would be removed by the bill.

Background

The bill was introduced by the House Committee on Elections at the request of a representative of the Office of Secretary of State.

House Committee on Judiciary

During the House committee hearing, proponent testimony was provided by a representative of the Office of Secretary of State, who stated the bill was proposed due to a new business filing system that is being implemented at the agency. The representative further stated the bill would standardize language for some filing requirements and address the instance in which a registered agent had moved and their original filing included a residential address. The proponent also indicated the reporting year would be changed to either April 15 or June 15, depending on the type of entity, so that it would be a standard reporting date regardless of whether the business operates on a fiscal or calendar year basis.

No other testimony was provided.

The House Committee amended the bill to remove a section that would have amended law on limited partnerships, made changes that would not require submissions be made

by the close of business on a particular day, and restored language that would have been removed in the bill, as introduced, regarding certification for a foreign entity.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Office of Secretary of State indicates enactment of the bill would have no fiscal effect.

Secretary of State; business filings; change of address; annual report; registration; foreign entity