

SESSION OF 2020

SUPPLEMENTAL NOTE ON SENATE BILL NO. 251

As Amended by Senate Committee on
Commerce

Brief*

SB 251, as amended, would change the annual report currently required to be filed with the Secretary of State by business entities to a biennial business entity information report beginning in 2022. The current annual report fee of \$40 would be replaced by a fee of \$80 for each biennially filed report.

Business entities formed in even-numbered years would be required to file reports in even-numbered years and business entities formed in odd-numbered years would be required to file reports in odd-numbered years.

The bill would also eliminate a provision excluding corporations from being required to file annual reports when such corporations have filed articles of incorporation less than six months prior to the last day of its tax period.

Background

The bill was introduced by Senator Olson. In the Senate Committee hearing, Senator Olson and representatives of the Kansas Chamber of Commerce and the National Federation of Independent Business testified in support of the bill. They indicated the bill would lessen the administrative and compliance burden on businesses. The Secretary of State offered written-only neutral testimony on the bill. No other testimony was provided.

*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>

The Senate Committee amended the bill by replacing a provision that would have given business entities an option to file reports annually, biennially, or triennially with a requirement that the report be filed biennially beginning in 2022.

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Secretary of State indicates enactment of the bill would increase agency expenditures in fiscal year (FY) 2020 by \$125,512 and in FY 2021 by \$108,612, and would require the addition of 2.0 FTE employees beginning in FY 2021. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2021 Governor's Budget Report*.

Upon the Senate Committee amending the bill, a representative of the Secretary of State indicated the amendment to the bill would eliminate the requirement of increased expenditures and additional employees.