

SESSION OF 2021

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2391

As Amended by Senate Committee on
Transparency and Ethics

Brief*

HB 2391, as amended, would amend law related to the Office of the Secretary of State.

The bill would revise and update certain provisions pertaining to business and other related filings and repeal obsolete laws.

The bill would also amend publication requirements for the Office of the Secretary of State. Specifically, the bill would amend or remove provisions concerning publication requirements for the Kansas Session Laws, Kansas Administrative Regulations, *Kansas Register*, and Kansas Statutes Annotated. The bill would also permit the Secretary in fulfilling public printing requirements to utilize the Division of Printing or to contract for outside services in accordance with applicable laws for state agencies and remove the current requirement for cost-recovery fees associated with the distribution of printed materials to be set by adoption of rules and regulations.

Business Filings

The bill 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 2023. The current annual report fee of \$40 would be replaced by a fee of \$80 for each biennially filed report.

*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>

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, except that it would be permissible for filers to file reports in 2023 for multiple entities formed in both odd and even-numbered years prior to 2023 and in odd-numbered years thereafter.

The bill would allow for business filings with the Secretary of State to be signed *via* electronic signature.

The bill would eliminate various obsolete references to previously repealed statutes related to business filings.

Blanket Music Licenses

The bill would repeal statutes requiring blanket music licenses and related documents to be filed with the Secretary of State and providing for service of process upon the Secretary of State in any legal action related to blanket music licenses.

Street Address Definition

The bill would define "street address" within the Kansas Uniform Partnership Act to be the location including the number, street, city, and postal code.

Social Security Number Redaction

The bill would provide an exception to existing law requiring social security numbers to be redacted from certain filed documents if the social security number was improperly placed on a form or included in an attachment to the form by the individual filing the document.

Office of the Secretary of State Publications

Kansas Session Laws

Current law requires printed copies of the Session Laws to be distributed to certain Kansas officials. The bill would modify this requirement to be only upon request.

The bill would require the Secretary of State to fix the per volume price for copies of the Kansas Session Laws to recover the costs of publishing and storing such volumes, whether published in print or electronic form.

Current law requires the Secretary of State to use the administrative rule and regulation process to set the costs of Kansas Session Laws; specifies such costs are to be set to recover the costs of printing, binding, and storing the volumes (rather than publishing and storing as provided in this bill); and does not specify recovery of costs whether in print or electronic form.

The bill would require that, after the *sine die* adjournment of each legislative session, the State Printer and the Secretary of State complete preparation and printing for at least a limited number of each volume of the Kansas Session Laws. Current law requires the Secretary to furnish a copy of all acts, resolutions, and other matters, except the index, required to be published and bound in the Kansas Session Laws within a certain time after the *sine die* adjournment of the Legislature (20 days in odd-numbered years, 40 days in even-numbered years).

Kansas Administrative Regulations

The bill would remove the requirement that the Secretary of State include the time of filing as part of the agency's endorsement of each rule and regulation filed with the agency as part of the process of approving administrative rules and regulations. A requirement that the date of filing be

noted as part of the Secretary's endorsement of such rules and regulations would remain in continuing law.

The bill would require the Secretary of State to fix the per volume price for copies, replacement volumes, and annual supplements of the Kansas Administrative Regulations to recover the costs of publishing and storing such volumes, whether published in print or electronic form. Current law requires the Secretary of State to use the administrative rule and regulation process to set the costs of Kansas Administrative Regulations and specifies such costs are to be set to recover the costs of publishing the volumes (rather than publishing and storing as provided in this bill).

Kansas Register

The bill would specify that, in reference to the publication of all acts of the Legislature that take effect upon publication of the *Kansas Register*, publication of the *Kansas Register* could be in print or electronic format. In reference to publication requirements for legislative resolutions making propositions to amend the *Kansas Constitution*, the bill would require the Secretary of State to publish such resolutions in one newspaper in each county of the State where a newspaper is published, or, if no newspaper is published in a county, then in a Kansas-published newspaper of general circulation in each county once a week for three consecutive weeks immediately preceding the election. Current law requires such resolutions be published in one newspaper in each county of the State where is a newspaper is published once a week for three weeks immediately preceding the election.

The bill would also require that after such publication, the Secretary of State certify the amount of moneys expended on the publications described above and transmit a copy of such certification to the Director of Accounts and Reports. Upon receiving this certification, the Director of Accounts and Reports must transfer an amount of moneys

equal to the certification from the State General Fund to the Information Services Fee Fund of the Secretary, and send notification of such transfer to the Director of Legislative Research and the Director of the Budget.

The bill would also remove requirements that the *Kansas Register* include descriptions of all prefiled bills and resolutions, as well as the hearings docket of the Kansas Supreme Court and Court of Appeals.

The bill would allow the Secretary of State to sell annual subscriptions to the *Kansas Register* and fix, charge, and collect subscription fees from subscribers. Current law requires the Secretary to offer such subscriptions and requires the Secretary to fix, charge, and collect such subscription fees.

The bill would also replace references to “issues of the *Kansas Register*” with the term “publication of the *Kansas Register*.” Similarly, references to “copies of the *Kansas Register*” (including paper copies) would be replaced by the term “subscriptions to the *Kansas Register*” throughout the bill.

Concerning requirements that each state agency must maintain and publish an index of currently effective guidance documents, the bill would remove a requirement that agencies must file such index in a manner prescribed by the Secretary of State.

Kansas Statutes Annotated

Current law requires two complete sets of the Kansas Statutes Annotated to be distributed to each member of the Legislature at each legislative session, with the name of the member printed on one of the copies. The bill would modify this to require that only new members receive one complete set, with their name printed on it only if requested.

Background

HB 2391, as amended, would include the contents of HB 2297. The backgrounds of both bills are described below.

HB 2391 (Business and Related Filings)

HB 2391 was introduced by the House Committee on Commerce, Labor and Economic Development at the request of the Office of the Secretary of State.

[*Note:* The bill contains provisions similar to those of 2020 SB 251, as recommended by the Senate Committee on Commerce and certain provisions of 2020 SB 424, as amended by the Senate Committee of the Whole.]

House Committee on Commerce, Labor and Economic Development

In the House Committee hearing, a representative of the Office of the Secretary of State testified as a **proponent** of the bill, stating the bill would update several statutes related to business services to reduce the burden on Kansas businesses and improve efficiency in the Office of the Secretary of State.

No other testimony was provided.

The House Committee amended the bill to permit filers to file reports for multiple entities formed in both odd and even-numbered years in 2023 and in odd-numbered years thereafter.

Senate Committee on Transparency and Ethics

In the Senate Committee hearing, a representative of the Office of the Secretary of State provided **proponent** testimony. The representative provided an overview of the

statutes that would be amended by the bill and explained such amendments would provide needed clarity and updates.

No other testimony was provided.

The Senate Committee amended the bill to clarify provisions regarding certain past due business entity reports and to insert provisions of HB 2297 regarding publications.

HB 2297 (Office of the Secretary of State Publications)

HB 2297 was introduced by the House Committee on Commerce, Labor and Economic Development.

[*Note:* The bill contains the provisions of 2020 SB 254 as amended by the Senate Committee on Federal and State Affairs, and several new provisions.]

House Committee on Commerce, Labor and Economic Development

In the House Committee hearing, **proponent** testimony was provided by a Deputy Assistant Secretary of State and a representative of Coalition for Opportunity.

No other testimony was provided.

Senate Committee on Transparency and Ethics

In the Senate Committee hearing, **proponent** testimony was provided by a Deputy Assistant Secretary of State and a representative of Envision. The proponents stated the bill would help the Office of the Secretary of State save money in printing publications and benefit Envision in serving people who are blind and visually impaired through its contracts with the Secretary of State to provide such printing services.

Written-only **proponent** testimony was provided by representatives of the Coalition for Opportunity, the Kansas Chamber, the Wichita Regional Chamber of Commerce, and the Kansas Press Association, Inc.

No other testimony was provided.

Fiscal Information

HB 2391

According to the fiscal note prepared by the Division of the Budget on HB 2391, as introduced, the Office of the Secretary of State indicates enactment of the bill would have no effect on state revenues and may result in a reduction in expenditures once the bill has been implemented.

HB 2297

According to the fiscal note prepared by Division of the Budget on HB 2297, as introduced, the Office of the Secretary of State indicates enactment of the bill would result in agency savings of approximately \$35,000 in fiscal years 2021 and 2022. Any fiscal effect associated with the bill is not reflected in *The FY 2022 Governor's Budget Report*.

Secretary of State; business filings; blanket music filings; printing