

SESSION OF 2014

**SUPPLEMENTAL NOTE ON SUBSTITUTE FOR HOUSE
BILL NO. 2721**

As Recommended by House Committee on
Commerce, Labor and Economic Development

Brief*

Sub. for HB 2721 would create the Business Entity Standard Treatment (BEST) Act. Current law requires entities to file a variety of documents relating to the creation of corporations, limited liability companies, limited partnerships, and limited liability partnerships. The bill would centralize the various filing requirements for the most common filings that business entities must file with the Kansas Secretary of State into one location of the *Kansas Statutes Annotated*. The bill would focus on the four primary types of business entities organized in the State: corporations, limited liability companies, limited partnerships, and limited liability partnerships. The bill also would allow the Secretary of State additional time to promulgate the necessary rules and regulations relating to filing fees charged by the agency, but the fee schedule would not take effect until January 1, 2015.

Background

The bill was introduced by the House Committee on Commerce, Labor and Economic Development at the request of the Kansas Secretary of State. Testimony in favor of the bill was provided during the House Committee hearing by a representative of the Kansas Secretary of State who indicated the bill would simplify, standardize, and eliminate technical errors associated with many of the most common filings. Written testimony supporting the bill was provided by a

*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>

professor of law from the University of Kansas Law School; however, the professor was acting in his own capacity and not representing the University of Kansas School of Law.

The House Committee amended the bill to include a deadline of January 1, 2015, to allow the agency additional time to promulgate the necessary rules and regulations relating to filing fees. The Committee also made several technical changes regarding resident agents and foreign business entities. The House Committee recommended a substitute bill be introduced that incorporated the amendments along with provisions contained in the original bill.

According to the fiscal note, as prepared by the Division of the Budget, any costs associated to train employees and update statutory references could be absorbed within existing resources of the Office of Secretary of State.