

January 23, 2017

The Honorable Les Mason, Chairperson  
House Committee on Commerce, Labor and Economic Development  
Statehouse, Room 521-E  
Topeka, Kansas 66612

Dear Representative Mason:

**SUBJECT:** Fiscal Note for HB 2038 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2038 is respectfully submitted to your committee.

Current law requires the Secretary of State to charge fees to corporations for filing and indexing the articles of incorporation of a for-profit, non-profit, or foreign corporation application. In addition, an application and recording fee is charged to each limited liability company when it files its articles of organization, as well as when it files its certificate of limited partnership. The Secretary can also collect a fee for filing or providing a certified copy of a statement of qualification filed by or on behalf of a general partner of a limited liability partnership. In all cases, HB 2038 would exempt Kansas residents who are veterans of the military or current members of the armed forces from paying these fees.

Estimated State Fiscal Effect				
	FY 2018 SGF	FY 2018 All Funds	FY 2019 SGF	FY 2019 All Funds
Revenue	(\$180,000)	(\$207,000)	(\$180,000)	(\$207,000)
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

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According to the Secretary of State, passage of HB 2038 would reduce State General Fund revenues by \$180,000 and agency fee fund revenues by \$27,000 for FY 2018, FY 2019, and all out years. These amounts are agency estimates based on approximate numbers of filings annually. The agency does not expect passage of the bill to have an effect on its expenditures. Any fiscal effect associated with HB 2038 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,  
Director of the Budget

cc: Linda Borrer, Secretary of State's Office