

March 25, 2019

The Honorable John Barker, Chairperson
House Committee on Federal and State Affairs
Statehouse, Room 285-N
Topeka, Kansas 66612

Dear Representative Barker:

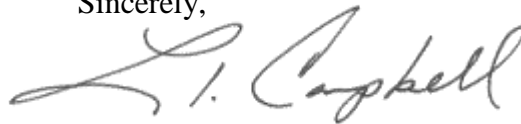
SUBJECT: Fiscal Note for HB 2401 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2401 is respectfully submitted to your committee.

HB 2401 would amend existing law establishing the requirements for a quorum of stockholders of a corporation for the purposes of conducting the business of the corporation. In addition, the bill would amend existing law regarding the process by which a corporation can amend its articles of incorporation to allow amendment by a quorum voting at a special or annual meeting, if the corporation has over 500 stockholders and its articles of incorporation or bylaws provide that no stockholder may vote more than one share.

According to the Secretary of State, current law requires corporations that file an amendment to articles of incorporation pay a for-profit amendment fee of \$35 or a non-profit amendment fee of \$20. Of the for-profit fee, \$20 remains with the Secretary of State and the balance is deposited into the State General Fund. All of the non-profit amendment fee is deposited into the State General Fund. The agency indicates that enactment of HB 2401 could result in additional revenue to the agency and to the State General Fund if the bill resulted in an increase in filings for amendments to articles of incorporation. The agency is unable, however, to estimate how many additional filings might be made or what increase to revenue might be experienced. Any fiscal effect associated with HB 2401 is not reflected in *The FY 2020 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Division of the Budget

cc: Bryan Caskey, Office of the Secretary of State