



## STATE OF KANSAS

March 11, 2025

### **Testimony on SB13 (Oral Proponent)**

House Committee on Federal and State Affairs

Submitted: March 10, 2025

Chairman Kessler and members of the Committee:

Senate Bill 13 repeals five types of filings with the Secretary of State that we believe no longer serve a useful purpose. For ease of explanation, we divide them into two categories:

There are pervasive small inefficiencies throughout government operations. "You can't carve fat out of a government the way you can carve fat off a steak. It's more like marbled meat — the fat is spread all through it," said Former IN Gov Mitch Daniels.

Part of the reason, in our opinion, is that practices that in a business could be modified by a middle manager, in government, require legislative action. And legislation, by its nature, is time consuming, and is, therefore, often not worth the effort to address small inefficiencies.

### **CATEGORY 1: Copies of Records Created/Maintained by other State Agencies**

The original rationale for filing copies of these records with the Secretary of State appears to come from the pre-internet era standard procedures when the Secretary served as a central repository for paper records that the legislature wanted available to the public.

Since the advent of agency websites, the public seeks these records from the originating agency, not from the Secretary of State, whose copy is, therefore, redundant.

### **Reciprocal University Agreements:**

#### **Description:**

[A] Agreements between the Kansas Board of Regents and universities in other states for mutual utilization of facilities. The agreement is approved by the attorney general. Copies filed with the Secretary of State starting in 1963 (KSA 74-3220).

[B] Agreements between the Kansas Board of Regents and universities in other counties for students to pursue courses of study. The agreement is approved by the Governor. Copies filed with the Secretary of State starting in 1972 (KSA 74-3221).

**Savings:** Average of 12 filed each year. Staff time of 45 minutes per filing. Estimated savings of 9 Secretary of State staff hours a year.

**Reference:** Bill Sections 4 and 5.

**Coordination:** The Board of Regents had no objection to repealing the mandate to file a copy.



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### **Tax Abatements:**

#### Description:

[A] The director of property valuation at the department of revenue prepares a list of all abated motor carrier ad valorem tax liabilities determined to be uncollectible. Paper copies filed with the Secretary of State starting in 1974 (KSA 79-6a14).

[B] The Secretary of the department of revenue prepares a list of all income tax abatements due to compromises with the taxpayer. Paper copies filed with the Secretary of State starting in 1965 (KSA 79-3233b).

[C] The Secretary of the department of revenue prepares a list of all income tax abatements of delinquent personal and corporate income tax. Copies filed with the Secretary of State starting in 1969 (KSA 79-3233g).

Savings: Average of 3 filed a year. Staff time of 20 minutes per filing. Estimated savings of 1 staff hour per year for the Secretary of State.

Reference: Bill sections 7, 8 and 9.

Coordination: The Department of Revenue had no objection to repealing the mandate to file a copy.

### **Stream Bank Easements:**

Description: The Director of the Kansas Water Office, after consultation with several other state agencies, may grant easements along the navigable rivers of Kansas. A copy is filed with the local County Registrar of Deeds. Copies filed with the Secretary of State starting in 2011 (KSA 82a-220).

Savings: Average of 5 easements filed each year. Staff time of 50 minutes per filing. Estimated savings of 4 staff hours a year for the Secretary of State.

Reference: Bill section 10.

Coordination: The Kansas Water Office had no objection to repealing the mandate to file a copy.

### **CATEGORY 2: Filings from Non-Government Entities:**

#### **Bonded Warehouse:**

Description: Since 1927, for a warehouse to publicize itself as a "Bonded Warehouse" it had to file a license request with the secretary of state, pay a filing fee, and provide proof that the warehouse was bonded (insured) in an amount between \$5,000 and \$50,000, far too low for contemporary warehouse operations. KSA 82-161 to 82-171.

The key, however, was that personal property stored in a "bonded warehouse" was exempt from the personal property tax. In 1987 the personal property tax exemption was removed and the number of bonded warehouses dropped from around 500 to today's 11.



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The bill would take the secretary of state out of the process and if any of the remaining warehouses want to publicly describe themselves as a “bonded warehouse” they would still need to possess a bond, which any customer could request to verify.

Savings:

[A] Average of 10-15 filings a year. Annual staff time of 80 minutes per warehouse. Estimated savings of 20 staff hours per year for the Secretary of State.

[B] Repealing this filing requirement would eliminate the need, this year only, of 200 software programming hours to create an online filing system using the new KBOS system.

Reference: Bill sections 11 and 12.

Coordination: We contacted a few warehouses to inquire why they filled for this license. Their response was that they always had as an annual task.

### **Labor - Employee Organizations:**

Description: These pertain to a variety of filings by labor organizations (unions), agricultural employee organizations, and public employee organizations.

[A] Starting in 1943, employee organizations have been required to file their Constitutions and Bylaws with the Secretary of State in paper form. They are also available online at the US Department of Labor (KSA 44-805 and KSA 44-806a).

[B] Starting in 1943, employee organizations have been required to file annual reports and pay a filing fee. In lieu of filing a state report as a paper document, an online version can be filed with the US Department of Labor (KSA 44-806, KSA 44-806a, KSA 44-823, and KSA 75-4337).

Savings:

[A] There are about 40 employee organization related filings each year that would no longer be necessary. Estimated savings of 20 staff hours per year.

[B] Repealing these filings would eliminate the need, this year only, of 200 software programming hours to create an online filing system using the new KBOS system.

Reference: Bill sections 1, 2, 3, 6, and 13.

Coordination: Working Kansas Alliance was a proponent of the amended bill.

Respectfully,

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