

February 11, 2025

The Honorable Susan Humphries, Chairperson  
House Committee on Judiciary  
300 SW 10th Avenue, Room 582-N  
Topeka, Kansas 66612

Dear Representative Humphries:

**SUBJECT:** Fiscal Note for HB 2371 by House Committee on Judiciary

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2371 is respectfully submitted to your committee.

HB 2371 would add new sections to the Kansas Revised Limited Liability Company (LLC) Act that would allow the use of an electronic transmission and electronic signature in conducting a transaction in accordance with the Act. The bill would also make a subscription for a LLC interest, regardless of how submitted, irrevocable if the subscription states that such subscription is irrevocable to the extent provided by the terms of the subscription.

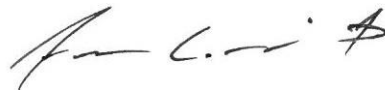
The bill would include requirements for making any act or transaction taken by an LLC that is void or voidable to be later ratified. Current law allows an LLC to be divided into two or more LLCs. The bill would modify requirements for the division. Under current law the Secretary of State charges LLCs an application and recording fee of \$150 for various documents. The bill would allow the Secretary to charge a fee of up to \$150. The bill also expands the requirements for dissolution of a series LLC.

The bill would amend the Business Entity Transactions Act by revising the required contents of various documents including a certificate of merger, a certificate of interest exchange and a certificate of conversion. In addition, the Business Entity Standard Treatment Act applies to all business documents required to be filed with the Secretary. HB 2371 would require a certificate of amendment to a certificate of designation and a certificate of merger or consolidation to be filed by an LLC with the Secretary. Under the Business Entity Standard Treatment Act, every entity covered under the Act must maintain a resident agent. The bill would amend provisions concerning a company's resident agent including a name change of a resident agent and

a resignation of a resident agent. The bill would also make technical corrections to the Kansas Revised Limited Liability Company Act, the Business Entity Transactions Act, and the Business Entity Standard Treatment Act.

The Secretary of State indicates HB 2371 would not have a fiscal effect on agency operations. The bill would limit the limited liability filing fees to not exceed \$150, which would allow the agency to work through the regulation process in order to lower fees if warranted in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt  
Director of the Budget

cc: Sandy Tompkins, Office of the Secretary of State