

March 3, 2011

The Honorable Lance Kinzer, Chairperson
House Committee on Judiciary
Statehouse, Room 165-W
Topeka, Kansas 66612

Dear Representative Kinzer:

SUBJECT: Fiscal Note for HB 2261 by Representative Kinzer

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2261 is respectfully submitted to your committee.

HB 2261 would create the Revised Uniform Limited Liability Company (LLC) Act. The bill would replace existing Kansas law with the national model, which the Secretary of State indicates uses terminology and filing practices not present in current law.

Estimated State Fiscal Effect				
	FY 2011 SGF	FY 2011 All Funds	FY 2012 SGF	FY 2012 All Funds
Revenue	--	--	--	--
Expenditure	--	\$50,000	--	\$20,000
FTE Pos.	--	--	--	--

The Secretary of State indicates that HB 2261 would require extensive programming changes to set LLC filings apart from all other filings, increasing its expenditures by \$50,000 in FY 2011 and \$20,000 in FY 2012 and subsequent years. The changes would include resident agent requirements and notifications; two new annual report notifications; fictitious and assumed name requirements; new due dates for annual reports; an additional filing requirement after the formation filing; and new merger, domestication, and conversion requirements. Ongoing expenditures would include costs to design systems for paper and electronic filings; postage and processing to meet two new notification requirements for LLCs that have not filed annual reports; managing the database; staff training; customer education; and technology maintenance costs. The Secretary of State indicates that the bill could increase filing fee revenue from the

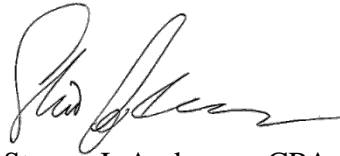
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new filing requirements in the bill, but the amount of revenue cannot be estimated because the number of new filings that may result is not known. Any fiscal effect associated with HB 2261 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Christy Myers, Secretary of State's Office