

SESSION OF 2020

SUPPLEMENTAL NOTE ON SENATE BILL NO. 424

As Recommended by Senate Committee on
Commerce

Brief*

SB 424 would amend law related to certain business filings, blanket music licenses, and series limited liability companies (series LLCs) and would add a definition of “street address” to the Kansas Uniform Partnership Act.

Business Filings

The bill would clarify, for corporate naming purposes, “professional association” may be abbreviated “P.A.” or “PA,” and the two abbreviations would be considered to be identical.

The bill would allow for business filings with the Secretary of State to be signed *via* electronic signature.

The bill would also eliminate various obsolete references to previously repealed statutes related to business filings.

Blanket Music Licenses

The bill would repeal statutes requiring blanket music licenses and related documents to be filed with the Secretary of State and providing for service of process upon the Secretary of State in any legal action related to blanket music licenses.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Series LLCs

The bill would delay implementation of the following series LLC provisions from July 1, 2020, to July 1, 2022 [Note: Such provisions were enacted by 2019 HB 2039]:

- Merger or consolidation of series LLCs;
- Reinstatement of canceled series LLC certificates of designation;
- Restated certificates of designation;
- Extensive amendment, restructuring, and expansion of the main statute governing series LLCs;
- Other series LLC amendments in the Revised Limited Liability Company Act, including statutes regarding cancellation of articles of organization, notice by filing with the Secretary of State, fees for documents provided by the Secretary of State, reinstatement of canceled or forfeited articles of organization, annual reports, and tax periods; and
- Series LLC provisions in the Business Entity Standard Treatment (BEST) Act and the Uniform Commercial Code.

Street Address Definition

The bill would define “street address” within the Kansas Uniform Partnership Act to be the location including the number, street, city, and postal code.

Background

The bill was introduced by the Senate Committee on Commerce at the request of the Office of the Secretary of State.

In the Senate Committee hearing, a representative of the Office of the Secretary of State provided proponent testimony, stating the bill contains a number of administrative updates identified by the Secretary of State during a comprehensive review of the Secretary's statutory responsibilities. No neutral or opponent testimony was provided.

According to the fiscal note prepared by the Division of the Budget on the bill, the Office of the Secretary of State indicates the bill would have no effect on agency expenditures; however, the bill would reduce revenue anticipated to be collected in FY 2021 under the series LLC provision in current law as that revenue would not be collected until FY 2023. The agency is unable to estimate what the amount of the reduction. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2021 Governor's Budget Report*.