

February 21, 2014

CORRECTED

The Honorable Marvin KleeB, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 286-N
Topeka, Kansas 66612

Dear Representative KleeB:

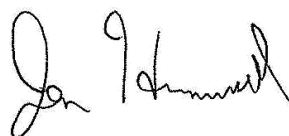
SUBJECT: Corrected Fiscal Note for HB 2650 by House Committee on Commerce,
Labor and Economic Development

In accordance with KSA 75-3715a, the following corrected fiscal note concerning HB 2650 is respectfully submitted to your committee.

HB 2650 would create for profit benefit corporations as a recognized entity in the State of Kansas. The bill provides that a benefit corporation's articles of incorporation and "annual benefit report" would be filed with the Office of the Secretary of State. The bill would authorize the Secretary of State to charge a \$20 fee for filing a benefit report.

The Office of the Secretary of State estimates that HB 2650 would increase its expenditures by a minimum of \$45,000 from the State General Fund in FY 2014 to modify information technology (IT) systems to implement the new filing type and annual benefit report. The Office estimates a minimum of 360 IT hours would be required at \$125 per hour. To the extent that new corporations file with the agency, there will be new fee income to the State General Fund from the \$20 fee indicated above. The original fiscal note had reported the revenue would remain with the Secretary of State, but the bill does not specify where the revenue is to go. Also, the Secretary of State notes that general for profit corporations pay an annual report fee of \$55 and not-for-profit corporations pay an annual report fee of \$40. While the bill does not specify the amount to be charged for filing a benefit corporation's articles of incorporation, the agency indicates that the fee for general for profit corporations is \$90. Any fiscal effect associated with HB 2650 is not reflected in *The FY 2015 Governor's Budget Report*.

Sincerely,



Jon Hummell,
Interim Director of the Budget

cc: Desiree Taliaferro, Secretary of State's Office