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Secretary of State



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STATE OF KANSAS

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Senator Estes and Committee Members,

Thank you for the opportunity to address this committee concerning SB 418. The office of the Secretary of State is neutral on the provisions of this bill.

Senate Bill 418 concerns the Kansas Open Records Act regarding documents filed pursuant to the Uniform Commercial Code (UCC).

The UCC Division serves as a repository for filings related to financial transactions that are secured by an interest in certain personal and commercial property pursuant to (K.S.A. 84-9-501 et. seq.). The office of the Secretary of State maintains a record of financing statements that are filed by creditors for transactions in which a debtor and creditor agree that certain property will be collateral to secure a debt.

Potential creditors may search our database to determine whether property has already been used as collateral in another loan. This program establishes the priority of claims in the event of default.

UCC records are an open record but the law prohibits the sale of names for solicitation purposes. This bill removes those restrictions.

We have been told that the state of Kansas is the only state that has such a restriction. We attempted to confirm whether that restriction is universally absent by sending the question to a listserv of our counterparts. We were unable to find another jurisdiction with that restriction.

Although we are not presenting today, I will attend the hearing and will be happy to answer any questions.

A handwritten signature in cursive script that reads "Kathy M. Sachs".

Kathy M. Sachs, Business Services
Deputy Assistant Secretary of State