SCOTT SCHWAB
Secretary of State

STATE OF KANSAS

Memorial Hall, 1st Floor
120 S.W. 10th Avenue
Topeka, KS 66612-1594
(785) 296-4564
sos.kansas.gov

Testimony on HB2495 - Neutral
House Judiciary Committee
Tuesday, January 25, 2022

Chairman Patton and members of the Committee:

HB2495 would prohibit the Office of Secretary of State from collecting or disclosing personal information, which is defined in the bill as lists of members, donors, or volunteers, from any organization with tax exempt status granted under Internal Revenue Code section 501(c).

The bill could be interpreted as creating a conflict within state law by prohibiting the Office of Secretary of State from fulfilling its statutory duty to obtain and publicly post the names and contact information for officers, directors, registered agents, and some owners of various tax-exempt organizations which must file these disclosures with our office if they are to receive the liability protections of the corporate form of organization.

For example, in nonstock corporations, the form often used by non-profit corporations, the equivalent of a shareholder is termed a "member" (K.S.A. 17-6014(a)).

Currently, there are over 21,000 non-profit corporate organizations filed with our office. Most are charitable organizations (501(c)(3)) and social welfare organizations (501(c)(4)). Additionally, organizations as diverse as unions (tax exempt under 501(c)(6)), and certain cemeteries (tax exempt under 501(c)(13)) must also file specified documents with our office that list the personal information of designated individuals.

We respectfully suggest a clarification or exemption be added to the HB2495 to clarify that it was not intended to conflict with the existing requirements to request and publicly disclose officers, directors, registered agents, and owners of any organization with a 501(c) tax exempt status. We are prepared to work with the sponsor or revisor to craft this provision.

Respectfully submitted,

Clay Barker
Deputy Assistant Secretary of State
General Counsel