

KRIS W. KOBACH
Secretary of State



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

STATE OF KANSAS

Before the House Judiciary Committee

Kansas Secretary of State Testimony for HB 2398

Kathy Sachs: Deputy Assistant Secretary of State, Business Services
March 18, 2013

Chairman Kinzer and members of the committee, I am Kathy Sachs, Deputy Assistant Secretary of State, Business Services. Thank you for the opportunity to testify on behalf of HB 2398, the Kansas LLC Act.

I am very appreciative of the deference shown by the LLC subcommittee to our Office in the area of filing requirements. Our Office and the subcommittee were in communication throughout the drafting process. Our goal in this process was to ensure that the LLC Act did not create new filing burdens for our Office and our customers while supporting the efforts of the subcommittee to update substantive LLC law in Kansas. Overall, the subcommittee did a great job in not increasing filing burdens. Therefore, the Office of the Kansas Secretary of State offers its support of HB 2398. I do ask that this committee consider two minor amendments to the LLC Act.

The LLC Act creates two new filing requirements. Sec. 11 KSA 17-7675(a)(2) would require that a certificate of cancellation include the date of filing of the LLC's articles of organization and New Sec. 65(a)(2) would require that a certificate of reinstatement include the date of filing of the articles of organization or application for registration of the LLC. From my experience, requiring these dates would lead to numerous rejections due to the filer listing no date or an incorrect date on the certificate. An increase in rejections would lead to an increase in filing time, costs, and customer frustration. The date of the filing of the articles of organization is already on file and readily available without being listed on the certificate. Any benefit of listing the date on the certificate does not appear to equal the detriments of an increase in filing rejections. Our Office has been in contact with the subcommittee, Mr. Hecker in particular, and they see no issue with removing this language. Members of our Office would be happy to discuss this issue with the Revisor if that would be helpful.

In conclusion I encourage the passage of HB 2398 with these two minor amendments.