

## HOUSE BILL No. 2894

By Committee on Taxation

2-17

---

9 AN ACT concerning certain business entities; imposing a franchise tax;  
10 franchise fees; amending K.S.A. 17-1513, 17-1618, 17-7510, 17-7511,  
11 17-7512 and 56-1a608 and K.S.A. 2003 Supp. 17-2036, 17-2718, 17-  
12 4634, 17-4677, 17-7503, 17-7504, 17-7505, 17-7507, 17-7509, 17-  
13 76,125, 17-76,139, 45-221, 56-1a606, 56-1a607, 56a-1201, 56a-1202  
14 and 56a-1203 and repealing the existing sections; also repealing K.S.A.  
15 2003 Supp. 17-7508.

16  
17 *Be it enacted by the Legislature of the State of Kansas:*

18 New Section 1. (a) (1) For any foreign or domestic for profit cor-  
19 poration, or professional corporation or association, duly registered and  
20 authorized to do business in Kansas by the secretary of state, and for any  
21 national or state banking, or savings and loan corporation or association  
22 located in or doing business in this state, and for any insurance corpora-  
23 tion or association or any firemen's relief association under the jurisdiction  
24 and supervision of the insurance commissioner, if such entity has total  
25 assets valued in excess of \$1,000,000 according to such entity's books and  
26 records as of the last day of such entity's most recent taxable year, such  
27 entity shall pay an annual franchise tax to the secretary of revenue at the  
28 rate of .1% of such entity's taxable equity attributable to Kansas.

29 (2) For any foreign or domestic limited liability company, foreign or  
30 domestic limited partnership or foreign or domestic limited liability part-  
31 nership duly registered and authorized to do business by the secretary of  
32 state, if such entity has total assets valued in excess of \$1,000,000 accord-  
33 ing to such entity's books and records as of the last day of such entity's  
34 most recent taxable year, such entity shall pay an annual franchise tax to  
35 the secretary of revenue at the rate of .1% of the adjusted net capital  
36 accounts located in or used in this state at the end of the preceding taxable  
37 year as required to be reported on the federal partnership return of in-  
38 come, or for a one-member LLC taxed as a sole proprietorship, .1% of  
39 adjusted net book value of the LLC as calculated on an income tax basis  
40 located in or used in this state at the end of the preceding taxable year.

41 (3) For any business trust duly registered and authorized to do busi-  
42 ness in Kansas by the secretary of state, if such entity has total assets  
43 valued in excess of \$1,000,000 according to such entity's books and re-

1 cords as of the last day of such entity's most recent taxable year, such  
2 entity shall pay an annual franchise tax to the secretary of revenue at the  
3 rate of .1% of the adjusted corpus as shown on its balance sheet at the  
4 end of the preceding taxable year as required to be reported on its annual  
5 report filed with the secretary of state pursuant to K.S.A. 17-2036, and  
6 amendments thereto, or in the case of a foreign business trust, .1% of the  
7 adjusted corpus which is located in or which it uses or intends to use in  
8 this state as shown on its balance sheet at the end of the preceding taxable  
9 year as required to be reported on the annual report filed with the sec-  
10 retary of state pursuant to K.S.A. 17-2036, and amendments thereto. For  
11 purposes of this subsection, "adjusted corpus" shall mean the corpus less  
12 \$1,000,000.

13 (b) (1) Every corporation or association, business trust, limited lia-  
14 bility company, limited partnership or limited liability partnership subject  
15 to taxation under this act, shall make a return, stating specifically such  
16 information as may be required by the forms, rules and regulations of the  
17 secretary of revenue, which return shall include a balance sheet listing all  
18 assets and liabilities as of the end of the tax year, as reported with the  
19 federal income tax return or as otherwise required by the secretary, and  
20 such further information showing the allocation or apportionment of such  
21 assets and liabilities to Kansas used in computing the amount of franchise  
22 tax. The return of a corporation or association shall be signed by the  
23 president, vice-president, treasurer, assistant treasurer, chief accounting  
24 officer or any other officer so authorized to act. The fact that an individ-  
25 ual's name is signed on a return shall be *prima facie* evidence that such  
26 individual is authorized to sign such return on behalf of such corporation.  
27 In cases where receivers, trustees in bankruptcy or assignees are oper-  
28 ating the property or business of corporations, such receivers, trustees,  
29 or assignees shall make returns for such corporations in the same manner  
30 and form as corporations are required to make returns. Any tax due on  
31 the basis of such returns shall be collected in the same manner as if  
32 collected from the corporation for which the return is made. The returns  
33 of a limited liability partnership shall be signed by a partner of the limited  
34 liability partnership. The returns of a limited liability company shall be  
35 signed by a member of the limited liability partnership.

36 (2) All returns shall be filed in the office of the director of taxation  
37 on or before the 15th day of the fourth month following the close of the  
38 taxable year, except as provided in subsection (b) (3).

39 (3) The director of taxation may grant a reasonable extension of time  
40 for filing returns in accordance with rules and regulations of the secretary  
41 of revenue. Whenever any such extension of time to file is requested by  
42 a taxpayer and granted by the director, no penalty authorized by K.S.A.  
43 79-3228, and amendments thereto, shall be imposed if 90% of the liability

1 is paid on or before the original due date.

2 (c) (1) All taxes imposed under the provisions of the Kansas franchise  
3 tax act shall be paid on the 15th day of the fourth month following the  
4 close of the taxable year. When the tax as shown to be due on a return is  
5 less than \$5, such tax shall be canceled and no payment need be remitted  
6 by the taxpayer.

7 (2) The director of taxation may extend the time for payment of the  
8 tax, or any installment thereof, for a reasonable period of time not to  
9 exceed six months from the date fixed for payment thereof. Such exten-  
10 sion may exceed six months in the case of a taxpayer who is abroad.  
11 Interest shall be charged at the rate prescribed by K.S.A. 79-2968, and  
12 amendments thereto, for the period of such extension.

13 (d) The provisions of K.S.A. 79-3226, 79-3228, 79-3228a, 79-3229,  
14 79-3230, 79-3233, 79-3233a, 79-3233b, 79-3233g, 79-3233h, 79-3233i,  
15 79-3234, 79-3235 and 79-3236, and amendments thereto, shall apply to  
16 the administration and enforcement of this section.

17 (e) All taxes paid pursuant to the provisions of this act shall be  
18 rounded off to the nearest \$1, and unless other disposition is specifically  
19 provided by law, the taxes collected under the provisions of this act and  
20 all overpayments which may not be refunded under this section shall be  
21 remitted to the state treasurer in accordance with the provisions of K.S.A.  
22 75-4215, and amendments thereto. Upon receipt of each such remittance,  
23 the state treasurer shall deposit the entire amount in the state treasury  
24 to the credit of the state general fund. The secretary of revenue shall not  
25 refund any overpayment of franchise taxes which is equal to \$5 or less,  
26 shall not credit any domestic corporation or foreign corporation with any  
27 amount which may not be refunded under this section, and shall not  
28 require reimbursement for any underpayment of franchise taxes which is  
29 less than \$5.

30 (f) As used in this section: (1) "Act" means the Kansas franchise tax  
31 act;

32 (2) "adjusted net book value of an LLC as calculated on an income  
33 tax basis located in or used in this state" means the net book value of an  
34 LLC as calculated on an income tax basis located in or used in this state  
35 less \$1,000,000;

36 (3) "adjusted net capital accounts located in or used in this state"  
37 means the net capital accounts located in or used in this state less  
38 \$1,000,000;

39 (4) "net book value as calculated on an income tax basis located in or  
40 used in this state" means the net book value of a limited liability company  
41 multiplied by a percentage which is the average of the following three  
42 percentages: (A) The average value of the limited liability company's real  
43 and tangible personal property owned or rented and used in this state

1 during the next preceding tax period divided by the average total value  
2 of the limited liability company's real and tangible personal property  
3 owned or rented and used during the next preceding tax period; (B) the  
4 total amount of compensation paid by the limited liability company in this  
5 state during the next preceding tax period divided by the total amount of  
6 compensation paid everywhere by the limited liability company during  
7 the next preceding tax period; and (C) the total sales of the limited liability  
8 company in this state during the next preceding tax period divided by the  
9 total sales of the limited liability company everywhere during the next  
10 preceding tax period. If a limited liability company has no property or  
11 activity mentioned in one of the above factors, the appropriate percentage  
12 for that factor is 100%;

13 (5) "net capital accounts located in or used in this state" means the  
14 net capital accounts of a limited partnership or limited liability partner-  
15 ship as stated on the federal income tax return multiplied by a percentage  
16 which is the average of the following three percentages: (A) The average  
17 value of such entity's real and tangible personal property owned or rented  
18 and used in this state during the next preceding tax period divided by the  
19 average total value of such entity's real and tangible personal property  
20 owned or rented and used during the next preceding tax period; (B) the  
21 total amount of compensation paid by such entity in this state during the  
22 next preceding tax period divided by the total amount of compensation  
23 paid everywhere by such entity during the next preceding tax period; and  
24 (C) the total sales of such entity in this state during the next preceding  
25 tax period divided by the total sales of such entity everywhere during the  
26 next preceding tax period. If such entity has no property or activity men-  
27 tioned in one of the about factors, the appropriate percentage for that  
28 factor is 100%;

29 (6) "shareholder's equity" means the sum of: (1) Paid-in capital stock,  
30 except that paid-in capital stock shall not include any capital stock issued  
31 by a corporation and reacquired by such corporation through gift, pur-  
32 chase or otherwise and available for resale or retirement; (2) capital paid  
33 in, in excess of par; and (3) retained earnings, all as stated on such cor-  
34 poration's federal income tax return; and

35 (7) "taxable equity attributable to Kansas" means shareholder's equity  
36 attributable to Kansas, minus \$1,000,000.

37 (g) The provisions of this section shall be known and may be cited as  
38 the Kansas franchise tax act.

39 Sec. 2. K.S.A. 17-1513 is hereby amended to read as follows: 17-  
40 1513. Each corporation organized under the provisions of this act shall  
41 make an annual report to the secretary of state, and pay the annual fran-  
42 chise ~~tax~~ *fee*, as prescribed by K.S.A. 17-7503 *and amendments thereto*.

43 Sec. 3. K.S.A. 17-1618 is hereby amended to read as follows: 17-

1 1618. Each association formed under this act, or acts amendatory thereto,  
2 shall prepare and make an annual report to the secretary of state, and pay  
3 the annual franchise ~~tax~~ fee, as prescribed by K.S.A. 17-7504 and amend-  
4 ments thereto, except that the report shall be filed at the time prescribed  
5 by law for filing the association's annual Kansas income tax return. If any  
6 such association shall apply for an extension of time for filing its annual  
7 income tax return pursuant to the internal revenue code or subsection  
8 (c) of K.S.A. 79-3221 and amendments thereto, such association shall also  
9 apply, not more than 90 days after the due date of its annual report, to  
10 the secretary of state for an extension of time for filing the annual report.  
11 Such application for an extension of time for filing the annual report shall  
12 include a copy of the application for extension for filing its annual income  
13 tax return filed pursuant to the internal revenue code or K.S.A. 79-3221  
14 and amendments thereto.

15 Sec. 4. K.S.A. 2003 Supp. 17-2036 is hereby amended to read as  
16 follows: 17-2036. Every business trust shall make an annual report in  
17 writing to the secretary of state, showing its financial condition at the  
18 close of business on the last day of its tax period under the Kansas income  
19 tax act next preceding the date of filing, but if a business trust's tax period  
20 is other than the calendar year, it shall give notice thereof to the secretary  
21 of state prior to December 31 of the year it commences such tax period.  
22 The reports shall be made on forms provided by the secretary of state  
23 and shall be filed at the time prescribed by law for filing the business  
24 trust's annual Kansas income tax return, except that if any such business  
25 trust shall receive an extension of time for filing its annual income tax  
26 return from the internal revenue service or pursuant to subsection (c) of  
27 K.S.A. 79-3221, and amendments thereto, the time for filing the report  
28 hereunder shall be extended, correspondingly, upon filing with the sec-  
29 retary of state a copy of the extension granted by the internal revenue  
30 service or the director of taxation. The report shall contain the following:

31 (a) Executed copies of all amendments to the instrument by which  
32 the business trust was created, or to prior amendments thereto, which  
33 have been adopted and have not theretofore been filed under K.S.A. 17-  
34 2033, and amendments thereto, and accompanied by the fee prescribed  
35 therein for each such amendment;

36 (b) a verified list of the names and addresses of its trustees as of the  
37 end of its tax period; and

38 (c) a balance sheet as of the end of its tax period, certified by the  
39 trustee, fairly and truly reflecting its assets and liabilities and specifically  
40 setting out its corpus, and, in the case of a foreign business trust, fairly  
41 and truly reflecting an allocation of its moneys and other assets as between  
42 those located, used, or to be used in this state and those located, used or  
43 to be used elsewhere.

1 At the time of filing its annual report, the business trust shall pay to  
2 the secretary of state an annual franchise ~~tax fee~~ in an amount ~~equal to~~  
3 ~~\$2 for each \$1,000 of its corpus as shown by its balance sheet, or, in the~~  
4 ~~case of a foreign business trust, in an amount equal to \$2 for each \$1,000~~  
5 ~~of that portion of its corpus which is located in or which it uses or intends~~  
6 ~~to use in this state as shown by its balance sheet, except that in any case~~  
7 ~~no such tax shall be less than \$40 nor more than \$5,000 not to exceed~~  
8 ~~\$40.~~

9 The failure of any domestic or foreign business trust to file its annual  
10 report and pay its annual franchise ~~tax fee~~ within 90 days from the date  
11 on which they are due, as aforesaid, shall work a forfeiture of its authority  
12 to transact business in this state and all of the remedies, procedures, and  
13 penalties specified in K.S.A. 17-7509 and 17-7510, and amendments  
14 thereto, with respect to a corporation which fails to file its annual report  
15 or pay its annual franchise ~~tax fee~~ within 90 days after they are due, shall  
16 be applicable to such business trust.

17 Sec. 5. K.S.A. 2003 Supp. 17-2718 is hereby amended to read as  
18 follows: 17-2718. (a) Each professional corporation organized under the  
19 laws of this state shall file with the secretary of state an annual report in  
20 writing and a copy or duplicate thereof, stating the prescribed information  
21 concerning the corporation at the close of business on the last day of its  
22 tax period next preceding the date of filing, but if any such corporation's  
23 tax period is other than the calendar year it shall give notice thereof to  
24 the secretary of state prior to December 31 of the year it commences  
25 such tax period. The report shall be filed at the time prescribed by law  
26 for filing the corporation's annual Kansas income tax return, except that  
27 such corporation may apply to the secretary of state not more than 90  
28 days after the due date of its annual report for an extension of the time  
29 for filing the report, and an extension shall be granted for a period of  
30 time corresponding to that granted under the internal revenue code or  
31 K.S.A. 79-3221, and amendments thereto. The report shall be made on  
32 a form provided by the secretary of state, containing the following  
33 information:

34 (1) The names and residence addresses of all officers, directors and  
35 shareholders of the professional corporation;

36 (2) a statement that each officer, director and shareholder is or is not  
37 a qualified person as defined in K.S.A. 17-2707, and amendments thereto,  
38 and setting forth the date on which any shares of the corporation were  
39 no longer owned by a qualified person; and

40 (3) the amount of capital stock issued.

41 (b) The report shall be signed by its president, secretary, treasurer  
42 or other officer duly authorized so to act, or by any two of its directors,  
43 or by an incorporator in the event its board of directors shall not have

1 been elected. The fact that an individual's name is signed on such report  
2 shall be prima facie evidence that such individual is authorized to sign  
3 the report on behalf of the corporation; however, the official title or po-  
4 sition of the individual signing the report shall be designated. This report  
5 will be dated and subscribed by the person as true, under penalty of  
6 perjury. The copy of the annual report or the duplicate original copy of  
7 the annual report shall be forwarded to the regulatory board which li-  
8 censes the shareholders described in the report. At the time of filing its  
9 annual report, each professional corporation shall pay the annual fran-  
10 chise ~~tax~~ fee prescribed by K.S.A. 17-7503, and amendments thereto.

11 Sec. 6. K.S.A. 2003 Supp. 17-4634 is hereby amended to read as  
12 follows: 17-4634. (a) Every corporation organized under the electric co-  
13 operative act of this state shall make an annual report in writing to the  
14 secretary of state, showing the financial condition of the corporation at  
15 the close of business on the last day of its tax period next preceding the  
16 date of filing, but if any such corporation's tax period is other than the  
17 calendar year, it shall give notice thereof to the secretary of state prior to  
18 December 31 of the year it commences such tax period. The report shall  
19 be filed on or before the fifteenth day of the fourth month following the  
20 close of the tax year of the electric cooperative. An extension for filing  
21 the annual report may be granted upon the filing of a written application  
22 with the secretary of state prior to the due date of the report, except that  
23 no such extension may be granted for a period of more than ~~ninety (90)~~  
24 90 days. The report shall be made on a form provided by the secretary  
25 of state, containing the following information:

- 26 (1) The name of the corporation;
- 27 (2) the location of the principal office;
- 28 (3) the name of the president, secretary and treasurer and the names  
29 of directors with the residence address of each;
- 30 (4) the number of memberships issued;
- 31 (5) a balance sheet showing the financial condition of the corporation  
32 at the close of business on the last day of its tax period next preceding  
33 the date of filing; and
- 34 (6) the change or changes, if any, in the particulars made since the  
35 last annual report.

36 (b) Such reports shall be signed by the president, vice-president or  
37 secretary of the corporation, sworn to before an officer duly authorized  
38 to administer oaths and forwarded to the secretary of state. At the time  
39 of filing such annual report, each such corporation shall pay an annual  
40 franchise ~~tax of~~ fee in an amount not to exceed \$40.

41 Sec. 7. K.S.A. 2003 Supp. 17-4677 is hereby amended to read as  
42 follows: 17-4677. (a) Every cooperative organized under the renewable  
43 energy electric generation cooperative act shall make an annual report in

1 writing to the secretary of state, showing the financial condition of the  
2 cooperative at the close of business on the last day of its tax period next  
3 preceding the date of filing, but if any such cooperative's tax period is  
4 other than the calendar year, it shall give notice thereof to the secretary  
5 of state prior to December 31 of the year it commences such tax period.  
6 The report shall be filed on or before the 15th day of the fourth month  
7 following the close of the tax year of the electric cooperative. An extension  
8 for filing the annual report may be granted upon the filing of a written  
9 application with the secretary of state prior to the due date of the report,  
10 except that no such extension may be granted for a period of more than  
11 90 days. The report shall be made on a form provided by the secretary  
12 of state, containing the following information:

- 13 (1) The name of the cooperative;
- 14 (2) the location of the principal office of the cooperative;
- 15 (3) the names and addresses of the president, secretary, treasurer and  
16 directors of the cooperative;
- 17 (4) the number of members of the cooperative;
- 18 (5) a balance sheet showing the financial condition of the cooperative  
19 at the close of business on the last day of its tax period next preceding  
20 the date of filing; and
- 21 (6) the change or changes, if any, in the particulars made since the  
22 last annual report.

23 (b) The annual report shall be signed by the president, vice-president  
24 or secretary of the cooperative, sworn to before an officer duly authorized  
25 to administer oaths, and forwarded to the secretary of state. At the time  
26 of filing such annual report, the cooperative shall pay an annual franchise  
27 ~~tax of \$20 fee in an amount not to exceed \$40.~~

28 Sec. 8. K.S.A. 2003 Supp. 17-7503 is hereby amended to read as  
29 follows: 17-7503. (a) Every domestic corporation organized for profit shall  
30 make an annual report in writing to the secretary of state, stating the  
31 prescribed information concerning the corporation at the close of busi-  
32 ness on the last day of its tax period next preceding the date of filing, but  
33 if a corporation's tax period is other than the calendar year, it shall give  
34 notice thereof to the secretary of state prior to December 31 of the year  
35 it commences such tax period. The reports shall be made on forms pre-  
36 scribed by the secretary of state. The report shall be filed at the time  
37 prescribed by law for filing the corporation's annual Kansas income tax  
38 return, except that if any such corporation shall apply for an extension of  
39 time for filing its annual income tax return under the internal revenue  
40 service or under subsection (c) of K.S.A. 79-3221, and amendments  
41 thereto, such corporation shall also apply, not more than 90 days after  
42 the due date of its annual report, to the secretary of state for an extension  
43 of the time for filing the report and an extension shall be granted for a

1 period of time corresponding to that granted under the internal revenue  
2 code or K.S.A. 79-3221, and amendments thereto. Such application shall  
3 include a copy of the application to income tax authorities. The report  
4 shall contain the following information:

- 5 (1) The name of the corporation;
- 6 (2) the location of the principal office;
- 7 (3) the names of the president, secretary, treasurer and members of  
8 the board of directors, with the residence address of each;
- 9 (4) the number of shares of capital stock issued and the amount of  
10 capital stock paid up;
- 11 (5) the nature and kind of business in which the corporation is en-  
12 gaged; and
- 13 (6) a list of stockholders owning at least 5% of the capital stock of the  
14 corporation, with the post office address of each.

15 (b) Every corporation subject to the provisions of this section which  
16 holds agricultural land, as defined in K.S.A. 17-5903, and amendments  
17 thereto, within this state shall show the following additional information  
18 on the report:

- 19 (1) The acreage and location listed by section, range, township and  
20 county of each lot, tract or parcel of agricultural land in this state owned  
21 or leased by or to the corporation;
- 22 (2) the purposes for which such agricultural land is owned or leased  
23 and, if leased, to whom such agricultural land is leased;
- 24 (3) the value of the nonagricultural assets and the agricultural assets,  
25 stated separately, owned and controlled by the corporation both within  
26 and without the state of Kansas and where situated;
- 27 (4) the total number of stockholders of the corporation;
- 28 (5) the number of acres owned or operated by the corporation, the  
29 number of acres leased by the corporation and the number of acres leased  
30 to the corporation;
- 31 (6) the number of acres of agricultural land, held and reported in  
32 each category under provision (5), state separately, being irrigated; and
- 33 (7) whether any of the agricultural land held and reported under this  
34 subsection was acquired after July 1, 1981.

35 (c) The report shall be signed by its president, secretary, treasurer or  
36 other officer duly authorized so to act, or by any two of its directors, or  
37 by an incorporator in the event its board of directors shall not have been  
38 elected. The fact that an individual's name is signed on such report shall  
39 be prima facie evidence that such individual is authorized to sign the  
40 report on behalf of the corporation; however, the official title or position  
41 of the individual signing the report shall be designated. This report will  
42 be dated and subscribed by the person as true, under penalty of perjury.  
43 At the time of filing such annual report it shall be the duty of each do-

1 mestic corporation organized for profit to pay to the secretary of state an  
2 annual franchise ~~tax fee~~ in an amount equal to \$2 for each \$1,000 of the  
3 corporation's shareholder's equity attributable to Kansas, except that no  
4 such tax shall be less than \$40 or more than \$5,000. The amount of any  
5 such franchise tax paid by the corporation to the secretary as provided by  
6 this subsection shall not be disclosed by the secretary *not to exceed \$40*.

7 Sec. 9. K.S.A. 2003 Supp. 17-7504 is hereby amended to read as  
8 follows: 17-7504. (a) Every corporation organized not for profit shall make  
9 an annual report in writing to the secretary of state, stating the prescribed  
10 information concerning the corporation at the close of business on the  
11 last day of its tax period next preceding the date of filing, but if a cor-  
12 poration's tax period is other than the calendar year, it shall give notice  
13 thereof to the secretary of state prior to December 31 of the year it  
14 commences such tax period. The reports shall be made on forms pre-  
15 scribed by the secretary of state. The report shall be filed on the 15th day  
16 of the sixth month following the close of the taxable year, except that such  
17 corporation may apply to the secretary of state not more than 90 days  
18 after the due date of its annual report for an extension of the time for  
19 filing the report, and an extension shall be granted for a period of time  
20 corresponding to that granted under the internal revenue code or K.S.A.  
21 79-3221, and amendments thereto. The report shall contain the following  
22 information:

- 23 (1) The name of the corporation;
- 24 (2) the location of the principal office;
- 25 (3) the names of the president, secretary and treasurer, and the mem-  
26 bers of the board of directors, with the residence address of each;
- 27 (4) the number of memberships or the number of shares of capital  
28 stock issued and the amount of capital stock paid up.

29 (b) Every corporation subject to the provisions of this section which  
30 holds agricultural land, as defined in K.S.A. 17-5903, and amendments  
31 thereto, within this state shall show the following additional information  
32 on the report:

- 33 (1) The acreage and location listed by section, range, township and  
34 county of each lot, tract or parcel of agricultural land in this state owned  
35 or leased by or to the corporation;
- 36 (2) the purposes for which such agricultural land is owned or leased  
37 and, if leased, to whom such agricultural land is leased;
- 38 (3) the value of the nonagricultural assets and the agricultural assets,  
39 stated separately, owned and controlled by the corporation both within  
40 and without the state of Kansas and where situated;
- 41 (4) the total number of stockholders of the corporation;
- 42 (5) the number of acres owned or operated by the corporation, the  
43 number of acres leased by the corporation and the number of acres leased

1 to the corporation;

2 (6) the number of acres of agricultural land, held and reported in  
3 each category under paragraph (5) of this subsection (b), stated sepa-  
4 rately, being irrigated; and

5 (7) whether any of the agricultural land held and reported under this  
6 subsection was acquired after July 1, 1981.

7 (c) The report shall be signed by its president, secretary, treasurer or  
8 other officer duly authorized so to act, or by any two of its directors, or  
9 by an incorporator in the event its board of directors shall not have been  
10 elected. The fact that an individual's name is signed on such report shall  
11 be prima facie evidence that such individual is authorized to sign the  
12 report on behalf of the corporation; however, the official title or position  
13 of the individual signing the report shall be designated. This report will  
14 be dated and subscribed by the person as true, under penalty of perjury.  
15 At the time of filing such report, each nonprofit corporation shall pay an  
16 annual ~~privilege franchise fee of~~ *in an amount not to exceed \$40* \$20 for  
17 all tax years commencing after December 31, ~~2001~~ 2003.

18 Sec. 10. K.S.A. 2003 Supp. 17-7505 is hereby amended to read as  
19 follows: 17-7505. (a) Every foreign corporation organized for profit, or  
20 organized under the cooperative type statutes of the state, territory or  
21 foreign country of incorporation, now or hereafter doing business in this  
22 state, and owning or using a part or all of its capital in this state, and  
23 subject to compliance with the laws relating to the admission of foreign  
24 corporations to do business in Kansas, shall make an annual report in  
25 writing to the secretary of state, stating the prescribed information con-  
26 cerning the corporation at the close of business on the last day of its tax  
27 period next preceding the date of filing, but if a corporation operates on  
28 a fiscal year other than the calendar year it shall give written notice thereof  
29 to the secretary of state prior to December 31 of the year commencing  
30 such fiscal year. The report shall be made on a form prescribed by the  
31 secretary of state. The report shall be filed at the time prescribed by law  
32 for filing the corporation's annual Kansas income tax return, except that  
33 if any such corporation shall apply for an extension of time for filing its  
34 annual income tax return under the internal revenue service or under  
35 subsection (c) of K.S.A. 79-3221, and amendments thereto, such corpo-  
36 ration shall also apply, not more than 90 days after the due date of its  
37 annual report, to the secretary of state for an extension of the time for  
38 filing the report and an extension shall be granted for a period of time  
39 corresponding to that granted under the internal revenue code or K.S.A.  
40 79-3221, and amendments thereto. Such application shall include a copy  
41 of the application to income tax authorities. The report shall contain the  
42 following facts:

43 (1) The name of the corporation and under the laws of what state or

- 1 country organized;
- 2 (2) the location of its principal office;
- 3 (3) the names of the president, secretary, treasurer and members of  
4 the board of directors, with the residence address of each;
- 5 (4) the number of shares of capital stock issued and the amount of  
6 capital stock paid up;
- 7 (5) the nature and kind of business in which the company is engaged  
8 and its place or places of business both within and without the state of  
9 Kansas;
- 10 (6) the value of the property owned and used by the company in  
11 Kansas, where situated, and the value of the property owned and used  
12 outside of Kansas and where situated; and
- 13 (7) the corporation's shareholder's equity attributable to Kansas.
- 14 (b) Every corporation subject to the provisions of this section which  
15 holds agricultural land, as defined in K.S.A. 17-5903, and amendments  
16 thereto, within this state shall show the following additional information  
17 on the report:
- 18 (1) The acreage and location listed by section, range, township and  
19 county of each lot, tract or parcel of agricultural land in this state owned  
20 or leased by or to the corporation;
- 21 (2) the purposes for which such agricultural land is owned or leased  
22 and, if leased, to whom such agricultural land is leased;
- 23 (3) the value of the nonagricultural assets and the agricultural assets,  
24 stated separately, owned and controlled by the corporation both within  
25 and without the state of Kansas and where situated;
- 26 (4) the total number of stockholders of the corporation;
- 27 (5) the number of acres owned or operated by the corporation, the  
28 number of acres leased by the corporation and the number of acres leased  
29 to the corporation;
- 30 (6) the number of acres of agricultural land, held and reported in  
31 each category under paragraph (5) of this subsection (b), stated sepa-  
32 rately, being irrigated; and
- 33 (7) whether any of the agricultural land held and reported under this  
34 subsection was acquired after July 1, 1981.
- 35 The report shall be signed by its president, secretary, treasurer or other  
36 officer duly authorized so to act, or by any two of its directors, or by an  
37 incorporator in the event its board of directors shall not have been  
38 elected. The fact that an individual's name is signed on such report shall  
39 be prima facie evidence that such individual is authorized to sign the  
40 report on behalf of the corporation; however, the official title or position  
41 of the individual signing the report shall be designated. This report will  
42 be dated and subscribed by the person as true, under penalty of perjury.  
43 At the time of filing its annual report, each such foreign corporation shall

1 pay to the secretary of state an annual franchise ~~tax~~ *fee* in an amount equal  
2 to ~~\$2~~ for each \$1,000 of the corporation's shareholder's equity attributable  
3 to Kansas, except that no such tax shall be less than \$40 or more than  
4 \$5,000. The amount of any such franchise tax paid by the foreign cor-  
5 poration to the secretary as provided by this subsection shall not be dis-  
6 closed by the secretary *not to exceed \$40*.

7 Sec. 11. K.S.A. 2003 Supp. 17-7507 is hereby amended to read as  
8 follows: 17-7507. No corporation shall be required to file its first annual  
9 report under this act, or pay any annual franchise ~~tax~~ *fee* required to  
10 accompany such report, unless such corporation has filed its articles of  
11 incorporation or certificate of good standing at least six months prior to  
12 the last day of its tax period. ~~If any corporation shall file with the secretary~~  
13 ~~of state a notice of change in its tax period, and the next annual report~~  
14 ~~filed by such corporation subsequent to such notice is based on a tax~~  
15 ~~period of less than 12 months. The annual tax liability shall be determined~~  
16 ~~by multiplying the annual franchise tax liability for such year by a fraction~~  
17 ~~the numerator of which is the number of months, or any portion thereof,~~  
18 ~~covered by the annual report and the denominator of which is 12. Not~~  
19 ~~withstanding the foregoing, the minimum annual franchise tax shall be~~  
20 ~~\$40.~~

21 Sec. 12. K.S.A. 2003 Supp. 17-7509 is hereby amended to read as  
22 follows: 17-7509. (a) In case any corporation organized for profit which  
23 is required to file an annual report and pay the annual franchise ~~tax~~ *fee*  
24 prescribed by this act shall fail or neglect to make such report at the time  
25 prescribed, such corporation shall be subject to a penalty of \$75. Such  
26 penalty and the annual ~~tax or taxes~~ *fee or fees* required to be paid by this  
27 act may be recovered by an action in the name of the state, and all moneys  
28 recovered shall be remitted to the state treasurer in accordance with the  
29 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of  
30 each such remittance, the state treasurer shall deposit the entire amount  
31 in the state treasury to the credit of the state general fund.

32 ~~(b) On complaint of the secretary of state that any corporation has~~  
33 ~~failed to pay the annual taxes prescribed by this act, it shall be the duty~~  
34 ~~of the county or district attorney, or the attorney general, to institute such~~  
35 ~~action in the district court of Shawnee county, Kansas, or of any county~~  
36 ~~in which such corporation has an office or place of business.~~

37 ~~—(e) The penalties provided for in subsection (a) also may be assessed~~  
38 ~~against any corporation for the reason that such corporation has been~~  
39 ~~canceled or its existence forfeited pursuant to the Kansas general cor-~~  
40 ~~poration code. No penalty shall be charged pursuant to this subsection,~~  
41 ~~if a corporation is assessed penalties pursuant to grounds specified in~~  
42 ~~subsection (a).~~

43 Sec. 13. K.S.A. 17-7510 is hereby amended to read as follows: 17-

1 7510. (a) In addition to any other penalties, the failure of any domestic  
2 corporation to file the annual report in accordance with the provisions of  
3 this act or to pay the annual ~~taxes herein~~ *franchise fee* provided for within  
4 90 days of the time for filing and paying the same shall work the forfeiture  
5 of the articles of incorporation of such domestic corporation. Within 60  
6 days after the date such annual report and ~~taxes~~ *fee* are due, the secretary  
7 of state, by mail, shall notify any corporation that has failed to submit  
8 such report and ~~taxes~~ *fee* when due that its articles of incorporation shall  
9 be forfeited unless the annual report is filed and the ~~taxes thereon are~~ *fee*  
10 *is* paid within 90 days from the date such report and ~~taxes~~ *fee* were due.  
11 Any corporation that fails to submit such report and ~~taxes~~ *fee* within such  
12 time shall forfeit its articles of incorporation, and the secretary of state  
13 shall notify the attorney general that the articles of incorporation of such  
14 corporation have been forfeited.

15 (b) In addition to any other penalties, the failure of any foreign cor-  
16 poration to file the annual report or pay the annual franchise ~~taxes~~ *fee*  
17 prescribed by this act within 90 days from the time provided for filing  
18 and paying the same shall work a forfeiture of its right or authority to do  
19 business in this state. Within 60 days after the date such annual report  
20 and ~~taxes~~ *fee* are due, the secretary of state, by mail, shall notify any  
21 corporation that has failed to submit such report and ~~taxes~~ *fee* when due  
22 that its authority to do business in this state shall be forfeited unless the  
23 annual report and ~~taxes thereon are~~ *fee is* paid within 90 days from the  
24 date such report and ~~taxes~~ *fee* were due. Any corporation that fails to  
25 submit such report and ~~taxes~~ *fees* within such time shall forfeit its au-  
26 thority to do business in this state, and the secretary of state shall publish  
27 a notice of such forfeiture in the Kansas register.

28 This section shall not be construed to restrict the state from invoking  
29 any other remedies provided by law.

30 Sec. 14. K.S.A. 17-7511 is hereby amended to read as follows: 17-  
31 7511. Pursuant to the authority granted by subsection (c) of K.S.A. 79-  
32 3234, the secretary of state, as a legal representative of the state, may  
33 inspect the annual Kansas income tax return of any corporation for the  
34 purpose of verifying any information contained in the annual report filed  
35 by such corporation with the secretary of state pursuant to this act. The  
36 secretary of state shall not disclose any information obtained from any  
37 such return, except as may be necessary to commence an appropriate  
38 administrative or judicial proceeding against the corporation filing the  
39 same, *and shall disclose to the secretary of revenue any information and*  
40 *allow the secretary to inspect as necessary the annual report for purposes*  
41 *of verifying any information contained on the franchise tax return as*  
42 *provided in section 1 and amendments thereto.*

43 Sec. 15. K.S.A. 17-7512 is hereby amended to read as follows: 17-

1 7512. The provisions of this act relating to the filing of annual reports  
2 and the payment of franchise ~~taxes~~ *fees* shall not apply to banking, insur-  
3 ance or savings and loan corporations or associations or to credit unions  
4 or any firemen's relief association under the jurisdiction and supervision  
5 of the insurance commissioner or to Kansas Venture Capital, Inc. or to  
6 venture capital companies certified by the secretary of commerce pur-  
7 suant to article 83 of chapter 74 of the Kansas Statutes Annotated and  
8 amendments thereto.

9 Sec. 16. K.S.A. 2003 Supp. 17-76,125 is hereby amended to read as  
10 follows: 17-76,125. A foreign limited liability company may cancel its reg-  
11 istration by filing with the secretary of state a certificate of cancellation  
12 executed by the members, together with the fee required by this act and  
13 the annual report and franchise ~~tax~~ *fee* for any tax period which has ended.  
14 A cancellation does not terminate the authority of the secretary of state  
15 to accept service of process on the foreign limited liability company with  
16 respect to causes of action arising out of the doing of business in the state  
17 of Kansas.

18 Sec. 17. K.S.A. 2003 Supp. 17-76,139 is hereby amended to read as  
19 follows: 17-76,139. (a) Every limited liability company organized under  
20 the laws of this state shall make an annual report in writing to the secretary  
21 of state, stating the prescribed information concerning the limited liability  
22 company at the close of business on the last day of its tax period next  
23 preceding the date of filing. If the limited liability company's tax period  
24 is other than the calendar year, it shall give notice of its different tax  
25 period in writing to the secretary of state prior to December 31 of the  
26 year it commences the different tax period. The annual report shall be  
27 filed at the time prescribed by law for filing the limited liability company's  
28 annual Kansas income tax return. If the limited liability company applies  
29 for an extension of time for filing its annual income tax return under the  
30 internal revenue code, the limited liability company shall also apply, not  
31 more than 90 days after the due date of its annual report, to the secretary  
32 of state for an extension of the time for filing its report and an extension  
33 shall be granted for a period of time corresponding to that granted under  
34 the internal revenue code. The application shall include a copy of the  
35 application to income tax authorities. The annual report shall be made on  
36 a form prescribed by the secretary of state. The report shall contain the  
37 following information:

- 38 (1) The name of the limited liability company; and
  - 39 (2) a list of the members owning at least 5% of the capital of the  
40 company, with the post office address of each.
- 41 (b) Every foreign limited liability company shall make an annual re-  
42 port in writing to the secretary of state, stating the prescribed information  
43 concerning the limited liability company at the close of business on the

1 last day of its tax period next preceding the date of filing. If the limited  
2 liability company's tax period is other than the calendar year, it shall give  
3 notice in writing of its different tax period to the secretary of state prior  
4 to December 31 of the year it commences the different tax period. The  
5 annual report shall be filed at the time prescribed by law for filing the  
6 limited liability company's annual Kansas income tax return. If the limited  
7 liability company applies for an extension of time for filing its annual  
8 income tax return under the internal revenue code, the limited liability  
9 company also shall apply, not more than 90 days after the due date of its  
10 annual report, to the secretary of state for an extension of the time for  
11 filing its report and an extension shall be granted for a period of time  
12 corresponding to that granted under the internal revenue code. The ap-  
13 plication shall include a copy of the application to income tax authorities.  
14 The annual report shall be made on a form prescribed by the secretary  
15 of state. The report shall contain the name of the limited liability  
16 company.

17 (c) The annual report required by this section shall be signed by a  
18 member of the limited liability company and forwarded to the secretary  
19 of state. At the time of filing the report, the limited liability company shall  
20 pay to the secretary of state an annual franchise ~~tax fee~~ in an amount equal  
21 to \$2 for each \$1,000 of the net capital accounts located in or used in this  
22 state at the end of the preceding taxable year as required to be reported  
23 on the federal partnership return of income, or for a one member LLC  
24 taxed as a sole proprietorship, \$2 for each \$1,000 of net book value of the  
25 LLC as calculated on an income tax basis located in or used in this state  
26 at the end of the preceding taxable year, except that no annual tax shall  
27 be less than \$40 or more than \$5,000. The amount of any such franchise  
28 tax paid by the limited liability company to the secretary as provided by  
29 this subsection shall not be disclosed by the secretary *not to exceed \$40*.

30 (d) The provisions of K.S.A. 17-7509, and amendments thereto, re-  
31 lating to penalties for failure of a corporation to file an annual report or  
32 pay the required franchise ~~tax fee~~, and the provisions of subsection (a) of  
33 K.S.A. 17-7510 and amendments thereto, relating to penalties for failure  
34 of a corporation to file an annual report or pay the required franchise ~~tax~~  
35 *fee*, shall be applicable to the articles of organization of any domestic  
36 limited liability company or to the authority of any foreign limited liability  
37 company which fails to file its annual report or pay the franchise ~~tax fee~~  
38 within 90 days of the time prescribed in this section for filing and paying  
39 the same. Whenever the articles of organization of a domestic limited  
40 liability company or the authority of any foreign limited liability company  
41 are forfeited for failure to file an annual report or to pay the required  
42 franchise ~~tax fee~~, the domestic limited liability company or the authority  
43 of a foreign limited liability company may be reinstated by filing a certifi-

1 icate of reinstatement, in the manner and form to be prescribed by the  
2 secretary of state and paying to the secretary of state all fees ~~and taxes~~,  
3 including any penalties thereon, due to the state. The fee for filing a  
4 certificate of reinstatement shall be the same as that prescribed by K.S.A.  
5 17-7506, and amendments thereto, for filing a certificate of extension,  
6 restoration, renewal or revival of a corporation's articles of incorporation.

7 (e) When reinstatement is effective, it relates back to and takes effect  
8 as of the effective date of the forfeiture and the company may resume its  
9 business as if the forfeiture had never occurred.

10 (f) No limited liability company shall be required to file its first annual  
11 report under this act, or pay any annual franchise ~~tax fee~~ required to  
12 accompany such report, unless such limited liability company has filed its  
13 articles of organization or application for authority at least six months prior  
14 to the last day of its tax period. ~~If any limited liability company files with~~  
15 ~~the secretary of state a notice of change in its tax period and the next~~  
16 ~~annual report filed by such limited liability company subsequent to such~~  
17 ~~notice is based on a tax period of less than 12 months, the annual tax~~  
18 ~~liability shall be determined by multiplying the annual franchise tax lia-~~  
19 ~~bility for such year by a fraction, the numerator of which is the number~~  
20 ~~of months or any portion thereof covered by the annual report and the~~  
21 ~~denominator of which is 12, except that the tax shall not be less than \$40.~~

22 Sec. 18. K.S.A. 2003 Supp. 45-221 is hereby amended to read as  
23 follows: 45-221. (a) Except to the extent disclosure is otherwise required  
24 by law, a public agency shall not be required to disclose:

25 (1) Records the disclosure of which is specifically prohibited or re-  
26 stricted by federal law, state statute or rule of the Kansas supreme court  
27 or the disclosure of which is prohibited or restricted pursuant to specific  
28 authorization of federal law, state statute or rule of the Kansas supreme  
29 court to restrict or prohibit disclosure.

30 (2) Records which are privileged under the rules of evidence, unless  
31 the holder of the privilege consents to the disclosure.

32 (3) Medical, psychiatric, psychological or alcoholism or drug depend-  
33 ency treatment records which pertain to identifiable patients.

34 (4) Personnel records, performance ratings or individually identifica-  
35 ble records pertaining to employees or applicants for employment, except  
36 that this exemption shall not apply to the names, positions, salaries and  
37 lengths of service of officers and employees of public agencies once they  
38 are employed as such.

39 (5) Information which would reveal the identity of any undercover  
40 agent or any informant reporting a specific violation of law.

41 (6) Letters of reference or recommendation pertaining to the char-  
42 acter or qualifications of an identifiable individual.

43 (7) Library, archive and museum materials contributed by private

1 persons, to the extent of any limitations imposed as conditions of the  
2 contribution.

3 (8) Information which would reveal the identity of an individual who  
4 lawfully makes a donation to a public agency, if anonymity of the donor  
5 is a condition of the donation.

6 (9) Testing and examination materials, before the test or examination  
7 is given or if it is to be given again, or records of individual test or ex-  
8 amination scores, other than records which show only passage or failure  
9 and not specific scores.

10 (10) Criminal investigation records, except that the district court, in  
11 an action brought pursuant to K.S.A. 45-222, and amendments thereto,  
12 may order disclosure of such records, subject to such conditions as the  
13 court may impose, if the court finds that disclosure:

14 (A) Is in the public interest;

15 (B) would not interfere with any prospective law enforcement action;

16 (C) would not reveal the identity of any confidential source or un-  
17 dercover agent;

18 (D) would not reveal confidential investigative techniques or proce-  
19 dures not known to the general public;

20 (E) would not endanger the life or physical safety of any person; and

21 (F) would not reveal the name, address, phone number or any other  
22 information which specifically and individually identifies the victim of any  
23 sexual offense in article 35 of chapter 21 of the Kansas Statutes Anno-  
24 tated, and amendments thereto.

25 (11) Records of agencies involved in administrative adjudication or  
26 civil litigation, compiled in the process of detecting or investigating vio-  
27 lations of civil law or administrative rules and regulations, if disclosure  
28 would interfere with a prospective administrative adjudication or civil  
29 litigation or reveal the identity of a confidential source or undercover  
30 agent.

31 (12) Records of emergency or security information or procedures of  
32 a public agency, or plans, drawings, specifications or related information  
33 for any building or facility which is used for purposes requiring security  
34 measures in or around the building or facility or which is used for the  
35 generation or transmission of power, water, fuels or communications, if  
36 disclosure would jeopardize security of the public agency, building or  
37 facility.

38 (13) The contents of appraisals or engineering or feasibility estimates  
39 or evaluations made by or for a public agency relative to the acquisition  
40 of property, prior to the award of formal contracts therefor.

41 (14) Correspondence between a public agency and a private individ-  
42 ual, other than correspondence which is intended to give notice of an  
43 action, policy or determination relating to any regulatory, supervisory or

1 enforcement responsibility of the public agency or which is widely dis-  
2 tributed to the public by a public agency and is not specifically in response  
3 to communications from such a private individual.

4 (15) Records pertaining to employer-employee negotiations, if dis-  
5 closure would reveal information discussed in a lawful executive session  
6 under K.S.A. 75-4319, and amendments thereto.

7 (16) Software programs for electronic data processing and documen-  
8 tation thereof, but each public agency shall maintain a register, open to  
9 the public, that describes:

10 (A) The information which the agency maintains on computer facil-  
11 ities; and

12 (B) the form in which the information can be made available using  
13 existing computer programs.

14 (17) Applications, financial statements and other information sub-  
15 mitted in connection with applications for student financial assistance  
16 where financial need is a consideration for the award.

17 (18) Plans, designs, drawings or specifications which are prepared by  
18 a person other than an employee of a public agency or records which are  
19 the property of a private person.

20 (19) Well samples, logs or surveys which the state corporation com-  
21 mission requires to be filed by persons who have drilled or caused to be  
22 drilled, or are drilling or causing to be drilled, holes for the purpose of  
23 discovery or production of oil or gas, to the extent that disclosure is limited  
24 by rules and regulations of the state corporation commission.

25 (20) Notes, preliminary drafts, research data in the process of anal-  
26 ysis, unfunded grant proposals, memoranda, recommendations or other  
27 records in which opinions are expressed or policies or actions are pro-  
28 posed, except that this exemption shall not apply when such records are  
29 publicly cited or identified in an open meeting or in an agenda of an open  
30 meeting.

31 (21) Records of a public agency having legislative powers, which re-  
32 cords pertain to proposed legislation or amendments to proposed legis-  
33 lation, except that this exemption shall not apply when such records are:

34 (A) Publicly cited or identified in an open meeting or in an agenda  
35 of an open meeting; or

36 (B) distributed to a majority of a quorum of any body which has au-  
37 thority to take action or make recommendations to the public agency with  
38 regard to the matters to which such records pertain.

39 (22) Records of a public agency having legislative powers, which re-  
40 cords pertain to research prepared for one or more members of such  
41 agency, except that this exemption shall not apply when such records are:

42 (A) Publicly cited or identified in an open meeting or in an agenda  
43 of an open meeting; or

- 1 (B) distributed to a majority of a quorum of any body which has au-  
2 thority to take action or make recommendations to the public agency with  
3 regard to the matters to which such records pertain.
- 4 (23) Library patron and circulation records which pertain to identi-  
5 fiable individuals.
- 6 (24) Records which are compiled for census or research purposes and  
7 which pertain to identifiable individuals.
- 8 (25) Records which represent and constitute the work product of an  
9 attorney.
- 10 (26) Records of a utility or other public service pertaining to individ-  
11 ually identifiable residential customers of the utility or service, except that  
12 information concerning billings for specific individual customers named  
13 by the requester shall be subject to disclosure as provided by this act.
- 14 (27) Specifications for competitive bidding, until the specifications  
15 are officially approved by the public agency.
- 16 (28) Sealed bids and related documents, until a bid is accepted or all  
17 bids rejected.
- 18 (29) Correctional records pertaining to an identifiable inmate or re-  
19 lease, except that:
- 20 (A) The name; photograph and other identifying information; sen-  
21 tence data; parole eligibility date; custody or supervision level; disciplinary  
22 record; supervision violations; conditions of supervision, excluding  
23 requirements pertaining to mental health or substance abuse counseling;  
24 location of facility where incarcerated or location of parole office main-  
25 taining supervision and address of a releasee whose crime was committed  
26 after the effective date of this act shall be subject to disclosure to any  
27 person other than another inmate or releasee, except that the disclosure  
28 of the location of an inmate transferred to another state pursuant to the  
29 interstate corrections compact shall be at the discretion of the secretary  
30 of corrections;
- 31 (B) the ombudsman of corrections, the attorney general, law enforce-  
32 ment agencies, counsel for the inmate to whom the record pertains and  
33 any county or district attorney shall have access to correctional records to  
34 the extent otherwise permitted by law;
- 35 (C) the information provided to the law enforcement agency pursu-  
36 ant to the sex offender registration act, K.S.A. 22-4901, *et seq.*, and  
37 amendments thereto, shall be subject to disclosure to any person, except  
38 that the name, address, telephone number or any other information which  
39 specifically and individually identifies the victim of any offender required  
40 to register as provided by the Kansas offender registration act, K.S.A. 22-  
41 4901 *et seq.* and amendments thereto, shall not be disclosed; and
- 42 (D) records of the department of corrections regarding the financial  
43 assets of an offender in the custody of the secretary of corrections shall

1 be subject to disclosure to the victim, or such victim's family, of the crime  
2 for which the inmate is in custody as set forth in an order of restitution  
3 by the sentencing court.

4 (30) Public records containing information of a personal nature  
5 where the public disclosure thereof would constitute a clearly unwar-  
6 ranted invasion of personal privacy.

7 (31) Public records pertaining to prospective location of a business  
8 or industry where no previous public disclosure has been made of the  
9 business' or industry's interest in locating in, relocating within or expand-  
10 ing within the state. This exception shall not include those records per-  
11 taining to application of agencies for permits or licenses necessary to do  
12 business or to expand business operations within this state, except as  
13 otherwise provided by law.

14 (32) Engineering and architectural estimates made by or for any pub-  
15 lic agency relative to public improvements.

16 (33) Financial information submitted by contractors in qualification  
17 statements to any public agency.

18 (34) Records involved in the obtaining and processing of intellectual  
19 property rights that are expected to be, wholly or partially vested in or  
20 owned by a state educational institution, as defined in K.S.A. 76-711, and  
21 amendments thereto, or an assignee of the institution organized and ex-  
22 isting for the benefit of the institution.

23 (35) Any report or record which is made pursuant to K.S.A. 65-4922,  
24 65-4923 or 65-4924, and amendments thereto, and which is privileged  
25 pursuant to K.S.A. 65-4915 or 65-4925, and amendments thereto.

26 (36) Information which would reveal the precise location of an ar-  
27 cheological site.

28 (37) Any financial data or traffic information from a railroad company,  
29 to a public agency, concerning the sale, lease or rehabilitation of the  
30 railroad's property in Kansas.

31 (38) Risk-based capital reports, risk-based capital plans and corrective  
32 orders including the working papers and the results of any analysis filed  
33 with the commissioner of insurance in accordance with K.S.A. 40-2c20  
34 and 40-2d20 and amendments thereto.

35 (39) Memoranda and related materials required to be used to support  
36 the annual actuarial opinions submitted pursuant to subsection (b) of  
37 K.S.A. 40-409, and amendments thereto.

38 (40) Disclosure reports filed with the commissioner of insurance un-  
39 der subsection (a) of K.S.A. 40-2,156, and amendments thereto.

40 (41) All financial analysis ratios and examination synopses concerning  
41 insurance companies that are submitted to the commissioner by the na-  
42 tional association of insurance commissioners' insurance regulatory infor-  
43 mation system.

1 (42) Any records the disclosure of which is restricted or prohibited  
2 by a tribal-state gaming compact.

3 (43) Market research, market plans, business plans and the terms and  
4 conditions of managed care or other third party contracts, developed or  
5 entered into by the university of Kansas medical center in the operation  
6 and management of the university hospital which the chancellor of the  
7 university of Kansas or the chancellor's designee determines would give  
8 an unfair advantage to competitors of the university of Kansas medical  
9 center.

10 (44) The amount of franchise tax paid to the *secretary of revenue or*  
11 *the* secretary of state by domestic corporations, foreign corporations, do-  
12 mestic limited liability companies, foreign limited liability companies, do-  
13 mestic limited partnership, foreign limited partnership, domestic limited  
14 liability partnerships and foreign limited liability partnerships.

15 (45) Records the disclosure of which would pose a substantial likeli-  
16 hood of revealing security measures that protect: (A) Systems, facilities  
17 or equipment used in the production, transmission or distribution of en-  
18 ergy, water or communications services; or (B) sewer or wastewater treat-  
19 ment systems, facilities or equipment. For purposes of this paragraph,  
20 security means measures that protect against criminal acts intended to  
21 intimidate or coerce the civilian population, influence government policy  
22 by intimidation or coercion or to affect the operation of government by  
23 disruption of public services, mass destruction, assassination or  
24 kidnapping.

25 (46) Any information or material received by the secretary of state  
26 pursuant to subsection (b) of K.S.A. 2003 Supp. 44-1518, and amend-  
27 ments thereto, except when such information is required to be submitted  
28 in an application pursuant to K.S.A. 2003 Supp. 44-1520, and amend-  
29 ments thereto.

30 (b) Except to the extent disclosure is otherwise required by law or as  
31 appropriate during the course of an administrative proceeding or on ap-  
32 peal from agency action, a public agency or officer shall not disclose fi-  
33 nancial information of a taxpayer which may be required or requested by  
34 a county appraiser or the director of property valuation to assist in the  
35 determination of the value of the taxpayer's property for ad valorem tax-  
36 ation purposes; or any financial information of a personal nature required  
37 or requested by a public agency or officer, including a name, job descrip-  
38 tion or title revealing the salary or other compensation of officers, em-  
39 ployees or applicants for employment with a firm, corporation or agency,  
40 except a public agency. Nothing contained herein shall be construed to  
41 prohibit the publication of statistics, so classified as to prevent identifi-  
42 cation of particular reports or returns and the items thereof.

43 (c) As used in this section, the term "cited or identified" shall not

1 include a request to an employee of a public agency that a document be  
2 prepared.

3 (d) If a public record contains material which is not subject to dis-  
4 closure pursuant to this act, the public agency shall separate or delete  
5 such material and make available to the requester that material in the  
6 public record which is subject to disclosure pursuant to this act. If a public  
7 record is not subject to disclosure because it pertains to an identifiable  
8 individual, the public agency shall delete the identifying portions of the  
9 record and make available to the requester any remaining portions which  
10 are subject to disclosure pursuant to this act, unless the request is for a  
11 record pertaining to a specific individual or to such a limited group of  
12 individuals that the individuals' identities are reasonably ascertainable, the  
13 public agency shall not be required to disclose those portions of the record  
14 which pertain to such individual or individuals.

15 (e) The provisions of this section shall not be construed to exempt  
16 from public disclosure statistical information not descriptive of any iden-  
17 tifiable person.

18 (f) Notwithstanding the provisions of subsection (a), any public rec-  
19 ord which has been in existence more than 70 years shall be open for  
20 inspection by any person unless disclosure of the record is specifically  
21 prohibited or restricted by federal law, state statute or rule of the Kansas  
22 supreme court or by a policy adopted pursuant to K.S.A. 72-6214, and  
23 amendments thereto.

24 Sec. 19. K.S.A. 2003 Supp. 56-1a606 is hereby amended to read as  
25 follows: 56-1a606. (a) Every limited partnership organized under the laws  
26 of this state shall make an annual report in writing to the secretary of  
27 state, stating the prescribed information concerning the limited partner-  
28 ship at the close of business on the last day of its tax period next preceding  
29 the date of filing. If the limited partnership's tax period is other than the  
30 calendar year, it shall give notice of its different tax period to the secretary  
31 of state prior to December 31 of the year it commences the different tax  
32 period. The annual report shall be filed at the time prescribed by law for  
33 filing the limited partnership's annual Kansas income tax return. If the  
34 limited partnership applies for an extension of time for filing its annual  
35 income tax return under the internal revenue code or under K.S.A. 79-  
36 3221 and amendments thereto, the limited partnership shall also apply,  
37 not more than 90 days after the due date of its annual report, to the  
38 secretary of state for an extension of the time for filing its report and an  
39 extension shall be granted for a period of time corresponding to that  
40 granted under the internal revenue code or K.S.A. 79-3221 and amend-  
41 ments thereto. The application shall include a copy of the application to  
42 income tax authorities.

43 (b) The annual report shall be made on a form prescribed by the

1 secretary of state. The report shall contain the following information:  
2 (1) The name of the limited partnership; and  
3 (2) a list of the partners owning at least 5% of the capital of the  
4 partnership, with the post office address of each.  
5 (c) Every limited partnership subject to the provisions of this section  
6 which is a limited corporate partnership, as defined in K.S.A. 17-5903  
7 and amendments thereto, and which holds agricultural land, as defined  
8 in K.S.A. 17-5903 and amendments thereto, within this state shall show  
9 the following additional information on the report:  
10 (1) The number of acres and location, listed by section, range, town-  
11 ship and county of each lot, tract or parcel of agricultural land in this state  
12 owned or leased by the limited partnership; and  
13 (2) whether any of the agricultural land held and reported under sub-  
14 section (c)(1) was acquired after July 1, 1981.  
15 (d) The annual report shall be signed by the general partner or part-  
16 ners of the limited partnership, sworn to before an officer duly authorized  
17 to administer oaths and forwarded to the secretary of state. At the time  
18 of filing the report, the limited partnership shall pay to the secretary of  
19 state an annual franchise ~~tax fee~~ in an amount ~~equal to \$2 for each \$1,000~~  
20 ~~of the partners' net capital accounts located in or used in this state at the~~  
21 ~~end of the preceding taxable year as required to be reported on the fed-~~  
22 ~~eral partnership return of income, except that no annual tax shall be less~~  
23 ~~than \$40 or more than \$5,000. The amount of any such franchise tax paid~~  
24 ~~by the limited partnership to the secretary as provided by this subsection~~  
25 ~~shall not be disclosed by the secretary not to exceed \$40.~~  
26 (e) The provisions of K.S.A. 17-7509 and amendments thereto, re-  
27 lating to penalties for failure of a corporation to file an annual report or  
28 pay the required franchise ~~tax fee~~, and the provisions of subsection (a) of  
29 K.S.A. 17-7510 and amendments thereto, relating to forfeiture of a do-  
30 mestic corporation's articles of incorporation for failure to file an annual  
31 report or pay the required franchise ~~tax fee~~, shall be applicable to the  
32 certificate of partnership of any limited partnership which fails to file its  
33 annual report or pay the franchise ~~tax fee~~ within 90 days of the time  
34 prescribed in this section for filing and paying the same. Whenever the  
35 certificate of partnership of a limited partnership is forfeited for failure  
36 to file an annual report or to pay the required franchise ~~tax fee~~, the limited  
37 partnership may be reinstated by filing a certificate of reinstatement, in  
38 the manner and form to be prescribed by the secretary of state and paying  
39 to the secretary of state all fees ~~and taxes~~, including any penalties thereon,  
40 due to the state. The fee for filing a certificate of reinstatement shall be  
41 the same as that prescribed by K.S.A. 17-7506 and amendments thereto  
42 for filing a certificate of extension, restoration, renewal or revival of a  
43 corporation's articles of incorporation.

1     Sec. 20. K.S.A. 2003 Supp. 56-1a607 is hereby amended to read as  
2 follows: 56-1a607. (a) Every foreign limited partnership shall make an  
3 annual report in writing to the secretary of state, stating the prescribed  
4 information concerning the limited partnership at the close of business  
5 on the last day of its tax period next preceding the date of filing. If the  
6 limited partnership's tax period is other than the calendar year, it shall  
7 give notice of its different tax period to the secretary of state prior to  
8 December 31 of the year it commences the different tax period. The  
9 annual report shall be filed at the time prescribed by law for filing the  
10 limited partnership's annual Kansas income tax return. If the limited part-  
11 nership applies for an extension of time for filing its annual income tax  
12 return under the internal revenue code or under K.S.A. 79-3221 and  
13 amendments thereto, the limited partnership shall also apply, not more  
14 than 90 days after the due date of its annual report, to the secretary of  
15 state for an extension of the time for filing its report and an extension  
16 shall be granted for a period of time corresponding to that granted under  
17 the internal revenue code or K.S.A. 79-3221 and amendments thereto.  
18 The application shall include a copy of the application to income tax  
19 authorities.

20     (b) The annual report shall be made on a form prescribed by the  
21 secretary of state. The report shall contain the name of the limited  
22 partnership.

23     (c) Every foreign limited partnership subject to the provisions of this  
24 section which is a limited corporate partnership, as defined in K.S.A. 17-  
25 5903 and amendments thereto, and which holds agricultural land, as de-  
26 fined in K.S.A. 17-5903 and amendments thereto, within this state shall  
27 show the following additional information on the report:

28     (1) The number of acres and location, listed by section, range, town-  
29 ship and county of agricultural land in this state owned or leased by the  
30 limited partnership; and

31     (2) whether any of the agricultural land held and reported under sub-  
32 section (c)(1) was acquired after July 1, 1981.

33     (d) The annual report shall be signed by the general partner or part-  
34 ners of the limited partnership, sworn to before an officer duly authorized  
35 to administer oaths and forwarded to the secretary of state. At the time  
36 of filing the report, the foreign limited partnership shall pay to the sec-  
37 retary of state an annual franchise ~~tax fee~~ in an amount ~~equal to \$2 for~~  
38 ~~each \$1,000 of the partners' net capital accounts located in or used in this~~  
39 ~~state at the end of the preceding taxable year as required to be reported~~  
40 ~~on the federal partnership return of income, except that no annual tax~~  
41 ~~shall be less than \$40 or more than \$5,000. The amount of any such~~  
42 ~~franchise tax paid by the limited partnership to the secretary as provided~~  
43 ~~by this subsection shall not be disclosed by the secretary *not to exceed*~~

1 §40.

2 (e) The provisions of K.S.A. 17-7509 and amendments thereto, re-  
3 lating to penalties for failure of a corporation to file an annual report or  
4 pay the required franchise ~~tax~~ fee, and the provisions of subsection (b) of  
5 K.S.A. 17-7510 and amendments thereto, relating to forfeiture of a for-  
6 eign corporation's authority to do business in this state for failure to file  
7 an annual report or pay the required franchise ~~tax~~ fee, shall be applicable  
8 to the authority of any foreign limited partnership which fails to file its  
9 annual report or pay the franchise ~~tax~~ fee within 90 days of the time  
10 prescribed in this section for filing and paying the same. Whenever the  
11 authority of a foreign limited partnership to do business in this state is  
12 forfeited for failure to file an annual report or to pay the required fran-  
13 chise ~~tax~~ fee, the foreign limited partnership's authority to do business in  
14 this state may be reinstated by filing a certificate of reinstatement, in the  
15 manner and form to be prescribed by the secretary of state and paying  
16 to the secretary of state all fees ~~and taxes~~, including any penalties thereon,  
17 due to the state. The fee for filing a certificate of reinstatement shall be  
18 the same as that prescribed by K.S.A. 17-7506 and amendments thereto  
19 for filing a certificate of extension, restoration, renewal or revival of a  
20 corporation's articles of incorporation.

21 Sec. 21. K.S.A. 56-1a608 is hereby amended to read as follows: 56-  
22 1a608. No limited partnership shall be required to file its first annual  
23 report under this act, or pay any annual franchise ~~tax~~ fee required to  
24 accompany such report, unless such limited partnership has filed its cer-  
25 tificate of limited partnership or certificate of good standing at least six  
26 months prior to the last day of its tax period. ~~If any limited partnership~~  
27 ~~files with the secretary of state a notice of change in its tax period and~~  
28 ~~the next annual report filed by such limited partnership subsequent to~~  
29 ~~such notice is based on a tax period of less than 12 months, there shall~~  
30 ~~be no reduction or proration of the annual tax required to accompany~~  
31 ~~such report.~~

32 Sec. 22. K.S.A. 2003 Supp. 56a-1201 is hereby amended to read as  
33 follows: 56a-1201. (a) Every limited liability partnership organized under  
34 the laws of this state shall make an annual report in writing to the secretary  
35 of state, stating the prescribed information concerning the limited liability  
36 partnership at the close of business on the last day of its tax period next  
37 preceding the date of filing. If the limited liability partnership's tax period  
38 is other than the calendar year, it shall give notice of its different tax  
39 period in writing to the secretary of state prior to December 31 of the  
40 year it commences the different tax period. The annual report shall be  
41 filed at the time prescribed by law for filing the limited liability partner-  
42 ship's annual Kansas income tax return. If the limited liability partnership  
43 applies for an extension of time for filing its annual income tax return

1 under the internal revenue code, the limited liability partnership shall  
2 also apply, not more than 90 days after the due date of its annual report,  
3 to the secretary of state for an extension of the time for filing its report  
4 and an extension shall be granted for a period of time corresponding to  
5 that granted under the internal revenue code. The application shall in-  
6 clude a copy of the application to income tax authorities.

7 (b) The annual report shall be made on a form prescribed by the  
8 secretary of state. The report shall contain the following information:

9 (1) The name of the limited liability partnership; and

10 (2) a list of the partners owning at least 5% of the capital of the  
11 partnership, with the post office address of each.

12 (c) The annual report shall be signed by a partner of the limited  
13 liability partnership and forwarded to the secretary of state. At the time  
14 of filing the report, the limited liability partnership shall pay to the sec-  
15 retary of state an annual franchise ~~tax fee~~ in an amount ~~equal to \$2 for~~  
16 ~~each \$1,000 of the net capital accounts located in or used in this state at~~  
17 ~~the end of the preceding taxable year as required to be reported on the~~  
18 ~~federal partnership return of income, except that no annual tax shall be~~  
19 ~~less than \$40 or more than \$5,000. The amount of any such franchise tax~~  
20 ~~paid by the limited liability partnership to the secretary as provided by~~  
21 ~~this subsection shall not be disclosed by the secretary not to exceed \$40.~~

22 (d) The provisions of K.S.A. 17-7509, and amendments thereto, re-  
23 lating to penalties for failure of a corporation to file an annual report or  
24 pay the required franchise ~~tax fee~~, and the provisions of subsection (a) of  
25 K.S.A. 17-7510 and amendments thereto, relating to penalties for failure  
26 of a corporation to file an annual report or pay the required franchise ~~tax~~  
27 ~~fee~~, shall be applicable to the statement of qualification of any limited  
28 liability partnership which fails to file its annual report or pay the franchise  
29 ~~tax fee~~ within 90 days of the time prescribed in this section for filing and  
30 paying the same. Whenever the statement of qualification of a limited  
31 liability partnership is forfeited for failure to file an annual report or to  
32 pay the required franchise ~~tax fee~~, the limited liability partnership may  
33 be reinstated by filing a certificate of reinstatement, in the manner and  
34 form to be prescribed by the secretary of state and paying to the secretary  
35 of state all fees ~~and taxes~~, including any penalties thereon, due to the  
36 state. The fee for filing a certificate of reinstatement shall be the same as  
37 that prescribed by K.S.A. 17-7506, and amendments thereto, for filing a  
38 certificate of extension, restoration, renewal or revival of a corporation's  
39 articles of incorporation.

40 Sec. 23. K.S.A. 2003 Supp. 56a-1202 is hereby amended to read as  
41 follows: 56a-1202. (a) Every foreign limited liability partnership shall  
42 make an annual report in writing to the secretary of state, stating the  
43 prescribed information concerning the foreign limited liability partner-

1 ship at the close of business on the last day of its tax period next preceding  
2 the date of filing. If the foreign limited liability partnership's tax period  
3 is other than the calendar year, it shall give notice in writing of its different  
4 tax period to the secretary of state prior to December 31 of the year it  
5 commences the different tax period. The annual report shall be filed at  
6 the time prescribed by law for filing the foreign limited liability partner-  
7 ship's annual Kansas income tax return. If the foreign limited liability  
8 partnership applies for an extension of time for filing its annual income  
9 tax return under the internal revenue code, the foreign limited liability  
10 partnership shall also apply, not more than 90 days after the due date of  
11 its annual report, to the secretary of state for an extension of the time for  
12 filing its report and an extension shall be granted for a period of time  
13 corresponding to that granted under the internal revenue code. The ap-  
14 plication shall include a copy of the application to income tax authorities.

15 (b) The annual report shall be made on a form prescribed by the  
16 secretary of state. The report shall contain the name of the foreign limited  
17 liability partnership.

18 (c) The annual report shall be signed by a partner of the foreign  
19 limited liability partnership and forwarded to the secretary of state. At  
20 the time of filing the report, the foreign limited liability partnership shall  
21 pay to the secretary of state an annual franchise ~~tax fee~~ in an amount equal  
22 to \$2 for each \$1,000 of the net capital accounts located in or used in this  
23 state at the end of the preceding taxable year as required to be reported  
24 on the federal partnership return of income, except that no annual tax  
25 shall be less than \$40 or more than \$5,000. The amount of any such  
26 franchise tax paid by the foreign limited liability partnership to the sec-  
27 retary as provided by this subsection shall not be disclosed by the secre-  
28 tary not to exceed \$40.

29 (d) The provisions of K.S.A. 17-7509, and amendments thereto, re-  
30 lating to penalties for failure of a corporation to file an annual report or  
31 pay the required franchise ~~tax fee~~, and the provisions of subsection (a) of  
32 K.S.A. 17-7510, and amendments thereto, relating to penalties for failure  
33 of a corporation to file an annual report or pay the required franchise ~~tax~~  
34 ~~fee~~, shall be applicable to the statement of foreign qualification of any  
35 foreign limited liability partnership which fails to file its annual report or  
36 pay the franchise ~~tax fee~~ within 90 days of the time prescribed in this  
37 section for filing and paying the same. Whenever the statement of foreign  
38 qualification of a foreign limited liability partnership is forfeited for failure  
39 to file an annual report or to pay the required franchise ~~tax fee~~, the state-  
40 ment of foreign qualification of the foreign limited liability partnership  
41 may be reinstated by filing a certificate of reinstatement, in the manner  
42 and form to be prescribed by the secretary of state and paying to the  
43 secretary of state all fees ~~and taxes~~, including any penalties thereon, due

1 to the state. The fee for filing a certificate of reinstatement shall be the  
2 same as that prescribed by K.S.A. 17-7506, and amendments thereto, for  
3 filing a certificate of extension, restoration, renewal or revival of a cor-  
4 poration's articles of incorporation.

5 Sec. 24. K.S.A. 2003 Supp. 56a-1203 is hereby amended to read as  
6 follows: 56a-1203. No limited liability partnership or foreign limited li-  
7 ability partnership shall be required to file its first annual report under this  
8 act, or pay any annual franchise ~~tax~~ *fee* required to accompany such report,  
9 unless such partnership has filed its statement of qualification or foreign  
10 qualification at least six months prior to the last day of its tax period. ~~If~~  
11 ~~any such partnership files with the secretary of state a notice of change~~  
12 ~~in its tax period and the next annual report filed by such partnership~~  
13 ~~subsequent to such notice is based on a tax period of less than 12 months,~~  
14 ~~the annual tax liability shall be determined by multiplying the annual~~  
15 ~~franchise tax liability for such year by a fraction, the numerator of which~~  
16 ~~is the number of months or any portion thereof covered by the annual~~  
17 ~~report and the denominator of which is 12, except that the tax shall not~~  
18 ~~be less than \$40.~~

19 New Sec. 25. (a) There is hereby created the franchise fee fund in  
20 the state treasury. The secretary of state shall remit all moneys received  
21 from franchise fees, to the state treasurer in accordance with the provi-  
22 sions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each  
23 such remittance, the state treasurer shall deposit the entire amount in the  
24 state treasury to the credit of the franchise fee fund.

25 (b) All expenditures from the franchise fee fund shall be in accord-  
26 ance with appropriations acts upon warrants of the director of accounts  
27 and reports issued pursuant to vouchers approved by the secretary of state  
28 or by a person or persons designated by the secretary.

29 Sec. 26. K.S.A. 17-1513, 17-1618, 17-7510, 17-7511, 17-7512 and 56-  
30 1a608 and K.S.A. 2003 Supp. 17-2036, 17-2718, 17-4634, 17-4677, 17-  
31 7503, 17-7504, 17-7505, 17-7507, 17-7508, 17-7509, 17-76,125, 17-  
32 76,139, 45-221, 56-1a606, 56-1a607, 56a-1201, 56a-1202 and 56a-1203  
33 are hereby repealed.

34 Sec. 27. This act shall take effect and be in force from and after its  
35 publication in the statute book.