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STATE OF KANSAS

ANNUAL BUSINESS FORMATION REPORT

January 11, 2013

When I became Kansas Secretary of State in January of 2011, one of my first goals was to charge my staff with analyzing the applicable laws and policies of my office to determine whether changes in these policies and procedures could make Kansas a more business friendly state. I am pleased to report that one of the results of this process is the releasing of the first Annual Business Formation Report.

Today's report shows state business filing trends over the past ten years. The data in this report establishes a metric to determine the impact of any future course of action taken by my office or other state agencies with regard to new entities formed in the State of Kansas.

The primary data is divided into six regions: Northwest, North Central, Northeast, Southwest, South Central and Southeast. We also subdivided that data into several larger metropolitan areas: the Kansas City Metropolitan Area, the Topeka/Lawrence Metropolitan Area, and the Wichita Metropolitan Area.

The data has limitations. It can only measure the number of registered entities doing business in the state of Kansas, including corporations, limited liability companies and limited partnerships. It does not report the existence of other business types such as sole proprietorships or general partnerships because they are not filed with our office. Additionally, in the early 2000s data entry practices allowed a larger number of entities to be recorded without listing a county.

From this data my office has drawn certain conclusions with the assistance of Dr. Art Hall, Executive Director, Center for Applied Economics, University of Kansas School of Business.

1. 2012 Set an All-Time Record.

The total number of domestic new entity filings in 2012 was 15,008, the highest annual total on record. This compares to 13,646 in 2011 and 13,354 in 2007, which was a previous peak. My office shared this data with Dr. Hall, who told us:

“I have analyzed the business formation data provided by the Secretary of State’s office. These statistics offer a useful measurement tool for assessing the strength of a state or region’s economy. The fact that 2012 saw the highest rate of growth in new business filings in a decade signals the possibility of stronger economic growth. It shows that incorporated businesses are forming at a rate faster even than that experienced in the boom years after the 2001 recession.”

2. Northwest Kansas is Experiencing Significant Business Formation.

Also significant are the increases in the Northwest Region of Kansas. Although we can’t establish a definite link, that area correlates with the Rural Opportunity Zones established by Governor Brownback. Dr. Hall also noted:

“In addition to the strong numbers posted in many of the state’s urban areas, several rural areas also experienced a surge in business formation—particularly in northwest Kansas. The business formation numbers in Harper and Comanche Counties are noteworthy too, because they may be driven by the new oil-related activities in those counties.”

3. The Number of Active Business Entities in Good Standing in Kansas is at an All-Time High.

If the domestic new entity filings, foreign applications and annual reports filed are combined, we gain a picture of the number of business entities (both for profit and not for profit) currently operating in Kansas. Although this number is not a precise depiction of all business activity in Kansas because it does not include sole proprietorships, it does provide useful information. The data compiled by my office show that the total number of active business entities in good standing in Kansas is currently 152,908, slightly higher than the total of 152,599 in 2011.

Respectfully submitted,

A handwritten signature in black ink that reads "Kris W. Kobach". The signature is written in a cursive, flowing style.

Filing Totals 2003 - 2012

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
DESCRIPTION	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL	TOTAL
DOMESTIC NEW ENTITY FILINGS	11,347	12,419	12,929	12,831	13,354	12,811	12,387	13,024	13,646	15,008
FOREIGN APPLICATIONS **	2,565	2,654	3,050	3,400	3,427	3,368	3,034	2,960	3,136	3,461
REINSTATEMENTS	7,080	7,897	5,836	5,037	4,001	4,107	3,881	3,762	3,978	3,675
DISSOLUTION***	1,140	1,170	1,497	1,648	1,647	1,814	1,829	1,839	2,035	2,168
WITHDRAWAL****	480	567	631	701	805	869	873	883	958	975
FORFEITED	17,020	14,339	9,351	9,856	9,320	11,670	12,043	12,917	13,037	11,824
ANNUAL REPORTS FILED**	85,069	94,998	109,892	124,450	115,616	122,473	127,119	128,614	135,817	134,439
COMBINED DOMESTIC NEW ENTITIES, FOREIGN APPLICATIONS, ANNUAL REPORTS	98,981	110,071	125,871	140,681	132,397	138,652	142,540	144,598	152,599	152,908
% CHANGE		11%	11%	11%	-6%	5%	3%	1%	6%	0%

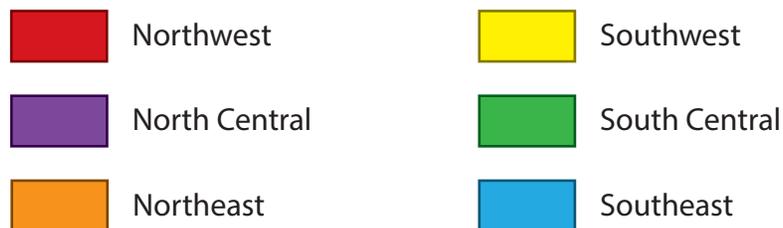
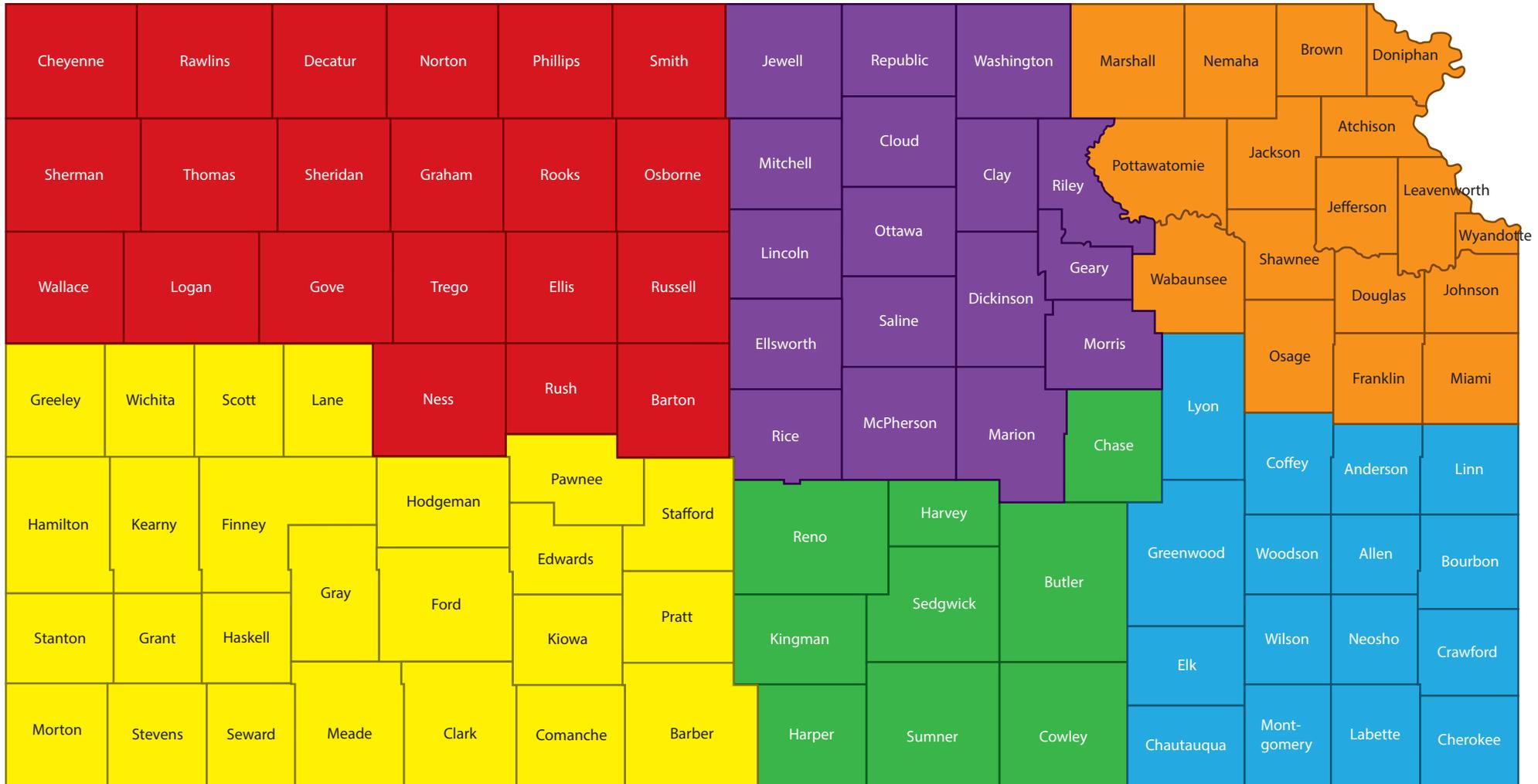
* Includes Kansas For Profit Corporations, Not For Profit corporations, Limited Partnerships, Limited Liability Companies and Limited Liability Partnerships

** Includes out of state For Profit Corporations, Not For Profit corporations, Limited Partnerships, Limited Liability

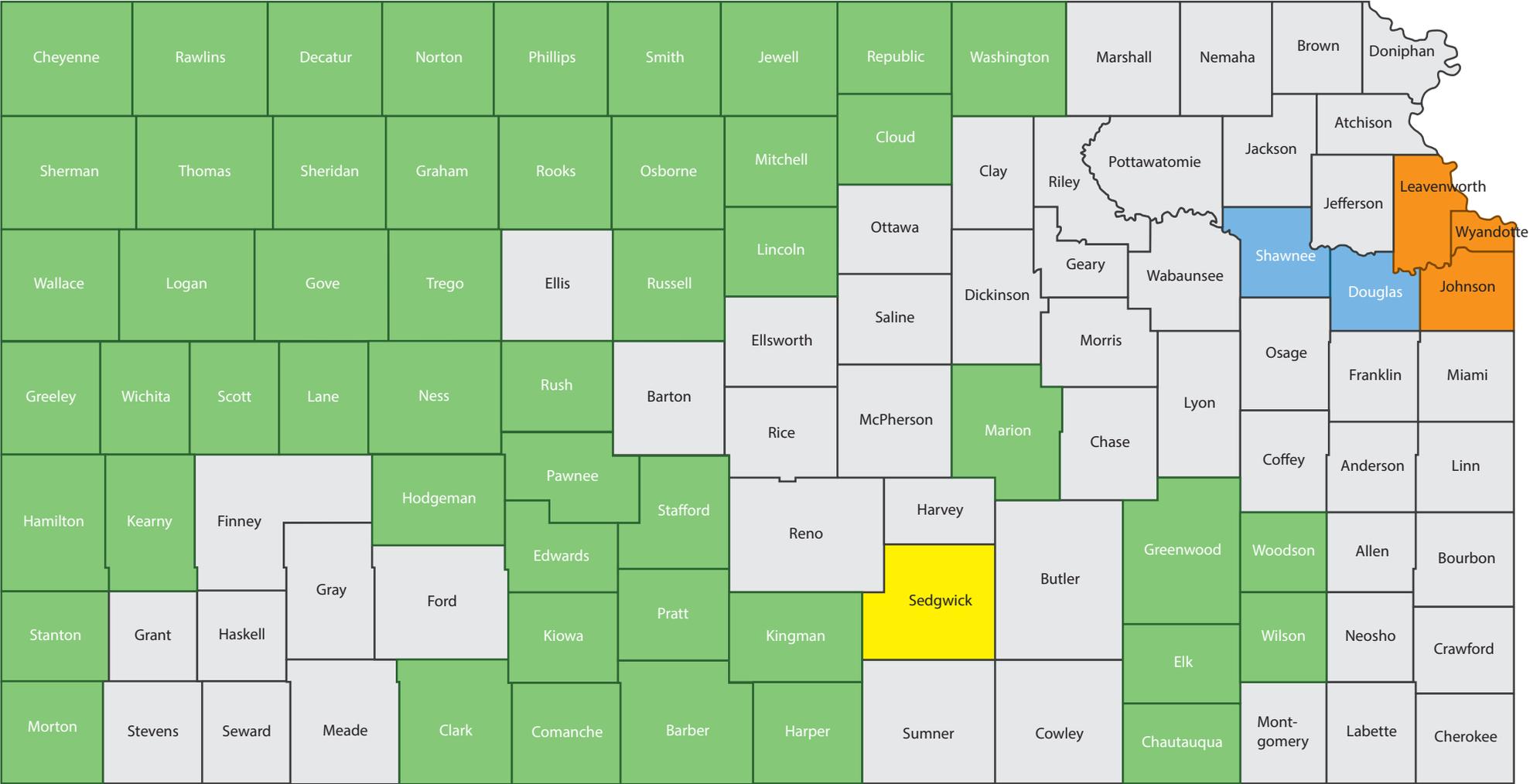
*** Kansas entities that officially cease to operate

****All foreign entities removing themselves from Kansas

Kansas Counties by Region for Business Entity Filings Report



Kansas Counties in Metropolitan and Rural Areas



 Kansas City Metropolitan Area

 Wichita Metropolitan Area

 Topeka/Lawrence Metropolitan Area

 Designated as a Rural Opportunity Zone by Senate Bill 198 in 2011

DOMESTIC NEW ENTITY FILINGS NORTHWEST REGION

County	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Barton	72	65	97	96	110	89	91	86	104	123
Cheyenne	7	10	4	13	15	9	25	16	14	12
Decatur	8	9	9	8	16	8	7	10	12	25
Ellis	98	93	126	135	147	135	126	156	166	178
Graham	15	9	13	16	11	17	10	6	15	18
Gove	10	10	9	11	12	15	11	14	15	22
Logan	11	8	8	11	13	11	6	7	19	19
Ness	23	24	20	29	18	27	26	40	42	44
Norton	5	1	2	5	4	4	3	6	7	8
Osborne	14	12	12	11	11	13	16	12	17	17
Phillips	14	15	19	23	22	23	30	23	22	21
Rawlins	8	5	4	12	12	7	16	9	11	22
Rush	10	14	5	4	8	3	7	11	15	10
Rooks	18	23	22	37	13	36	14	22	21	29
Russell	29	27	22	37	41	35	29	19	30	24
Sheridan	8	14	12	6	13	13	18	18	15	37
Sherman	22	25	41	42	31	38	18	41	31	35
Smith	9	5	4	15	19	16	14	11	13	18
Thomas	25	33	40	50	34	29	20	33	30	42
Trego	3	7	6	7	10	11	15	8	5	11
Wallace	10	8	5	11	6	12	4	17	14	19
Northwest Region Totals	419	417	480	579	566	551	506	565	618	734

DOMESTIC NEW ENTITY FILINGS NORTH CENTRAL REGION

County	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Cloud	32	20	15	13	30	25	30	38	33	33
Clay	25	34	16	35	32	37	27	25	40	30
Dickenson	44	40	51	63	49	48	43	48	59	51
Ellsworth	18	7	19	12	20	14	12	21	30	24
Geary	44	63	74	66	82	66	53	59	59	67
Jewell	4	6	4	9	11	5	7	13	12	11
Lincoln	13	6	14	14	6	7	10	12	8	18
Mitchell	14	18	15	24	21	22	29	20	25	31
Marrion	19	26	34	27	34	33	23	29	17	31
McPherson	74	94	86	79	130	96	106	109	91	121
Morris	13	12	16	21	20	16	23	17	14	21
Ottawa	18	21	20	14	11	12	18	17	13	19
Rice	21	26	30	22	29	36	31	32	24	34
Riley	170	194	233	260	240	208	215	225	237	265
Republic	10	14	13	11	21	15	11	11	12	7
Saline	133	174	175	159	257	165	117	173	167	177
Washington	10	17	21	14	13	20	13	22	20	17
North Central Region Totals	662	772	836	843	1006	825	768	871	861	957

DOMESTIC NEW ENTITY FILINGS NORTHEAST REGION

County	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Atchison	46	42	29	29	47	41	36	36	48	61
Brown	14	23	35	34	27	36	36	23	25	47
Douglas	483	520	582	602	571	569	535	517	508	550
Donipam	19	20	17	16	26	25	18	17	18	19
Franklin	81	75	97	99	82	92	79	72	80	96
Jackson	20	26	29	31	18	30	35	31	22	30
Jefferson	46	40	43	60	57	54	51	63	45	74
Johnson	3841	4324	4433	4320	4293	4085	4215	4628	4777	5248
Leavenworth	148	192	224	238	194	206	192	188	211	259
Miami	159	164	160	142	149	168	156	139	156	159
Marshall	18	39	42	43	41	54	42	30	34	33
Nemaha	37	24	35	44	46	36	36	32	38	72
Osage	35	32	41	45	45	44	35	60	31	45
Pottawatomie	41	65	81	76	65	76	58	61	56	81
Shawnee	925	924	1014	1153	1311	1190	1188	1096	1060	1102
Wabaunsee	11	16	17	22	14	15	16	18	22	28
Wyandotte	388	516	478	475	525	488	530	480	508	617
Northeast Region Totals	6312	7042	7357	7429	7511	7209	7258	7491	7639	8521

DOMESTIC NEW ENTITY FILINGS SOUTHWEST REGION

County	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Barber	15	24	17	22	35	28	30	23	35	26
Clark	2	5	2	11	11	9	9	11	9	13
Comanche	6	4	0	7	1	5	2	6	1	13
Edwards	6	6	6	5	6	6	4	11	14	11
Finney	75	77	75	74	93	88	80	87	99	100
Ford	68	53	72	53	119	65	59	79	87	103
Greeley	10	8	2	14	4	10	6	12	15	16
Grant	14	15	24	20	18	22	6	27	19	19
Gray	22	18	8	12	26	29	21	22	26	35
Hodgman	9	2	6	8	7	7	5	5	11	7
Hamilton	2	5	20	11	19	6	8	10	9	17
Haskell	9	7	11	9	13	13	14	23	10	8
Kearny	13	7	9	12	11	10	16	15	15	17
Kiowa	9	7	10	6	8	14	9	10	6	18
Lane	5	4	4	5	8	16	11	10	8	9
Meade	6	13	4	7	13	19	13	18	18	17
Morton	7	10	5	5	11	8	8	11	7	15
Pawnee	15	14	11	11	15	19	17	17	22	22
Pratt	38	42	49	44	39	46	43	48	65	62
Scott	19	17	20	18	14	15	20	29	22	38
Stafford	14	15	14	14	18	13	15	20	23	30
Stanton	10	9	5	6	12	14	9	9	13	15
Stevens	19	23	10	15	13	8	14	10	29	26
Seward	40	36	36	60	55	58	52	46	52	46
Wichita	5	5	6	5	11	14	11	8	12	12
SOUTHWEST REGION TOTALS	438	426	426	454	580	542	482	567	627	695

DOMESTIC NEW ENTITY FILINGS SOUTH CENTRAL REGION

County	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Butler	196	214	228	199	201	232	190	199	224	250
Cowley	74	75	69	75	78	80	73	60	96	82
Chase	11	17	8	11	9	9	8	18	14	8
Harper	16	19	23	28	19	21	16	30	32	53
Harvey	91	99	119	109	103	114	88	102	114	109
Kingman	26	18	25	14	29	26	27	31	32	45
Reno	153	168	170	181	145	178	159	174	193	186
Sedgwick	1845	1936	2077	2057	2185	2165	2020	2133	2355	2488
Sumner	62	41	84	53	68	59	81	69	79	83
SOUTH CENTRAL REGION TOTALS	2474	2587	2803	2727	2837	2884	2662	2816	3139	3304

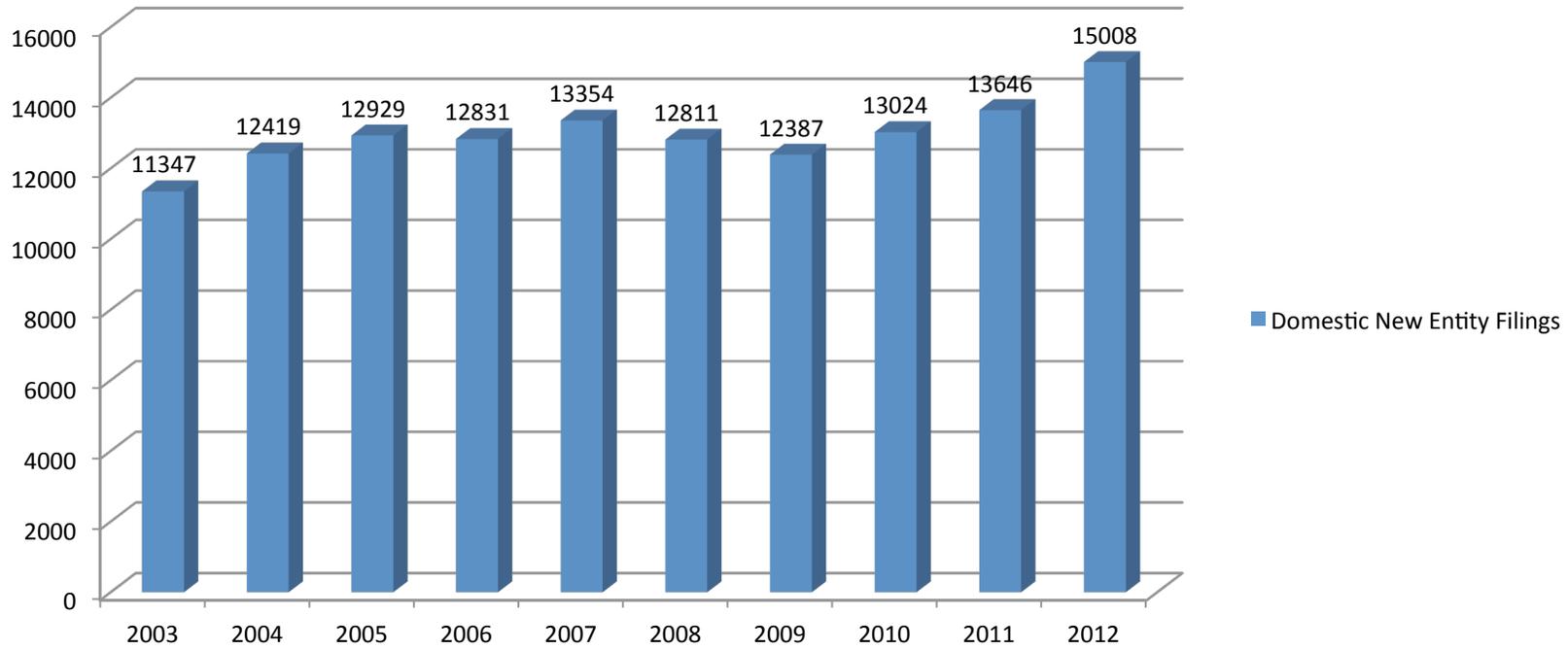
DOMESTIC NEW ENTITY FILINGS SOUTHEAST REGION

County	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Allen	37	30	43	40	35	39	38	41	40	53
Anderson	11	25	25	17	25	27	15	20	26	22
Bourbon	32	51	36	37	60	30	41	45	42	37
Coffee	19	30	37	29	33	35	26	24	50	40
Cherokee	25	37	43	27	38	32	37	34	41	45
Chautauqua	10	10	11	16	14	14	12	13	12	20
Crawford	83	88	113	93	99	131	107	91	109	130
Elk	7	7	15	11	7	13	9	10	6	7
Greenwood	15	16	22	21	40	29	10	27	26	23
Labette	47	33	46	30	41	48	45	28	41	58
Linn	26	23	34	28	14	22	18	24	23	40
Lyon	75	83	88	101	109	74	68	94	94	106
Montgomery	68	62	96	87	105	87	94	100	91	88
Neosho	31	42	41	34	37	45	48	39	52	36
Wilson	16	20	31	13	26	32	17	32	20	25
Woodson	5	11	8	8	13	13	11	14	14	8
SOUTHEAST REGION TOTAL	507	568	689	592	696	671	596	636	687	738

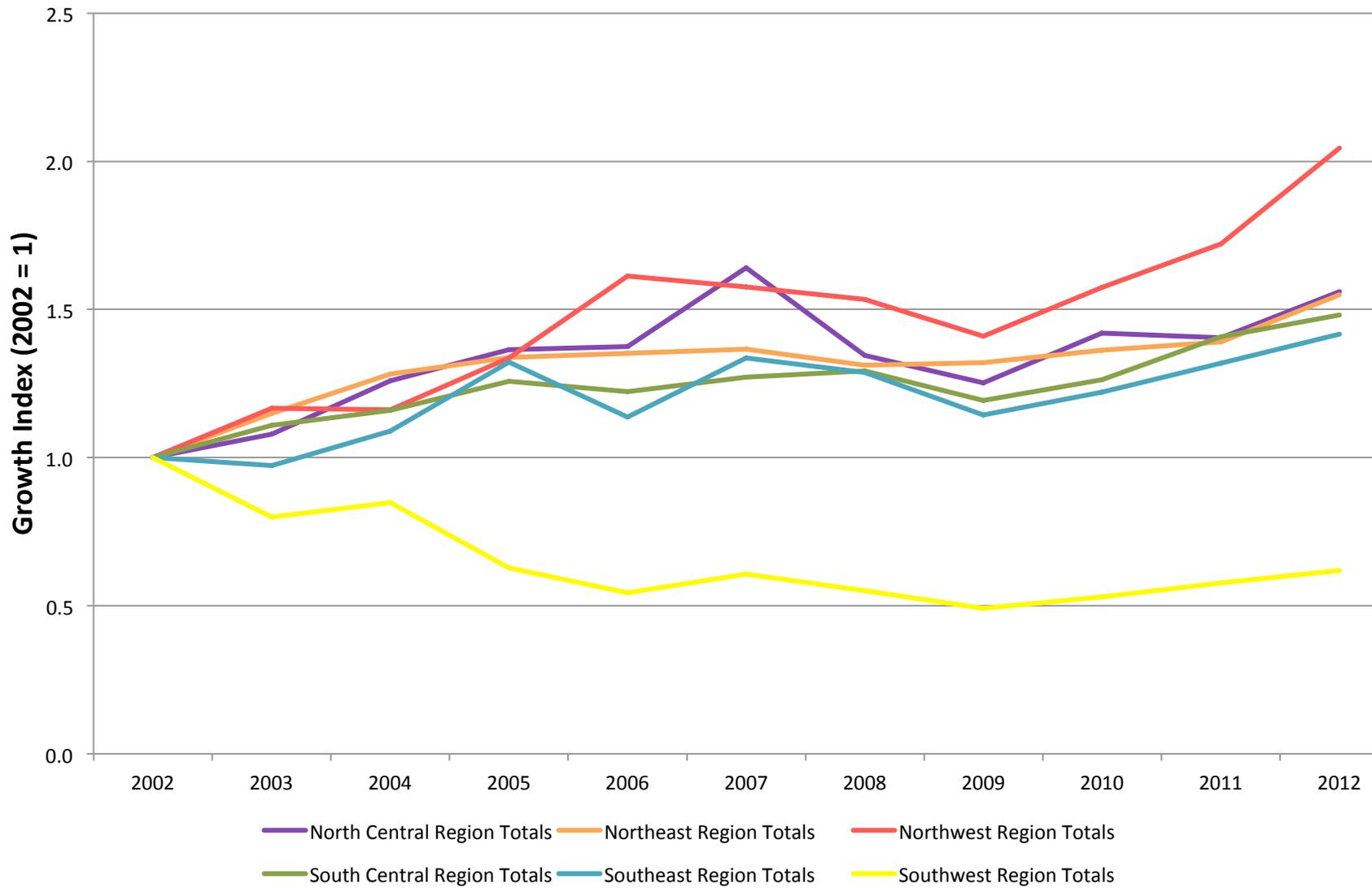
DOMESTIC NEW ENTITY FILINGS

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
County Not Given	535	607	338	207	158	129	115	78	75	59
Region Total	10812	11812	12591	12624	13196	12682	12272	12946	13571	14949
Total Filings	11347	12419	12929	12831	13354	12811	12387	13024	13646	15008

Domestic New Entity Filings



Regional Trends in New Domestic Entity Filings



2012 New Filings (and 2011-2012 Growth)

Cheyenne 12 (-14%)	Rawlins 22 (100%)	Decatur 25 (108%)	Norton 8 (14%)	Phillips 21 (-4%)	Smith 18 (38%)	Jewell 11 (-8%)	Republic 7 (-41%)	Washington 17 (-15%)	Marshall 33 (-2%)	Nemaha 72 (89%)	Brown 47 (88%)	Doniphan		
Sherman 35 (12%)	Thomas 42 (40%)	Sheridan 37 (146%)	Graham 18 (20%)	Rooks 29 (38%)	Osborne 17 (0%)	Mitchell 31 (24%)	Cloud 33 (0%)	Clay 30 (-25%)	Riley 265 (11%)	Pottawatomie 81 (44%)	Jackson 30 (36%)	Atchison 61 (27%)		
Wallace 19 (35%)	Logan 19 (0%)	Gove 22 (46%)	Trego 11 (120%)	Ellis 178 (7%)	Russell 24 (-20%)	Lincoln 18 (125%)	Ottawa 19 (46%)	Dickinson	Geary 67 (13%)	Wabaunsee 28 (27%)	Shawnee 1102 (3%)	Jefferson 74 (64%)	Leavenworth 259 (22%)	Wyandotte 617 (21%)
Greeley 16 (6%)	Wichita 12 (0%)	Scott 38 (72%)	Lane 9 (12%)	Ness 44 (4%)	Rush 10 (-33%)	Barton 123 (18%)	Ellsworth 24 (-20%)	Saline 177 (5%)	Morris 21 (50%)	Lyon 106 (12%)	Osage 45 (45%)	Douglas 550 (8%)	Johnson 5248 (9%)	
Hamilton 17 (88%)	Kearny 17 (13%)	Finney 100 (1%)	Hodgeman	Pawnee 22 (0%)	Edwards 11 (-21%)	Stafford 30 (30%)	Rice 34 (41%)	Mcperson 121 (32%)	Marion	Chase 8 (-42%)	Coffey	Anderson 22 (-15%)	Linn 40 (73%)	
Stanton 15 (15%)	Grant 19 (0%)	Haskell 8 (-20%)	Gray 35 (34%)	Ford 103 (18%)	Kiowa 18 (200%)	Pratt 62 (-4%)	Reno 186 (-3%)	Harvey 109 (-4%)	Butler 250 (11%)	Greenwood 23 (-11%)	Woodson 8 (-42%)	Allen 53 (32%)	Bourbon 37 (-11%)	
Morton 15 (114%)	Stevens 26 (-10%)	Seward 46 (-11%)	Meade 17 (-5%)	Clark 13 (44%)	Comanche 13 (1200%)	Barber 26 (-25%)	Kingman 45 (40%)	Sedgwick 2488 (5%)	Cowley 82 (-14%)	Elk 7 (16%)	Wilson 25 (25%)	Neosho 36 (-30%)	Crawford 130 (19%)	
							Sumner 83 (5%)		Chautauqua	Montgomery 88 (-3%)	Labette 58 (41%)	Cherokee 45 (9%)		