

SESSION OF 2014

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2152

As Amended by Senate Committee on Financial
Institutions and Insurance

Brief*

HB 2152 would repeal the Uniform Land Sales Practices Act. In addition, the bill would make technical changes to a continuing statute to reflect the repeal of the Act.

Background

The bill was introduced by the House Committee on General Government Budget.

At the House Committee on Financial Institutions hearing, a representative of the Office of the Securities Commissioner provided proponent testimony stating the Act should be repealed because it is outdated and unnecessary. The representative stated since July 2002, only five sponsors of land subdivisions have filed registration applications under the Act, and only one active registration is on file, currently. In addition, the agency has not investigated a violation of the Act since 1997, and statewide fraud has not occurred since the 1970s. The representative stated it is easier for land developers to register land sales under federal guidelines, rather than registering land sales in each state, subject to the states' different laws. The representative also described persons requiring a remedy after the Act is repealed could file a civil lawsuit or a complaint with the Office of the Attorney General's Consumer Protection Division.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

There were no opponents to the bill at the time of the House Committee hearing.

The House Committee elected to place the bill on the Consent Calendar.

The Senate Committee on Financial Institutions and Insurance amendments are technical in nature. The amendments update all statutory references to the 2013 Cumulative Supplement.

The fiscal note provided by the Division of the Budget on the introduced bill states the Office of the Securities Commissioner estimated passage of the bill would reduce Securities Act Fee Fund revenues by approximately \$750 in FY 2014. The agency also noted, under current law, any amount above \$50,000 in the Securities Fee Fund at the end of the fiscal year is transferred to the State General Fund. With passage of the bill, State General Fund revenues would be reduced by approximately \$750. The agency also stated any savings from not administering the Uniform Land Sales Practice Act would be negligible.