

KANSAS OFFICE of  
**REVISOR of STATUTES**

LEGISLATURE of THE STATE of KANSAS  
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**MEMORANDUM**

To: Chairman Waymaster and members of the House Appropriations Committee

From: Jill A. Wolters, First Assistant Revisor

Date: January 26, 2017

Subject: **HB2161 Requiring the KPERS board to liquidate the pooled money investment portfolio investment pursuant to K.S.A. 2016 Supp. 75-2263; transferring money to the state general fund and to the pooled money investment portfolio; authorizing the pooled money investment board to invest idle funds available for long term investment**

In 2000, the legislature enacted K.S.A. 2016 Supp. 75-2263 authorizing the KPERS board to invest that portion of state moneys available for investment by the pooled money investment board (PMIB) in an amount equal to the aggregate net amount received for unclaimed property. The state treasurer is responsible for certifying the net amount. Such moneys shall be invested and reinvested to achieve the investment objective which is preservation of such moneys and accordingly provide that the moneys are as productive as possible. No such moneys shall be invested or reinvested if the sole or primary investment objective is for economic development or social purposes or objectives. All interest or other income of the investments, after payment of any management fees, shall be deposited in the state treasury to the credit of the state general fund.

HB2161 would require the KPERS board in fiscal year 2017 to liquidate the investment. Upon liquidation, the state treasurer shall credit any earnings to the state general fund and credit the principal to the pooled money investment portfolio.

Upon liquidation of the investments in fy2017, the PMIB shall authorize the director of accounts and reports to transfer \$317,100,000 from the pooled money investment portfolio to the state general fund. The chairperson of the pooled money investment board shall transmit a copy of such authorization to the director of legislative research and the director of the budget. During fy2018, fy2019, fy2020, fy2021, fy2022, fy2023, and fy2024, the director of accounts and reports shall transfer \$45,300,000 from the state general fund to the pooled money investment portfolio.

On July 1, 2017, and thereafter, the state treasurer, in consultation with the director of investments of the PMIB, may instruct the KPERS board to liquidate the investment. Further, the amount available and certified for investment would no longer be based on unclaimed property,

Office of Revisor of State Appropriations Committee

Date 2-13-17  
Attachment # 1

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but would be identified as idle funds available for long term investment and not necessary to maintain cash flow. The state treasurer would consult with the director of investments of the PMIB prior to certifying the amount available for investment. Upon certification, the state treasurer shall transmit a copy of such certification to the director of legislative research and the director of the budget.

HB2161 would take effect upon publication in the Kansas register.

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