

January 31, 2022

The Honorable Jeff Longbine, Chairperson  
Senate Committee on Financial Institutions & Insurance  
Statehouse, Room 546-S  
Topeka, Kansas 66612

Dear Senator Longbine:

**SUBJECT:** Fiscal Note for SB 392 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 392 is respectfully submitted to your committee.

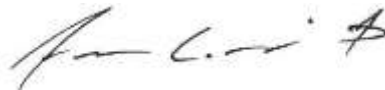
Under current law, on the last day of each fiscal year the Director of Accounts and Reports transfers the balance in the Insurance Department's Securities Act Fee Fund exceeding \$50,000 to the State General Fund, except transfers are currently suspended for FY 2021 and FY 2022. SB 392 would no longer require that transfer to the State General Fund at the end of each fiscal year.

Estimated State Fiscal Effect				
	FY 2022 SGF	FY 2022 All Funds	FY 2023 SGF	FY 2023 All Funds
Revenue	--	--	(\$5,136,138)	--
Expenditure	--	--	--	--
FTE Pos.	--	--	--	--

The 2021 Legislature suspended the transfer of the balance of the Insurance Department's Securities Act Fee Fund in excess of \$50,000 to the State General Fund in both FY 2021 and FY 2022. The suspension was put into place in response to a lawsuit filed against the State of Kansas regarding the legality of this transfer which has since been settled. Under current law, this transfer resumes in FY 2023. SB 392 would eliminate this transfer, thus the transfer in FY 2023 to the

State General Fund would be reduced by \$5,136,138. The Insurance Department states that bill would not affect the revenues received into the Securities Act Fee Fund. Because of the elimination of the transfer, the Securities Act Fee Fund would retain approximately \$5,136,138 in FY 2023. Any fiscal effect associated with SB 392 is reflected in *The FY 2023 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt".

Adam Proffitt  
Director of the Budget

cc: Bobbi Mariani, Insurance  
Celeste Chaney-Tucker, Department of Administration