

**HOUSE BILL No. 2447**

By Committee on Taxation

3-23

1 AN ACT concerning securities; relating to the securities act fee fund;  
2 terminating the transfer of remaining unencumbered moneys in such  
3 fund over \$50,000 to the state general fund; amending K.S.A. 2020  
4 Supp. 17-12a601 and repealing the existing section.

5  
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 2020 Supp. 17-12a601 is hereby amended to read  
8 as follows: 17-12a601. (a) *Administration.* (1) This act shall be  
9 administered by the securities commissioner of Kansas.

10 (2) All fees herein provided for shall be collected by the  
11 administrator. All salaries and expenses necessarily incurred in the  
12 administration of this act shall be paid from the securities act fee fund.

13 (3) The administrator shall remit all moneys received from all fees,  
14 charges, deposits or penalties which have been collected under this act or  
15 other laws of this state regulating the issuance, sale or disposal of  
16 securities or regulating dealers in this state to the state treasurer at least  
17 monthly. Upon receipt of any such remittance, the state treasurer shall  
18 deposit the entire amount thereof in the state treasury. In accordance with  
19 K.S.A. 75-3170a, and amendments thereto, 10% of each such deposit shall  
20 be credited to the state general fund and, except as provided in subsection  
21 (d), the balance shall be credited to the securities act fee fund.

22 ~~(4) On the last day of each fiscal year, the director of accounts and~~  
23 ~~reports shall transfer from the securities act fee fund to the state general~~  
24 ~~fund any remaining unencumbered amount in the securities act fee fund~~  
25 ~~exceeding \$50,000 so that the beginning unencumbered balance in the~~  
26 ~~securities act fee fund on the first day of each fiscal year is \$50,000. All~~  
27 ~~expenditures from the securities act fee fund shall be made in accordance~~  
28 ~~with appropriation acts upon warrants of the director of accounts and~~  
29 ~~reports issued pursuant to vouchers approved by the administrator or by a~~  
30 ~~person or persons designated by the administrator.~~

31 ~~(5) All amounts transferred from the securities act fee fund to the~~  
32 ~~state general fund under paragraph (4) are to reimburse the state general~~  
33 ~~fund for accounting, auditing, budgeting, legal, payroll, personnel and~~  
34 ~~purchasing services and any other governmental services which are~~  
35 ~~performed on behalf of the state agency involved by other state agencies~~  
36 ~~which receive appropriations from the state general fund to provide such~~

1 services.

2 (b) *Prohibited conduct.* (1) It is unlawful for the administrator or an  
3 officer, employee, or designee of the administrator to use for personal  
4 benefit or the benefit of others records or other information obtained by or  
5 filed with the administrator that are not public under K.S.A. 17-12a607(b),  
6 and amendments thereto. This act does not authorize the administrator or  
7 an officer, employee, or designee of the administrator to disclose the  
8 record or information, except in accordance with K.S.A. 17-12a602, 17-  
9 12a607(c), or 17-12a608, and amendments thereto.

10 (2) Neither the administrator nor any employee of the administrator  
11 shall be interested as an officer, director, or stockholder in securing any  
12 authorization to sell securities under the provisions of this act.

13 (c) *No privilege or exemption created or diminished.* This act does  
14 not create or diminish a privilege or exemption that exists at common law,  
15 by statute or rule, or otherwise.

16 (d) *Investor education and protection.* (1) The administrator may  
17 develop and implement investor education and protection initiatives to  
18 inform the public about investing in securities and protect the public from  
19 violations of the Kansas uniform securities act, K.S.A. 17-12a101 et seq.,  
20 and amendments thereto. Such initiatives shall have a particular emphasis  
21 on the prevention, detection, enforcement and prosecution of securities  
22 fraud. In developing and implementing these initiatives, the administrator  
23 may collaborate with public and nonprofit organizations with an interest in  
24 investor education or protection. The administrator may accept a grant or  
25 donation from a person that is not affiliated with the securities industry or  
26 from a nonprofit organization, regardless of whether the organization is  
27 affiliated with the securities industry, to develop and implement investor  
28 education and protection initiatives. This subsection does not authorize the  
29 administrator to require participation or monetary contributions of a  
30 registrant in an investor education program.

31 (2) There is hereby established in the state treasury the investor  
32 education and protection fund. Such fund shall be administered by the  
33 administrator for the purposes described in subsection (d)(1) and for the  
34 education of registrants, including official hospitality. Moneys collected as  
35 civil penalties under this act shall be credited to the investor education and  
36 protection fund. The administrator may also receive payments designated  
37 to be credited to the investor education and protection fund as a condition  
38 in settlements of cases arising out of investigations or examinations. All  
39 expenditures from the investor education and protection fund shall be  
40 made in accordance with appropriation acts upon warrants of the director  
41 of accounts and reports issued pursuant to vouchers approved by the  
42 administrator or by a person or persons designated by the administrator.

43 Sec. 2. K.S.A. 2020 Supp. 17-12a601 is hereby repealed.

1       Sec. 3. This act shall take effect and be in force from and after its  
2       publication in the Kansas register.