

SENATE BILL No. 392

By Committee on Financial Institutions and Insurance

1-26

1 AN ACT concerning securities; relating to the securities act fee fund;
2 terminating the transfer of remaining unencumbered moneys in such
3 fund exceeding \$50,000 to the state general fund; amending K.S.A.
4 2021 Supp. 17-12a601 and repealing the existing section.

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

7 Section 1. K.S.A. 2021 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) Except as provided further, on the last day of each fiscal year, the~~
23 ~~director of accounts and reports shall transfer from the securities act fee~~
24 ~~fund to the state general fund any remaining unencumbered amount in the~~
25 ~~securities act fee fund exceeding \$50,000 so that the beginning~~
26 ~~unencumbered balance in the securities act fee fund on the first day of~~
27 ~~each fiscal year is \$50,000. During the fiscal years ending June 30, 2021,~~
28 ~~and June 30, 2022, no moneys shall be transferred from the securities act~~
29 ~~fee fund to the state general fund pursuant to this paragraph. All~~
30 ~~expenditures from the securities act fee fund shall be made in accordance~~
31 ~~with appropriation acts upon warrants of the director of accounts and~~
32 ~~reports issued pursuant to vouchers approved by the administrator or by a~~
33 ~~person or persons designated by the administrator.~~

34 ~~(5) All amounts transferred from the securities act fee fund to the~~
35 ~~state general fund under paragraph (4) are to reimburse the state general~~
36 ~~fund for accounting, auditing, budgeting, legal, payroll, personnel and~~

1 ~~purchase services and any other governmental services which are~~
2 ~~performed on behalf of the state agency involved by other state agencies~~
3 ~~which receive appropriations from the state general fund to provide such~~
4 ~~services.~~

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

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

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

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

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

1 of accounts and reports issued pursuant to vouchers approved by the
2 administrator or by a person or persons designated by the administrator.

3 Sec. 2. K.S.A. 2021 Supp. 17-12a601 is hereby repealed.

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