

April 20, 2023

The Honorable Nick Hoheisel, Chairperson
House Committee on Financial Institutions and Pensions
300 SW 10th Avenue, Room 582-N
Topeka, Kansas 66612

Dear Representative Hoheisel:

SUBJECT: Fiscal Note for HB 2193 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2193 is respectfully submitted to your committee.

Under current law, the State Treasurer is required to certify and transfer to KPERS state funds equivalent to the aggregate net amount received for unclaimed property, with these funds to be invested by KPERS. However, current law imposes a moratorium on these transfers during FY 2022, FY 2023, and FY 2024. HB 2193 would remove the moratorium.

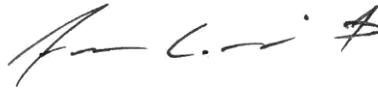
According to the State Treasurer, the enactment of the bill could be implemented using the existing agency budget resources. KPERS indicates that reestablishing the investment program for the State Treasurer would require staff time to prepare the necessary documentation for consideration and approval by the KPERS Board of Trustees and reestablishing investment accounts with various investment managers to invest the funds as they are received by KPERS. The agency indicates that this can be accomplished within existing staffing resources. The agency notes that any time spent on the Treasurer's Unclaimed Property Fund would be segregated and funded separately from work performed on behalf of the KPERS Trust Fund.

The enactment of the bill could result in additional revenues from the State General Fund, as any interest earned by KPERS on these funds, after investment expenses, would be deposited into the State General Fund. However, a fiscal effect cannot be estimated and would depend on the amounts to be invested by KPERS and the rate of return on these investments.

The Honorable Nick Hoheisel, Chairperson
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Any fiscal effect associated with HB 2193 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Jarod Waltner, KPERS
John Hedges, Office of the State Treasurer