

February 5, 2024

The Honorable Jeff Longbine, Chairperson
Senate Committee on Financial Institutions and Insurance
300 SW 10th Avenue, Room 546-S
Topeka, Kansas 66612

Dear Senator Longbine:

SUBJECT: Fiscal Note for SB 405 by Senate Committee on Financial Institutions and Insurance

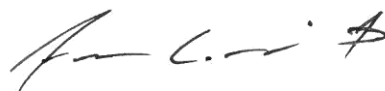
In accordance with KSA 75-3715a, the following fiscal note concerning SB 405 is respectfully submitted to your committee.

SB 405 would amend the Kansas Uniform Securities Act. The bill would hold a control person that violates the Act liable unless the control person could not have known of the violation if the control person exercises reasonable care. The control person would be subject to administrative and civil enforcement.

The Office of Judicial Administration states that the bill could increase the number of cases filed in district courts because it allows for a civil suit to be filed. Any increase in cases would increase the time spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases. Enactment of the bill could also increase the collection of docket fees that would be deposited into the State General Fund. However, the Office cannot estimate a precise fiscal effect.

The Kansas Insurance Department states that the bill would not have a fiscal effect. Any fiscal effect associated with SB 405 is not reflected in *The FY 2025 Governor's Budget Report*.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Trisha Morrow, Judiciary
Bobbi Mariani, Insurance Department