

February 8, 2023

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 62 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 62 is respectfully submitted to your committee.

SB 62 would establish the Protect Vulnerable Adults from Financial Exploitation Act. The bill would require certain security registrants to report suspected financial exploitation of a vulnerable adult to the Office of the Securities Commissioner and would permit the registrant to disclose suspected financial exploitation to someone previously designated by the adult to receive the report. The bill would give reporting registrants immunity from administrative and civil liability for reports made in good faith and with reasonable care. In instances of suspected financial exploitation, the bill would also permit certain registrants to delay a disbursement from a vulnerable adult's account for a period sufficient to permit the registrant to evaluate the circumstances, report the suspected exploitation, and cooperate with the Securities Commissioner and other Kansas authorities to protect the assets and interests of the vulnerable adult. The bill would also give immunity from administrative and civil liability to registrants who delay disbursements and are acting in good faith and exercising reasonable care.

The Kansas Insurance Department states that the bill would increase the agency's duties and responsibilities because the bill requires suspected financial exploitation of vulnerable adults to be submitted to the Securities Commissioner and those instances would be reviewed. The agency cannot estimate a fiscal effect but indicates that any additional duties and expenditures could be absorbed within existing resources.

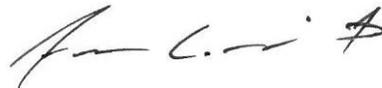
The Kansas Judicial Branch states that the bill could increase the number of cases filed in district courts because it authorizes certain court actions and therefore, it could increase the time

spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases. The bill could also increase the collection of docket fees, which would be deposited into the State General Fund. However, a fiscal effect cannot be estimated.

The Office of the Attorney General indicates that violations of the Kansas Uniform Securities Act could be referred to the Office. However, any additional expenditures would be absorbed within existing resources. The Kansas Department for Aging and Disability Services state that the bill would not have a fiscal effect. Any fiscal effect associated with SB 62 is not reflected in *The FY 2024 Governor's Budget Report*.

The League of Kansas Municipalities states that the bill would not have a fiscal effect on cities. The Kansas Association of Counties indicates that the bill would not have a fiscal effect on counties unless current resources are not adequate to handle additional prosecution and court needs.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", followed by a stylized flourish or symbol.

Adam Proffitt
Director of the Budget

cc: Bobbi Mariani, Insurance Department
John Milburn, Office of the Attorney General
Leigh Keck, Department for Aging & Disability Services
Vicki Jacobsen, Judiciary
Wendi Stark, League of Kansas Municipalities
Jay Hall, Kansas Association of Counties