



January 27, 2026

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 2417 by Joint Committee on Fiduciary Financial Institutions Oversight

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2417 is respectfully submitted to your committee.

HB 2417 would amend the Technology-Enabled Fiduciary Financial Institutions Act (TEFFIA) and authorize the Office of the State Bank Commissioner to revoke a fiduciary financial institution charter upon a finding of a failure to comply with the TEFFIA, subject to approval by the Legislative Coordinating Council (LCC). The bill would give the fiduciary financial institution the right to appeal the revocation to the LCC.

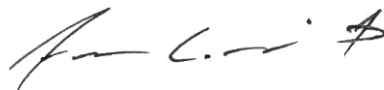
The Office of the State Bank Commissioner indicates HB 2417 would not have a fiscal effect on agency operations. Under current law, the TEFFI is assessed annually at an amount of not less than \$1.0 million. The assessment is shared between the Office of the State Bank Commissioner, which receives 75.0 percent, and the Department of Commerce, which receives 25.0 percent. The Office received \$750,000 in FY 2025 and estimates this same revenue amount for FY 2026 through FY 2028. The agency expended \$332,283 in FY 2025 and estimates expenditures of between \$320,000 and \$340,000 each year between FY 2026 and FY 2028. However, if the current fiduciary financial institution's charter was revoked, the Office's expenditures and revenues would be reduced accordingly.

The Kansas Department of Commerce indicates that passage of HB 2417 would not have a fiscal effect; however, if the current fiduciary financial institution's charter was revoked the Department's fee fund revenues, as described above, to its Technology-Enabled Fiduciary Financial Institutions Development and Expansion Fund could be reduced by approximately

\$750,000 between FY 2026 and FY 2028, and its expenditures reduced by an average of \$330,000 for the same time period. The funds are used for economic development projects and promoting and facilitating the development, growth and expansion of fiduciary financial institutions and for economic development projects in economic growth zones in rural Kansas through the grant program, Strategic Economic Expansion and Development (SEED). The Office of Administrative Hearings expects the number of cases that would come before the agency to minimal, which could be handled within the agency's existing resources. Any fiscal effect associated with HB 2417 is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties indicates HB 2417 could have an economic impact on counties if the current TEFFI's charter was revoked, and a county is an economic growth zone in which the fiduciary financial institution's principal office is located. However, the Association is unable to estimate a precise fiscal effect. The League of Kansas Municipalities indicates that currently cities can apply for and receive a SEED grant from the Department of Commerce as described above. The grants are used to support investments in economic revitalization through quality-of-life initiatives including childcare and senior programming. Kansas communities with a population of under 5,000 are eligible to receive the grants. If a fiduciary financial institution's charter is revoked, funding for the grants would run out and SEED grants would no longer be available. The League is unable to estimate a precise fiscal effect.

Sincerely,

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

Adam C. Proffitt
Director of the Budget

cc: Jesse Becker, Office of the State Bank Commissioner
Wendi Stark, League of Kansas Municipalities
Jay Hall, Kansas Association of Counties
Loren Snell, Office of Administrative Hearings