

April 11, 2025

The Honorable Mike Thompson, Chairperson
Senate Committee on Federal and State Affairs
300 SW 10th Avenue, Room 144-S
Topeka, Kansas 66612

Dear Senator Thompson:

SUBJECT: Fiscal Note for SB 232 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 232 is respectfully submitted to your committee.

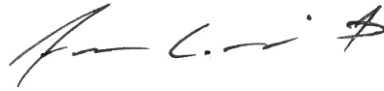
SB 232 would change current law regarding unclaimed property funds invested by KPERS. The bill would add to the current list of allowable investments to include bonds, notes, debentures, or similar obligations of a foreign government that the International Monetary Fund lists as an industrial country. This could happen as long as the security would be rated at least "A-" or better by Standard and Poor's or "A3" or better by Moody's Investor Service, or an equivalent grade by a securities rating organization accepted by the National Association of Insurance Commissioners. The investment in foreign securities allowed by the bill could not exceed 5.0 percent of the cash available for investment for unclaimed property.

The bill would prohibit investments in a foreign government that has been identified as a state sponsor of terrorism by the United State Department of State. In addition, no investment could be made in an authoritarian or totalitarian government in which sovereign powers are exercised through a single person or group of persons who are not elected by any form of legitimate popular voting.

According to KPERS, the bill would allow foreign bonds as optional investment vehicles for the Board of Trustees for unclaimed property funds and would not require any additional expenditures beyond staff time for research and analysis. The Treasurer's Unclaimed Property Fund is separate from the KPERS Trust Fund and would not have an actuarial cost to the state's

retirement plans. The State Treasurer's Office indicates that the enactment of the bill would have no 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: Jarod Waltner, KPERS
John Hedges, Office of the State Treasurer