

February 9, 2026

The Honorable Kellie Warren, Chairperson
Senate Committee on Judiciary
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

Dear Senator Warren:

SUBJECT: Fiscal Note for SB 375 by Senate Committee on Judiciary

In accordance with KSA 75-3715a, the following fiscal note concerning SB 375 is respectfully submitted to your committee.

SB 375 would enact the Proxy Advisor Transparency Act. A “proxy advisor” would be a person who, for compensation, provides a proxy advisory service to shareholders of a company. “Proxy advisory services” would include advice on how to vote on a company proposal, research, and analysis regarding a company proposal, or development of proxy voting recommendations. A proxy advisor would be required to make specific disclosures depending on whether the recommendations are based on written financial analyses. If a proxy advisor recommends voting against company management without basing the recommendation on a written financial analysis, the advisor would have to clearly disclose this fact to shareholders receiving the service, to the board of directors of the affected company, and on the front page of the advisor’s website. If the recommendation is based on a written financial analysis, the proxy advisor would have to disclose this fact, make the analysis available to clients upon request, and provide a copy to the company’s board of directors.

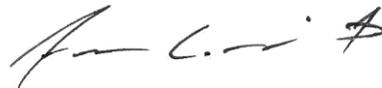
Violations of this Act would be a deceptive and unconscionable act or practice under the Kansas Consumer Protection Act and would be subject to all the enforcement provisions. The Attorney General could exercise all investigative powers under the Kansas Consumer Protection Act if the Attorney General believes a violation has occurred, is occurring, or is about to occur. A person aggrieved by a violation of the new Act could bring an action seeking a declaratory judgment or injunctive relief against a proxy advisor. No later than seven calendar days after the action is brought, the plaintiff would provide written notice to the Attorney General, who would have the right to intervene in the action. The provisions of the Act would be severable.

The Office of the Attorney General anticipates that consumer complaints under the provisions of the bill would be infrequent. Any additional complaints would be conducted with the existing investigative and enforcement resources of the Office.

The Office of Judicial Administration states that enactment of the bill could increase the number of cases filed in district court because it allows the Attorney General to file civil actions under the Kansas Consumer Protection Act and allows an individual to file a civil cause of action. The increase in filings would 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 that would be deposited into the State General Fund. However, the Office cannot estimate a precise fiscal effect.

The Department of Insurance states that the bill would not have a fiscal effect. Any fiscal effect associated with SB 375 is not reflected in *The FY 2027 Governor's Budget Report*.

Sincerely,

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

Adam C. Proffitt
Director of the Budget

cc: Kyle Strathman, Department of Insurance
Matt Bingesser, Office of the Attorney General
Trisha Morrow, Judiciary