

SESSION OF 2014

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2383

As Recommended by House Committee on
Pensions and Benefits

Brief*

HB 2383 would require the Kansas Public Employees Retirement System (KPERS) Board of Trustees to institute investment-related changes regarding certain companies doing business with Iran. The provision would require KPERS to identify all investments in “scrutinized companies” as defined in the bill. A series of actions would be required of the KPERS Board of Trustees regarding the scrutinized companies. If the targeted companies would not comply with requirements stated in the bill, then KPERS would be required to divest its investments in the scrutinized companies in a manner described in the bill.

Background

Representative Schwab testified in support of the bill. The KPERS Executive Director provided information about the types of investments that might be affected under provisions of the bill. No other conferees testified or provided written testimony.

The fiscal note indicated that KPERS could not estimate the precise fiscal effect of the bill on its investments. KPERS noted a potential to reduce investment income and increase transaction fees as a result of any divestments.

Administrative costs were estimated by KPERS at \$19,000 per year for the costs of research services to identify

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

and track the scrutinized companies in which KPERS has investments. Staffing was estimated at 0.25 FTE regarding the time requirements of investment officers employed by KPERS to monitor the new duties imposed by the bill.