

SESSION OF 2014

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2433

As Amended by House Committee of the Whole

Brief*

HB 2433 would amend the criminal penalties for an intentional violation of the Kansas Uniform Securities Act so that a violation committed against an elder person, as defined in Kansas consumer protection statutes (60 years of age or older), would be increased by one severity level.

The bill also would amend the investor education provisions in the Act to rename the Investor Education Fund the "Investor Education and Protection Fund" and allow resources from the fund to be used for protection initiatives, including enforcement and prosecution of securities fraud.

Finally, the bill would remove language requiring a report regarding investor education to reflect that this report has already been completed.

Background

The bill was introduced by the House Committee on Corrections and Juvenile Justice at the request of the Securities Commissioner. In the House Committee, the Commissioner and another member of his office testified in support of the bill. The Johnson County Sheriff also testified as a proponent. A representative of the Kansas Association of Chiefs of Police, Kansas Peace Officers Association, and Kansas Sheriffs Association, and representatives of the Kansas Association of Area Agencies on Aging and Disabilities and Kansas County and District Attorneys Association submitted written testimony supporting the bill.

*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>

The House Committee of the Whole amended the bill to remove a provision stating it would not be a defense to the increased violation that a person did not know the age of the victim or believed the victim was not an elder person.

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Securities Commissioner's Office indicates the bill would allow it to reimburse local governments for the enforcement and prosecution of securities fraud cases, although a precise estimate cannot be made. The Securities Commissioner's Office indicates the bill would require no more than one additional prison bed per year, although the Kansas Sentencing Commission indicates it cannot estimate the number of additional prison beds that would be needed under the bill. The Board of Indigents' Defense Services does not anticipate it would be required to represent any additional defendants as a result of the bill.

The Office of Judicial Administration states the bill could increase litigation and cause a fiscal effect on court operations, but a precise fiscal effect cannot be determined, and would most likely be accommodated within the existing schedule of court cases and not require additional resources.

Any fiscal effect associated with the bill is not reflected in *The FY 2015 Governor's Budget Report*.