

Approved: March 16, 2012

(Date)

**MINUTES OF THE HOUSE AGRICULTURE AND NATURAL RESOURCES BUDGET  
COMMITTEE**

The meeting was called to order by Chairperson Sharon Schwartz at 1:30 PM on Thursday, March 8, 2012, in 142-S of the Capitol.

All members were present except  
Representative Harold Lane - excused

Committee staff present:  
Shirley Jepson, Committee Assistant  
Ryan Weir, Legislative Research Department  
Jill Wolters, Office of Revisor of Statutes

Conferees appearing before the Committee:  
Aaron Jack, Commissioner, Office of Securities Commissioner

Others in attendance:  
See attached list.

**Hearing on HB 2770—Securities commissioner; litigation and restitution funds created, appointment of professional staff**

Jill Wolters, Office of Revisor of Statutes, provided an explanation of the bill, noting that **HB 2770** makes several amendments to statutes concerning the Office of the Securities Commissioner (KSC) (Attachment 1). The bill includes the following amendments:

- Adds language to state the purpose of the Kansas uniform securities act;
- Provides for preventive and corrective regulation of securities and persons involved with securities transactions and investment advice so that capital formation and securities transactions are free from fraudulent or abusive practices;
- Education of investors and persons participating in capital formation and securities markets; and
- Cooperation and coordination with other programs and organizations within Kansas in order to foster capital formation for businesses and organizations in Kansas and to enhance the economy of Kansas.

---

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

## CONTINUATION SHEET

Minutes of the HOUSE AGRICULTURE AND NATURAL RESOURCES BUDGET  
Committee at 1:30 PM on Thursday, March 8, in 142-S of the Capitol.

---

Currently, the securities act fee fund is allowed to carryover \$50,000 to the following fiscal year, with any money above this amount being transferred to the State General Fund (SGF), to reimburse for accounting, budgeting and legal services. The bill strikes that language and allows for a \$250,000 carryover for the following fiscal year.

Ms. Wolters also noted that the bill would establish two new funds - the Securities Litigation Fund and the Securities Restitution Fund.

Aaron Jack, Office of the Securities Commissioner, presented testimony in support of **HB 2770** (Attachment 2). Mr. Jack stated that the purpose of the legislation is to define the proper role of KSC in protecting investors. The legislation can improve capital formation, economic development and more effective enforcement of securities laws. Mr. Jack notes that as we have a larger population of senior citizens, the task of protecting investment savings grows in importance. The Commissioner responded to questions from the Committee.

Written testimony in support of **HB 2770**, was distributed from the following:

Jeffrey S. Kruske, General Counsel, Office of the Securities Commissioner (Attachment 3)

Melissa G. Johnson, President, Kansas County & District Attorneys Association (Attachment 4)

Written testimony in opposition to **HB 2770**, was distributed from the following:

Christy Molzen, on behalf of the Judicial Council's Administrative Procedure Advisory Council (Attachment 5)

There were no other conferees to appear before the Committee.

**The hearing on HB 2770 was closed.**

The next meeting of the Committee is "on call of the chair".

The meeting was adjourned at 2:25 p.m.

---

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.