Session of 2013

HOUSE BILL No. 2152

By Committee on General Government Budget

1-30

1 AN ACT concerning the uniform land sales practices act; amending 2 K.S.A. 2012 Supp. 17-12a601 and repealing the existing section; also 3 repealing K.S.A. 58-3301, 58-3302, 58-3303, 58-3304, 58-3305, 58-4 3306, 58-3307, 58-3308, 58-3309, 58-3310, 58-3311, 58-3312, 58-3313, 58-3315, 58-3316, 58-3317, 58-3318, 58-3319, 58-3320, 58-5 6 3321, 58-3322 and 58-3323 and K.S.A. 2012 Supp. 58-3314. 7 8 Be it enacted by the Legislature of the State of Kansas: 9 Section 1. K.S.A. 2012 Supp. 17-12a601 is hereby amended to read as follows: 17-12a601. (a) Administration. (1) This act shall be 10 administered by the securities commissioner of Kansas. 11 12 (2) All fees herein provided for shall be collected by the 13 administrator. All salaries and expenses necessarily incurred in the 14 administration of this act shall be paid from the securities act fee fund. 15 (3) The administrator shall remit all moneys received from all fees, 16 charges, deposits or penalties which have been collected under this act or 17 other laws of this state regulating the issuance, sale or disposal of 18 securities or regulating dealers in this state-or under the uniform land sales 19 practices act, to the state treasurer at least monthly. Upon receipt of any 20 such remittance, the state treasurer shall deposit the entire amount thereof 21 in the state treasury. In accordance with K.S.A. 75-3170a, and 22 amendments thereto, 10% of each such deposit shall be credited to the 23 state general fund and, except as provided in subsection (d), the balance 24 shall be credited to the securities act fee fund. 25 (4) On the last day of each fiscal year, the director of accounts and 26 reports shall transfer from the securities act fee fund to the state general 27 fund any remaining unencumbered amount in the securities act fee fund 28 exceeding \$50,000 so that the beginning unencumbered balance in the 29 securities act fee fund on the first day of each fiscal year is \$50,000. All 30 expenditures from the securities act fee fund shall be made in accordance 31 with appropriation acts upon warrants of the director of accounts and 32 reports issued pursuant to vouchers approved by the administrator or by a 33 person or persons designated by the administrator. 34 (5) All amounts transferred from the securities act fee fund to the

state general fund under paragraph (4) are to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services which are
 performed on behalf of the state agency involved by other state agencies
 which receive appropriations from the state general fund to provide such
 services.

5 (b) *Prohibited conduct.* (1) It is unlawful for the administrator or an 6 officer, employee, or designee of the administrator to use for personal 7 benefit or the benefit of others records or other information obtained by or 8 filed with the administrator that are not public under K.S.A. 17-12a607(b), 9 and amendments thereto. This act does not authorize the administrator or 10 an officer, employee, or designee of the administrator to disclose the record or information, except in accordance with K.S.A. 17-12a602, 17-11 12 12a607(c), or 17-12a608, and amendments thereto.

(2) Neither the administrator nor any employee of the administrator
 shall be interested as an officer, director, or stockholder in securing any
 authorization to sell securities under the provisions of this act.

(c) No privilege or exemption created or diminished. This act does
not create or diminish a privilege or exemption that exists at common law,
by statute or rule, or otherwise.

19 (d) Investor education. (1) The administrator may develop and 20 implement investor education initiatives to inform the public about 21 investing in securities, with particular emphasis on the prevention and 22 detection of securities fraud. In developing and implementing these 23 initiatives, the administrator may collaborate with public and nonprofit 24 organizations with an interest in investor education. The administrator may 25 accept a grant or donation from a person that is not affiliated with the 26 securities industry or from a nonprofit organization, regardless of whether 27 the organization is affiliated with the securities industry, to develop and 28 implement investor education initiatives. This subsection does not 29 authorize the administrator to require participation or monetary 30 contributions of a registrant in an investor education program.

31 (2) There is hereby established in the state treasury the investor 32 education fund. Such fund shall be administered by the administrator for 33 the purposes described in subsection (d)(1) and for the education of 34 registrants, including official hospitality. Moneys collected as civil 35 penalties under this act shall be credited to the investor education fund. 36 The administrator may also receive payments designated to be credited to 37 the investor education fund as a condition in settlements of cases arising 38 out of investigations or examinations. All expenditures from the investor 39 education fund shall be made in accordance with appropriation acts upon 40 warrants of the director of accounts and reports issued pursuant to vouchers approved by the administrator or by a person or persons 41 42 designated by the administrator. Two years after the effective date of this 43 act, the administrator shall conduct a review and submit a report to the

governor and the legislature concerning the expenditures from the investor 1

education fund and the results achieved from the investor education 2 3 program.

4 K.S.A. 58-3301, 58-3302, 58-3303, 58-3304, 58-3305, 58-Sec. 2. 3306, 58-3307, 58-3308, 58-3309, 58-3310, 58-3311, 58-3312, 58-3313, 5 58-3315, 58-3316, 58-3317, 58-3318, 58-3319, 58-3320, 58-3321, 58-6 7

- 3322 and 58-3323 and K.S.A. 2012 Supp. 17-12a601 and 58-3314 are
- 8 hereby repealed.
- 9 Sec. 3. This act shall take effect and be in force from and after its 10 publication in the statute book.