

SESSION OF 2015

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2106**

As Recommended by House Committee on  
Judiciary

**Brief\***

HB 2106 would make several amendments to the Kansas Uniform Securities Act. The first amendment, concerning exemptions from securities registration requirements, would state that nothing in the statutory section governing denial, suspension of the application of, condition, limit, or revocation of an exemption should be construed to exempt a person from the relevant anti-fraud provisions, nor should any existing exemption be construed to provide relief from any other provision of the Uniform Securities Act if the sale of the security would violate the provisions of the anti-fraud statute.

The bill also would amend the law governing criminal penalties of the Uniform Securities Act, which often are based on the amount lost as a result of the violation. The bill would clarify that when amounts are obtained in violation of the Act under one scheme or continuing course of business, whether from the same or several sources, the conduct may be considered as one continuing offense and the amounts aggregated in determining the grade of the offense. Further, if a crime under the Act is a continuing offense, the bill would specify the statute of limitations does not begin to run until the last act in the scheme or course of business is completed.

Finally, the bill would make a technical change to address a conflict.

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\*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>

## **Background**

In the House Judiciary Committee, a representative of the Office of the Securities Commissioner appeared in support of the bill. There were no opponents.

The fiscal note prepared by the Division of the Budget indicates the bill could result in the prosecution of additional cases, causing district and appellate court staff to spend additional time processing, researching, and hearing those cases. The additional cases also could increase docket fee revenue. It is not possible, however, to predict the number of additional court cases that would arise or how complex and time-consuming they would be. Therefore, a precise fiscal effect cannot be determined. The Office of the Securities Commissioner states that the bill would have no fiscal effect on the Office. The Kansas Sentencing Commission notes the bill would not have an effect on prison admissions, prison beds, or the workload of the Commission.