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MEMORANDUM

To: House Standing Committee on Insurance

From: Office of the Revisor of Statutes

Date: February 12, 2020

Subject: Bill Brief for HB 2558

HB 2558 would amend K.S.A. 75-3036 and K.S.A. 2019 Supp. 17-12a601 and 17-12a609, establishing the securities act victim restitution program and the securities act victim restitution fund.

Section 1 amends K.S.A. 2019 Supp. 17-12a601 by creating a securities act victims restitution program, creating the fund from which restitution assistance is paid, and detailing the specifics of the program.

The securities act victim restitution program's purpose is to provide restitution assistance to victims of securities violations who were awarded restitution as the result of a legal or administrative action for violations of the Kansas Uniform Securities Act, but who have no reasonable likelihood of receiving the full amount of the awarded restitution. The bill states that a claimant must apply for restitution assistance and that the administrator must receive the claimant's application no later than two years after the date of the final order.

The administrator would have sole discretion in granting any award of restitution assistance, in whole or in part, to a claimant, based upon the factors listed on page 4, lines 31 through 37. Restitution assistance is limited to the lesser of either \$25,000 or 25% of the amount of the restitution awarded in the final order, excluding any interest awarded, that remains unpaid at the time the administrator awards restitution assistance. If the victim is a vulnerable person, the maximum amount of restitution assistance doubles to the lesser of either \$50,000 or 50% of the amount of the restitution awarded in the final order, excluding any interest awarded, that remains unpaid at the time the administrator awards restitution assistance.

Section 2 amends K.S.A. 17-12a609 to state that a final order of the administrator is subject to judicial review, *except* those determinations pertaining to the Securities Act Victim Restitution Program Fund and applications for assistance.

Section 3 amends K.S.A. 75-3036 to add the Securities Act Victim Restitution Fund to the list of funds that are statutorily required to be used for the purpose set forth and for no other governmental purpose.

I'm happy to stand for questions.