



KANSAS INSURANCE DEPARTMENT

Vicki Schmidt, Commissioner

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Kansas Insurance Department halts \$16 million in securities fees

Topeka, Kan. – The Office of the Kansas Securities Commissioner, a division of the Kansas Insurance Department, today, announced a moratorium on securities act fees for state fiscal year 2022, beginning July 1, 2021.

“This is a unique opportunity to right-size state government,” Insurance Commissioner Vicki Schmidt said. “If we’re going to foster economic growth in the Kansas securities industry, we need to make sure our fees are in line with the costs of our services.”

Each year, investment advisers, broker-dealer firms, and others involved in securities sales and advice in Kansas, pay millions of dollars in fees to the state’s securities act fee fund. In previous years, millions of those dollars were swept into the State General Fund. During the 2021 Legislative session, the Legislature agreed to stop sweeping securities fees at the end of state fiscal years 2021 and 2022.

As a result, the Department is placing a moratorium on fees otherwise due under the Kansas Uniform Securities Act. The expected result of the moratorium is approximately \$16 million in savings to fee-payers under the Act. Along with the moratorium, the Department is also conducting a business analysis of the fee structure, under the Act, to better align fees paid with the costs of regulating the securities industry.

“This moratorium is the first step in determining the appropriate size and cost of securities regulation in Kansas,” Securities Commissioner Dan Klucas said. “We expect to lower fees while still effectively regulating the securities industry, educating investors, and advocating on behalf of victims.”

For more information about the moratorium on securities fees visit:
<https://insurance.kansas.gov/securities/industry-professionals/>

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In 2017, the Kansas Legislature enacted Senate Bill 23, which merged the Office of the Kansas Securities Commissioner with the Kansas Insurance Department. Prior to the 2017 Legislation, the Office of the Kansas Securities Commissioner was an executive branch agency that reported to the Governor. Kansas Insurance Commissioner Vicki Schmidt appointed Dan Klucas Securities Commissioner in December 2020.