

**CONFERENCE COMMITTEE REPORT BRIEF  
HOUSE BILL NO. 2591**

As Agreed to March 24, 2026

**Brief\***

HB 2591 would allow a financial institution to establish a trusted contact program, allow for suspected financial exploitation reporting, delay suspicious transactions, create the Virtual Currency Kiosk Consumer Protection Act as part of the Kansas Money Transmitter Act, prohibit state receivership of a technology-enabled fiduciary financial institution (TEFFI) that becomes insolvent or declares bankruptcy, repeal law related to negotiable instruments, and require earned wage access service registrants to be subject to the Kansas Financial Institutions Information Security Act by adding such registrants to the list of covered entities under the Act. The bill would also make technical and conforming changes.

All provisions of the bill would be in effect upon publication in the *Kansas Register*, except the provisions of Virtual Currency Kiosk Consumer Protection Act which would be effective upon publication in the statute book.

***Financial Exploitation and Trusted Contact***

***Financial Exploitation Definition***

The bill would define “financial exploitation” to mean the unlawful or improper use, control, or withholding of an adult’s property, income, resources, or trust funds by any other person or entity in a manner that is not for the profit of or to the advantage of the adult.

“Financial exploitation” would include, but not be limited to, the:

- Breach of a fiduciary duty, including, but not limited to, the misuse of a power of attorney, trust, or a guardianship or conservatorship appointment, as it relates to the property, income, resources, or trust funds of the adult;
- Unauthorized use of an adult’s personal identifying information, financial documents, or access devices;

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- Use of deception, intimidation, coercion, extortion, or undue influence by a person or entity to obtain control over or use an adult's property, income, resources, or trust funds in a manner that is for the profit of or to the advantage of such person or entity; or
- Use of fraud, false pretense, or misrepresentation for personal gain at the expense of the adult.

The bill would also define "adult," "bank holding company," and other terms named in subsequent sections.

### *Reporting*

The bill would allow a financial institution to, in good faith and with reasonable cause, report any suspected financial exploitation of an adult account holder to a designated agency, meaning any law enforcement agency with jurisdiction over the matter or the Kansas Department for Children and Families (DCF).

The bill would define "financial institution" to mean a bank, savings bank, savings and loan association, trust company, credit union, or any similar institution chartered and supervised under state or federal law.

A report could be made orally or in writing and would be required to include the information reasonably necessary to assist the designated agency in investigating the suspected financial exploitation.

This reporting provision would not affect the reporting requirements in continuing law regarding abuse, neglect, and exploitation.

### *Trusted Contact*

The bill would allow a financial institution to, in good faith, notify a trusted contact of an adult account holder of suspected financial exploitation, unless the institution reasonably believes that the trusted contact has committed or attempted financial exploitation of the account holder.

The bill would define "trusted contact" as any adult designated by an adult account holder whom a financial institution may contact in the event of suspected financial exploitation of such account holder.

The bill would allow, when providing information pursuant to this section, a financial institution to disclose that the institution has reasonable cause to suspect that the account holder is a victim or target of financial exploitation without disclosing any other details or confidential personal information regarding the financial affairs of the account holder.

The bill would specify that this section could not be construed to provide a trusted contact who is notified pursuant to this section with the authority to take any action on behalf of an account holder.

### *Temporary Hold*

If a financial institution makes a report pursuant to the bill and the institution reasonably believes that the reported transaction or disbursement may further the financial exploitation of an adult account holder, the bill would permit the institution to place a temporary hold, with management approval, on the reported transaction or disbursement from the adult's account for up to 10 business days.

A temporary hold could not be based solely on the:

- Age or perceived vulnerability of the adult account holder;
- Size, frequency, or timing of the transaction or disbursement; or
- Adult account holder's refusal to provide additional information related to the transaction or disbursement.

These provisions would not affect a financial institution's other rights or obligations under contract or other law.

The financial institution would be permitted to extend such a hold for a period not to exceed 30 business days after the expiration of the initial 10 business days if requested by a state or federal agency or a law enforcement agency investigating the suspected financial exploitation. The financial institution could also petition a court to extend a hold placed on any applicable transaction beyond the additional 30 business days.

### *Immunity*

The bill would provide that a financial institution or bank holding company or any officer, employee, or agent thereof, that in good faith and with reasonable cause takes any of following actions would not be liable in any civil or criminal action, including claims of negligence, breach of fiduciary duty, breach of privacy, or any other claim under state law, arising from:

- Reporting any suspected financial exploitation of an adult account holder to a designated agency pursuant to the bill;
- Notifying a trusted contact of an adult account holder of suspected financial exploitation pursuant to the bill; or
- Placing or continuing a temporary hold on a transaction or disbursement from an adult's account pursuant to the bill.

The bill would also provide that any applicable institution or their agent who chooses, in good faith and without gross negligence, to not take an action listed above would not be liable in any civil or criminal action arising from such inaction.

The bill's immunity provision would extend to participation in any judicial or administrative proceeding resulting from a report or decision made pursuant to the bill.

The bill would define terms such as “blockchain,” “blockchain analytics,” “digital wallet,” “virtual currency,” and “virtual currency kiosk,” among others. For the purpose of the bill, “virtual currency” would be defined as a digital representation of value that is used as a medium of exchange, unit of account, or store of value that is not money, and does not include a:

- Transaction involving an affinity or awards programs in which a merchant grants value that cannot be taken from or exchanged with the merchant for money, bank credit, or virtual currency; or
- Digital representation of value issued by or on behalf of a publisher and used solely within an online game, game platform, or family of games sold by the publisher.

### ***Virtual Currency Kiosk Consumer Protection Act***

The bill would establish the Virtual Currency Kiosk Consumer Protection Act as part of the Kansas Money Transmission Act. The bill would outline disclosure requirements for virtual currency kiosks (also referred to as cryptocurrency ATMs) and their operators, require several fraud prevention measures, and establish a cap on certain fees.

#### ***Disclosures***

The bill would require, prior to entering into an initial virtual currency transaction for, on behalf of, or with a person in Kansas, virtual currency kiosk operators (operators) to disclose in clear, conspicuous, and legible writing in the English language, whether in accessible terms of service or elsewhere, all material risks associated with the operator’s products, services, and activities and virtual currency, generally, including disclosures substantially similar to the following:

- Virtual currency is not legal tender and is not backed or insured by the government;
- Legislative and regulatory changes or actions at the state, federal, or international level may adversely affect the use, transfer, exchange, and value of virtual currency;
- Transactions in virtual currency may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable;
- Some virtual currency transactions shall be deemed to be made when recorded on a public ledger that is not necessarily the date or time that you initiate the transaction;
- The value of virtual currency may be derived from the continued willingness of market participants to exchange money for virtual currency, which may result in the potential for permanent and total loss of value of a particular virtual currency should the market for that virtual currency disappear;
- There is no assurance that a person who accepts a virtual currency as payment today will continue to do so in the future;
- The volatility and unpredictability of the price of virtual currency relative to the U.S. dollar may result in significant loss over a short period of time;

- The nature of virtual currency may lead to an increased risk of fraud or cyber attack;
- The nature of virtual currency means that any technological difficulties experienced by the virtual currency kiosk operator may prevent the access or use of your virtual currency; and
- Any bond or trust account maintained by the virtual currency kiosk operator for the benefit of such operator's customers may not be sufficient to cover all losses incurred by customers.

In a similar fashion, the bill would require disclosures substantially similar to the following to be made when opening an account and prior to entering into an initial transaction:

- The person's liability for unauthorized virtual currency transactions;
- Under what circumstances the virtual currency kiosk operator will, absent a court or government order, disclose the person's information to third parties;
- The person's right to receive periodic account statements and valuations from the virtual currency kiosk operator;
- The person's right to receive a receipt, trade ticket, or other evidence of a transaction;
- The person's right to prior notice of a change in the virtual currency kiosk operator's rules or policies; and
- Such other disclosures as are customarily given in connection with the opening of accounts.

The bill would require that, prior to each virtual currency transaction with a person in Kansas, each operator ensure that a warning is clearly and conspicuously disclosed on screen, that must be acknowledged by tapping the screen or similar manner, and by email, in at least 12-point or the largest available font size that is substantially similar to the following, including bold and capitalization:

**WARNING: CONSUMER FRAUD OFTEN STARTS WITH CONTACT FROM A STRANGER WHO IS INITIATING A DISHONEST SCHEME. CRIMINAL ACTIVITY MAY APPEAR IN MANY FORMS, INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING:**

1. Impersonating a family member or friend while claiming to be in financial or criminal trouble.
2. Communication from someone impersonating a representative of your financial institution or a law enforcement officer.
3. Claims of a frozen bank account or credit card.
4. Claims of fraudulent financial transactions.
5. Claims of identity theft or job offers in exchange for payment.

6. Requests for payment to government agencies or companies.
7. Requests for disaster relief donations or loans.
8. Offers to purchase tickets for lotteries, sweepstakes or drawings for vehicles.

**IF YOU BELIEVE YOU ARE BEING SCAMMED, CONTACT YOUR LOCAL LAW ENFORCEMENT.**

The bill would also require virtual currency kiosk providers conducting the transaction in Spanish to provide the same disclosure written in Spanish and administered in the same manner.

Under the bill, each operator would be required to retain evidence of the disclosures detailed above for three years in addition to all other retention requirements in current law.

The bill would express the intent of the disclosures is to serve as warning to users who may be conducting a transaction as a result of a scam. The disclosures would not affect or prevent a fraud victim's ability to be eligible for a refund.

**Receipts.** Upon completion of any virtual currency kiosk transaction, each operator would be required to provide to the person in Kansas a receipt containing the following information:

- The name and contact information of the virtual currency kiosk operator, including a telephone number established by the virtual currency kiosk operator, to answer questions and register complaints;
- The type, value, date, and precise time of the transaction in the local time zone;
- The fee charged;
- The exchange rate, if applicable;
- The difference, if any, between the exchange rate and the market rate of any virtual currency involved in the transaction realized by the person in Kansas if the difference represents a decrease in value. The difference shall be expressed in the equivalent U.S. dollar and labeled as a "spread fee";
- A statement of the liability of the virtual currency kiosk operator for non-delivery or delayed delivery;
- A statement of the refund policy of the virtual currency kiosk operator in compliance with the bill; and
- The complete wallet address where money or virtual currency is deposited or sent.

This receipt would be required to be provided in paper form if the operator first placed a virtual currency kiosk into service in Kansas on or after July 1, 2026. If a virtual currency kiosk was placed into service before July 1, 2026, the operator would be required to provide a paper or digital receipt. All digital receipts would require a clicked acknowledgment that the consumer has provided their email address.

## *Fraud Prevention*

**Blockchain Analytics Software.** The bill would require kiosk operators to use blockchain analytics software to assist in the prevention of sending purchased virtual currency from an operator to a digital wallet known to be affiliated with fraudulent activity at the time of transaction.

The bill would allow the State Bank Commissioner (Commissioner) to request evidence from any virtual currency kiosk operator of current and historical use of blockchain analytics. The operator would be held harmless if such operator refuses to complete a transaction based upon the knowledge or a credible suspicion that a digital wallet in the transaction is affiliated with fraudulent activity.

**Customer Service.** Under the bill, operators performing business in Kansas would be required to provide live customer service during kiosk operating hours and to display the customer service toll-free number on the kiosk or the kiosk screens. The customer service toll-free number would be staffed by trained individuals who are employed by or on behalf of the virtual currency kiosk operator and who provide customer assistance to a caller in real time.

**Anti-fraud and Enhanced Due Diligence Policies.** The bill would require operators to take reasonable steps to detect and prevent fraud, including establishing and maintaining a written anti-fraud policy. The anti-fraud policy would, at a minimum, include:

- The identification and assessment of fraud-related risk areas;
- Procedures and controls to protect against identified risks;
- Allocation of responsibility for monitoring risks; and
- Procedures for the periodic evaluation and revision of the anti-fraud procedures, controls, and monitoring mechanisms.

Each operator would be required to maintain, implement, and enforce a written enhanced due diligence policy. The policy would be reviewed and approved by the operator's board of directors or an equivalent governing body. The enhanced due diligence policy must identify, at a minimum, individuals who are at risk of fraud based on age and mental capacity.

**Consumer Protection Officer.** Each operator would be required to designate and employ a consumer protection officer with the following requirements:

- The individual would be qualified to coordinate and monitor compliance with this section and all other applicable federal and state laws, rules and regulations;
- The individual would be employed full-time by the virtual currency kiosk operator;
- The designated consumer protection officer would not be an individual who owns more than 20 percent of the virtual currency kiosk operator by which the individual is employed; and

- The designated consumer protection officer would have a direct dedicated telephone number outside of any call routing system and an email address for facilitating law enforcement and regulatory agency communications.

**Location Report.** Each operator would be required to submit a report to the Commissioner, including the location of each virtual currency kiosk within Kansas, within 45 days of the end of each calendar quarter in the form and manner directed by the Commissioner.

The location report would be required to include, at a minimum:

- The legal name of the company;
- Any fictitious or trade name;
- The physical address;
- When the virtual currency kiosk was first placed into service in Kansas;
- The virtual currency kiosk's operating hours;
- The start date of operation of a virtual currency kiosk at each location; and
- The end date of operation of a virtual currency kiosk at each location, if applicable.

**Licensure.** The bill would clarify that any operator who owns, operates, solicits, markets, advertises, or facilitates virtual currency kiosks in Kansas would be deemed to be engaged in money transmission, which would require licensure pursuant to law and full compliance with money transmitter reporting.

All unlicensed operators would be required to apply for a money transmitter license within 60 days after July 1, 2026. Operators who apply within the time provided would be allowed to continue operations while the Commissioner reviews a complete application. Any operator whose application is denied by the Commissioner would be required to cease operations until granted a money transmitter license.

**User Identification.** For each virtual currency transaction, the operator or their authorized delegate would be required to verify the identity of the user prior to accepting payment from the user.

The operator or their delegate would obtain a copy of a government-issued identification card that identifies such user and collect additional information, including the user's name, date of birth, telephone number, address, and email address prior to accepting a payment from such user at a kiosk.

A user would not be allowed to engage in any transaction at a kiosk under any name, account, or identity other than such user's own true name and identity. An operator would be strictly liable for any violation of this section.

## *Fee Caps*

The bill would prohibit a virtual currency kiosk operator from collecting direct or indirect charges related to a virtual currency transaction from a person in Kansas that exceeds the greater of the following:

- \$5 in U.S. currency or the equivalent; or
- 18 percent of the full money transmission amount in U.S. currency or the equivalent.

The bill would consider a spread on a virtual currency purchase or sale between the market price and the price offered to be an indirect charge.

The bill would require each kiosk provider to retain documentation of the relevant virtual currency market price at the time of each transaction.

## *Holding Period, Transaction Limits, and Refunds*

**Holding Period.** For any transaction conducted within 14 days of the initial transaction, the bill would require each operator to retain, hold, and safekeep any money or virtual currency provided as part of a transaction with a person in Kansas for 72 hours.

Irrespective of this holding period, the transaction would be required to be completed at the agreed rates at the time the person initiated the transaction unless the operator is required by law or judicially ordered to safekeep the funds due to criminal activity or receives a refund request.

**Transaction Limits.** Under the bill, an operator could only engage in a transaction with a person in Kansas under the following transaction and day limitations:

- For the initial transaction, up to \$1,000;
- Within 14 days of the initial transaction, up to \$10,000 per day and only one transaction within 72 hours of the initial transaction, and a maximum of \$10,000 in total transactions within the first 14 days of the initial transaction; and
- More than 14 days from the initial transaction, up to \$10,500 per day.

**Refunds.** The bill would allow any person in Kansas to request a full refund of the initial transaction or any transaction within 14 days of the initial transaction from an operator. The operator would be required to issue a full refund unless safekeeping the funds due to criminal activity is required by law or is judicially ordered.

An existing customer of the operator would be able to request only a refund of direct and indirect charges, including any spread fee and transaction fee, if such existing customer:

- Reports that a money transmission or a series of money transmissions was fraudulent to the Commissioner, the Attorney General, or a law enforcement agency within 30 calendar days after the date of the last fraudulent money transmission; and

- Submits to such operator a police report or a sworn declaration detailing the fraudulent nature of the money transmission involving such operator.

For any initial transaction, upon the request of any person in Kansas, the Commissioner, the Attorney General or any law enforcement agency, the operator would be required to issue a refund for the full money transmission amount and any fees charged, including any spread fee, if the person in Kansas:

- Reports that a money transmission or a series of money transmissions was fraudulent to the Commissioner, the Attorney General, or a law enforcement agency within 30 calendar days after the date of the last fraudulent money transmission; and
- Submits to such virtual currency kiosk operator a police report or a sworn declaration detailing the fraudulent nature of the money transmission involving such virtual currency kiosk operator.

Under the bill, the operator would be required to issue any refund requested under this section via a cash payout, the automated clearing house, or a paper check within 10 business days after receiving the refund request.

Notwithstanding the refund requirements of this section, under reasonable suspicion of fraud or wrongdoing by any person on behalf of the person in Kansas who initiated the transaction, an operator could delay sending a refund for cause if the operator immediately reports such suspected fraud or wrongdoing to the Commissioner, the Attorney General, or any law enforcement agency, until the receiving agency has advised the operator of the conclusion of any investigation into such alleged fraud or wrongdoing.

#### *Authority to Investigate Fraud*

The bill would grant the Office of the Attorney General and any law enforcement agency the authority to investigate any fraudulent money transmission reported by a person in Kansas. The bill would require the money transmitters to comply with any investigation to the extent permitted by state and federal law.

The bill would require the Office of the Attorney General and any law enforcement agency in Kansas to periodically report to the Commissioner any fraud or activity that violates this statute and is conducted by or alleged against a money transmitter. In deciding whether to revoke or refuse to renew a license, the Commissioner could consider previous fraudulent activity or any activity violating this statute that is conducted by a money transmitter. The Commissioner would be required to share any reported fraudulent money transmission with the Office of the Attorney General and any relevant law enforcement agency in Kansas.

#### *Amendments to Current Statute*

The bill would update the definition of “money transmission” in current statute to include:

- Engaging in virtual currency transactions or other transactions for a fee from a virtual currency kiosk physically located in Kansas; or
- Three-party exchanges with at least one person located in Kansas in which money is exchanged for virtual currency.

The definition of money transmission would not include:

- Two-party exchanges with at least one person located in Kansas in which money is exchanged for virtual currency in any manner other than from a virtual currency kiosk physically located in Kansas; and
- Exchanges of virtual currency for another virtual currency in any manner other than from a virtual currency kiosk physically located in Kansas.

The bill would also define “three-party exchange” and “two-party exchange.”

The bill would add “copies of a virtual currency kiosk operator’s location report” to the list of records of the Office of the State Bank Commissioner (OSBC) that are not confidential and may be made available to the public.

The bill would make technical changes, update statutory references, and remove language referencing a January 1, 2025, effective date.

### ***TEFFI Receivership***

The bill would prohibit the OSBC or any other state agency from becoming a receiver for a technology-enabled fiduciary financial institution (TEFFI) that becomes insolvent or declares bankruptcy.

The bill would state that a TEFFI would be deemed to be insolvent if:

- The actual cash market value of the TEFFI’s assets is insufficient to pay such TEFFI’s creditor liabilities; or
- The TEFFI is unable to meet the demands of such TEFFI’s creditors in the usual and customary manner.

The bill would add these provisions to the Technology-Enabled Fiduciary Financial Institutions Act.

### ***Negotiable Instruments***

The bill would repeal KSA 52-717, which pertains to the payment of negotiable instruments, such as checks or other bills of exchange. The bill would provide for financial institutions to pay such negotiable instruments on Saturdays or legal holidays.

## ***Earned Wage Service Registrants***

The bill would require earned wage access service registrants to be subject to the provisions of the Kansas Financial Institutions Information Security Act (Act) by adding such registrants to the list of covered entities under the Act. The bill would also clarify that financial institutions engaging in money transmission and not subject to licensure under the Kansas Money Transmission Act are covered entities under the Act.

## **Conference Committee Action**

The Conference Committee agreed to the provisions of HB 2591, as amended by the Senate Committee on Financial Institutions and Insurance, and agreed to add the contents of:

- HB 2515, as amended by the House Committee on Financial Institutions and Pensions, with the following changes:
  - Limit initial transactions to \$1,000; and
  - Allow a refund of any transaction within 14 days of the initial transaction;
- SB 300, as amended by the House Committee on Financial Institutions and Pensions;
- SB 331, as amended by the House Committee on Financial Institutions and Pensions; and
- SB 410, as introduced.

The Conference Committee amended the overall provisions to become effective upon publication in the Kansas Register, with the provisions of Virtual Currency Kiosk Consumer Protection Act delayed until publication in the statute book.

## **Background**

### ***HB 2591 (Financial Exploitation and Trusted Contact)***

HB 2591 was introduced by the House Committee on Financial Institutions and Pensions at the request of a representative of the Kansas Credit Union Association.

#### *House Committee on Financial Institutions and Pensions*

In the House Committee hearing, **proponent** testimony was provided by the Kansas Credit Union Association, AARP Kansas, Azura Credit Union, and the Kansas Bankers Association. The proponents generally stated that fraud losses in America are estimated to exceed \$12.0 billion annually and that more than 25 states have adopted similar legislation to prevent financial exploitation.

**Neutral** testimony was provided by a representative of the Kansas Department of Insurance, who shared the Protect Vulnerable Adults from Financial Exploitation Act Report, which includes data on the impact of financial exploitation in Kansas.

No other testimony was provided.

#### *House Committee of the Whole*

The House Committee of the Whole amended the bill to:

- Add that placing a temporary hold on a transaction would require management approval; and
- Denote that a temporary hold could not be based solely on certain listed conditions.

[*Note:* The Conference Committee retained these amendments.]

#### *Senate Committee on Financial Institutions and Insurance*

In the Senate Committee hearing, **proponent** testimony was provided by representatives of Kansas Bankers Association and Kansas Credit Union Association, who generally stated that when dealing with suspected fraud, financial institutions are not allowed under current privacy laws to contact a trusted individual who could intervene. The conferees noted that trusted contacts would not be able to take action on accounts themselves.

Written-only proponent testimony was provided by a representative of AARP Kansas and DCF.

No other testimony was provided.

The Senate Committee amended the bill to specify that “designated agency” would mean any law enforcement agency with jurisdiction or DCF, rather than both entities. [*Note:* The Conference Committee retained this amendment.]

#### ***HB 2515 (Virtual Currency Kiosk)***

HB 2515 was introduced by the House Committee on Financial Institutions and Pensions at the request of Representative Hoheisel.

#### *House Committee on Financial Institutions and Pensions*

In the House Committee hearing, **proponent** testimony was provided by representatives of AARP Kansas, Kansas Bankers Association, Kansas Credit Union Association, the Office of the Attorney General, the Office of the District Attorney for the Eighteenth Judicial District, the OSBC, and the Satoshi Action Fund. Conferees generally stated the bill would address consumer fraud and provide guardrails to protect Kansas residents from financial harm. The proponents discussed the prevalence of fraud at cryptocurrency kiosks, citing a report from the

Iowa Attorney General's Office that found that more than 94 percent of the money lowans sent through these kiosks were related to scams.

Written-only proponent testimony was provided by a representative of the Kansas Bureau of Investigation and a representative of the Kansas Association of Chiefs of Police, Kansas Sheriffs Association, and Kansas Peace Officers Association.

**Neutral** testimony was provided by representatives of Bitcoin Depot and CoinFlip, who generally stated they support the bill with minor changes. They suggested amendments to eliminate fee caps, adjust new customer transaction limits, make the ID verification policy consistent with federal law, reconsider paper receipts, adjust the timeline on consumer refunds, and change references to customer's email addresses to become references to phone numbers instead, among other suggestions.

Written-only neutral testimony was provided by a representative of Americans for Prosperity—Kansas.

No other testimony was provided.

The House Committee amended the bill to:

- Clarify that initial transactions would be permissible up to \$2,000 [*Note:* The Conference Committee did not retain this amendment.]; and
- Allow a customer to submit a sworn declaration (as an alternative to a police report) to the kiosk operator when requesting a refund related to fraud. [*Note:* The Conference Committee retained this amendment.]

#### *Senate Committee on Financial Institutions and Insurance*

In the Senate Committee hearing, **proponent** testimony was provided by representatives of AARP Kansas, CoinFlip, Kansas Bankers Association, Kansas Credit Union Association, the Office of the Attorney General, the Office of the District Attorney for the Eighteenth Judicial District, the OSBC, and the Satoshi Action Fund. Conferees noted a dramatic increase in cryptocurrency-related fraud and generally stated that the bill would increase consumer protections against scams involving virtual currency kiosks.

Written-only proponent testimony was provided by a representative of Kansas Association of Chiefs of Police, Kansas Sheriffs Association, and Kansas Peace Officers Association and a representative of Oklahoma Fidelity Bank.

Written-only **neutral** testimony was provided by a representative of Bitcoin Depot.

No other testimony was provided.

The Senate Committee amended the bill to limit virtual currency kiosk transactions as follows:

- For the initial transaction, \$1,000 rather than \$2,000; [*Note:* The Conference Committee retained this amendment.]

- Within 14 days of the initial transaction, up to \$1,000 per day; [*Note*: The Conference Committee did not retain this amendment.]
- For total transactions within the first 14 days of the initial transaction, \$5,000 rather than \$10,000; and [*Note*: The Conference Committee did not retain this amendment.]
- For more than 14 days from the initial transaction, up to \$5,000 per day rather than \$10,000. [*Note*: The Conference Committee did not retain this amendment.]

### ***SB 300 (TEFFI Receivership)***

SB 300 was introduced by the Joint Committee on Fiduciary Financial Institutions Oversight.

#### *Senate Committee on Financial Institutions and Insurance*

In the Senate Committee hearing, **proponent** testimony was provided by a representative of the OSBC, who stated that the bill would, in the event a TEFFI were to become insolvent, prevent the State from being appointed as a receiver of the entity's debts. The conferee spoke about a New Mexico trust company that failed in 2017, and the state agency appointed receiver is still attempting to wind down that company. The conferee stated that the bill would prevent such a situation from occurring with a TEFFI for the State of Kansas.

Written-only **neutral** testimony was provided by a representative of Beneficial Fiduciary Financial.

No other testimony was provided.

#### *House Committee on Financial Institutions and Pensions*

In the House Committee hearing, **proponent** testimony was provided by a representative of the OSBC, who stated the bill would prevent the State from being involved in the wind-down of a TEFFI.

Written-only **neutral** testimony was provided by a representative of Beneficial Fiduciary Financial.

No other testimony was provided.

The House Committee amended the bill to make the effective date upon publication in the *Kansas Register*. [*Note*: The Conference Committee retained this amendment.]

### ***SB 331 (Negotiable Instruments)***

SB 331 was introduced by the Senate Committee on Financial Institutions and Insurance on behalf of the OSBC.

*Senate Committee on Financial Institutions and Insurance*

In the Senate Committee hearing, a representative of the OSBC provided **proponent** testimony. The proponent stated the bill would revoke an outdated and unnecessary statute. They also clarified that it is widely understood that financial institutions are permitted to pay checks and other negotiable instruments on Saturdays and legal holidays, and the bill would align statute with common practice.

No other testimony was provided.

*House Committee on Financial Institutions and Pensions*

In the House Committee hearing, **proponent** testimony was provided by a representative of the OSBC, generally stating the bill removes an unnecessary statute that is now governed by the state's Uniform Commercial Code.

No other testimony was provided.

The House Committee amended the bill to make the effective date upon publication in the *Kansas Register*. [Note: The Conference Committee retained this amendment.]

***SB 410 (Earned Wage Access Service Registrants)***

The bill was introduced by the Senate Committee on Financial institutions and Insurance at the request of a representative of the OSBC.

*Senate Committee on Financial Institutions and Insurance*

In the Senate Committee hearing, **proponent** testimony was provided by a representative of the OSBC. The proponent stated the bill will carry over exemptions from the Kansas Money Transmission Act to the Act and align examinations for covered entities.

No other testimony was provided.

*House Committee on Financial Institutions and Pensions*

In the House Committee hearing, **proponent** testimony was provided by a representative of the OSBC. The proponent stated the bill would allow the OSBC to examine earned wage access service providers like other similarly covered entities.

No other testimony was provided.

The House Committee amended the bill to make a technical change and make the effective date upon publication in the *Kansas Register*. [Note: The Conference Committee did not retain this amendment.]

## **Fiscal Information**

### ***HB 2591 (Financial Exploitation and Trusted Contact)***

According to the fiscal note prepared by the Division of the Budget on HB 2591, as introduced, the OSBC examines financial institutions for safety and soundness. The provisions of the bill would not affect safety and soundness of the financial institutions. Trusts are generally overseen by trustees, so the bill would be unlikely to affect the examination of a trust company. Therefore, the OSBC indicates the bill would not have a fiscal effect.

The Department of Credit Unions indicates that during examinations of credit unions, the examiners would review credit unions' disclosures and policies relating to the provisions of the bill. The Department indicates that examination of this information would be absorbed within the Department's existing resources.

The Office of Judicial Administration states the bill could increase the number of cases filed in the district courts because the bill allows a financial institution to petition the court to extend a hold placed on a financial transaction. This would increase time spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases. Enactment of the bill could increase the collection of docket fees from petitions filed that would be deposited into the State General Fund. The agency is unable to estimate a precise fiscal effect.

DCF and the Office of the Attorney General both indicate the bill would not have a fiscal effect. Any fiscal effect associated with the bill is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties and the League of Kansas Municipalities both state the bill would not have a fiscal effect on local governments.

### ***HB 2515 (Virtual Currency Kiosk)***

According to the fiscal note prepared by the Division of the Budget on HB 2515, as introduced, the Office of the Attorney General would require \$212,359 from the State General Fund in FY 2027 and \$218,730 in FY 2028. For FY 2027, the Office would hire 1.00 Assistant Attorney General positions at a cost of \$133,905 and 1.0 Investigator position at a cost of \$60,839. The Office would also require \$17,615 for training, office equipment, and other operating expenditures to support the new positions. FY 2028 expenditures amount of \$218,730 represent a 3.0 percent increase from FY 2027.

The Kansas Bureau of Investigation indicates that any case referred to the agency under the bill would be reviewed and prioritized based on current workloads and would be handled within its existing resources. The Office of Judicial Administration indicates that the bill would have a negligible effect on expenditures and would be absorbed within the agency's existing resources. Any fiscal effect associated with the bill is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties indicates the bill would increase county costs for investigation and prosecutions for violations of the Virtual Currency Kiosk Consumer Protection

Act; however, the Association is unable to estimate a precise fiscal effect. The League of Kansas Municipalities indicates the bill would not have a fiscal effect on cities.

### ***SB 300 (TEFFI Receivership)***

According to the fiscal note prepared by the Division of the Budget on SB 300, as introduced, the OSBC is unable to estimate the costs and duties of a receivership and cannot state what the bill would potentially save by preventing a court-appointed receivership. The Department of Credit Unions indicates the bill would have no fiscal effect on operations since the bill would prohibit the Department of Credit Unions from being a receiver of the insolvent or bankrupt institution. The Office of the Attorney General indicates the bill would not have a fiscal effect on its operations. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties and the League of Kansas Municipalities both indicate that the bill would not have a fiscal effect.

### ***SB 331 (Negotiable Instruments)***

According to the fiscal note prepared by the Division of the Budget on SB 331, as introduced, the OSBC, the Department of Credit Unions, the State Treasurer, the Pooled Money Investment Board, and the Department of Revenue indicate the bill would not have a fiscal effect on the agencies' operations. Any fiscal effect associated with the bill is not reflected in *The FY 2027 Governor's Budget Report*. The Kansas Association of Counties and the League of Kansas Municipalities both indicate the bill would not have a fiscal effect.

### ***SB 410 (Earned Wage Access Service Registrants)***

According to the fiscal note prepared by the Division of the Budget on SB 410, as introduced, the OSBC states its information technology staff would absorb any new work that could result from adding earned wage access services registrants to the list of entities covered in the Act. Any fiscal effect associated with the bill is not reflected in *The FY 2027 Governor's Budget Report*.

Attorney General; Blockchain; Consumer protection; Cryptocurrency; Cybersecurity; Earned wage access service  
Financial institutions; Financial exploitation; Fraud; Fraud detection and prevention; Fraud prevention; Kansas Department for  
Children and Families; Kansas Financial Institutions Information Security Act; Kansas Money Transmission Act; Law enforcement;  
Money transmission; Negotiable instruments; Office of the State Bank Commissioner; Presentment for payment; Receivership;  
Technology-enabled fiduciary financial institutions; Trusted contact; Virtual currency; Virtual currency kiosk; Virtual Currency Kiosk  
Consumer Protection Act

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