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PROPONENT TESTIMONY FOR HOUSE BILL 2768

DATE: February 24, 2026
FROM: Casey Johnson
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TO: House Committee on Commerce, Labor and Economic Development

Chairman and Members of the Committee:

KLS is a statewide non-profit organization dedicated to helping low-to-moderate-income Kansans meet their basic needs through legal assistance and mediation.[1] In 2025, KLS provided life-changing legal help to more than 25,000 people across Kansas, including working families, veterans, people with disabilities, and older adults. We stand as proponents of HB 2768 because it addresses fundamental inequities in our housing market that disproportionately harm the vulnerable citizens we serve.

I. Ending the Portal Lockout and the Interest Trap

The rental market in Kansas has shifted dramatically toward large institutional and corporate ownership. In the Kansas City region alone, corporate landlords who hold 100 or more units now own nearly 80% of all multifamily units.[2] These landlords rely heavily on automated online payment portals, which are frequently used to the detriment of tenants.

Institutional landlords often shut off portal access as soon as a tenant is even slightly late or short on rent. By locking the portal, the landlord prevents the tenant from making a payment, even if the tenant has the full amount in hand and is attempting to cure the default. Once the portal is shut off, there is often no human being available to accept a physical check or money order, pushing tenants into the court system.[3]

Landlords then file lawsuits under the code of civil procedure for limited actions, which governs most residential landlord-tenant disputes.[4] Under current Kansas law, judgments in these limited actions bear interest at a rate of 12% per annum.[5] This creates a perverse incentive: a landlord can refuse a payment by locking a portal, sue the tenant, and then collect an additional 12% interest on the very amount they refused to accept.

This stands in stark contrast to the protections afforded to homeowners. Under the Kansas Uniform Commercial Code regarding the tender of payment, if a person entitled to enforce an instrument

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[1] *About Us*, Kan. Legal Servs., https://www.kansaslegalservices.org/node/1/about-us (last visited Feb. 23, 2026).
[2] *Fay Walker et al., Buying the Block: The Impact of Corporate Owners on Tenants, and How to Promote Community Accountability 5 (2025).*
[3] Walker, *supra*, note 2, at 27.
[4] K.S.A. 58-2542 (2025).
[5] K.S.A. 16-204(e)(2) (2025).

refuses a tender of payment, the obligor's requirement to pay interest on that amount is discharged.[6] HB 2768 would bring balance to this system by providing that if a landlord or their designee refuses a payment amount, that specific amount is forfeited and the tenant's obligation to pay it is discharged. This simple fix puts Kansas tenants on equal footing with homeowners and prevents the "interest trap" created by automated lockouts.

II. Combating Source of Income Discrimination

The second critical component of HB 2768 addresses source of income (SOI) discrimination, which occurs when a landlord refuses to rent to an applicant because of how they receive their lawful income. This practice is a major barrier to housing stability, as it prevents Kansans from accessing available units even when they have the funds to pay.[7] This form of discrimination is often used as a pretext to exclude marginalized groups, including people of color and those with disabilities.[8]

HB 2768 offers a unique and balanced approach to this issue. It requires landlords to consider all lawful sources of income when evaluating a tenant's qualifications, with the specific exception of Section 8. Under this bill:

- Landlords would not be required to accept Section 8 voucher holders.
- Landlords would be required to accept other lawful sources such as VA benefits, Social Security Disability Insurance (SSDI), Supplemental Security Income (SSI), and child support.

In Kansas, over 50,000 veterans receive disability compensation,[9] and over 100,000 residents rely on SSDI[10] or SSI.[11] These are reliable benefits. When landlords only count taxable wages, they effectively lock out disabled veterans, retired seniors, and parents relying on child support—even when these families have more than enough income to afford the home. Finally, this bill provides teeth for enforcement by requiring landlords who fail to consider all lawful income to repay double the applicant's fees and costs.

Conclusion

HB 2768 is a common-sense measure that promotes fairness and housing stability. It ensures that tenants who have the money to pay their rent are not locked out by automated systems and subsequently penalized with high interest rates. Furthermore, it ensures that Kansans who have served our country or who live on fixed incomes are not discriminated against simply because their income comes from a benefit check rather than a paycheck.

We respectfully urge the Committee to pass HB 2768. Thank you for your time and consideration.

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[6] K.S.A. 84-3-603(b)-(c) (2025).
[7] Sarah Abdelhadi, *Analysis of Posts from Landlord Internet Forums Shows that Stronger Enforcement Mechanisms are Needed to Protect Voucher Holders from Source of Income Discrimination*, Nat'l Low Income Hous. Coal. (Aug. 11, 2025), https://nlihc.org/resource/analysis-posts-landlord-internet-forums.
[8] *Id*.
[9] Annual Benefits Report, U.S. Department of Veterans Affairs (2024).
[10] Kansas, Congressional Statistics, Social Security Administration (December 2024).
[11] Kansas, SSI Recipients by State and County, Social Security Administration (2024).