House Bill No. 2768

Neutral Testimony to the
House Committee on Taxation
February 24, 2026

Written only

Chairman Tarwater and members of the House Committee on Taxation:

Thank you for the opportunity to provide neutral testimony on House Bill 2768.

My name is Kelsey Herr, and I serve as President of the Kansas Housing Association (KHA). KHA represents more than 60 organizations across Kansas, including housing providers, developers, industry professionals, and advocates committed to expanding access to safe, quality, and affordable housing. We believe affordable housing is foundational to strong communities and a strong state economy.

HB 2768 would require landlords to accept multiple rent payments so long as rent is paid on time and in full; discharge a tenant's obligation for any partial payment refused by the landlord; require landlords to consider all lawful sources of income when evaluating rental applications; and establish financial penalties, including damages and attorney fees, for violations.

We respectfully suggest the legislation is unnecessary and overly prescriptive. Many landlords already work with tenants and voluntarily agree to accept split rent payments when circumstances warrant - paycheck timing. Responsible housing providers routinely offer flexibility to help residents remain housed.

In practice, most partial payment arrangements today are:

- Mutually agreed upon
- Structured in writing
- Limited in frequency

When partial payments are declined, there is often an operational, financial, or legal reason for doing so. This bill removes the mutual agreement component and does not establish procedural guardrails.

Mandating the acceptance of multiple payments requires that going forward landlords account for additional administrative time, bookkeeping, compliance documentation, and potential litigation exposure. Landlords operate on margins, and this added operational overhead will ultimately be factored into rental rates. The inclusion of punitive damages and attorney fee provisions further increases liability risk for landlords who may be acting in good faith.

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There are also several practical concerns that merit clarification. In many real-world situations, landlords do not maintain on-site offices and therefore rely on payments by mail and electronic payment systems. The bill also leaves key terms undefined. How is “on time and in full” determined? Given mailing delays or electronic processing timelines, how are disputes over timing resolved?

If a tenant chooses to make multiple partial payments, do they notify the landlord and who is responsible for associated transaction or card processing fees? HB 2768 does not specify whether those fees may be passed through if properly disclosed in a written lease and otherwise compliant with Kansas law.

Additionally, the legislation does not expressly address dishonored payments, such as returned checks, failed ACH transfers, declined cards or reversed transactions. We believe dishonored payments should be treated as unpaid rent under existing Kansas law, with landlords retaining statutory nonpayment remedies. However, the bill does not clearly state this, creating uncertainty.

We respectfully request clarification on the following:

- Does a partial payment made before the due date but completed after the due date qualify?
- May landlords require certified funds after a dishonored payment?
- May landlords refuse future installment payments after repeated returned payments?
- How are late fees calculated if partial payments are later dishonored or reversed?
- What if income source is unverifiable or irregular?

Given these operational and legal concerns, we encourage the Committee to carefully consider the unintended consequences and seek clarification before advancing House Bill 2768.

Thank you for your time and consideration.