| Approved | |
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| Date | |

MINUTES OF THE SENATE JUDICIARY COMMITTEE.

The meeting was called to order by Chairperson Emert at 10:10 a.m. on March 13, 2000 in Room 123-S of the Capitol.

All members were present except: Senator Donovan (excused)

Committee staff present:

Gordon Self, Revisor Mike Heim, Research Jerry Donaldson, Research Mary Blair, Secretary

Conferees appearing before the committee:

Board of Indigents Defense Candidates:

Ruth Graham David Herndon Denise Tomasic

Others attending: see attached list

The minutes of the March 8th and March 9th meeting were approved on a motion by Senator Bond, seconded by Senator Goodwin. Carried.

The following Candidates reviewed their qualifications for appointment as members to the Board of Indigents Defense: Ruth Graham, David Herndon, and Denise Tomasic. The Chair acknowledged the reappointment of Bruce Beye, Devon Knoll, and Willis Musick to the Board and Glenda Cafer, as Chair, to the Crime Victims Compensation Board. The Chair explained that it is not necessary for reappointmented persons to be present. (attachments 1,2,3,4,5,6, and 7) Senator Bond moved to confirm all of the appointments and reappointments, Senator Gilstrap seconded. Carried.

HB 2673-concerning the probate code

Senator Vratil briefly reviewed **HB 2673** and moved to pass it out favorably, Senator Goodwin seconded. Carried.

SB 622-concerning juveniles; relating to placement of CINC; juvenile offenders, placement, credit for time spent, notice of release, offender registration; juvenile correctional staff

Senator Harrington reviewed the subcommittee's work done on <u>SB 622</u> (attachment 8) and discussed it's recommended amendments to the bill. (attachment 9) Following discussion, <u>Senator Oleen moved to adopt the subcommittee's report, Senator Harrington seconded.</u> Carried. Senator Harrington further discussed a balloon amendment she received prior to Committee meeting from the Juvenile Justice Authority. The balloon amendments are a result of concerns expressed by the Wichita School District.(attachment 10) Following discussion <u>Senator Oleen moved to amend the balloon by striking "secondary" language in the first balloon paragraph on page 5 and, in the same paragraph, striking the phrase "thinks the school should be aware of" and inserting the words "deems appropriate," and adopting the balloon as amended, Senator Bond seconded. Carried. Following further discussion, <u>Senator Vratil moved to amend the bill further by changing the number from 10 to 20 on line 29</u>, page 5 of the balloon so that it reads "at least 20 days prior to"..., <u>Senator Pugh seconded</u>. Carried. <u>Senator Bond moved to pass the bill out favorably as amended</u>, <u>Senator Harrington seconded</u>. Carried.</u>

Senator Oleen reported that her subcommittee had met and reviewed priorities that were recognized by the attorney general. They will meet again to further discuss **SB's 195, 333, and 341**.

<u>HB 2224—concerning persons required to report abuse, neglect or exploitation of children and certain adults</u>

The Chair requested the Committee reconsider action taken on <u>SB 622</u>. He reviewed <u>HB 2224</u> and stated that since no action was being taken on this bill he suggested removing the contents of the bill and putting <u>SB 622</u> into it. Following discussion, <u>Senator Harrington made a motion to reconsider action taken on <u>SB 622</u>, <u>Senator Oleen seconded</u>. <u>Senator Goodwin moved to do a substitute for HB 2224 that would</u></u>

be the contents of SB 622 as amended, seconded by Senator Harrington. Carried. Senator Oleen moved to amend the bill with a conceptual amendment whereby truancy cases concerning children under the age of 13 are reported both to the SRS and the county district attorney in a situation where this is agreed to by both the SRS and county district attorney, seconded by Senator Harrington. Carried. Senator Harrington moved to pass the bill out favorably as amended. Carried.

<u>HB 2879–concerning electronic signatures; enacting the Kansas electronic signature act SB 559–concerning electronic transfer</u>

Senator Vratil reviewed his subcommittee's work on <u>HB 2879</u> and <u>SB 559</u> to determine the possibility of merging these bills. He stated that the subcommittee decided to merge <u>HB 2879</u> into <u>SB 559</u> by having a substitute bill for <u>HB 2879</u> prepared. (<u>attachment 11</u>) He explained the balloon amendments recommended by the subcommittee. (<u>attachment 12</u>) Following discussion, Senator Vratil moved to amend and pass the bill out favorably as amended, Senator Bond seconded. Carried.

The meeting adjourned at 11:00 a.m. The next scheduled meeting is March 14, 2000.

SENATE JUDICIARY COMMITTEE GUEST LIST

DATE: March 13, 2000

| NAME | REPRESENTING | |
|-------------------|----------------------------|--|
| Jana El-Koubysi | Bd of Indigent's Defense | |
| PAT SCAliA | Bd of Indigents Defens | |
| Ruth Graham | Bd of Indigents Detense | |
| Denise Tomasic | il il ii | |
| DANIA HERNDON | Bol of Indigent Defense | |
| Paula Schuttera | Juvenile Justice Authority | |
| Lleben Podigo | JTA | |
| Diane Gierstage | Wichita Public Schools | |
| Mark Talkman | KASB | |
| Bill Senry | K5 Gov. Consulting | |
| Says Jones & | KSC, | |
| / KEUIN CORAHAM | XSC | |
| Mancy Lindberg | AG | |
| hand Londerson J. | Cring Victions Comp. Bel. | |
| Judy Krueger | Gov- Office | |
| Kathy Markham | Gov. office | |
| Vat Lawless | BIDS | |
| Pat hehma | KFSA | |
| | | |

Senate Confirmation Information Not Scanned Due to Confidential Content

Attachments 1-7

A Report on the Judiciary Sub-committee meeting on SB 622.

Held in Rm 234N on March 9, 2000 on adjournment of the Senate.

Those attending were:

Senator Nancey Harrington - Chair Senator Lana Oleen Senator Marge Petty Senator Greta Goodwin Gordon Self - Revisor

Roberta Sue McKenna from SRS testified. Helen Pedigo from JJA testified.

Mark Gleason and Paula Schuttera of the Juvenile Justice Authority took part in the discussion.

Also, Diane Gjerstad from the Wichita Public Schools had a few comments to make.

The meeting started at 3:26 P.M..

Sue McKenna testified. She mainly talked about the balloon attached at back of written testimony on page 5.

Helen Pedigo testified. She had comments on Sue's balloon. Had objection to line 31. Wanted to know who provided information on juveniles to the Court. Senator Petty wanted to know if there is a reason to be concerned on the time element.

Mark Gleason gave comments regarding Line 31, page 4 of Sue McKenna's testimony.

Senator Oleen made a motion to accept Line 31 amendment. Senator Petty seconded motion. All voted, amendment was adopted.

Helen Pedigo commenting on the affects of 20 violations. VCO language page 4, line 28 paragraph.

In Jud 3-13-00 Att8 Senator Petty explained to Helen Pedigo regarding violations. Helen said VCO not following federal procedures. At the bottom of the 1st page of Juvenile Justice Authority letter from Albert Murray, Commissioner. It is right to follow federal procedure.

Mark said by all this discussion the end results are also to be able to keep 1.3 million dollars to pay communities, etc.

Senator Petty made a motion to adopt paragraph f on balloon. Senator Harrington seconded. All voted and it was adopted.

Sue McKenna talked on page 2, line 41, page 4, line12 and 15, 34 through 37 of her testimony.

Senator Oleen made a motion to adopt. Senator Petty seconded. All voted and was adopted.

Diane Gjerstad commented on page 5, line 29 of Sue McKenna's testimony. Diane wanted to make the language stronger. Schools should be notified in first 10 day period. She wants to know when the juvenile will be attending the first day of school. Wants background information on person. What was juvenile's offense.

Senator Oleen to work together on language. Amend to full committee.

Senator Petty said we needed a partnership on all that was discussed.

Everyone will come back to the full committee.

The meeting was closed by Senator Nancey Harrington at 4:07 P.M.

Linda Bradley, Senator Harrington's secretary.

SENATE BILL No. 622

Proposed Subcommittee Amendments to Senate Bill No. 622

By Committee of Judiciary

2-10

AN ACT concerning juveniles; relating to placement of child in need of care; juvenile offenders, placement, credit for time spent, notice of release, offender registration; juvenile correctional staff; amending K.S.A. 38-1568 and K.S.A. 1999 Supp. 22-4904, 38-1673, 38-1674, 38-1675, 38-1676, 38-1691, 38-16,129 and 75-7023 and repealing the existing sections.

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Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 1999 Supp. 22-4904 is hereby amended to read as follows: 22-4904. (a) (1) Except as provided in subsection (a)(2), within 10 days of the offender coming into any county in which the offender resides or is temporarily domiciled for more than 10 days, the offender shall register with the sheriff of the county.

(2) Within 10 days of the offender coming into any county in which the offender resides or temporarily resides for more than 10 days, any offender who has provided the information and completed and signed the registration form as required in K.S.A. 22-4905 and amendments thereto, shall verify with the sheriff of the county that the sheriff has received such offender's information and registration form.

(3) For persons required to register as provided in subsection (a)(1), the sheriff shall: (A) Explain the duty to register and the procedure for registration;

(B) obtain the information required for registration as provided in K.S.A. 22-4907 and amendments thereto;

(C) inform the offender that the offender must give written notice of any change of address within 10 days of a change in residence to the law enforcement agency where last registered and the Kansas bureau of investigation;

(D) inform the offender that if the offender changes residence to another state, the offender must inform the law enforcement agency where last registered and the Kansas bureau of investigation of such change in residence and must register in the new state within 10 days of such change in residence; and

(E) require the offender to read and sign the registration form which shall include a statement that the requirements provided in this subsec-

 tion have been explained to the offender.

(4) Such sheriff, within three days of receipt of the initial registration shall forward this information to the Kansas bureau of investigation.

(5) Notwithstanding any other provision of law, if a diversionary agreement or probation order, either adult or juvenile, or a juvenile offender sentencing order, requires registration under the Kansas offender registration act then all provisions of that act shall apply, except that the term of registration shall be controlled by such diversionary agreement or probation order or juvenile offender sentencing order.

(b) (1) If any person required to register as provided in this act changes the address of the person's residence, the offender, within 10 days, shall inform in writing the Kansas bureau of investigation of the new address.

(2) After receipt of the change of address the Kansas bureau of investigation shall forward this information to the law enforcement agency having jurisdiction of the new place of residence within 10 days of such receipt of the change of address.

(c) For any person required to register as provided in this act, every 90 days after the person's initial registration date during the period the person is required to register, the following applies:

(1) The Kansas bureau of investigation shall mail a nonforwardable verification form to the last reported address of the person.

(2) The person shall mail the verification form to the Kansas bureau of investigation within 10 days after receipt of the form.

(3) The verification form shall be signed by the person, and shall state that the person still resides at the address last reported to the Kansas bureau of investigation.

(4) If the person fails to mail the verification form to the Kansas bureau of investigation within 10 days after receipt of the form, the person shall be in violation of the Kansas offender registration act.

any person required to register as provided in this act from meeting the requirements prescribed in subsection (a)(1), (a)(2) and (b)(1).

Sec. 2. K.S.A. 38-1568 is hereby amended to read as follows: 38-1568. (a) Valid court order. During proceedings under this code, the court may enter an order directing a child who is the subject of the proceedings to remain in a present or future placement if:

(1) The court makes a finding that the child has been adjudicated to be a child in need of care pursuant to: (A) Subsection (a)(9) or (a)(10) of K.S.A. 38-1502, and amendments thereto; or (B) any of the subsections (a)(1) through (a)(9) (a)(8) or (a)(11) of K.S.A. 38-1502, and amendments thereto, and the court determines that the child is not likely to be available within the jurisdiction of the court for future proceedings;

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- (2) the child and the child's guardian *ad litem* are present before the court at the time the order is entered; and
- (3) the child and the child's guardian *ad litem* are given adequate and fair warning, both orally and in writing, of the consequences of violation of the order and a copy of such warning is recorded in the official file of the case.
- (b) Application. Any person may file with the court a verified application for a determination that a child has violated an order entered pursuant to subsection (a) and for an order authorizing the holding of such child in a secure facility as provided by this section. Such application shall state the applicant's belief that the child has violated a valid court order entered pursuant to subsection (a) and the specific facts which are relied upon to support the belief.
- (c) Ex parte order. Upon the filing of an application in accordance with subsection (b), the court may enter ex parte an order directing that the child be taken into custody and held in a secure juvenile detention facility designated by the court if the court determines that there is probable cause to believe the allegations in the application. The order shall remain in effect for not more than 24 hours following the child's being taken into custody. The order shall be served on the child's parents, any legal custodian of the child and the child's guardian ad litem.
- (d) Preliminary hearing. Within 24 hours following a child's being taken into custody pursuant to an order issued under subsection (c), the court shall hold a hearing to determine whether the child admits or denies the allegations of the application and, if the child denies such allegations, whether there is probable cause to hold the child in a secure facility pending a hearing on the application pursuant to subsection (e). Notice of the time and place of the preliminary hearing shall be given orally or in writing to the child's parents, any legal custodian of the child and the child's guardian ad litem. At the hearing, the child shall have the right to: (1) Have in writing the alleged violation and the facts relied upon in the application; (2) a guardian ad litem pursuant to K.S.A. 38-1505, and amendments thereto; and (3) the right to confront and present witnesses. If, upon the hearing, the court finds that the child admits the allegations of the application, the court shall proceed without delay to hold a hearing on the application pursuant to subsection (e). If, upon the hearing, the court finds that the child denies the allegations of the application, the court may enter an order directing that the child be held in a secure facility pending a hearing pursuant to subsection (e) if the court finds that there is probable cause to believe that the child has violated a valid court order entered pursuant to subsection (a) and that secure detention of the child is necessary for the protection of the child or to assure the appearance of the child at the hearing on the application pursuant to

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subsection (e).

(e) Hearing on violation of order; authorization. The court shall hold a hearing on an application filed pursuant to subsection (b) within 24 hours following the child's being taken into custody, if the child admits the allegations of the application, or within 72 hours following the child's being taken into custody, if secure detention of the child is ordered pursuant to subsection (d). Notice of the time and place of such hearing shall be given orally or in writing to the child's parents, any legal custodian of the child and the child's guardian ad litem. Upon such hearing, the court may enter an order awarding custody of the child to the secretary, if the secretary does not have legal custody of the child, and authorizing the secretary to place the child in a secure favenile detention facility or secure care facility if the court determines that:

(1) Determines that the child has been adjudicated to be a child in need of care pursuant to subsection (a)(9) or (a)(10) of K.S.A. 38-1502, and amendments thereto;

(2) determines that the child has violated a valid court order entered pursuant to subsection (a);

(3) determines that the child has been provided at the hearing with the right to: (A) Have the alleged violation in writing and served upon the child a reasonable time before the hearing; (B) a hearing before the court on the issue of placement in a secure facility; (C) an explanation of the nature and consequences of the proceeding; (D) a guardian ad litem pursuant to K.S.A. 38-1505, and amendments thereto; (E) confront and present witnesses; (F) have a transcript or record of the proceedings; and (G) appeal; and

(4) there is no less restrictive alternative appropriate to the needs of the juvenile and the community determines the reasons for the child's behavior and determines whether all dispositions other than secure confinement have been exhausted or are clearly inappropriate, based on written a report submitted by the secretary that reviews the behavior of the child and the circumstances under which the child was brought before the court and made subject to such order.

Nonoffenders shall not be placed in secure juvenile detention or secure -care facilities for violating a valid court order. For purposes of this sub-36 -section, nonoffenders means abused or neglected children.

The authorization to place a child in a juvenile detention facility or a secure care facility pursuant to this subsection shall expire 60 days, including Saturdays, Sundays and legal holidays, after it is issued. The court may grant extensions of such authorization for two additional periods not exceeding 60 days, including Saturdays, Sundays and legal holidays, upon rehearing pursuant to K.S.A. 38-1564, and amendments thereto. Payment by the secretary to a secure facility for child care services provided purstrike

(a)(1), (a)(2), (a)(6) through (a)(10) and (a)(12)

, if the child is in the custody of the secretary, or by a public agency independent of the court and law enforcement, if the child is in the custody of someone other than the secretary

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suant to this subsection shall be paid only upon receipt by the secretary of a copy of a valid court order.

(f) Limitations on facilities used. Nothing in this section shall authorize placement of a child in a juvenile detention facility, except that a child may be held in any such facility which, if in an adult jail, is in quarters separated by sight and sound from adult prisoners:

(1) When ordered by a court pursuant to subsection (c) or (d), for not longer than the times permitted by those subsections, or

- (2) when ordered by a court pursuant to subsection (c), for not more than 24 hours following the hearing provided for by that subsection, exeept that nothing in this subsection shall allow a child to be held in an adult jail for more than 24 hours in an adult jail or lockup. Secure placement is limited to juvenile detention facilities of secure care facilities.
- (g) Time limits, computation. Except as otherwise specifically provided by subsection (e), Saturdays, Sundays and legal holidays shall not be counted in computing any time limit imposed by this section.
- (h) This section shall be part of and supplemental to the Kansas code for care of children.
- Sec. 3. K.S.A. 1999 Supp. 38-1673 is hereby amended to read as follows: 38-1673. (a) When a juvenile offender has satisfactorily completed such offender's term of incarceration at the juvenile correctional facility to which the juvenile offender was committed or placed, the person in charge of the juvenile correctional facility shall have authority to release the juvenile offender under appropriate conditions and for a specified period of time. Prior to release from a juvenile correctional facility, the commissioner shall consider any recommendations made by the juvenile offender's juvenile community corrections community case management officer.
- (b) At least 15 10 days prior to releasing a juvenile offender as pro-29 vided in subsection (a), the person in charge of the juvenile correctional facility shall notify the committing court and the county or district attor-31 ney of the county where the offender was adjudicated a juvenile offender of the date and conditions upon which it is proposed the juvenile offender is to be released. If such juvenile offender's offense would have constituted an off-grid felony, nondrug felony crime ranked at severity level 1, 2, 3, 35 4 or 5, or a drug felony crime ranked at severity level 1, 2 or 3, on or 36 after July 1, 1993, if committed by an adult, the county or district attorney 37 shall give written notice at least five days prior to the release of the juvenile offender to: (1) Any victim of the juvenile offender's crime who is alive and whose address is known to the court or, if the victim is deceased, to the victim's family if the family's address is known to the court; (2) the local law enforcement agency; and (3) the school district in which the juvenile offender will be residing if the juvenile is still required to attend

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a secondary school. Failure to notify pursuant to this section shall not be a reason to postpone a release. Nothing in this section shall create a cause of action against the state or county or an employee of the state or county acting within the scope of the employee's employment as a result of the failure to notify pursuant to this section.

(c) Upon receipt of the notice required by subsection (b), the court shall review the proposed conditions of release and may recommend modifications or additions to the conditions.

(d) If, during the conditional release, the juvenile offender is not returning to the county from which committed, the person in charge of the juvenile correctional facility shall also give notice to the court of the county in which the juvenile offender is to be residing.

(e) To assure compliance with conditions of release from a juvenile correctional facility, the commissioner shall have the authority to prescribe the manner in which compliance with the conditions shall be supervised. When requested by the commissioner, the appropriate court may assist in supervising compliance with the conditions of release during the term of the conditional release. The commissioner may require the parents or guardians of the juvenile offender to cooperate and participate with the conditions of release.

(f) For acts committed before July 1, 1999, the juvenile justice authority shall notify at least 45 days prior to the discharge of the juvenile offender the county or district attorney of the county where the offender was adjudicated a juvenile offender of the release of such juvenile offender, if such juvenile offender's offense would have constituted a class A, B or C felony before July 1, 1993, or an off-grid felony, a nondrug crime ranked at severity level 1, 2, 3, 4 or 5 or a drug crime ranked at severity level 1, 2 or 3, on or after July 1, 1993, if committed by an adult. The county or district attorney shall give written notice at least 30 days prior to the release of the juvenile offender to: (1) Any victim of the juvenile offender's crime who is alive and whose address is known to the court or, if the victim is deceased, to the victim's family if the family's address is known to the court; (2) the local law enforcement agency; and (3) the school district in which the juvenile offender will be residing if the juvenile is still required to attend a secondary school. Failure to notify pursuant to this section shall not be a reason to postpone a release. Nothing in this section shall create a cause of action against the state or county or an employee of the state or county acting within the scope of the employee's employment as a result of the failure to notify pursuant to this section.

(g) Conditional release programs shall include, but not be limited to, the treatment options of aftercare services.

Sec. 4. K.S.A. 1999 Supp. 38-1674 is hereby amended to read as

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(f) Limitations on facilities used. Nothing in this section shall authorize placement of a child in a juvenile detention facility, except that a child may be held in any such facility which, if in an adult jail, is in quarters separated by sight and sound from adult prisoners:

—(1) When ordered by a court pursuant to subsection (e) or (d), for not longer than the times permitted by those subsections; or

(2) when ordered by a court pursuant to subsection (e), for not more than 24 hours following the hearing provided for by that subsection, except that nothing in this subsection shall allow a child to be held in an adult jail for more than 24 hours in an adult jail or lockup. Secure placement is limited to juvenile detention facilities or secure care facilities.

(g) Time limits, computation. Except as otherwise specifically provided by subsection (e), Saturdays, Sundays and legal holidays shall not be counted in computing any time limit imposed by this section.

(h) This section shall be part of and supplemental to the Kansas code for care of children.

Sec. 3. K.S.A. 1999 Supp. 38-1673 is hereby amended to read as follows: 38-1673. (a) When a juvenile offender has satisfactorily completed such offender's term of incarceration at the juvenile correctional facility to which the juvenile offender was committed or placed, the person in charge of the juvenile correctional facility shall have authority to release the juvenile offender under appropriate conditions and for a specified period of time. Prior to release from a juvenile correctional facility, the commissioner shall consider any recommendations made by the juvenile offender's juvenile community corrections community case management officer.

(b) At least \$\frac{15}{10}\$ days prior to releasing a juvenile offender as provided in subsection (a), the person in charge of the juvenile correctional facility shall notify the committing court and the county or district attorney of the county where the offender was adjudicated a juvenile offender of the date and conditions upon which it is proposed the juvenile offender is to be released. If such juvenile offender's offense would have constituted an off-grid felony, nondrug felony crime ranked at severity level 1, 2, 3, 4 or 5, or a drug felony crime ranked at severity level 1, 2 or 3, on or after July 1, 1993, if committed by an adult, the county or district attorney shall give written notice at least five days prior to the release of the juvenile offender to: (1) Any victim of the juvenile offender's crime who is alive and whose address is known to the court or, if the victim is deceased, to the victim's family if the family's address is known to the court; (2) the local law enforcement agency, and (3) the school district in which the juvenile offender will be residing if the juvenile is still required to attend

The person in charge of the juvenile correctional facility shall notify the school district in which the juvenile offender will be residing if the juvenile is still required to attend a secondary school. Such notification to the school shall include name of the juvenile offender, address upon release, contact person with whom the juvenile offender will be residing with upon release, anticipated date of release, anticipated date of enrollment in school, name and phone number of case worker, crime(s) of adjudication if not confidential based upon other statutes, conditions of release, and any other information the commissioner thinks the school should be aware of. To ensure the educational success of the student, the community case manager or a representative from the residential facility where the juvenile offender will reside will contact the principal of the receiving school in a timely manner to review the juvenile offender's case.

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the person in charge of the juvenile correctional facility shall notify the county or district attorney of the county where the offender was adjudicated a juvenile offender of the date and conditions upon which it is proposed the juvenile offender is to be released.

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- a secondary school. Failure to notify pursuant to this section shall not be a reason to postpone a release. Nothing in this section shall create a cause of action against the state or county or an employee of the state or county acting within the scope of the employee's employment as a result of the failure to notify pursuant to this section.
- (c) Upon receipt of the notice required by subsection (b), the court shall review the proposed conditions of release and may recommend modifications or additions to the conditions.
- (d) If, during the conditional release, the juvenile offender is not returning to the county from which committed, the person in charge of the juvenile correctional facility shall also give notice to the court of the county in which the juvenile offender is to be residing.
- (e) To assure compliance with conditions of release from a juvenile correctional facility, the commissioner shall have the authority to prescribe the manner in which compliance with the conditions shall be supervised. When requested by the commissioner, the appropriate court may assist in supervising compliance with the conditions of release during the term of the conditional release. The commissioner may require the parents or guardians of the juvenile offender to cooperate and participate with the conditions of release.
- (f) For acts committed before July 1, 1999, the juvenile justice authority shall notify at least 45 days prior to the discharge of the juvenile offender the county or district attorney of the county where the offender was adjudicated a juvenile offender of the release of such juvenile offender, if such juvenile offender's offense would have constituted a class A, B or C felony before July 1, 1993, or an off-grid felony, a nondrug crime ranked at severity level 1, 2, 3, 4 or 5 or a drug crime ranked at severity level 1, 2 or 3, on or after July 1, 1993, if committed by an adult. The county or district attorney shall give written notice at least 30 days prior to the release of the juvenile offender to: (1) Any victim of the juvenile offender's crime who is alive and whose address is known to the court or, if the victim is deceased, to the victim's family if the family's address is known to the court, (2) the local law enforcement agency; and (3) the school district in which the juvenile offender will be residing if the juvenile is still required to attend a secondary school. Failure to notify pursuant to this section shall not be a reason to postpone a release. Nothing in this section shall create a cause of action against the state or county or an employee of the state or county acting within the scope of the employee's employment as a result of the failure to notify pursuant to this section.
- (g) Conditional release programs shall include, but not be limited to, the treatment options of aftercare services.
 - Sec. 4. K.S.A. 1999 Supp. 38-1674 is hereby amended to read as

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follows: 38-1674. If it is alleged that a juvenile offender who has been conditionally released from a juvenile correctional facility has failed to obey the specified conditions of release, any officer assigned to supervise compliance with the conditions of release or the county or district attorney may file a motion with the committing court or the court of the county in which the juvenile offender is residing. The motion shall describe the alleged violation and request a hearing thereon. The court shall then proceed in the same manner and under the same procedure as provided for a hearing on a complaint filed under this code. If the court finds that a condition of release has been violated, the court may modify or impose additional conditions of release that the court considers appropriate, extend the term of the conditional release or order that the juvenile offender be returned to the juvenile correctional facility until discharged by the commissioner as determined by the placement matrix and the court's determination of the specified term of incarceration to serve the conditional release revocation incarceration and after care term set by the court pursuant to the placement matrix as provided in K.S.A. 1999 Supp. 38-16,129, and amendments thereto.

- Sec. 5. K.S.A. 1999 Supp. 38-1675 is hereby amended to read as follows: 38-1675. (a) Unless a juvenile is sentenced pursuant to an extended jurisdiction juvenile prosecution upon court order, and the commissioner transfers the juvenile offender to the custody of the secretary of corrections, when a juvenile offender has reached the age 23 years or has completed the prescribed term of incarceration at a juvenile correctional facility together with any conditional release following the program, the commissioner shall discharge the juvenile offender from any further obligation under the commitment. The discharge shall operate as a full and complete release from any obligations imposed on the juvenile offender arising from the offense for which the juvenile offender was committed.
- (b) For acts committed before July 1, 1999, at least 45 days prior to the discharge of the juvenile offender, the juvenile justice authority shall notify the court and the county or district attorney of the county where the offender was adjudicated a juvenile offender of the discharge of such juvenile offender, if such juvenile offender's offense would have constituted a class A, B or C felony before July 1, 1993, or an off-grid felony, a nondrug crime ranked at severity level 1, 2, 3, 4 or 5 or a drug crime ranked at severity level 1, 2 or 3, on or after July 1, 1993, if committed by an adult. The county or district attorney shall give written notice at least 30 days prior to the discharge of the juvenile offender to: (1) Any victim of the juvenile offender's crime who is alive and whose address is known to the court or, if the victim is deceased, to the victim's family if the family's address is known to the court; (2) the local law enforcement

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agency; and (3) the school district in which the juvenile offender will be residing if the juvenile is still required to attend a secondary school. Failure to notify pursuant to this section shall not be a reason to postpone a discharge. Nothing in this section shall create a cause of action against the state or county or an employee of the state or county acting within the scope of the employee's employment as a result of the failure to notify pursuant to this section.

Sec. 6. K.S.A. 1999 Supp. 38-1676 is hereby amended to read as follows: 38-1676. (a) For acts committed before July 1, 1999, if a juvenile offender has committed an act which, if committed by a person 18 years of age or over, would constitute a class A or B felony, if the offense was committed before July 1, 1993, or an off-grid felony, a nondrug crime ranked at severity level 1, 2 or 3 or a drug crime ranked at severity level 1 or 2, if the offense was committed on or after July 1, 1993, and such juvenile offender is to be released, 45 days before release, the commissioner shall notify the county attorney or district attorney, the court, the local law enforcement agency, and the school district in which the juvenile offender will be residing if the juvenile is still required to attend a secondary school, of such pending release. The county attorney, district attorney or the court on its own motion may file a motion with the court for a hearing to determine if the juvenile offender should be retained in the custody of the commissioner, pursuant to K.S.A. 38-1675, and amendments thereto. The court shall fix a time and place for hearing and shall notify each party of the time and place.

(b) Following the hearing if the court orders for the commissioner to retain custody, the juvenile offender shall not be held in a juvenile correctional facility for longer than the maximum term of imprisonment which could be imposed upon an adult convicted of the offense or offenses which the juvenile offender has been adjudicated to have committed.

(c) As used in this section, "maximum term of imprisonment" means the greatest maximum sentence authorized by K.S.A. 21-4501 and amendments thereto, applying any enhanced penalty which would be applicable under K.S.A. 21-4504 and amendments thereto and computing terms as consecutive when required by K.S.A. 21-4608 and amendments thereto.

(d) This section shall be part of and supplemental to the Kansas juvenile justice code.

Sec. 7. K.S.A. 1999 Supp. 38-1691 is hereby amended to read as follows: 38-1691. (a) On and after January 1, 1993, no juvenile shall be detained or placed in any jail pursuant to the Kansas juvenile justice code except as provided by subsections (b), (c) and (d).

(b) Upon being taken into custody, an alleged juvenile offender may

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Senator Vratil's Senate Judiciary Subcommittee March 7, 2000 HB 2879 and SB 559

HB 2879 would enact the Kansas Electronic Signature Act. SB 559, which
is in the House Judiciary Committee, would enact the Uniform Electronic
Transfers Act. The charge to the subcommittee was to determine if these
two bills conflicted in any way and whether the bills should be combined
into one bill.

Conferees: Matthew Goddard, Heartland Community Bankers Association, expressed several concerns with HB 2879 e.g., Section 4 may provide the use of electronic signatures is not voluntary. See attachment 1. Debra Lulig, Information Network of Kansas, supported HB 2879 saying this bill provided some elements missing from SB 559 such as a higher authorization standard by use of digital signatures, by setting a minimum standard for electronic signatures by registering independent third parties that authenticate individuals and issue digital signatures and other changes. See Attachment 2. Attached to her testimony is a list of items covered by HB 2879 but not covered in SB 559. Janet Chubb, Secretary of State's Office, said Section 5 of HB 2879 needed to remain in this bill. It was stricken in the House.

Gayle Bright, Assistant Attorney General in the Consumer Protection Division, expressed concern about several sections of HB 2879 and included as part of her testimony suggested amendments. See Attachment 3.

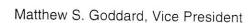
Kyle Smith, Assistant Attorney General with the Kansas Bureau of Investigation submitted to the Revisor a suggested bill draft combining both bills.

Subcommittee action. The Subcommittee agreed:

- Add SB 559 to HB 2879 and accomplish this by a substitute bill;
- Use the definition of "person" in SB 559;
- Reinsert section 5 of HB 2879 if it is not already covered by section 5(e) of SB 559;
- Amend language in sections 5 through 8 in HB 2879 to substitute "person" for "state agency"; and
- Change penalties in HB 2879 to violation of specific sections of that bill.

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700 S. Kansas Ave., Suite 512 Topeka, Kansas 66603 Office (785) 232-8215 • Fax (785) 232-9320 mgoddard@hcbankers.com

To: Senate Judiciary Committee Subcommittee

From: Matthew Goddard

Heartland Community Bankers Association

Date: March 8, 2000

Re: HB 2879 and SB 559

The Heartland Community Bankers Association appreciates the opportunity to appear before this subcommittee of the Senate Judiciary Committee to share our concern about language in House Bill 2879. We have no concerns with Senate Bill 559.

As financial institutions and other businesses become active players in the world of electronic commerce, it is important that laws promote and safeguard e-commerce, not stifle it. The legal acceptance of electronic signatures is crucial in making digital transactions more common.

We are concerned, however, that HB 2879 is ambiguous in Section 4 when the bill recognizes electronic signatures with the same legal effect as written signatures. Our reading of Section 4 is that the use of electronic signatures would not be voluntary under HB 2879. If one party to a transaction submitted an electronic signature, the other party or parties would be forced to accept the electronic signature as legal and valid.

Many businesses, including some of our membership, are not yet equipped to accept electronic or digital signatures. In addition, business relationships may exist with entities outside of Kansas that do not recognize them as legally binding. In testimony before the House Judiciary Committee, supporters of HB 2879 said the bill would not force someone to accept an electronic signature. We would respectfully disagree with that opinion.

It should be noted that two bills passed by their respective houses of Congress, HR 1714 and S 761, state that the use of electronic signatures is at the discretion of the parties to a transaction. The Kansas legislature's own Senate Bill 559, already passed by the Senate, includes in Section 5 an explicit statement that the Uniform Electronic Transactions Act applies only to transactions where the parties involved agree to conduct the transaction by electronic means. The Kansas Digital Signature Act, K.S.A. 1999 Supp. 60-2616, also leaves the use of a digital signature to the discretion of the involved parties.

HCBA would respectfully request that, if HB 2879 and SB 559 are in some way combined, the language of SB 559's Section 5 be preserved. If the subcommittee opts to the keep the two bills separate, HCBA would respectfully request that Section 5 of SB 559 be amended into HB 2879.

Thank you.

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TESTIMONY - Electronic Commerce Workgroup

March 8, 2000 Judiciary Subcommittee HB 2879 & SB 559

Presented by: Debra Luling, General Manager, Information Network of Kansas; Chairman, Kansas Electronic Commerce Work Group

Thank you for the opportunity to speak to you today regarding House Bill 2879 and Senate Bill 559

The Kansas Electronic Commerce Work Group studied electronic and digital signatures for more than eight months prior to drafting HB 2879.

Although there are many overlapping elements in both HB 2879 and SB 559 it is imperative this subcommittee understands the variances between the two bills. As a committee, our group is generally supportive of SB 559, however some elements are missing which are crucial for the development of a secure technology infrastructure in Kansas. We believe these bills may be merged to provide the ultimate, secure electronic commerce solution for Kansas.

- 1. SB 559 allows electronic signatures of any security level to be the equivalent of handwritten signature, irrespective of type of identification or authentication that was used. Merely using any electronic signature will not protect the consumer. There must be a higher standard in Cyberspace.
- 2. SB 559 allows the use of a low-level electronic signature to rise to the integrity level of a notarized signature. Only a "digital signature" should have that affect due to the rigorous identification and authentication process one must go through to establish their identity.
- 3. SB 559 does not establish any standard for electronic signatures. An "X" on an e-mail message will satisfy the definition of an "electronic signature" under SB 559. Without a minimum standard for electronic signatures, each state and/or local agency may set differing standards that may be inconsistent with the level of risk and liabilities associated with the transaction.

Language in HB 2879 will resolve all of these concerns by:

- 1. Setting a higher authentication standard by the use of digital signatures, thus promoting the public confidence in privacy, integrity & reliability of electronic records and electronic commerce
- 2. Setting a minimum standard for electronic signatures and by registering the independent third party entities (CAs) that identify and authenticate individuals and issues digital signatures.
- 3. Defining a procedural and technology infrastructure.

We would like to recommend adding language from 2879 into SB 559. Please refer to attached documentation for specific proposed language.

TESTIMONY – ATTACHMENT Electronic Commerce Workgroup

March 8, 2000 Judiciary Subcommittee HB 2879 & SB 559

Presented by: Debra Luling, General Manager, Information Network of Kansas; Chairman, Kansas Electronic Commerce Work Group

In order to successfully implement an electronic signature infrastructure in Kansas it is imperative we include provisions for "Digital Signatures"

Digital Signatures are, most fundamentally, a more secure type of electronic signature. A successful merger of HB 2879 and SB 559 must include the following attributes from HB 2879

Under HB 2879 Definitions:

- 32 (a) "Digital signature" means a type of electronic signature consisting
- 33 of a transformation of an electronic message using an asymmetric crypto
- 34 system such that a person having the initial message and the signer's
- 35 public key can accurately determine whether:
- 36 (1) The transformation was created using the private key that corre-
- 37 sponds to the signer's public key; and
- 38 (2) the initial message has not been altered since the transformation
- 39 was made.
- 10 (f) "Registered certification authority" means a person providing cer-
- 11 tification of a digital signature who is, or is certified by, a member of the
- 12 group of certification authorities approved by and registered with the
- 13 secretary.
- 14 (g) "Secretary" means the Kansas secretary of state.

Section Five: ensures that we do not harm state agencies <u>currently utilizing electronic signatures.</u>

- 28 Sec. 6. 5. (a) This act does not require any state agency to use or
- 29 permit the use of electronic or digital signatures.
- 30 (b) Any state agency may adopt rules and regulations governing the
- 31 agency's use of electronic or digital signatures as long as the rules and
- 32 regulations meet or exceed those adopted by the secretary.

Section Six: This section is critical to the development of the technology, security and public safety infrastructure necessary for the more highly evolved and secure "digital signature"





State of Kansas

Office of the Attorney General

CONSUMER PROTECTION/ANTITRUST DIVISION

120 S.W. 10th Avenue, 2nd Floor, Topeka, Kansas 66612-1597 Phone: (785) 296-3751 Fax: 291-3699

Testimony of
Gail E. Bright, Assistant Attorney General
Consumer Protection Division
Office of Attorney General Carla J. Stovall
Before the Senate Subcommittee
RE: HB 2879
March 8, 2000

Consumer Hotline 1-800-432-2310

Chairperson Vratil and Members of the Committee:

Thank you for the opportunity to appear on behalf of Attorney General Carla J. Stovall today in regard to HB 2879. My name is Gail Bright and I am an Assistant Attorney General for Consumer Protection.

First, let me say that Attorney General Stovall is not opposed to the progress of technology in the global marketplace. It is universally accepted that computers and the Internet are here to stay. While applauding the increasing trends of e-commerce, e-marketing, and e-banking for the convenience of consumers, we must not allow the traditional concept of consumer protection to be lost in cyberspace. Otherwise, we are apt to end up with an equal amount of e-scams. As I understand the concept of digital signatures, and its use of private and public keys, it can be viewed as a secure wave of the future.

However, the concern of the Attorney General lies in Section 4 generally and subsection (c) specifically. Subsection (c) reads "[i]f a law requires a record to be in writing, an electronic record satisfies the law." This is an incredibly broad statement that could include eviction and foreclosure notices, three-day cancellation notices, utility shut-off notices, etc. We have yet to achieve the point where all e-mail sent arrives at its proper destination. At times, I am sure we have all lost something in cyberspace. The question for this Subcommittee is whether you want to allow, by law, a notice to have legal effect when it is never received by the individual to whom it is addressed.

Perhaps you might think our office is being overly protective in regard to these matters. However, the Consumer Protection Division receives more than 7,200 complaints per year and a large majority of them relate to a written document. I would anticipate future complaints from consumers who lost property or services when they did not receive the electronic notice.

Attached to my testimony are two proposed amendments. The first relates to the definition of "electronic record" (p. 1; lines 40-41). The suggested language would remove notices required by law from the definition. The second amendment, found at page 2, line 25, would require a

separate express acknowledgment from the consumer to consent to electronic notices when the underlying contract is "non-electronic," e.g., the purchase of a television at the local discount electronics store.

Finally, we would also ask that Section 5, which was removed by the House Judiciary Committee, be reinserted. It is important that consumer protection laws still apply in these transactions. As we attempt to keep current with the fast-moving age of technology, let us not forget the need for continued consumer protection.

On behalf of Attorney General Stovall, I urge you to carefully consider this bill and to make the requested amendments before recommending passage. I would be happy to answer questions of the Chair or any member of the Subcommittee.

As Amended by House Committee

Session of 2000

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was made.

HOUSE BILL No. 2879

By Joint Committee on Information Technology

2-7

10 AN ACT concerning electric electronic signatures; enacting the Kansas 11 electronic signatures act; repealing K.S.A. 1999 Supp. 60-2616. 12 13 Be it enacted by the Legislature of the State of Kansas: 14 Section 1. This act shall be known and may be cited as the Kansas 15 electronic signatures act. Sec. 2. The provisions of this act shall be construed to enable the 16 17 development of electronic government and electronic commerce for the 18 benefit of the state of Kansas and its citizens, businesses and industries 19 and to: 20 (a) Facilitate electronic communications by means of reliable elec-21 tronic records; 22 (b) facilitate electronic transactions of documents with state and local 23 government agencies and promote the efficient delivery of government 24 services by means of reliable electronic records; 25 (c) minimize the incidence of forged electronic records and fraud in 26 electronic commerce; 27 (d) establish uniformity of rules and regulations regarding the authentication and integrity of electronic records; and 28 (e) promote public confidence in the privacy, integrity and reliability 29 30 of electronic records and electronic commence 31 Sec. 3. As used in this act: 32 (a) "Digital signature" means a type of electronic signature consisting 33 of a transformation of an electronic message using an asymmetric crypto 34 system such that a person having the initial message and the signer's 35 public key can accurately determine whether: 36 (1) The transformation was created using the private key that corre-37 sponds to the signer's public key; and

(2) the initial message has not been altered since the transformation

(c) "Electronic signature" means an electronic sound, symbol or pro-

(b) "Electronic record" means a record created, generated, sent,

cess attached to or logically associated with an electronic record and ex-

communicated, received or stored by electronic means.

but does not include any notice required by law, including, but not limited to, notice of cancellation or where failure to respond could result in loss of service or property.

ecuted or adopted by a person with the intent to sign the electronic

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41 42 record (d) "Message" means a digital representation of information. (e) "Person" means a human being or any organization capable of

- signing documents and being legally bound by those documents. A personmay be an individual, body politic or legal entity any individual, corporation, partnership, firm, company or other association of persons, and such term shall include the state of Kansas and any of its political subdivisions.
- (f) "Registered certification authority" means a person providing certification of a digital signature who is, or is certified by, a member of the group of certification authorities approved by and registered with the secretary.
 - (g) "Secretary" means the Kansas secretary of state.
- (h) "Transaction" means an action or set of actions occurring between two or more persons relating to the conduct of business, commercial or governmental affairs.
- Sec. 4. (a) A record or signature may not be denied legal effect or enforceability solely because it is in electronic form.
- (b) A contract may not be denied legal effect or enforceability solely because an electronic record was used in its formation.
- (c) If a law requires a record to be in writing, an electronic record satisfies the law.
- (d) If a law requires a signature, an electronic signature satisfies the
- See. 5. Any transaction subject to this act is also subject to otherapplicable substantive law.
- Sec. 6.-5. (a) This act does not require any state agency to use or permit the use of electronic or digital signatures.
- (b) Any state agency may adopt rules and regulations governing the agency's use of electronic or digital signatures as long as the rules and regulations meet or exceed those adopted by the secretary.
- Sec. 7. 6. (a) Any person, before entering upon the duties of a registered certification authority, shall:
- (1) Register with the secretary on forms approved and provided by the secretary:
 - (2) pay to the secretary an annual filing fee of \$1,000;
- (3) file with the secretary a good and sufficient surety bond, certificate of insurance or other evidence of financial security in the amount of \$100,000; and
- (4) be approved by the secretary as meeting the requirements of any rules and regulations adopted by the secretary, as the secretary determines appropriate, to ensure the person's financial responsibility and con-

(e) In the case of a non-electronic consumer contract or agreement, the contract or agreement may not contain a provision authorizing the conducting of the transaction or any part thereof by electronic means unless the consumer agrees to such a provision by a separate and express acknowledgment. Such an agreement shall specifically indicate the parts of the transaction to be conducted by electronic means, and shall indicate the "anner in which the electronic transaction or a part thereof shall be conducted. An agreement to conduct a consumer transaction or part thereof electronically man not be inferred solely from the fact that the consumer has used electronic means to pay an account or register a purchase or warranty. This subsection may not be varied by agreement.

Sec. 5. Any transaction subject to this act is also subject to other applicable substantive law.



| dition, character, qualifications and | fitness to be a registered | certification |
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| authority. | · · | |

- (b) A registered certification authority shall create, maintain and preserve all records that are necessary to demonstrate compliance with rules and regulations adopted by the secretary.
- (c) If any person who is approved and registered with the secretary as a registered certification authority fails to maintain any of the qualifications listed in subsection (a) and (b) or otherwise required by rules and regulations of the secretary, the person's registration shall be deemed lapsed.
- (d) Any person who violates or fails to comply with this act and the rules and regulations of the secretary, upon notice and hearing, shall be subject to a civil penalty not to exceed \$10,000 per failure or violation.
- Sec. -8. 7. The secretary may adopt rules and regulations to implement the provisions of this act.
- Sec. 9. 8. The secretary shall have the authority to establish reciprocity with other states and nations for purposes of this act.
 - Sec. 10. 9. K.S.A. 60-2616 is hereby repealed.

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Sec. +1. 10. This act shall take effect and be in force from and after
 its publication in the statute book.

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Senator Vratil Senate Judiciary Subcommittee March 7, 2000 HB 2879 and SB 559

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Subcommittee action. The Subcommittee agreed:

- 1. Add SB 559 to HB 2879 and accomplish this by a substitute bill.
- 2. Use the definition of "person" in SB 559.
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- 4. Amend language in sections 5 through 8 in HB 2879 to substitute "person" for "state agency".
- 5. Change penalties in HB 2879 to violation of specific sections of that bill.

#30867.01(3/9/0{12:10PM})

Session of 2000

SENATE BILL No. 559

By Committee on Judiciary

Proposed Subcommittee Amendments to Senate Bill No. 559

2-2

AN ACT concerning electronic transfers; repealing K.S.A. 1999 Supp. 60-2616

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Be it enacted by the Legislature of the State of Kansas:

Section 1. This act shall be known and may be cited as the uniform electronic transactions act.

Sec. 2. In this act:

(1) "Agreement" means the bargain of the parties in fact, as found in their language or inferred from other circumstances and from rules, regulations, and procedures given the effect of agreements under laws otherwise applicable to a particular transaction.

(2) "Automated transaction" means a transaction conducted or performed, in whole or in part, by electronic means or electronic records, in which the acts or records of one or both parties are not reviewed by an individual in the ordinary course in forming a contract, performing under an existing contract or fulfilling an obligation required by the transaction.

(3) "Computer program" means a set of statements or instructions to be used directly or indirectly in an information processing system in order to bring about a certain result.

(4) "Contract" means the total legal obligation resulting from the parties' agreement as affected by this act and other applicable law.

[(5)] "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic or similar capabilities.

[(6)] "Electronic agent" means a computer program or an electronic or other automated means used independently to initiate an action or respond to electronic records or performances in whole or in part, without review or action by an individual.

[(7)] "Electronic record" means a record created, generated, sent, communicated, received or stored by electronic means.

[(8)] "Electronic signature" means an electronic sound, symbol or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

(9) "Governmental agency" means an executive, legislative, or judicial agency, department, board, commission, authority, institution or instru-

(5) "Digital signature" means a type of electronic signature consisting of a transformation of an electronic message using an asymmetric crypto system such that a person having the initial message and the signer's public key can accurately determine whether:

(1) The transformation was created using the private key that corresponds to the signer's public key; and

(2) the initial message has not been altered since the transformation was made.

And by renumbering subsections accordingly

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mentality of the federal government or of a state or of a county, municipality or other political subdivision of a state.

(10) "Information" means data, text, images, sounds, codes, computer programs, software, databases or the like.

[(11)] "Information processing system" means an electronic system for creating, generating, sending, receiving, storing, displaying or processing information.

[(12)] "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, governmental agency, public corporation or any other legal or commercial entity.

(13) "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

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(14) "Security procedure" means a procedure employed for the purpose of verifying that an electronic signature, record or performance is that of a specific person or for detecting changes or errors in the information in an electronic record. The term includes a procedure that requires the use of algorithms or other codes, identifying words or numbers, encryption, callback or other acknowledgment procedures.

[(15)] "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands or any territory or insular possession subject to the jurisdiction of the United States. The term includes an Indian tribe or band, or Alaskan native village, which is recognized by federal law or formally acknowledged by a state.

[(16)] "Transaction" means an action or set of actions occurring between two or more persons relating to the conduct of business, commercial or governmental affairs.

- Sec. 3. (a) Except as otherwise provided in subsection (b), this act applies to electronic records and electronic signatures relating to a transaction.
- (b) This act does not apply to a transaction to the extent it is governed by:
- (1) A law governing the creation and execution of wills, codicils or testamentary trusts; and
- (2) the uniform commercial code, other than K.S.A. 84-1-107 and 84-1-206 and articles 2 and 2a of chapter 84 of the Kansas Statutes Annotated, and amendments thereto.
- (c) This act applies to an electronic record or electronic signature otherwise excluded from the application of this act under subsection (b) to the extent it is governed by a law other than those specified in subsection (b).
 - (d) A transaction subject to this act is also subject to other applicable

"Message" means a digital representation of information.

"Registered certification authority" (16)means a person providing certification of a digital signature who is, or is certified by, a member of the group of certification authorities approved by and registered with the secretary.

"Secretary" means the Kansas (17)secretary of state.

substantive law.

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- Sec. 4. This act applies to any electronic record or electronic signature created, generated, sent, communicated, received or stored on or after the effective date of this act.
- Sec. 5. (a) This act does not require a record or signature to be created, generated, sent, communicated, received, stored or otherwise processed or used by electronic means or in electronic form.
- (b) This act applies only to transactions between parties each of which has agreed to conduct transactions by electronic means. Whether the parties agree to conduct a transaction by electronic means is determined from the context and surrounding circumstances, including the parties' conduct.
- (c) A party that agrees to conduct a transaction by electronic means may refuse to conduct other transactions by electronic means. The right granted by this subsection may not be waived by agreement.
- (d) Except as otherwise provided in this act, the effect of any of its provisions may be varied by agreement. The presence in certain provisions of this act of the words "unless otherwise agreed", or words of similar import, does not imply that the effect of other provisions may not be varied by agreement.
- (e) Whether an electronic record or electronic signature has legal consequences is determined by this act and other applicable law.

Sec. 6. This act must be construed and applied:

- (a) To facilitate electronic transactions consistent with other applicable law;
- (b) to be consistent with reasonable practices concerning electronic transactions and with the continued expansion of those practices; and
- (c) to effectuate its general purpose to make uniform the law with respect to the subject of this act among states enacting it.
- Sec. 7. (a) A record or signature may not be denied legal effect or enforceability solely because it is in electronic form.
- (b) A contract may not be denied legal effect or enforceability solely because an electronic record was used in its formation.
- (c) If a law requires a record to be in writing, an electronic record satisfies the law.
- (d) If a law requires a signature, an electronic signature satisfies the law.
- Sec. 8. (a) If parties have agreed to conduct a transaction by electronic means and a law requires a person to provide, send or deliver information in writing to another person, the requirements is satisfied if the information is provided, sent or delivered, as the case may be, in an electronic record capable of retention by the recipient at the time of receipt. An electronic record is not capable of retention by the recipient

- (f) This act does not require any person to use or permit the use of electronic or digital signatures.
- (g) Any state agency may adopt rules and regulations governing the agency's use of digital signatures as long as the rules and regulations meet or exceed those adopted by the secretary.

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if the sender or its information processing system inhibits the ability of the recipient to print or store the electronic record.

- (b) If a law other than this act requires a record (1) to be posted or displayed in a certain manner, (2) to be sent, communicated or transmitted by a specified method, or (3) to contain information that is formatted in a certain manner, the following rules apply:
- (A) The record must be posted or displayed in the manner specified in the other law.
- (B) Except as otherwise provided in subsection (d)(2), the record must be sent, communicated or transmitted by the method specified in the other law.
- (C) The record must contain the information formatted in the manner specified in the other law.
- (c) If a sender inhibits the ability of a recipient to store or print an electronic record, the electronic record is not enforceable against the recipient.
- (d) The requirements of this section may not be varied by agreement, but:
- (1) To the extent a law other than this act requires information to be provided, sent or delivered in writing but permits that requirement to be varied by agreement, the requirement under subsection (a) that the information be in the form of an electronic record capable of retention also may be varied by agreement; and
- (2) a requirement under a law other than this act to send, communicate or transmit a record by first-class mail, may be varied by agreement to the extent permitted by the other law.
- Sec. 9. (a) An electronic record or electronic signature is attributable to a person if it was the act of the person. The act of the person may be shown in any manner, including a showing of the efficacy of any security procedure applied to determine the person to which the electronic record or electronic signature was attributable.
- (b) The effect of an electronic record or electronic signature attributed to a person under subsection (a) is determined from the context and surrounding circumstances at the time of its creation, execution or adoption, including the parties' agreement, if any, and otherwise as provided by law.
- Sec. 10. If a change or error in an electronic record occurs in a transmission between parties to a transaction, the following rules apply:
- (a) If the parties have agreed to use a security procedure to detect changes or errors and one party has conformed to the procedure, but the other party has not, and the nonconforming party would have detected the change or error had that party also conformed, the conforming party may avoid the effect of the changed or erroneous electronic record.

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- (b) In an automated transaction involving an individual, the individual may avoid the effect of an electronic record that resulted from an error made by the individual in dealing with the electronic agent of another person if the electronic agent did not provide an opportunity for the prevention or correction of the error and, at the time the individual learns of the error, the individual:
- (1) Promptly notifies the other person of the error and that the individual did not intend to be bound by the electronic record received by the other person;
- (2) takes reasonable steps, including steps that conform to the other person's reasonable instruction, to return to the other person or, if instructed by the other person, to destroy the consideration received, if any, as a result of the erroneous electronic record; and
- (3) has not used or received any benefit or value from the consideration, if any, received from the other person.
- (c) If neither paragraph (a) nor paragraph (b) applies, the change or error has the effect provided by other law, including the law of mistake, and the parties' contract, if any.

(d) Paragraphs (b) and (c) may not be varied by agreement.

- Sec. 11. If a law requires a signature or record to be notarized, acknowledged, verified or made under oath, the requirement is satisfied if the electronic signature of the person authorized to perform those acts, together with all other information required to be included by other applicable law, is attached to or logically associated with the signature or record.
- Sec. 12. (a) If a law requires that a record be retained, the requirement is satisfied by retaining an electronic record of the information in the record which:
- (1) Accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise; and
 - (2) remains accessible for later reference.
- (b) A requirement to retain a record in accordance with subsection(a) does not apply to any information the sole purpose of which is to enable the record to be sent, communicated or received.
- (c) A person may satisfy subsection (a) by using the services of another person if the requirements of that subsection are satisfied.
- (d) If a law requires a record to be presented or retained in its original form, or provides consequences if the record is not presented or retained in its original form, that law is satisfied by an electronic record retained in accordance with subsection (a).
- (e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and

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41 42 back of the check in accordance with subsection (a).

(f) A record retained as an electronic record in accordance with subsection (a) satisfies a law requiring a person to retain a record for evidentiary, audit or like purposes, unless a law enacted after the effective date of this act specifically prohibits the use of an electronic record for the specified purpose.

(g) This section does not preclude a governmental agency of this state from specifying additional requirements for the retention of a record

subject to the agency's jurisdiction.

Sec. 13. In a proceeding, evidence of a record or signature may not be excluded solely because it is in electronic form.

Sec. 14. In an automated transaction, the following rules apply:

(a) A contract may be formed by the interaction of electronic agents of the parties, even if no individual was aware of or reviewed the electronic agents' actions or the resulting terms and agreements.

- (b) A contract may be formed by the interaction of an electronic agent and an individual, acting on the individual's own behalf or for another person, including by an interaction in which the individual performs actions that the individual is free to refuse to perform and which the individual knows or has reason to know will cause the electronic agent to complete the transaction or performance.
- (c) The terms of the contract are determined by the substantive law applicable to it.

Sec. 15. (a) Unless otherwise agreed between the sender and the recipient, an electronic record is sent when it:

- (1) Is addressed properly or otherwise directed properly to an information processing system that the recipient has designated or uses for the purpose of receiving electronic records or information of the type sent and from which the recipient is able to retrieve the electronic record;
 - is in a form capable of being processed by that system; and
- (3) enters an information processing system outside the control of the sender or of a person that sent the electronic record on behalf of the sender or enters a region of the information processing system designated or used by the recipient which is under the control of the recipient.
- (b) Unless otherwise agreed between a sender and the recipient, an electronic record is received when:
- (1) It enters an information processing system that the recipient has designated or uses for the purpose of receiving electronic records or information of the type sent and from which the recipient is able to retrieve the electronic record; and
 - (2) it is in a form capable of being processed by that system.
- (c) Subsection (b) applies even if the place the information processing system is located is different from the place the electronic record is

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deemed to be received under subsection (d).

- (d) Unless otherwise expressly provided in the electronic record or agreed between the sender and the recipient, an electronic record is deemed to be sent from the sender's place of business and to be received at the recipient's place of business. For purposes of this subsection, the following rules apply:
- (1) If the sender or recipient has more than one place of business, the place of business of that person is the place having the closest relationship to the underlying transaction.
- (2) If the sender or the recipient does not have a place of business, the place of business is the sender's or recipient's residence, as the case may be.
- (e) An electronic record is received under subsection (b) even if no individual is aware of its receipt.
- (f) Receipt of an electronic acknowledgment from an information processing system described in subsection (b) establishes that a record was received but, by itself, does not establish that the content sent corresponds to the content received.
- (g) If a person is aware that an electronic record purportedly sent under subsection (a), or purportedly received under subsection (b), was not actually sent or received, the legal effect of the sending or receipt is determined by other applicable law. Except to the extent permitted by the other law, the requirements of this subsection may not be varied by agreement.
- Sec. 16. (a) In this section, "transferable record" means an electronic record that:
- (1) Would be a note under article 3 of chapter 84 of the Kansas Statutes Annotated, and amendments thereto or a document under article 7 of chapter 84 of the Kansas Statutes Annotated, and amendments thereto if the electronic record were in writing; and
- (2) the issuer of the electronic record expressly has agreed is a transferable record.
- (b) A person has control of a transferable record if a system employed for evidencing the transfer of interests in the transferable record reliably establishes that person as the person to which the transferable record was issued or transferred.
- (c) A system satisfies subsection (b), and a person is deemed to have control of a transferable record, if the transferable record is created, stored and assigned in such a manner that:
- (1) A single authoritative copy of the transferable record exists which is unique, identifiable, and, except as otherwise provided in paragraphs (4), (5) and (6), unalterable;
 - (2) the authoritative copy identifies the person asserting control as:

- (A) The person to which the transferable record was issued; or
- (B) if the authoritative copy indicates that the transferable record has been transferred, the person to which the transferable record was most recently transferred;
- (3) the authoritative copy is communicated to and maintained by the person asserting control or its designated custodian;
- (4) copies or revisions that add or change an identified assignee of the authoritative copy can be made only with the consent of the person asserting control;
- (5) each copy of the authoritative copy and any copy of a copy is readily identifiable as a copy that is not the authoritative copy; and
- (6) any revision of the authoritative copy is readily identifiable as authorized or unauthorized.
- (d) Except as otherwise agreed, a person having control of a transferable record is the holder, as defined in K.S.A. 84-1-201(20), and amendments thereto, of the transferable record and has the same rights and defenses as a holder of an equivalent record or writing under the uniform commercial code, including, if the applicable statutory requirements under K.S.A. 84-3-302(a), 84-7-501, or 84-9-308, and amendments thereto are satisfied, the rights and defenses of a holder in due course, a holder to which a negotiable document of title has been duly negotiated, or a purchaser, respectively. Delivery, possession, and indorsement are not required to obtain or exercise any of the rights under this subsection.
- (e) Except as otherwise agreed, an obligor under a transferable record has the same rights and defenses as an equivalent obligor under equivalent records or writings under the uniform commercial code.
- (f) If requested by a person against which enforcement is sought, the person seeking to enforce the transferable record shall provide reasonable proof that the person is in control of the transferable record. Proof may include access to the authoritative copy of the transferable record and related business records sufficient to review the terms of the transferable record and to establish the identity of the person having control of the transferable record.
- Sec. 17. The secretary of administration shall determine whether, and the extent to which, governmental agencies will create and retain electronic records and convert written records to electronic records.
- Sec. 18. (a) Except as otherwise provided in subsection (f) of section 12, and amendments thereto, the secretary of administration shall determine whether, and the extent to which, a governmental agency will send and accept electronic records and electronic signatures to and from other persons and otherwise create, generate, communicate, store, process, use and rely upon electronic records and electronic signatures.
- (b) To the extent that a governmental agency uses electronic records

- and electronic signatures under subsection (a), the secretary, giving due consideration to security, may specify:

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- (1) The manner and format in which the electronic records must be ereated, generated, sent, communicated, received and stored and the sys-Asuracastablishad Courtbogo meres voy.
- —(≥)—Il electronic records must be signed by electronic means, the type of electronic signature required, the manner and format in which the electronic signature must be affixed to the electronic record, and the identity of, or criteria that must be met by, any third party used by a person filing a document to facilitate the process;
- (3) control processes and procedures as appropriate to ensure ade-11 quate preservation, disposition, integrity, security, confidentiality and auditability of electronic records; and 13
- (4) any other required attributes for electronic records which are 14 specified for corresponding nonelectronic records or reasonably neces-15 sary under the circumstances. 16 17
 - (e) Except as otherwise provided in subsection (f) of section 12, and amendments thereto, this act does not require a governmental agency of this state to use or permit the use of electronic records or electronic signatures.
 - Sec. 19. The secretary of administration who adopts standards pursuant-to-section-18 and amendments thereto may encourage and promote consistency and interoperability with similar requirements adopted by other governmental agencies of this and other states and the federal government and nongovernmental persons interacting with governmental agencies of this state. If appropriate, those standards may specify differing and of stradarde is a which compared to be a popular of this of the popular choose in implementing the most appropriate standard for a particular application.
 - Sec. 20. 17. If any provision of this act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable.
- 35 Sec. 21. 18. K.S.A. 1999 Supp. 60-2616 is hereby repealed.
- Sec. 22. 19. This act shall take effect and be in force from and after its publication in the statute book.

And by renumbering sections accordingly

- Sec. 17. (a) Any person, before entering upon the duties of a registered certification authority, shall:
- (1) Register with the secretary on forms approved and provided by the secretary;
- (2) pay to the secretary an annual filing fee of \$1,000;
- (3) file with the secretary a good and sufficient surety bond, certificate of insurance or other evidence of financial security in the amount of \$100,000; and
- (4) be approved by the secretary as meeting the requirements of any rules and regulations adopted by the secretary, as the secretary determines appropriate, to ensure the person's financial responsibility and condition, character, qualifications and fitness to be a registered certification authority.
- (b) A registered certification authority shall create, maintain and preserve all records that are necessary to demonstrate compliance with rules and regulations adopted by the secretary.
- (c) If any person who is approved and registered with the secretary as a registered certification authority fails to maintain any of the qualifications listed in subsection (a) and (b) or otherwise required by rules and regulations of the secretary, the person's registration shall be deemed lapsed.
- (d) Any person who violates or fails to comply with this section and any provision related to registered certification authority and the rules and regulations of the secretary promulgated pursuant to section 18, and amendments thereto, upon notice and hearing, shall be subject to a civil penalty not to exceed \$10,000 per failure or violation.
- Sec. 18. The secretary may adopt rules and regulations to implement the provisions of sections 17 and 19.
- Sec. 19. The secretary shall have the authority to establish reciprocity with other states and nations for purposes of sections 17, 18 and 19 and related provisions thereto.