**SCOTT SCHWAB** Secretary of State



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## **Testimony on HB2118 (Oral Proponent)**

Senate Judiciary Committee Submitted: March 11, 2025

Chair Warren and members of the Committee:

## **Background:**

HB2118 is motivated by a desire to combat a growing trend of small Kansas businesses being victimized by solicitations to provide for a high fee what the government directly provides for free or at a minimal fee. This is a national phenomenon and a frequent topic of national state government meetings.

- The Better Business Bureau issued scam alerts <a href="https://www.bbb.org/article/scams/29408-bbb-business-scam-alert-watch-out-for-fake-government-compliance-notices-targeting-businesses">https://www.bbb.org/article/scams/29408-bbb-business-scam-alert-watch-out-for-fake-government-compliance-notices-targeting-businesses</a>
- The Federal Trade Commission issued scam alerts: <a href="https://consumer.ftc.gov/consumer-alerts/2024/02/government-impersonators-mail-fake-notices-business-owners">https://consumer.ftc.gov/consumer-alerts/2024/02/government-impersonators-mail-fake-notices-business-owners</a>

Attached are sample solicitation letters forwarded to our office by irate customers. Each year, our office receives complaints from hundreds of Kansas businesses that feel they have been misled or taken advantage of by these solicitations. Scammers sometimes also use websites that mimic government websites.

These solicitations generally do not state they are from the government using evasive language designed to combat charges of fraud.

**<u>Bill Contents:</u>** The requirement to mandate a disclosure has been adopted by other states as the most effective and least intrusive method to ensure businesses make fully informed decisions.

Any solicitation for filing or retrieving a government document for a fee would require a set disclosure in the body of the solicitation and on the outside of any envelope.

A violation of the disclosure provision is a violation of the Kansas Consumer Protection Act enforced by the Attorney General who had no opposition to the bill.

Communications initiated by the business customer or based on pre-existing business relations (e.g. law firm, accountants) are excluded from the requirement.

Respectfully,

/Clayton Barker

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