SCOTT SCHWAB Secretary of State



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March 12, 2025

Testimony on HB2118 (Oral Proponent)

Senate Judiciary Committee Submitted: March 10, 2025

Chairwoman 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 https://www.bbb.org/article/scams/29408-bbb-business-scam-alert-watch-out-for-fake-government-compliance-notices-targeting-businesses
- The Federal Trade Commission issued scam alerts: https://consumer.ftc.gov/consumer-alerts/2024/02/government-impersonators-mail-fake-notices-business-owners

Attached are sample solicitation letters forwarded to our office by customers. Each year our office receives hundreds of complaints from Kansas businesses that feel they were misled or taken advantage of by these solicitations. Also, scammers sometimes 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.

Bill Contents: The bill requires a disclosure on solicitations. 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 firms, accountants, consultants, banks) are excluded from the requirement.

Respectfully,

Clayton Barker

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