

KANSAS OFFICE of  
**REVISOR of STATUTES**

LEGISLATURE of THE STATE of KANSAS  
*Legislative Attorneys transforming ideas into legislation.*

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300 SW TENTH AVENUE ■ SUITE 24-E ■ TOPEKA, KS 66612 ■ (785) 296-2321

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**MEMORANDUM**

To: Senate Committee on Judiciary  
From: Office of Revisor of Statutes  
Date: February 1, 2022  
Subject: Bill Brief for HB 2231

HB 2231 amends the definition of the crime of conducting a pyramid promotional scheme, provides for an exemption and defines key terms.

Current law in K.S.A. 21-5328 makes it a severity level 9, nonperson felony to knowingly establish, operate, advertise or promote any pyramid promotional scheme. The bill adds a new subsection (e) to provide that this section shall not be construed to prohibit a plan or operation, or to define a plan or operation as a pyramid promotional scheme, if the participants in the plan or operation give consideration in return for the right to receive compensation based upon purchases of goods, services or intangible property for personal use, consumption or resale if the plan or operation does not cause inventory loading. The bill also amends the definition of “pyramid promotional scheme” in subsection (g) and adds definitions of “compensation”, “consideration”, “inventory”, “inventory loading”, “person” and “promote”.