

**CONFERENCE COMMITTEE REPORT BRIEF
HOUSE BILL NO. 2562**

As Agreed to April 2, 2024

Brief*

HB 2562 would create the Protect Vulnerable Adults from Financial Exploitation Act and make amendments to the Kansas Uniform Securities Act (KUSA) relating to reporting of instances of suspected financial exploitation, grounds for discipline, and civil and administrative immunity in certain instances; create the Kansas Contract for Deed Act and authorize the Kansas Real Estate Commission to issue cease-and-desist orders when the Commission has determined a person is practicing without a valid broker's or salesperson's license; and make any restrictive covenant on real property in violation of the Kansas Acts Against Discrimination (KAAD) void and unenforceable.

Protect Vulnerable Adults from Financial Exploitation Act (New Sections 1–9)

Definitions

The bill would establish several definitions within the Act, including:

- “Agent,” would be assigned its definition from the KUSA and would mean an individual, other than a broker-dealer, who represents a broker-dealer in effecting or attempting to effect purchases or sales of securities or represents an issuer in effecting or attempting to effect purchases or sales of the issuer's securities;
- “Broker-dealer,” also would be assigned its definition from the KUSA and would mean a person engaged in the business of effecting transactions in securities for the account of others or for the person's own account; [Note: Under this uniform act, “broker-dealer” does not include an agent; an issuer; certain banks, savings institutions, or trusts that meet specified conditions in the federal Securities Exchange Act of 1934; an international banking institution; or persons excluded by a rule or order adopted under the KUSA.]
- “Eligible adult” would mean an elder person or dependent adult as defined in a statute in the Kansas Criminal Code pertaining to the mistreatment of a dependent adult and the mistreatment of an elder person;

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- Under the Criminal Code provisions, an elder adult means a person 60 years of age or older; and
- A dependent adult means an individual 18 years of age or older who is unable to protect the individual's own interest;
 - This term also includes an individual who is (1) a resident of an adult care home; (2) an adult cared for in a private residence; (3) an individual kept, cared for, treated, boarded, confined, or otherwise accommodated in a medical care facility; (4) an individual with intellectual disability or a developmental disability receiving services through a community facility for people with intellectual disability or residential facility; (5) an individual with a developmental disability receiving services provided by a community service provider as provided in the Developmental Disability Reform Act; or (6) an individual kept, cared for, treated, boarded, confined, or otherwise accommodated in a state psychiatric hospital or state institution for people with intellectual disability;
- “Financial exploitation” would mean the unlawful or improper use, control, or withholding of an eligible adult's property, income, resources, or trust funds by any other person or entity to obtain or use an eligible adult's property, income, resources, or trust funds in a manner that is not for the profit of or advantage of the eligible adult;

This term would include, but not be limited to:

- Use of deception, intimidation, coercion, extortion, or undue influence by a person or entity to obtain or use an eligible adult's property, income, resources, or trust funds in a manner for the profit of or to the advantage of such person or entity;
- Breach of a fiduciary duty, including, but not limited to, the misuse of a power of attorney, trust, or a guardianship or conservator appointment, as it relates to property, income, resources, or trust funds of the eligible adult; or
- Obtainment or use of an eligible adult's property, income, resources, or trust funds, without lawful authority, by a person or entity who knows or clearly should know that the eligible adult lacks the capacity to consent to the release or use of such eligible adult's property, income, resources, or trust funds;
- “Investment adviser” would be assigned its definition from the KUSA and would mean a person that, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or the advisability of investing in, purchasing, or selling securities or that, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. The term includes a financial planner or other person that, as an integral component of other financially related services, provides investment advice to others for compensation as part of a business or that holds itself out as providing investment advice to others for compensation.
 - Under the KUSA, “investment adviser” does not include an investment adviser representative; a lawyer, accountant, engineer, or teacher whose performance of investment advice is solely incidental to the practice of the person's profession; a broker-dealer or its agents whose performance of investment advice is solely incidental to the conduct of business as a broker-dealer and that does not receive special compensation for the investment advice; a publisher of a *bona fide* newspaper, news magazine, or business or financial publication of general

and regular circulation; a federally regulated investment adviser; a bank, savings institution, or trust company; any other person excluded by the federal Investment Advisers Act of 1940 from the definition of investment adviser; or any other person excluded by rule adopted or order issued under the KUSA;

- “Protective agencies” would mean the state Securities Commissioner (Commissioner) and the Kansas Department for Children and Families (DCF); and
- “Qualified person,” would mean any agent, broker-dealer, investment adviser, investment adviser representative, or person who serves in a supervisory, compliance, or legal capacity for a broker-dealer or investment adviser.

The bill would also define the terms “act,” “commissioner,” “investment adviser representative,” and “person reasonably associated with the eligible adult.”

Governmental Disclosures; Immunity for Such Disclosures

The bill would provide that if a qualified person reasonably believes that financial exploitation of an eligible adult may have occurred, may have been attempted, or is being attempted, the broker-dealer or investment adviser shall promptly report the matter as permitted or required by law. [Note: KSA 38-1431 requires certain persons or entities to report instances when the person or entity has reasonable cause to suspect or believe that an adult is in need of protective services or being harmed as a result of abuse, neglect, or financial exploitation. Bank trust officers and other officers of financial institutions are required to make such reports. That act does not currently include those defined persons in the bill that are subject to regulation under the KUSA and the Commissioner.]

The bill would also provide that a qualified person who, in good faith and exercising reasonable care, makes a disclosure of information as required by the bill’s provisions (section 3), shall be immune from administrative and civil liability that might otherwise arise from such disclosure or for any failure to notify the eligible adult of this disclosure.

Third-party Disclosures; Immunity for Such Disclosures

The bill would provide that any person who, in good faith and exercising reasonable care, makes a disclosure of information as required by the bill’s provisions (section 3) may notify any person reasonably associated with the eligible adult of the disclosure, unless the qualified person suspects that such person reasonably associated with the eligible adult has committed or attempted financial exploitation of such eligible adult.

The bill would also provide that a qualified person who, in good faith and exercising reasonable care, complies with the bill’s provisions (section 5) shall be immune from any administrative and civil liability that might otherwise arise from such disclosure.

Delaying of Transactions and Disbursements; Immunity for Delaying

The bill would permit a broker-dealer or investment adviser to delay a transaction associated with or a disbursement from an account of an eligible adult or an account on which the eligible adult is a beneficiary if:

- A qualified person reasonably believes, after initiating an internal review of the requested transaction or disbursement and the suspected financial exploitation, that the requested transaction or disbursement may further the financial exploitation of an eligible adult; and
- The broker-dealer or investment adviser:
 - Immediately, and within two business days after the date for the request to delay the transaction or disbursement, provides written notification of the delay and the reason for such delay to all parties authorized to transact business on the account, unless such qualified person reasonably believes that any such party is engaged in suspected or attempted financial exploitation of the eligible adult;
 - Immediately, and within two business days after the requested transaction or disbursement is delayed, notifies the protective agencies; and
 - Continues such internal review of the suspected or attempted financial exploitation of the eligible adult, as necessary, and reports the result of this investigation to the protective agencies upon request.

The bill would also provide that any authorized delay of a transaction or disbursement would expire on the soonest of:

- A determination by the broker-dealer or investment adviser that the transaction or disbursement will not result in financial exploitation of the adult; or
- Fifteen business days following the date on which the broker-dealer or investment adviser first delayed the transaction or disbursement, unless either of the protective agencies requests that the broker-dealer or investment adviser extend the delay;
 - If the delay is extended, it shall expire not more than 25 business days after the date on which the transaction or disbursement was first delayed if not terminated sooner or further extended by either of the protective agencies or a court of competent jurisdiction.

The bill would permit a court of competent jurisdiction to enter an order extending the delay of the transaction or disbursement or may order other protective relief based on the petition of either of the protective agencies, the broker-dealer or investment adviser that initiated the delay, or another interested party.

Immunity. The bill would provide that a broker-dealer or investment adviser that, in good faith and exercising reasonable care, complies with the bill's provisions (section 7), shall be immune from any administrative and civil liability that might otherwise arise from such delay of a transaction or disbursement in accordance with this act.

Records

The bill would require a broker-dealer or investment adviser to provide access to or copies of records that are relevant to the suspected or attempted financial exploitation of an eligible adult to the protective agencies or to law enforcement agencies, either as part of a referral to the protective agencies or to law enforcement agencies, or upon request of either protective agency or law enforcement agency pursuant to an investigation. The records could include historical records and records relating to the most recent transaction or transactions that may constitute financial exploitation of an eligible adult.

The bill would specify that no record made available to the Commissioner or other agencies under this act will be considered a public record under the Kansas Open Records Act (KSA 45-215 *et seq.*). The provisions pertaining to confidentiality of public records will expire on July 1, 2029, unless the Legislature reviews and acts to continue such provisions.

The bill would require the protective agencies, notwithstanding any provision of law to the contrary, to respond to reasonable inquiries from the notifying qualified person and allow disclosure to the notifying qualified person of the general status or final disposition of any investigation that arose from a report made by such qualified person.

The bill would further state that nothing in this act shall limit or otherwise impede the authority of the Commissioner to access or examine the books and records of broker-dealers and investment advisers as otherwise provided by law.

Kansas Contract for Deed Act (New Sections 10–13)

The bill would enact the Kansas Contract for Deed Act. Under the Act, a seller would be prohibited from executing a contract for deed with a buyer if the seller does not hold title to the property. The bill would require the seller to maintain fee simple title to the property free from certain encumbrances, and it would establish that any violation of provisions pertaining to the execution of a contract for deed would be deemed a deceptive act or practice under the Kansas Consumer Protection Act.

The bill would require a buyer who fails to cure a default within a specified time frame to record a release of a recorded affidavit of equitable interest or contract for deed and vacate the premises. The bill would also provide the seller with remedies should the buyer fail to satisfy such requirements.

Definitions

The bill would define terms applicable to the Act, including:

- “Contract for deed,” to mean an executory agreement in which the seller agrees to convey title to real property to the buyer and the buyer agrees to pay the purchase price in five or more subsequent payments, exclusive of a down payment, while the seller retains title to the property as security for the buyer’s obligation. The term would specifically exclude option contracts for the purchase of real property; and

- “Property,” to mean real property located in Kansas upon which there is located or will be located a structure designed principally for occupancy of one to four families that is or will be occupied by the buyer as the buyer’s principal place of residence.

The bill would also define the terms “buyer” and “seller” for this purpose.

Recording of Contract for Deed

The bill would provide that any contract for deed or affidavit of equitable interest may be recorded by any interested person in the office of the county register of deeds where the property is located.

Clearing Title Upon Buyer Default; Seller’s Remedies

The bill would provide that, following the notice of the intent to forfeit and the opportunity to cure the default as outlined in the bill, the buyer would have 15 calendar days to:

- Record a release of affidavit of equitable interest or contract for deed, if such affidavit or contract were recorded; and
- Vacate the premises under contract, if applicable.

If the buyer fails to satisfy the above conditions, the bill would provide that such buyer would be responsible for the seller’s reasonable attorney fees, costs, and expenses for the removal of the affidavit of equitable interest or contract for deed from the title and eviction of the buyer from the premises, if applicable.

Seller to Hold Title to the Property; Exceptions

The bill would prohibit a seller from executing a contract for deed if the seller does not hold fee simple title to the property, free from any mortgage, lien, or other encumbrances (liability), subject to certain exceptions specified in the bill:

- Due to the conduct of the buyer;
- With the agreement of the buyer as a condition of a loan obtained to make improvements to the property; or
- By the seller prior to the execution of the contract for deed if:
 - The seller disclosed the liability to the buyer;
 - The seller continues to make timely payments on the outstanding liability;
 - The seller disclosed the contract for deed to a party of interest to the liability; and
 - The seller satisfies and obtains a release of the liability not later than the date of the final contract for deed payment by the buyer, unless the buyer assumes the liability as part of such contract.

Violations of the specified title liability prohibitions would be considered a deceptive act and be subject to enforcement under the Kansas Consumer Protection Act.

Contract for Deed: Buyer's Rights

The bill would provide that a buyer's rights under a contract for deed would not be forfeited or canceled except as specified in the bill. However, under the bill, a contract could provide for forfeiture of buyer's rights. Additionally, the bill would contain a statement that the provisions on a buyer's rights could not be construed to limit the power of a district court to require equitable foreclosure proceedings.

A buyer's rights would not be forfeited until the buyer has been notified of the intent to forfeit and has been given a right to cure the default and has not done so within the time period allowed. A notice of default and intent to forfeit would be required to:

- Reasonably identify the contract and describe the property covered by it;
- Specify the terms and conditions of the contract with which the buyer has not complied; and
- Notify the buyer that the contract will be forfeited unless the buyer performs the terms and conditions within the following time periods:
 - 30 days from completed service of notice if the buyer has paid less than 50 percent of the purchase price; or
 - 90 days from completed service of notice if the buyer has paid 50 percent or more of the purchase price.

The bill would require such notice be served on the buyer in person, delivered directly to the buyer's residence, or delivered by certified or priority mail to the buyer's residence with return receipt requested.

Restrictive Covenants (New Section 14)

The bill would also make any restrictive covenant on real property on any deed, plat, declaration, restriction, covenant, or other conveyance in violation of the KAAD void and unenforceable. The bill would allow for the owner of the real property to release such covenants from their property by recording a certificate of release of prohibited covenants with the Register of Deeds. The certificate of release would be subject to recording fees set by the county. The certificate of release would be required to have the following information:

- The name of the current owner of the real property;
- A legal description of the real property;
- The volume and page or the document number in which the original document containing the restrictive covenant is recorded;
- A brief description of the restrictive covenant; and

- The citation to the location of the restrictive covenant in the original document.

Reporting of Instances of Suspected Financial Exploitation

The bill would amend provisions in the KUSA applying to discipline of applicants and registrants to add criteria to the criteria provided for grounds for discipline, which includes censure; a bar or suspension with a broker-dealer or investment adviser registered in the state; and a civil penalty up to \$25,000 for each violation. The bill also would add a knowing failure to make a report required under the Protect Vulnerable Adults from Financial Exploitation Act or knowingly causing such report to not be made within the previous ten years.

Cease-And-Desist Orders

The bill would amend law pertaining to real estate brokers and salespersons to provide recourse against individuals practicing without a license. If the Kansas Real Estate Commission determines a person has practiced without a valid broker's or salesperson's license issued by the Commission, the Commission may issue a cease-and-desist order in accordance with the Kansas Administrative Procedure Act against such unlicensed person or associated association, corporation, limited liability company, limited liability partnership, partnership, professional corporation, or trust.

Homeowners Associations

The bill would amend the Kansas Acts Against Discrimination to indicate that, when a board of directors of an association removes a restrictive covenant in violation of the KAAD, the recording of the amended document would be subject to county recording fees.

The bill would allow a city or county to adopt a resolution to record a certificate of release of prohibited covenants (certificate) if the homeowners association that established the prohibited covenant is not active and unable to release the prohibited covenants. The resolution could also remove more than one prohibited covenant. The bill would not require the signature or consent of any affected property owner to record a certificate.

The bill would not affect the validity of any property interest recorded within the original or redacted plat and would state no city or county would incur any liability arising from the recording of a certificate. The bill would also state that no fee could be charged to record a certificate, and any record of a certificate would be exempt from land surveys.

Conference Committee Action

The Conference Committee agreed to HB 2562, as passed by the Senate, and further agreed to insert the contents of HB 2101, as amended by the Senate Committee, regarding contract for deed protections and cease-and-desist orders for unlicensed real estate practices. The Conference Committee also agreed to insert the contents of HB 2376, as passed by the House, regarding discrimination in restrictive covenants. The Conference Committee further amended HB 2562 to restore the effective date of publication in the statute book.

Background

This Conference Committee report contains provisions of HB 2562, HB 2101, and HB 2376. Background information for each bill follows.

HB 2562 (Protect Vulnerable Adults from Financial Exploitation Act)

HB 2562 was introduced by the House Committee on Financial Institutions and Pensions at the request of a representative of the Kansas Insurance Department (Department).

[*Note:* In January 2016, the North American Securities Administrators Association (NASAA) approved its Model Act to Protect Vulnerable Adults from Financial Exploitation (Model Act). According to testimony by a representative of the Department at the hearing on HB 2562, as of March 2024, 41 jurisdictions have state laws that informed, or are inspired by, the Model Act.]

House Committee on Financial Institutions and Pensions

In the House Committee hearing, **proponent** testimony was provided by representatives of the Department, AARP Kansas, the Kansas Association of Area Agencies on Aging and Disabilities (K4AD), and the National Association of Insurance and Financial Advisers of Kansas. The Department representative indicated the bill is integrated with existing regulatory and criminal protections and would give financial professionals additional tools to promote their clients' best interests when they are subjected to unlawful financial exploitation. The bill would make it easier for these professionals to report financial exploitation and grant ability to slow down a requested transaction or disbursement to allow time for verification of its legitimacy. Proponents addressed concerns regarding the need to enact additional safeguards to address certain risks and influences on vulnerable persons.

Written-only proponent testimony was submitted by representatives of AE Wealth Management, LLC and AE Financial Services, LLC; DCF; the Kansas Council on Developmental Disabilities; NASAA; the Public Investors Advocate Bar Association; and the Securities Industry and Financial Markets Association. These proponents highlighted the concerns of financial exploitation and the need for tools to permit a "report and hold," allowing investment entities to report and place temporary holds on suspicious transactions and disbursements. The DCF testimony expressed concern about a provision pertaining to reporting the status of an investigation or the results of an investigation and current notification and reporting requirements on the agency.

No other testimony was provided.

Senate Committee on Financial Institutions and Insurance

In the Senate Committee hearing, **proponent** testimony was provided by representatives of the Department, AARP Kansas, DCF, K4AD, and the National Association of Insurance and Financial Advisers of Kansas. The Department representative indicated the bill is based on model law from NASAA, which has been adopted in 41 other states, including Missouri, Nebraska, Ohio, and Oklahoma. The Department representative noted the legislation seeks to protect from financial exploitation elder persons and other adults who need and already have

other extra protections under Kansas law, such as residents of adult care homes and individuals with intellectual or developmental disabilities. The Department representative noted the bill would give financial professionals additional tools to promote their clients' best interests when subjected to unlawful financial exploitation, make it easier to report financial exploitation, and grant the ability to slow down a requested transaction or disbursement to allow time for verification of its legitimacy. Proponents addressed the need to enact additional safeguards to protect vulnerable persons from certain risks and influences.

Written-only proponent testimony was submitted by a representative of AE Wealth Management, LLC, AE Financial Services, LLC, and Advisors Excel; and representatives of the Public Investors Advocate Bar Association; and the Securities Industry and Financial Markets Association.

No other testimony was provided.

The Senate Committee amended the bill to change the effective date to publication in the *Kansas Register*. [Note: The Conference Committee did not retain this amendment.]

HB 2101 (Kansas Contract for Deed Act)

HB 2101 was introduced by the House Committee on Financial Institutions and Pensions at the request of Representative Hoheisel.

House Committee on Financial Institutions and Pensions

In the House Committee hearing on January 29, 2024, **proponent** testimony was provided by Representative Probst, an attorney, a citizen lobbyist, and three private citizens. The proponents stated that the bill would add protections to a currently unregulated aspect of the residential housing market. The citizen lobbyist, formerly a member of the Judicial Council Advisory Committee, testified that the bill is the result and recommendation of that committee's 2020 study. The attorney and the private citizens he represented in a case of convicted fraud described the misrepresentations made in a rent-to-own contract and protections the bill would afford to assist other buyers in similar situations.

Written-only neutral testimony was provided by the Kansas Judicial Council, which included the report of the Judicial Council Advisory Committee on 2020 HB 2600 and noted a discrepancy between the committee recommendation and HB 2101.

No other testimony was provided.

The House Committee amended the bill to insert additional criteria by which a seller could qualify for an exemption from the liability prohibition, which would require that the seller disclose the contract for deed to the liability interest holder and require that the seller obtain a release of any outstanding liabilities on the property prior to the buyer's final payment. [Note: The Conference Committee retained this amendment.]

Senate Committee on Financial Institutions and Insurance

In the Senate Committee hearing, **proponent** testimony was provided by Representative Probst and a representative of the Kansas Association of Realtors. The proponents stated the bill would provide reasonable protections from predatory practices in residential contract for deed transactions in what is currently an unregulated aspect of the residential housing market.

Written-only neutral testimony was provided by the Kansas Judicial Council, which included the report of the Judicial Council Advisory Committee on 2020 HB 2600.

No other testimony was provided.

The Senate Committee amended the bill to:

- Require a buyer, after failing to cure a default within the allotted time, to record a release of a recorded affidavit of equitable interest or contract for deed and vacate the premises within 15 calendar days [*Note: The Conference Committee retained this amendment.*];
- Provide remedies for the seller when a buyer defaults and subsequently fails to record a release and vacate the premises [*Note: The Conference Committee retained this amendment.*]; and
- Insert provisions contained in Sub. for HB 2598 that would authorize the Commission to issue cease-and-desist orders on a person practicing without a valid broker's or salesperson's license. [*Note: The Conference Committee retained this amendment. See the supplemental note on Sub. for HB 2598 for additional information.*]

HB 2376 (Restrictive Covenants)

HB 2376 was introduced by the House Committee on Local Government at the request of Representative Penn.

House Committee on Local Government

In the House Committee hearing on February 15, 2023, Representative Penn and a representative of the Kansas Association of Realtors presented **proponent** testimony. The proponents generally stated the bill would provide homeowners a long-overdue tool to remove racially restrictive covenants.

Written-only proponent testimony was provided by representatives of the Kansas Association of Counties, Kansas Register of Deeds Association, Sedgwick County, and Unified Government of Wyandotte County and Kansas City, Kansas.

Neutral testimony was provided by a representative of the League of Municipalities. Written-only neutral testimony was submitted by a representative of the Community Associations Institute.

Opponent testimony was provided by representatives of Kansas Interfaith Action and the City of Roeland Park. The opponents generally stated enactment of the bill would open the door to housing discrimination against people for military status, sexual orientation, and gender identity who are not protected classes under KAAD.

Written-only opponent testimony was provided by representatives of the African American Affairs Commission; American Civil Liberties Union of Kansas; Center of Daring; cities of Mission, Overland Park, Roeland Park, and Wichita; Equality Kansas; M-Care Healthcare; and Voter Rights Network of Wyandotte County.

The House Committee amended the bill to remove a section prohibiting cities or counties from adopting or enforcing any ordinance, resolution, or regulation related to discrimination that is more restrictive than the KAAD and to add a Legislative finding regarding the 1968 Fair Housing Act. [*Note: The Conference Committee retained this amendment.*]

Fiscal Information

HB 2562 (Protect Vulnerable Adults from Financial Exploitation Act)

According to the fiscal note prepared by the Division of the Budget on HB 2562, as introduced, enactment of the bill would have no effect on several state agencies and some effect as outlined by the Office of Judicial Administration. The fiscal note also addresses the bill's fiscal effect on local governments.

The Kansas Insurance Department states that even though the bill would increase reports of financial exploitation of elder and dependent adults, the agency has sufficient resources to be able to receive and investigate the reports. Therefore, the bill would not have a fiscal effect on the agency.

The Department for Children and Families (DCF) states that the bill would not have a fiscal effect but could result in premature applications for Medicaid. DCF currently works with the Department of Health and Environment Medicaid eligibility staff when vulnerable adults have been victims of financial exploitation, which occurs in approximately 125 cases per year. This is current practice, and therefore no additional expenditures are anticipated.

The Office of Judicial Administration states that the bill could increase the number of cases filed in district courts because it authorizes certain civil or administrative court actions. The bill would allow for judicial review and administrative action for the failure-to-report violations, which would increase the time spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases. The bill could also result in the collection of docket fees that would be deposited into the State General Fund. However, the agency cannot estimate the overall fiscal effect of the bill.

The Office of the Attorney General states the bill would not have a fiscal effect on the agency.

Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2025 Governor's Budget Report*.

The Kansas Association of Counties indicates that the bill would not have a fiscal effect on counties unless current resources are not adequate to handle additional prosecution and court needs. The League of Kansas Municipalities states the bill would not have a fiscal effect on cities.

HB 2101 (Kansas Contract for Deed Act)

According to the fiscal note prepared by the Division of the Budget on HB 2101, as introduced, the Judicial Branch states that enactment of the bill could increase the number of cases filed in district courts due to the violations of the Kansas Consumer Protection Act. This would increase the time spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases. The bill could also result in the collection of docket fees that would be deposited into the State General Fund. However, a precise fiscal effect cannot be estimated.

The Office of the Attorney General states that any additional cases generated from the bill would be absorbed within existing resources. The Abstracters' Board of Examiners states that the bill would not have a fiscal effect.

Any fiscal effect associated with the bill is not reflected in *The FY 2024 Governor's Budget Report*.

The Kansas Association of Counties indicates that enactment of the bill could have an impact on counties if current resources are not adequate to handle prosecutions and court needs. Therefore, a fiscal effect cannot be determined. The League of Kansas Municipalities states that the bill would not have a fiscal effect.

HB 2376 (Restrictive Covenants)

According to the fiscal note prepared by the Division of the Budget on HB 2376, as introduced, the Kansas Human Rights Commission and Kansas Association of Counties indicate enactment of the bill would not have a fiscal effect. The League of Kansas Municipalities indicates the bill would have negligible effect.

Financial institutions; consumer protection; financial exploitation; real estate; contract for deed; restrictive covenants; discrimination; cease-and-desist; Protect Vulnerable Adults from Financial Exploitation Act; Kansas Contract for Deed Act

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