

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2460** submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill as printed with Senate Committee amendments, as follows:

On page 1, by striking all in lines 6 through 34;

By striking all on page 2, and inserting:

"New Section 1. (a) Within the limits of available resources, the attorney general may assist victims of identity theft, identity fraud and related crimes and violations in obtaining refunds in relation to fraudulent or unauthorized charges or debits, canceling fraudulent accounts, correcting false information in consumer reports caused by identity theft or identity fraud, correcting false information in personnel files and court records, obtaining security freezes, completing identity theft affidavits, filing complaints and related matters.

(b) This section shall be part of and supplemental to the Kansas consumer protection act.

New Sec. 2. (a) As used in this section:

(1) "Holder of personal information" or "holder" means a person who, in the ordinary course of business, collects, maintains or possesses, or causes to be collected, maintained or possessed, the personal information of any other person.

(2) "Person" means any individual, partnership, corporation, trust, estate, cooperative, association, government, governmental subdivision or agency or other entity.

(3) "Personal information" means personal information as defined by K.S.A. 50-

7a01(g), and amendments thereto, and any other information which identifies an individual for which an information security obligation is imposed by federal or state statute or regulation.

(4) "Record" has the meaning provided by K.S.A. 84-1-201, and amendments thereto.

(b) A holder of personal information shall:

(1) Implement and maintain reasonable procedures and practices appropriate to the nature of the information, and exercise reasonable care to protect the personal information from unauthorized access, use, modification or disclosure. If federal or state law or regulation governs the procedures and practices of the holder of personal information for such protection of personal information, then compliance with such federal or state law or regulation shall be deemed compliance with this paragraph and failure to comply with such federal or state law or regulation shall be prima facie evidence of a violation of this paragraph; and

(2) unless otherwise required by federal law or regulation, take reasonable steps to destroy or arrange for the destruction of any records within such holder's custody or control containing any person's personal information when such holder no longer intends to maintain or possess such records. Such destruction shall be by shredding, erasing or otherwise modifying the personal identifying information in the records to make it unreadable or undecipherable through any means.

(c) A holder of personal information shall have an affirmative defense to a violation of subsection (b)(2) if such holder proves by clear and convincing evidence that:

(1) The violation resulted from a failure of the method of destruction of records to make personal information contained in such records unreadable or undecipherable through any means, and such failure could not reasonably have been foreseen despite the holder's exercise of

reasonable care in selecting and employing a method of destruction; or

(2) the holder of personal information had in effect at the time of the violation a bona fide written or electronic records management policy, including practices and procedures reasonably designed, maintained, and expected to prevent a violation of subsection (b)(2), and that the records involved in the violation of subsection (b)(2) were destroyed or disposed of in violation of such policy. No affirmative defense under this paragraph shall be available unless such holder proves:

(A) The employees or other persons involved in the violation received training in the holder's written or electronic records management policy;

(B) the violation resulted from a good faith error; and

(C) no reasonable likelihood exists that the violation may cause, enable or contribute to identity theft or identity fraud as defined by K.S.A. 2015 Supp. 21-6107, and amendments thereto, or to a violation of an information security obligation imposed by federal or state statute or regulation.

(d) Each violation of this section shall be an unconscionable act or practice in violation of K.S.A. 50-627, and amendments thereto. Each record that is not destroyed in compliance with subsection (b)(2) shall constitute a separate unconscionable act within the meaning of K.S.A. 50-627, and amendments thereto.

(e) Notwithstanding any other provision of law to the contrary, the exclusive authority to bring an action for any violation of this section shall be with the attorney general. Nothing in this section shall be construed to create or permit a private cause of action for any violation of this section.

(f) Nothing in this section relieves a holder of personal information from any duty to comply with other requirements of state and federal law regarding the protection of such information.

(g) This section shall be part of and supplemental to the Kansas consumer protection act.

Sec. 3. K.S.A. 2015 Supp. 50-6,139 is hereby amended to read as follows: 50-6,139. (a) The conduct prohibited by K.S.A. 2015 Supp. 21-6107, and amendments thereto, constitutes an unconscionable act or practice in violation of K.S.A. 50-627, and amendments thereto, and any person who engages in such conduct shall be subject to the remedies and penalties provided by the Kansas consumer protection act.

(b) For the purposes of the remedies and penalties provided by the Kansas consumer protection act:

(1) The person committing the conduct prohibited by K.S.A. 2015 Supp. 21-6107, and amendments thereto, shall be deemed the supplier, and the person who is the victim of such conduct shall be deemed the consumer; and

(2) proof of a consumer transaction shall not be required.

(c) This section shall be part of and supplemental to the Kansas consumer protection act ~~and~~.

(d) The provisions of this section and sections 1 and 2, and amendments thereto, shall be known and may be cited as the Wayne Owen-law act.

New Sec. 4. (a) Violation of a consumer protection order is engaging in a door-to-door sale while prohibited from door-to-door sales.

(b) Violation of a consumer protection order is a severity level 9, person felony.

(c) As used in this section:

(1) "Door-to-door sale" has the meaning provided by K.S.A. 50-640, and amendments thereto.

(2) "Engaging in" means participating, directly or indirectly, in the prohibited conduct or causing, directing, employing, enabling or assisting others to participate in such conduct.

(3) "Prohibited from door-to-door sales" means subject to any temporary or permanent order or judgment of a court entered under authority of the Kansas consumer protection act, K.S.A. 50-623 et seq., and amendments thereto, or any act that is part of or supplemental to the consumer protection act, and that restrains, enjoins or otherwise prohibits the person from engaging in door-to-door sales in this state or any portion thereof. For purposes of this section, an order or judgment restrains, enjoins or otherwise prohibits the person from engaging in door-to-door sales in this state or any portion thereof if such order or judgment:

(A) Expressly prohibits the person from engaging in door-to-door sales;

(B) prohibits conduct that includes, but is not limited to, engaging in door-to-door sales, such as prohibiting the person from engaging in consumer transactions as defined by K.S.A. 50-624, and amendments thereto; or

(C) prohibits engaging in only a particular type of door-to-door sale, such as the door-to-door sale of roofing-related services within the meaning of K.S.A. 2015 Supp. 50-6,122, and amendments thereto, or prohibits engaging in door-to-door sales only in a particular place. In such case, criminal liability under this section shall arise only if the person engaged in the particular type of door-to-door sale that is restrained, enjoined or otherwise prohibited or

engaged in a door-to-door sale in the particular place where such sale is restrained, enjoined or otherwise prohibited.

(d) A person shall be subject to criminal liability under this section only if the state proves beyond a reasonable doubt that such person had actual or constructive notice of the temporary or permanent order or judgment described in subsection (b)(3).

(1) A person has actual notice of the existence of a temporary or permanent order or judgment if:

(A) Such order or judgment was actually served on such person in any manner authorized by the code of civil procedure or the Kansas consumer protection act, other than K.S.A. 60-307, and amendments thereto, at any time prior to the violation of this section, regardless of when such order or judgment was issued; or

(B) such person otherwise had actual knowledge of such order or judgment.

(2) A person has constructive notice of the existence of a temporary or permanent order or judgment if, on or after July 1, 2016:

(A) The petition or subpoena that resulted in issuance of such order or judgment was actually served on such person in any manner authorized by the code of civil procedure or the Kansas consumer protection act, other than K.S.A. 60-307, and amendments thereto;

(B) the petition or subpoena contained, or was accompanied by, notice that failure to answer the petition or comply with the subpoena could result in such person being prohibited from door-to-door sales should a judgment be issued, and that a violation of the judgment could constitute an additional crime;

(C) actual service of such order or judgment on such person was attempted, but was

refused or left unclaimed; and

(D) such order or judgment is posted conspicuously on an official and publicly available website of the office of the attorney general, whether or not such order or judgment was actually served on such person. Compliance with this paragraph shall create a rebuttable presumption that such person had knowledge of the existence of such order or judgment, but such presumption may be rebutted by showing, through a preponderance of evidence, that such person neither knew nor should have known of the existence of such order or judgment.

(e) The criminal liability imposed by this section shall not relieve any person of civil liability for violating a consumer protection order, and any criminal penalties authorized by law may be imposed in addition to any civil sanctions or liability authorized by law.

(f) The attorney general, or county attorney or district attorney, or both, may institute criminal action to prosecute this offense.

(g) This section shall be part of and supplemental to the Kansas criminal code.

(h) If any provision or provisions of this section or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this section which can be given effect without the invalid provision or provisions or application, and to this end the provisions of this section are severable.

New Sec. 5. The attorney general may post conspicuously on an official and publicly available website of the office of the attorney general any judgment or order that restrains, enjoins or otherwise prohibits a person from engaging in door-to-door sales, as defined in section 4(c), and amendments thereto.

Sec. 6. K.S.A. 2015 Supp. 60-4104 is hereby amended to read as follows: 60-4104.

Conduct and offenses giving rise to forfeiture under this act, whether or not there is a prosecution or conviction related to the offense, are:

- (a) All offenses which statutorily and specifically authorize forfeiture;
- (b) violations involving controlled substances, as described in K.S.A. 2015 Supp. 21-5701 through 21-5717, and amendments thereto;
- (c) theft, as defined in K.S.A. 2015 Supp. 21-5801, and amendments thereto;
- (d) criminal discharge of a firearm, as defined in ~~subsections (a)(1) and (a)(2) of K.S.A. 2015 Supp. 21-6308~~(a)(1) and (a)(2), and amendments thereto;
- (e) gambling, as defined in K.S.A. 2015 Supp. 21-6404, and amendments thereto, and commercial gambling, as defined in ~~subsection (a)(1) of K.S.A. 2015 Supp. 21-6406~~(a)(1), and amendments thereto;
- (f) counterfeiting, as defined in K.S.A. 2015 Supp. 21-5825, and amendments thereto;
- (g) unlawful possession or use of a scanning device or reencoder, as described in K.S.A. 2015 Supp. 21-6108, and amendments thereto;
- (h) medicaid fraud, as described in K.S.A. 2015 Supp. 21-5925 through 21-5934, and amendments thereto;
- (i) an act or omission occurring outside this state, which would be a violation in the place of occurrence and would be described in this section if the act occurred in this state, whether or not it is prosecuted in any state;
- (j) an act or omission committed in furtherance of any act or omission described in this section including any inchoate or preparatory offense, whether or not there is a prosecution or conviction related to the act or omission;

(k) any solicitation or conspiracy to commit any act or omission described in this section, whether or not there is a prosecution or conviction related to the act or omission;

(l) terrorism, as defined in K.S.A. 2015 Supp. 21-5421, and amendments thereto, illegal use of weapons of mass destruction, as defined in K.S.A. 2015 Supp. 21-5422, and amendments thereto, and furtherance of terrorism or illegal use of weapons of mass destruction, as described in K.S.A. 2015 Supp. 21-5423, and amendments thereto;

(m) unlawful conduct of dog fighting and unlawful possession of dog fighting paraphernalia, as defined in ~~subsections (a) and (b) of~~ K.S.A. 2015 Supp. 21-6414(a) and (b), and amendments thereto;

(n) unlawful conduct of cockfighting and unlawful possession of cockfighting paraphernalia, as defined in ~~subsections (a) and (b) of~~ K.S.A. 2015 Supp. 21-6417(a) and (b), and amendments thereto;

(o) selling sexual relations, as defined in K.S.A. 2015 Supp. 21-6419, and amendments thereto, promoting the sale of sexual relations, as defined in K.S.A. 2015 Supp. 21-6420, and amendments thereto, and buying sexual relations, as defined in K.S.A. 2015 Supp. 21-6421, and amendments thereto;

(p) human trafficking and aggravated human trafficking, as defined in K.S.A. 2015 Supp. 21-5426, and amendments thereto;

(q) violations of the banking code, as described in K.S.A. 9-2012, and amendments thereto;

(r) mistreatment of a dependent adult, as defined in K.S.A. 2015 Supp. 21-5417, and amendments thereto;

(s) giving a worthless check, as defined in K.S.A. 2015 Supp. 21-5821, and amendments thereto;

(t) forgery, as defined in K.S.A. 2015 Supp. 21-5823, and amendments thereto;

(u) making false information, as defined in K.S.A. 2015 Supp. 21-5824, and amendments thereto;

(v) criminal use of a financial card, as defined in K.S.A. 2015 Supp. 21-5828, and amendments thereto;

(w) unlawful acts concerning computers, as described in K.S.A. 2015 Supp. 21-5839, and amendments thereto;

(x) identity theft and identity fraud, as defined in ~~subsections (a) and (b)~~ of K.S.A. 2015 Supp. 21-6107(a) and (b), and amendments thereto;

(y) electronic solicitation, as defined in K.S.A. 2015 Supp. 21-5509, and amendments thereto;

(z) felony violations of fleeing or attempting to elude a police officer, as described in K.S.A. 8-1568, and amendments thereto;

(aa) commercial sexual exploitation of a child, as defined in K.S.A. 2015 Supp. 21-6422, and amendments thereto;

(bb) violations of the Kansas racketeer influenced and corrupt organization act, as described in K.S.A. 2015 Supp. 21-6329, and amendments thereto;

(cc) indecent solicitation of a child and aggravated indecent solicitation of a child, as defined in K.S.A. 2015 Supp. 21-5508, and amendments thereto; ~~and~~

(dd) sexual exploitation of a child, as defined in K.S.A. 2015 Supp. 21-5510, and

amendments thereto; and

(ee) violation of a consumer protection order as defined in section 4, and amendments thereto.

Sec. 7 K.S.A. 2015 Supp. 50-6,139, 50-7a03 and 60-4104 are hereby repealed.

Sec. 8 This act shall take effect and be in force from and after its publication in the statute book.";

On page 1, in the title, in line 1, by striking all after "concerning"; in line 2, by striking all before the semicolon and inserting "consumer protection; relating to identity theft and identity fraud; door-to-door sales"; also in line 2, by striking "22-4903" and inserting "50-6,139 and 60-4104"; in line 3 by striking "section" and inserting "sections; also repealing K.S.A. 2015 Supp. 50-7a03";

And your committee on conference recommends the adoption of this report.

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Conferees on part of Senate

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Conferees on part of House