

SESSION OF 2019

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2162**

As Recommended by House Committee on  
Judiciary

**Brief\***

HB 2162 would amend definitions in the Kansas Consumer Protection Act. Specifically, it would amend the definition of “supplier” by removing an exclusion for any bank, trust company, or lending institution which is subject to state or federal regulation with regard to disposition of repossessed collateral by such entity. The bill also would amend the definition of “consumer transaction” to exclude the disposition of repossessed collateral by any supplier that is subject to and compliant with any state or federal law or rules and regulations with regard to disposition of such repossessed collateral.

**Background**

The bill was introduced by the House Committee on Judiciary at the request of Representative Ellis. In the House Committee hearing, an attorney testified in support of the bill, stating some judges are interpreting the current exclusion in the definition of “supplier” as a blanket exclusion for the specified entities, rather than as an exclusion for such entities with regard to disposition of collateral. Five private citizens also testified in support of the bill. A representative of the Kansas Bankers Association provided neutral testimony, stating the current exclusion was added in 2005 and was intended to be a narrow exception for occasional instances where such entities needed to sell repossessed property. No opponent testimony was provided.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

According to the fiscal note prepared by the Division of the Budget on the bill, the Office of the State Bank Commissioner and the Office of the Attorney General indicate enactment of the bill would have no fiscal effect.