

HOUSE BILL No. 2807

AN ACT relating to consumer protection; concerning method of payment; authorization; amending K.S.A. 2001 Supp. 50-6,105 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 2001 Supp. 50-6,105 is hereby amended to read as follows: 50-6,105. (a) No supplier shall obtain or submit for payment, other than for the continuation of existing and recurrent services, services provided by a public utility as defined in K.S.A. 66-104, and amendments thereto, services provided by a wireless carrier as defined in K.S.A. 12-5301, and amendments thereto, or the collection of a preexisting debt, a check, draft or other form of negotiable instrument or payment order drawn on a person's checking, savings, share or similar account without the consumer's express authorization. The supplier obtaining or submitting the check, draft or other form of negotiable instrument or payment order for payment shall have the burden of proving the express authorization by a preponderance of the evidence.

(b) As used in this section, "express authorization" means an express affirmative act by a consumer clearly agreeing to the payment by check, draft or other form of negotiable instrument or payment order drawn on a person's checking, savings, share or similar account.

(c) Nothing in this section shall prohibit a consumer from personally directing the consumer's financial institution to make payment from the consumer's checking, savings, share or similar account via electronic or telephonic means in accordance with procedures set by the consumer's financial institution, nor shall this section affect the right of a consumer to transfer funds from one account to another.

(d) *Notwithstanding the provisions of K.S.A. 84-4-402, and amendments thereto*, financial institutions may decline to pay any check, draft or other form of negotiable instrument or payment order submitted without proof of the consumer's express authorization.

(e) A violation of subsection (a) is an unconscionable act within the meaning of K.S.A. 50-627, and amendments thereto.

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

Sec. 2. K.S.A. 2001 Supp. 50-6,105 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the HOUSE, and passed that body

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.