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

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**MEMORANDUM**

To: House Committee on Financial Institutions and Pensions  
From: Office of Revisor of Statutes  
Date: January 29, 2024  
Subject: **HB 2562 - Enacting the protect vulnerable adults from financial exploitation act.**

House Bill No. 2562 would enact nine new sections of law to be known as the protect vulnerable adults from financial exploitation act.

Section 1 provides the name and citation of the act.

Section 2 provides the definition of terms used throughout the act.

Section 3 requires that if a qualified person reasonably believes that financial exploitation of an eligible adult may have occurred, been attempted or is being attempted, to promptly report the matter to the protective agencies.

Section 4 provides immunity from administrative and civil liability to a qualified person who, in good faith and exercising reasonable care, makes a disclosure of information pursuant to section 3.

Section 5 allows a qualified person to notify any person reasonably associated with the eligible adult of the disclosure made pursuant to section 3 unless the qualified person suspects that such person has committed or attempted financial exploitation of such eligible adult.

Section 6 provides immunity from administrative and civil liability to a qualified person who, in good faith and exercising reasonable care, makes a disclosure of information pursuant to section 5.

Section 7 allows a broker-dealer or investment adviser to delay a transaction associated with or disbursement from an account of an eligible adult or an account on which an eligible adult is a beneficiary when complying with the provisions of this section. This section also provides procedures for determining how long a delay may last.

Section 8 provides immunity from administrative and civil liability to a qualified person who, in good faith and exercising reasonable care, complies with the provisions of section 7 regarding a delay of a transaction or disbursement.

Section 9 requires a broker-dealer or investment adviser to provide access or copies of records that are relevant to the suspected or attempted financial exploitation of an eligible adult to the protective agencies and 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

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law enforcement agency pursuant to an investigation. Records made available shall be exempt from the open records act.

Section 10 amends K.S.A. 17-12a412, the statute within the uniform securities act that provides grounds for discipline of registrants under the act, to include a knowing failure to make a report required under the protect vulnerable adults from financial exploitation act.

HB 2562 would take effect July 1, 2024.