

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

The Committee on **Financial Institutions and Pensions** recommends **HB 2105** be amended on page 1, in line 16, after the period by inserting "A provider may use the mailing address provided by a consumer to determine such consumer's state of residence for purposes of this act."; in line 17, after "(d)" by inserting "'Consumer directed wage access services" means the business of delivering proceeds to a consumer prior to the date on which an obligor is obligated to pay salary, wages, compensation or other income to such consumer based on the consumer's representations and the provider's reasonable determination of the consumer's earned but unpaid income.

(e) "Director" means a member of the registrant's or applicant's board of directors.

(f)";

Also on page 1, in line 22, by striking "delivering"; by striking all in lines 23 through 25 and inserting "providing consumer directed wage access services or employer-integrated wage access services, or both.

(h) "Employer-integrated wage access services" means the business of delivering proceeds to a consumer prior to the date on which an obligor is obligated to pay salary, wages, compensation or other income to such consumer, when the provider has verified the earned but unpaid income of the consumer through time and attendance or earnings data for the relevant pay period, using information provided by an obligor or a service provider of the obligor.";

Also on page 1, by striking all in lines 29 through 33; in line 34, by striking "Nonmandatory" and inserting "Non-mandatory"; in line 36, by striking "'Nonmandatory

payment" includes, but is not limited to" and inserting "Examples of permissible non-mandatory payments include";

On page 2, in line 15, by striking "nonmandatory" and inserting "non-mandatory"; in line 20, by striking "nonmandatory" and inserting "non-mandatory"; in line 30, before "Outstanding" by inserting "(m) "Officer" means a person who participates or has authority to participate, other than in the capacity of a director, in major policymaking functions of the registrant or applicant, whether or not the person has an official title. "Officer" includes, but is not limited to, the chief executive officer, chief financial officer, chief operations officer, chief legal officer, chief credit officer, chief compliance officer and every vice president.

(n)";

Also on page 2, in line 32, before "Person" by inserting "(o) "Owner" means an individual who holds, directly or indirectly, at least 10% or more of a class of voting securities or the power to direct the management or policies of a registrant or an applicant.

(p) "Partner" means a person that has the right to receive upon dissolution, or has contributed, 10% or more of the capital of a partnership of the registrant or applicant.

(q)";

On page 3, in line 29, by striking "April 30" and inserting "December 31";

On page 4, in line 23, by striking "\$25,000" and inserting "\$100,000"; in line 35, after "(2)" by inserting "clearly and conspicuously describes how the consumer may obtain proceeds at no cost to such consumer;

(3)";

Also on page 4, also in line 35, by striking "statement" and inserting "clear disclosure"; by striking all in line 37 and inserting "the commissioner's phone number and website for submitting";

On page 5, in line 8, by striking "repayment of proceeds" and inserting "to use pre-authorized electronic transfers"; in line 19, by striking "make the offering of earned wage access services, either in" and inserting "seek repayment of proceeds in an amount that exceeds the amount of a consumer's earned but unpaid income and any applicable non-mandatory payment;

(d) condition";

Also on page 5, in line 21, after "which" by inserting "a consumer is eligible to request"; also in line 21, by striking "are provided to a consumer, contingent"; in line 27, before "charge" by inserting "(e) solicit a consumer to make a non-mandatory payment after informing the consumer that such consumer's request for proceeds was accepted;

(f)";

Also on page 5, in line 30, by striking "(e)" and inserting "(g) accept credit of any kind as payment from a consumer of outstanding proceeds or non-mandatory payments;

(h)";

Also on page 5, in line 37, before "provide" by inserting "(k) require a credit report for purposes other than verifying a consumer's identity; or

(l)";

On page 6, in line 3, by striking all after "charges"; by striking all in line 4; in line 5, by striking all before the period; in line 13, after the second period by inserting "The commissioner may publish aggregate annual report information for multiple registrants in composite form."; in line 17, by striking "30" and inserting "15"; in line 24, after "(3)" by inserting "the addition or loss of any owner, officer, partner or director of the registrant;

(4)";

Also on page 6, in line 26, after "status" by inserting "; or

(6) the closing or relocation of the registrant's principal place of business";

On page 7, in line 16, by striking the comma and inserting "or"; also in line 16, by striking "or debt management counselor thereof" and inserting "of the applicant or registrant";

On page 8, in line 2, by striking all after "that"; in line 3, by striking all before the period and inserting "will enable the commissioner to determine whether the registrant is complying with the provisions of this act"; in line 33, by striking all after "(11)"; by striking all in lines 34 through 39 and inserting "(A) require fingerprinting of any officer, partner or director of an applicant or registrant. Such fingerprints may be submitted to the Kansas bureau of investigation and the federal bureau of investigation for a state and national criminal history record check. The fingerprints shall be used to identify the person and to determine whether the person has a record of arrests and convictions in this state or other jurisdictions. The commissioner may use information obtained from fingerprinting and the criminal history for purposes of verifying the identification of the person and in the official determination of the qualifications and fitness of the persons associated with the applicant. Whenever the commissioner requires fingerprinting, any associated costs shall be paid by the applicant or the parties to the application.

(B) The commissioner shall not authorize receipt of a state and national criminal history record check from a private entity unless the Kansas bureau of investigation or the federal bureau of investigation is unable to supply such state and national criminal history record check through the Kansas central repository of criminal history records or any subsequent repository system provided for by law. The commissioner shall not disclose or use a state and national criminal history record check for any purpose except as provided for in this section. Unauthorized use of a state or national criminal history record check shall constitute a class A nonperson misdemeanor.

(C) Each state and national criminal history record check shall be confidential, not subject to the open records act, K.S.A. 45-215 et seq., and amendments thereto, and not be disclosed to any applicant or registrant. The provisions of this subparagraph shall expire on July 1, 2028,

unless the legislature reviews and acts to continue such provisions pursuant to K.S.A. 45-229, and amendments thereto, prior to July 1, 2028;"

On page 10, in line 1, by striking "\$2,000" and inserting "\$5,000"; in line 6, by striking "\$2,000" and inserting "\$5,000"; following line 37, by inserting:

"(6) Fines and penalties collected pursuant to paragraphs (2) and (3) shall be designated for use by the commissioner for consumer education.";

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

On page 1, in the title, in line 6, before "penalties" by inserting "criminal"; and the bill be passed as amended.

_____Chairperson