SESSION OF 2026

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2591

As Amended by Senate Committee on Financial Institutions and Insurance

Brief*

HB 2591, as amended, would allow a financial institution to establish a trusted contact program, allow for reporting of suspected financial exploitation, and allow a financial institution to temporarily delay a suspicious transaction for up to 10 business days when the institution has reported the suspected exploitation to law enforcement or the Kansas Department for Children and Families (DCF).

Financial Exploitation Definition

The bill would define "financial exploitation" to mean the unlawful or improper use, control, or withholding of an adult's property, income, resources, or trust funds by any other person or entity in a manner that is not for the profit of or to the advantage of the adult.

"Financial exploitation" would include, but not be limited to, the:

- Breach of a fiduciary duty, including, but not limited to, the misuse of a power of attorney, trust, or a guardianship or conservatorship appointment, as it relates to the property, income, resources, or trust funds of the adult;

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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 https://klrd.gov/

- Unauthorized use of an adult's personal identifying information, financial documents, or access devices;

- Use of deception, intimidation, coercion, extortion, or undue influence by a person or entity to obtain control over or use an adult's property, income, resources, or trust funds in a manner that is for the profit of or to the advantage of such person or entity; or

- Use of fraud, false pretense, or misrepresentation for personal gain at the expense of the adult.

The bill would also define "adult," "bank holding company," and other terms named in subsequent sections.

Reporting (Section 2)

The bill would allow a financial institution to, in good faith and with reasonable cause, report any suspected financial exploitation of an adult account holder to a designated agency, meaning any law enforcement agency with jurisdiction over the matter or DCF.

The bill would define a "financial institution" to mean a bank, savings bank, savings and loan association, trust company, credit union, or any similar institution chartered and supervised under state or federal law.

A report could be made orally or in writing and would be required to include the information reasonably necessary to assist the designated agency in investigating the suspected financial exploitation.

This reporting provision would not affect the reporting requirements in continuing law regarding abuse, neglect, and exploitation.

Trusted Contact (Section 3)

The bill would allow a financial institution to, in good faith, notify a trusted contact of an adult account holder of suspected financial exploitation, unless the institution reasonably believes that the trusted contact has committed or attempted financial exploitation of the account holder.

The bill would define "trusted contact" as any adult designated by an adult account holder whom a financial institution may contact in the event of suspected financial exploitation of such account holder.

The bill would allow, when providing information pursuant to this section, a financial institution to disclose that the institution has reasonable cause to suspect that the account holder is a victim or target of financial exploitation without disclosing any other details or confidential personal information regarding the financial affairs of the account holder.

The bill would specify that this section would not be construed to provide a trusted contact who is notified pursuant to this section with the authority to take any action on behalf of an account holder.

Temporary Hold (Section 4)

If a financial institution makes a report pursuant to the bill and the institution reasonably believes that the reported transaction or disbursement may further the financial exploitation of an adult account holder, the bill would permit the institution to place a temporary hold, with management approval, on the reported transaction or disbursement from the adult's account for up to 10 business days.

A temporary hold could not be based solely on the:

- Age or perceived vulnerability of the adult account holder;
- Size, frequency, or timing of the transaction or disbursement; or
- Adult account holder's refusal to provide additional information related to the transaction or disbursement.

These provisions would not affect a financial institution's other rights or obligations under contract or other law.

The financial institution would be permitted to extend such a hold for a period not to exceed 30 business days after the expiration of the initial 10 business days if requested by a state or federal agency or a law enforcement agency investigating the suspected financial exploitation. The financial institution could also petition a court to extend a hold placed on any applicable transaction beyond the additional 30 business days.

Immunity (Section 5)

The bill would designate that a financial institution or bank holding company or any officer, employee, or agent thereof, that in good faith and with reasonable cause takes any of following actions would not be liable in any civil or criminal action, including claims of negligence, breach of fiduciary duty, breach of privacy, or any other claim under state law, arising from the following actions:

- Reporting any suspected financial exploitation of an adult account holder to a designated agency pursuant to the bill;
- Notifying a trusted contact of an adult account holder of suspected financial exploitation pursuant to the bill; or

- Placing or continuing a temporary hold on a transaction or disbursement from an adult's account pursuant to the bill.

The bill would also hold that any applicable institution or their agent who chooses, in good faith and without gross negligence, to not take an action listed above would not be liable in any civil or criminal action arising from such inaction.

The bill's immunity provision would extend to participation in any judicial or administrative proceeding resulting from a report or decision made pursuant to the bill.

Background

The bill was introduced by the House Committee on Financial Institutions and Pensions at the request of a representative of the Kansas Credit Union Association.

House Committee on Financial Institutions and Pensions

In the House Committee hearing, **proponent** testimony was provided by the Kansas Credit Union Association, AARP Kansas, Azura Credit Union, and the Kansas Bankers Association. The proponents generally stated that fraud losses in America are estimated to exceed $12.0 billion annually and that more than 25 states have adopted similar legislation to prevent financial exploitation.

Neutral testimony was provided by a representative of the Kansas Department of Insurance, who shared the Protect Vulnerable Adults from Financial Exploitation Act Report, which includes data on the impact of financial exploitation in Kansas.

No other testimony was provided.

House Committee of the Whole

The House Committee of the Whole amended the bill to:

- Add that placing a temporary hold on a transaction would require management approval; and
- Denote that a temporary hold could not be based solely on certain listed conditions.

Senate Committee on Financial Institutions and Insurance

In the Senate Committee hearing, **proponent** testimony was provided by representatives of Kansas Bankers Association and Kansas Credit Union Association, who generally stated that when dealing with suspected fraud, financial institutions are not allowed under current privacy laws to contact a trusted individual who could intervene. The conferees noted that trusted contacts would not be able to take action on accounts themselves.

Written-only proponent testimony was provided by a representative of AARP Kansas and DCF.

No other testimony was provided.

The Senate Committee amended the bill to specify that "designated agency" would mean any law enforcement agency with jurisdiction or DCF, rather than both entities.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Office of the State Bank Commissioner examines financial institutions for safety and soundness. The provisions of the bill would not affect safety and soundness of the financial institutions. Trusts are

generally overseen by trustees, so the bill would be unlikely to affect the examination of a trust company. Therefore, the Office indicates the bill would not have a fiscal effect.

The Department of Credit Unions indicates that during examinations of credit unions, the examiners would review credit unions' disclosures and policies relating to the provisions of the bill. The Department indicates that examination of this information would be absorbed within the Department's existing resources.

The Office of Judicial Administration states the bill could increase the number of cases filed in the district courts because the bill allows a financial institution to petition the court to extend a hold placed on a financial transaction. This would increase time spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases. Enactment of the bill could increase the collection of docket fees from petitions filed that would be deposited into the State General Fund. The agency is unable to estimate a precise fiscal effect.

DCF and the Office of the Attorney General both indicate the bill would not have a fiscal effect. Any fiscal effect associated with the bill is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties and the League of Kansas Municipalities both state the bill would not have a fiscal effect on local governments.

Financial institutions; financial exploitation; trusted contact; fraud prevention; Kansas Department for Children and Families; law enforcement