

## SENATE BILL No. 503

By Committee on Education

2-2

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9 AN ACT concerning payday and title loans; imposing a surcharge thereon  
10 and providing for the use of the revenue derived therefrom.

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

13 Section 1. (a) As used in this act:

14 (1) "Payday loan" means a consumer loan transaction which is regu-  
15 lated under the provisions of K.S.A. 16a-2-404, and amendments thereto.

16 (2) (A) "Title loan" means a consumer loan transaction secured by a  
17 vehicle, including a loan made pursuant to K.S.A. 16-706 et seq., and  
18 amendments thereto.

19 (B) "Title loan" shall not mean a purchase money consumer loan or  
20 a loan made pursuant to subsection (2) of K.S.A. 16a-2-401, and amend-  
21 ments thereto.

22 (3) "Vehicle" means every device in, upon or by which any person or  
23 property is or may be transported or drawn upon a public highway and  
24 the ownership of which is evidenced by a certificate of title.

25 (b) There is hereby imposed on every payday loan and title loan a \$1  
26 surcharge. The surcharge shall be paid by the borrower to the lender and  
27 it shall be the duty of the lender to collect from the borrower the full  
28 amount of the surcharge. All moneys collected by a lender pursuant to  
29 this section shall be remitted to the state bank commissioner. The state  
30 bank commissioner shall remit all moneys received pursuant to this sec-  
31 tion to the state treasurer in accordance with the provisions of K.S.A. 75-  
32 4215, and amendments thereto. Upon receipt of each such remittance,  
33 the state treasurer shall deposit the entire amount in the state treasury  
34 to the credit of the professional development fund of the state department  
35 of education.

36 (c) The bank commissioner is hereby authorized to administer and  
37 enforce the provisions of this section and to adopt such rules and regu-  
38 lations as may be necessary to carry out the responsibilities of the com-  
39 missioner under this section.

40 Sec. 2. (a) All moneys in the professional development fund of the  
41 state department of education which are attributable to the surcharge  
42 imposed pursuant to section 2, and amendments thereto, shall be exp-  
43 ended to fund professional development programs in the areas relating

1 to personal financial literacy or topics relating to personal financial  
2 literacy.

3 (b) This section shall be part of and supplemental to the education  
4 professional development act contained in K.S.A. 72-9601 et seq., and  
5 amendments thereto.

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