

KANSAS OFFICE *of*  
**REVISOR *of* STATUTES**

LEGISLATURE *of* THE STATE *of* KANSAS  
*Legislative Attorneys transforming ideas into legislation.*

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**MEMORANDUM**

To: Senate Committee on Financial Institutions and Insurance  
From: Office of Revisor of Statutes  
Date: February 7, 2023  
Subject: Bill Brief, SB 44

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SB 44 enacts the Kansas financial institutions information security act (Act). The Act consists of four new provisions of law, requiring state-regulated covered entities to establish an information security program to protect customer information, consistent with the provisions of 16 C.F.R. § 314, which applies to federally regulated financial institutions over which the FTC has jurisdiction.

Section 1 establishes the act and specifies to whom the act applies. This section also grants authority to the bank commissioner to establish rules and regulations that are necessary to govern and administer the provisions of the Act.

Section 2 is the definitions section of the Act.

Section 3 specifies the required elements of an information security program.

Section 4 specifies that the bank commissioner may conduct routine examinations of a covered entity as well as examinations of a covered entity that the commissioner may conduct if there is reason to believe that the covered entity is engaging or has engaged in actions in violation of the Act. This section also sets forth actions that the commissioner may take in furtherance of an examination and penalties for violations of the Act. This section also states that any enforcement action required or requested by the bank commissioner shall be subject to the Kansas administrative procedure act and shall be subject to review under the Kansas judicial review act.