

February 17, 2026

The Honorable Carl Turner, Chairperson
House Committee on Legislative Modernization
300 SW 10th Avenue, Room 218-N
Topeka, Kansas 66612

Dear Representative Turner:

SUBJECT: Fiscal Note for HB 2671 by House Committee on K-12 Education Budget

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2671 is respectfully submitted to your committee.

HB 2671 would establish the Kansas Community Harmed by AI Technology (CHAT) Act. The bill would define a “covered entity” as any person that owns, operates or makes available a companion AI chatbot to individuals in Kansas. The bill would require users to make an account to interact with a chatbot and would require age verification using a commercially available method reasonably designed to ensure accuracy. If the covered entity determines that a user is a minor, the bill would require the covered entity to have or obtain parental consent or block the minor’s access. The Attorney General would be required to issue guidance to assist covered entities in complying with the provisions of the bill. Violations of the bill would constitute a deceptive act under the Kansas Consumer Protection Act. The bill lists factors that would be considered in determining if a covered entity is liable for a violation.

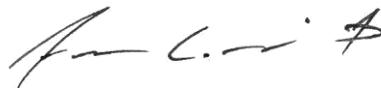
Estimated State Fiscal Effect			
	FY 2026	FY 2027	FY 2028
Expenditures			
State General Fund	--	\$148,181	\$152,626
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Expenditures	--	\$148,181	\$152,626

Revenues			
State General Fund	--	--	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	--	--
FTE Positions	--	1.00	1.00

The Office of the Attorney General indicates enactment of the bill would increase expenditures by \$148,181 in FY 2027 and \$152,626 in FY 2028 from the State General Fund for 1.00 Assistant Attorney General FTE position. Of the FY 2027 amount, \$133,905 is for salaries and wages for the position and \$14,276 is for technology, training, and office-related expenses. FY 2028 assumes a 3.0 percent increase over FY 2027. The Office states the position would be responsible for adopting rules and regulations, issuing required guidance, serving as the subject-matter expert for compliance with companion AI chatbot requirements, and enforcing the provisions of the bill under the Kansas Consumer Protection Act. The Office notes that the technical and novel nature of AI regulation, data confidentiality requirements, and suicide-prevention safeguards would necessitate dedicated legal expertise beyond existing staff capacity. The bill could also result in revenue from civil penalties, but this amount cannot be estimated. The Office also notes that the bill would likely be the subject of litigation due to the emerging and evolving regulatory landscape surrounding AI technologies. However, a precise fiscal effect regarding potential litigation cannot be estimated.

The Office of Judicial Administration indicates enactment of the bill could increase the number of cases filed in district courts because violations of the bill would be subject to the remedies and enforcement provisions of the Kansas Consumer Protection Act. This would increase the time spent by district court judicial and nonjudicial personnel in processing, researching, and hearing cases and could result in the collection of docket fees in those cases filed under the provisions of the bill, which would be deposited in the State General Fund. However, a precise fiscal effect cannot be estimated. Any fiscal effect associated with HB 2671 is not reflected in *The FY 2027 Governor's Budget Report*.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Trisha Morrow, Judiciary
Matt Bingesser, Office of the Attorney General