

SESSION OF 2025

SUPPLEMENTAL NOTE ON SENATE BILL NO. 84

As Amended by House Committee on Judiciary

Brief*

SB 84, as amended, would amend the crime of criminal use of a financial card to include certain conduct involving gift cards and would define related terms.

The bill would redesignate the crime as criminal use of a financial card or gift card, and would add the following conduct as an act constituting the crime, when committed with the intent to defraud and to obtain money, goods, property, or services by:

- Acquiring or retaining possession of a gift card or gift card redemption information without consent of the cardholder, issuer, or seller; or
- Altering or tampering with a gift card.

The bill would provide that conduct involving a gift card would be classified and penalized in the same manner as conduct involving a financial card, as follows:

- Severity level 7 nonperson felony if the money, goods, property, or services obtained within a seven-day period are of the value of \$25,000 or more;
- Severity level 9 nonperson felony if the money, goods, property, or services obtained within a seven-day period are of the value of at least \$1,000 but less than \$25,000; and

*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/>

- Class A nonperson misdemeanor if the money, goods, property, or services obtained within a seven-day period are of the value of less than \$1,000.

Definitions

The bill would add definitions of “closed-loop gift card,” “gift card,” “gift card issuer,” “gift card redemption information,” “gift card seller,” and “open-loop gift card,” and would amend the definition of “cardholder” to mean:

- The person or entity to whom or for whose benefit a financial card is issued; or
- The person to whom a physical or virtual gift card is issued or any person who has agreed with the card issuer to pay obligations arising from the issuance of a gift card to another person.

The bill would be in effect upon publication in the *Kansas Register*.

Background

The bill was introduced by the Senate Committee on Judiciary at the request of a representative of the Kansas Chamber of Commerce.

Senate Committee on Judiciary

In the Senate Committee hearing, a representative of the Kansas Chamber provided **proponent** testimony, stating that the bill would provide an answer to the increasing occurrence of fraud involving gift cards.

Written-only opponent testimony was provided by a representative of the State Board of Indigents' Defense Services (BIDS).

No other testimony was provided.

House Committee on Judiciary

In the House Committee hearing, a representative of the Kansas Chamber provided **proponent** testimony that was substantially similar to the testimony provided in the Senate Committee hearing.

Written-only proponent testimony was provided by a representative of the Kansas City, Kansas, Chamber of Commerce.

Written-only neutral testimony was provided by a representative of BIDS.

The House Committee amended the bill to make it effective upon publication in the *Kansas Register*.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, BIDS indicates enactment of the bill would increase agency expenditures on legal counsel and support staff by unknown amounts.

The Kansas Sentencing Commission estimates enactment of the bill would result in an increase of one adult prison bed by the end of FY 2026, with one additional bed needed by the end of FY 2034. Enactment of the bill would increase the workload of the Commission by 10 in FY 2026 and FY 2035, according to the prison bed impact statement prepared by the Commission on the bill.

The Department of Corrections indicates enactment of the bill would increase State General Fund (SGF) expenditures by \$4,245 in FY 2026 and \$4,330 in FY 2027.

The Judicial Branch indicates enactment of the bill has the potential to increase expenditures and also increase fees deposited in the SGF; however, a precise estimate is unable to be calculated at this time.

The Kansas Association of Counties indicates enactment of the bill could potentially increase expenditures.

The League of Kansas Municipalities indicates enactment of the bill would have negligible fiscal effect on city governments.

Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2026 Governor's Budget Report*.

Crimes; judiciary; financial card; gift card