

Kansas

Are mandatory arbitration provisions recognized in your state? If so, are there any limitations to its enforcement?

Yes. The Kansas Uniform Arbitration Act (“KUAA”) controls the validity of arbitration provisions in Kansas.ⁱ As revised in 2018, the KUAA provides that “[a]n agreement contained in a record to submit to arbitration any existing or subsequent controversy arising between the parties to the agreement is valid, enforceable, and irrevocable, except upon a ground that exists at law or in equity for the revocation of a contract.”ⁱⁱ

Although Kansas has a strong public policy favoring arbitration agreements,ⁱⁱⁱ Kansas courts will invalidate arbitration agreements when fee-splitting provisions impose costs on employees that effectively deprive them and similarly situated employees of an accessible forum in which to vindicate their rights^{iv} or when they otherwise violate the doctrine of unconscionability.^v

What is your state’s law, if any, regarding gift cards, subscription services and loyalty programs?

Under Kan. Stat. Ann. § 50-6,108(a), gift cards or gift certificates in Kansas must not expire less than 5 years from the date of purchase.

No fees may be charged against the balance of a gift card or gift certificate within 12 months from the date of the issuance of the card. A gift certificate or gift card sold without an expiration date is valid until redeemed or replaced. Merchants are not required to redeem a gift card or gift certificate for cash.^{vi}

The above provisions do apply to the following gift certificates or gift cards issued on and after January 1, 2007, provided the expiration date appears on the front of the gift certificate or gift card:

- (1) Gift certificates or gift cards that are distributed by the issuer to a consumer without any money or other thing of value being given in exchange for the gift certificate or gift card by the consumer; or
- (2) gift certificates or gift cards that are sold below face value at a volume discount to employers or to nonprofit and charitable organizations for fund-raising purposes.

All conditions and limitations shall be disclosed to the purchaser of a gift certificate or gift card at the time of purchase. If such conditions or limitations are not complied with by the purchaser, the issuer shall not be required to, but may, redeem such gift certificate or gift card.

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What is your state’s law, if any, regarding safeguarding consumer credit card or other private data (i.e., cyber security)?

Private data in Kansas is governed by the Kansas Protection of Consumer Information ("KPCI") statutes.^{vii} Treated as a part of the Kansas Consumer Protection Act, the KPCI requires: "holder[s] of personal information" to: (1) "maintain reasonable procedures and practices appropriate to the nature of the information," (2) "exercise reasonable care to protect the personal information," and (3) "take reasonable steps to destroy" any records the holder does not intend to keep.^{viii}

Violations of the statute are treated as "unconscionable acts[s] or practice[s] in violation of K.S.A. 50-627," the Kansas Consumer Protection Act.^{ix} The statute neither creates nor permits a private cause of action, reserving all actions for the attorney general.^x

Also, in 2018, Kansas enacted the Cybersecurity Act, creating the Kansas Information Security Office and establishing an information technology executive council to address data security issues relating to executive branch agencies.^{xi}

What is your state’s law, if any, regarding the collection and handling of financial information?

The Kansas Financial Institutions Information Security Act, enacted April 2023, establishes information security standards for covered entities, such as credit service organizations, mortgage companies, and supervised lenders.^{xii} It requires these entities to develop, implement, and maintain a cybersecurity system to protect consumer information, and must ensure its information security program is maintained as part of its books and records in compliance with established record retention requirements.^{xiii}

Additionally, the state bank commissioner is granted the authority to adopt "all rules and regulations necessary to govern and administer the [Act’s] provisions."^{xiv}

ⁱ Kan. Stat. Ann. § 5-423 *et seq.*

ⁱⁱ *Id.* § 5-428(a).

ⁱⁱⁱ See *Hemphill v. Ford Motor Co.*, 206 P.3d 1, 18 (Kan. Ct. Ap. 2009) (illustrating that Kansas has a strong policy of favoring arbitration and will enforce such agreements even in the face of uncertainty).

^{iv} *Sanchez v. Nitro-Lift Techs., L.L.C.*, 762 F.3d 1139, 1149–50 (10th Cir. 2014)

^v *Fraker v. Dwight Cowles American Legion Post*, 722 P.2d 595 (1986).

^{vi} Kan. Stat. Ann. § 50-6,108(b)-(c)

^{vii} Kan. Stat. Ann. §§ 50-7a01-7a04. Section 50-7a03, relating to destruction of consumer records, was repealed in 2016.

^{viii} *Id.* § 50-6,139b(b)(1)-(2).

^{ix} *Id.* § 50-6,139b(d).

^x *Id.* § 50-6,139b(e).

^{xi} Kan. Stat. Ann. § 75-7202.

^{xii} Kan. Stat. Ann. §§ 9-551-554.

^{xiii} *Id.* § 9-553.

^{xiv} *Id.* § 9-551(d).