

## 2012 Kansas Statutes

**9-1111d. Machine readable instruments; unauthorized transactions; liability; definitions.** (a) The amount of a depositor's liability for an unauthorized transaction or a series of unauthorized transactions by a machine readable instrument shall not exceed \$50, unless the depositor fails to notify the bank within four business days after learning of the loss or theft of the machine readable instrument, then the depositor's liability shall not exceed \$300.

(b) For purposes of this section:

(1) "Unauthorized transaction by a machine readable instrument" means an electronic fund transfer from a depositor's account initiated by a person other than the depositor without actual authority to initiate the transfer and from which the depositor receives no benefit. The term does not include any electronic fund transfer: (A) Initiated by a person who was furnished with the access device to the depositor's account by the depositor, unless the depositor has notified the bank involved that transfers by that person are no longer authorized; (B) initiated with fraudulent intent by the depositor or any person acting in concert with the depositor; or (C) that is initiated by the bank or its employees.

(2) "To notify the bank" means a depositor takes such steps as are reasonably necessary to provide the bank with the pertinent information, whether or not any particular officer, employee or agent of the financial institution does in fact receive the information. Notice may be given to the bank, at the depositor's option, in person, by telephone or in writing. Notice in writing is considered given at the time the depositor deposits the notice in the mail or delivers the notice for transmission by any other usual means to the bank. Notice is also considered given when the bank becomes aware of circumstances that lead to the reasonable belief that an unauthorized electronic fund transfer involving the depositor's account has been or may be made.

**History:** L. 1975, ch. 43, § 2; L. 1987, ch. 55, § 1; L. 1994, ch. 58, § 1; July 1.