

STATE OF KANSAS



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JOINT COMMITTEE ON ENERGY  
AND ENVIRONMENT

February 19, 2013

To: Utilities and Telecommunications Committee Members  
Re: HB 2026

HB 2026 was requested by Kansas law enforcement officers to permit them to identify the purchasers of pre-paid communications devices and SIM cards that are found in connection with crimes. The bill as introduced required a large amount of information to be collected and provided to the KBI. That resulted in a large fiscal note for the KBI to process the incoming information.

After listening to the proponents and opponents of the bill, the KBI, Lawrence Police Detective, and I revised and greatly simplified the bill. As you recall, the opponents did not object to the need for law enforcement officers to access the information, but to the amount of effort store employees would be required to invest in compiling the information requested and the cost to the KBI to process it.

Attached is a balloon that addresses the concerns of the parties:

- a) Purchasers of pre-paid (non-service contract) mobile devices and SIM cards will have the following information recorded by the seller: name, address, activation authorization number. This information can be obtained from a driver's license and the device's packaging, without breaking the packaging seal and voiding any warranty.
- b) That information will be provided monthly to the KBI in an electronic format. This will substantially reduce the fiscal note provided by the KBI.
- c) Sellers of such pre-paid mobile devices and SIM cards may charge customers up to \$2 per device or card to cover costs associated with reporting the information to the KBI. Charging the authorized fee is voluntary and a seller can choose not to increase their price, but it is a recognition that retailers incur costs associated with collecting sales taxes, selling lottery tickets, and providing information to law enforcement officers.
- d) The bill's effective date is changed to January 2, 2014. This is a recognition that retailers will need time to train their employees and it further diminishes the KBI costs.

I appreciated the opponent's testimony and committee member questions. The bill's sponsors have made a good faith effort to address those legitimate concerns. We appreciate your consideration and support of the proposed revisions.

A handwritten signature in black ink, appearing to read "Tom".

HOUSE BILL No. 2026

By Committee on Judiciary

1-17

Proposed Amendment  
2/18/13  
Prepared by M Sterling  
Revisor of Statutes Office

1 AN ACT concerning retail sales of mobile communication devices.

2 *Be it enacted by the Legislature of the State of Kansas:*

3 Section 1. (a) Prior to the completion of any sale of a pre-paid mobile  
4 device or SIM card to a purchaser, a seller shall require the purchaser to  
5 provide the following:

6 (1) The full name of the purchaser;

7 (2) the complete home address of the purchaser; and

8 (3) a valid federal or state identification card.

9 (b) Upon completion of a sale of a pre-paid mobile device or SIM  
10 card, a seller shall make a record of the sale that includes the following  
11 information:

12 (1) The full name of the purchaser;

13 (2) the complete home address of the purchaser; and

14 (3) the identification number and type of identification of the official  
15 federal or state identification card;

16 (4) the date of sale;

17 (5) the manufacturer of the pre-paid mobile device or SIM card;

18 (6) the wireless carrier that will provide wireless communication  
19 service to the pre-paid mobile device or SIM card;

20 (7) any assigned telephone number or other subscriber or account  
21 identifier known at the time of sale; and

22 (8) any of the following, if applicable to the pre-paid mobile device  
23 or SIM card:

24 (A) International mobile equipment identifier number;

25 (B) electronic serial number;

26 (C) mobile equipment identifier;

27 (D) international mobile subscriber identifier; and

28 (E) machine address code.

29 (e) The seller shall maintain such record for one year after the date of  
30 the sale of such pre-paid mobile device. Such record shall be made  
31 available to law enforcement for inspection during such seller's business  
32 hours.

33 (4) Not later than 30 days after the sale of a pre-paid mobile device or  
34 SIM card, the seller shall transmit the record of the sale made in  
35 accordance with subsection (b) to the Kansas bureau of investigation.

require a purchaser to provide a government issued identification card and record the following information

the activation code for the pre-paid mobile device or SIM card to be purchased.

A seller may charge up to a \$2 administrative fee per retail transaction for each pre-paid mobile device or SIM card.

(a)

1 (e) Any seller who fails to comply with the requirements of  
2 subsections (a), (b), (c) and (d) shall pay a fine of \$500 upon a first offense  
3 and a fine of not less than \$1000 upon a second or subsequent offense.

(d)

4 (f) ~~As used in this section:~~

5 (1) "Seller" means any business subject to the provisions of article 36  
6 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto,  
7 who sells pre-paid mobile devices or SIM cards;

(e)

8 (2) "pre-paid mobile device" means any cellular phone or similar  
9 wireless communication device for which the mobile device user  
10 purchases a set allotment of wireless communication services provided by  
11 a wireless carrier;

12 (3) "SIM card" means a subscriber identity module or functionally  
13 equivalent data storage device; and

14 (4) "wireless carrier" has the same meaning as in section 6(4) of the  
15 wireless communications and public safety act of 1999 (47 U.S.C. §  
16 615b(4)).

17 Sec. 2. This act shall take effect and be in force from and after its  
18 publication in the statute book.

January 1, 2014,  
and