

MINUTES OF THE HOUSE FINANCIAL INSTITUTIONS.

The meeting was called to order by Chairperson Ray Cox at 3:30 p.m. on March 8, 2000 in Room 527-S of the Capitol.

All members were present except: Representative Carlos Mayans
Representative Henry Helgerson

Committee staff present: Dr. Bill Wolff, Legislative Research
Bruce Kinzie, Office of Revisor
Maggie Breen, Committee Secretary

Conferees appearing before the committee: Carol Sprague, State Treasurer's Office
Franklin Nelson, Bank Commissioner

Others attending: See Attached

Representative Cox opened the hearing on **SB 487 - State moneys law, daily cash sheet.**

Proponent:

Carol Sprague, State Treasurer's Office, said they were asking, in **SB 487**, for two minor technical changes to two statutes which have not been amended since 1967. The changes would more accurately reflect the way business is transacted in the Treasurer's office today. A recent performance audit brought the issue of K.S.A. 75-4204 to light and the auditor suggested that the change be made. Section one amends K.S.A. 75-4203 to eliminate the need to prepare one form and makes a change in the name of another form. Section two changes K.S.A. 75-420. It eliminates the requirement for the Treasurer to have the Director of Accounts and Reports sign off on transfers between state treasurer-controlled accounts. Since these transfers are all accomplished through electronic means, they are asking that the law be changed to reflect current day practices. Since these types of transactions do not affect the total amount in the state treasury, this statutory change would in no way effect the requirement for all transfers out of the State Treasury to have the Director of Accounts and Reports approval. (**Attachment 1**)

Bruce Kinzie said there would need to be one little amendment in the bill. On line 27, the word "both" needs to be deleted.

The Chairman closed the hearing on **SB 487** and opened the hearing on **SB 459 - Mortgages; mortgage business and mortgage loans.**

Proponents:

Franklin Nelson, Bank Commissioner, gave testimony prepared by Kevin Glendening. **SB 459** has changes to the statute which fall into two general groups. The first group provides for the following areas: 1) Responsibility of the registrant for the actions of their employees; 2) Restriction on employing individuals who have a criminal history or who themselves have been the subject of an enforcement action; 3) The clarification of the applicability of the enforcement powers to individuals and companies whose activities fall within the scope of the law. Companies attempting to find loopholes to evade some enforcement action have prompted most of these amendments. The second group of changes address the following issues: 1) Strengthening ability to require registrants to respond to requests for information relative to an examination or investigation. This is of particular importance due to the number of out of state registrants; 2) Adds, as an enforcement option, the ability to obtain a payment for consumer education as part of a settlement agreement. Finally, the bill would make a change in requirements pertaining to the

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escrow account maintained by the registrants, and provide them with more options as to where the accounts may be maintained.

The Chairman closed the hearing on **SB 459** and opened the hearing on **SB 498 - Banks; providing for limitations on special orders issued by bank commissioner.**

Chairman Cox said that special orders are made by the bank commissioner to adjust and react to changes in the banking system, especially if the national banks are doing something that the state banks cannot do. Last year there was a bill passed that required that when any special orders were invoked by the bank commissioner, the committees of both the House and Senate must be informed of those special orders. **SB 498** says that the information must go into the Kansas register.

Chairman Cox closed the hearing on **SB 498** and said the committee would work **SB 487**.

Representative Grant made a motion to amend SB 487 by striking the word "both" on line 27. Representative Tomlinson seconded the motion. The motion Carried.

Representative Grant made a motion to report SB487 favorable for passage as amended. Representative Sharp seconded the motion. The motion carried.

The Chairman said the committee would work **SB 459**.

Representative Tomlinson made a motion to send SB 459 out marked favorable for passage and, because the committee is of the opinion that it of a noncontroversial nature, it be marked for consent. Representative Empson seconded the motion. The motion carried.

Chairman Cox said the committee would work **SB 498**.

Representative Tomlinson made a motion to pass SB 498 out marked favorable for passage and, because the committee is of the opinion that it of a noncontroversial nature, it be marked for consent. Representative Empson seconded the motion. The motion carried.

Chairman Cox asked for approval of minutes. Representative Burroughs noted that in David Brant's testimony, the word stature should read statute. Representative Boston made a motion to approve the minutes with this correction. Representative McCreary seconded the motion. The motion carried.

The meeting adjourned at 4:08 p.m. The next meeting is scheduled for March 13.

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