

MINUTES OF THE HOUSE COMMITTEE ON INSURANCE.

The meeting was called to order by Chairperson Rep. Robert Tomlinson at 3:38 p.m. on January 27, 2000 in Room 527-S of the Capitol.

All members were present except: Representative Hummerickhouse

Committee staff present: Dr. Bill Wolff, Research
Ken Wilke, Revisor
Mary Best, Secretary

Conferees appearing before the committee: Dennis Wilson, Kansas State Treasures Office
Shirley Moses, Kansas Dept. of Accounts & Reports

Others attending: See attached Committee Guest List

With the Committee called to order, Chairperson Tomlinson called for the approval of January 11th & 18th Minutes. The motion was made to accept the Minutes by Representative Cox. Representative Kirk seconded the motion. The Committee voted unanimously to accept the Minutes as they were.

With this business aside, the Chair introduced **HB 2648- Unclaimed property; canceled state warrants.** Mr. Dennis Wilson, Director of Unclaimed Property, offered Proponent Testimony to the Committee. Mr. Wilson offered two separate documents (Attachment #1 & 2) which are attached hereto and incorporated into the Minutes by reference. The #2 attachment is a tri-fold brochure from the State Treasurer's office.

Mr. Wilson testified the State Treasurer's Office felt it was time for come changes to the unclaimed property law, and were bringing the proposed changes before the committee. They also felt the proposed changes would be helpful in clarifying the current law where interpretation is important.

Mr. Wilson reminded the committee, that last year, he requested the committee and the Senate committee to bring all of our state agencies under the Unclaimed Property law. He also stated that everyone "thought they had done just that". He continued to inform the committee that the language was changed in the wrong Statute.

Mr. Wilson requested funds be moved from Canceled Warrant Fund to Unclaimed Property Claims Fund, then eliminate "the process of processing claims to canceled warrants through the Director of Accounts and Reports." Mr. Wilson also took the committee through Section 7 of K.S.A. 1998 Supp. 58-3939 (currently found in K.S.A. 1998 Supp. 58-3939 (a) (1), (2), (3)) now found in K.S.A. 1999 Supp. 58-3935, for language they have cleaned up. He then continued on to explain the changes and where they appear now, and how these sections plus the wording in Section 5 and Section 10 affect their office performs their duties to the public. Mr. Wilson also addressed the subject of heir finders and the fees they charge. Mr. Wilson then stood for questions.

Questions were posed by Representatives Boston, Myers, McCreary, Burroughs, Chairman Tomlinson and revisor Wilke. Questions ranged from "How is this department funded to the handling of property, securities found in lock boxes, and the time allowed to revert this type of property to cash". Mr. Wilson also introduced Scott Gates, Council for the Treasurer Office.

With no further questions for Mr. Wilson, Ms. Shirley Moses, Director of Accounts and Reports, presented Proponent Testimony to the committee. A copy of the written testimony (Attachment #3) is attached herein and incorporated into the Minutes by reference. Ms. Moses supported the proposed bill presented by Mr. Wilson.

Ms. Moses informed the committee that presently, “canceled warrants may only be claimed within five years from the original date of issuance”, she further stated, “there is no notification process or public access to canceled warrants without a written request, and a reissuance fee is imposed, equal to 10% of the original warrant amount or about \$15.00”. Ms. Moses feels in the current form the bill would allow a “clean separation of duties between the two offices”. Ms Moses also informed the committee Accounts and Reports would not be held responsible for research and any payments of approximately 270 warrants each year, nor would they be required to submit a report of all claims to select legislative committees each year.

Ms. Moses completed her presentation and stood for questions. There were no questions. Dr. Wolff addressed fees. Further research is needed on players and their duties. With this the public hearings on **HB 2648** were closed.

Chairperson Tomlinson alerted the committee the State Health Care System would be appearing on the calendar and to watch for it. With the request for old or new business, Representative Kirk mad a motion to introduce a bill regarding mental health insurance, the motion was seconded by Representative Showalter, vote was taken and the motion passed.

Meeting was adjourned at 4:21 p. m.

The next meeting will be held Tuesday February 3rd.

