

MINUTES OF THE HOUSE BUSINESS, COMMERCE AND LABOR COMMITTEE.

The meeting was called to order by Chairperson Al Lane at 9:08 a.m. on February 20, 2001 in Room 521-S of the Capitol.

All members were present

Committee staff present: Renae Jeffries, Revisor of Statutes
Jerry Donaldson, Legislative Research Department
Bev Adams, Committee Secretary

Conferees appearing before the committee: Steve Rarrick, Deputy Attorney General
Jesse Borjon, Secretary of State's office
Ernest Pogge, AARP
Jolene Grabill, Direct Marketing Assn.

Others attending: See attached list

Hearing on: HB 2367 - Unlawful acts and practices under the charitable organizations and solicitations act; telephone solicitations.

Steve Rarrick, Deputy Attorney General of the Consumer Protection Division, appeared before the committee as a proponent of the bill. The bill would amend the Charitable Organizations and Solicitations Act in three ways: 1) make it a deceptive act to fail to provide, when requested, the percentage of the cost of fund raising, 2) make it a deceptive act to send a solicitation that resembles a bill, invoice, or statement of account, and 3) creates a telephone solicitation statute that would make the provisions in the Consumer Protection Act for commercial telemarketer applicable to charitable solicitations as well. (Attachment 1) Mr. Rarrick finished his testimony by answering questions from the committee.

Jesse Borjon, Public Relations Director, Office of the Secretary of State, appeared on behalf of Secretary of State Ron Thornburgh. Charitable organizations and professional fundraisers and professional solicitors that solicit contributions on their behalf are required to register with the Secretary of State. They must file an annual registration statement listing the percentage of donations that the charitable organizations receives and the amount that is credited to the cost of fundraising. This information is part of public record for the citizens of Kansas. Their office supports the bill in its entirety. (Attachment 2)

Ernest Pogge, AARP, appeared as a proponent of the bill. They believe that when consumers make a donation they have the right to know what percentage is being used by the charitable organization and other costs associated with the solicitation. (Attachment 3)

Jolene Grabill, Direct Marketing Association, appeared as an opponent of the bill in place of Douglas Smith, who submitted written testimony. The association believes that state and federal law should compliment each other, not conflict. They ask that the language in Section 2 of the bill be stricken. (Attachment 4)

No others were present to testify for or against the bill, and Chairman Lane closed the hearing.

Action on: HB 2367

Rep. Swenson made a motion to pass out the bill favorably. Rep. Long seconded the motion. Rep. Ballou made a motion to amend the bill to include on page 1, line 32, a font size for the printed notice of a solicitation on page 1, lines 35-39. Rep. Ruff seconded the motion. After discussion, Rep. Ballou withdrew his motion. The original motion

CONTINUATION SHEET

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Statehouse, at 9:08 a.m. on February 20, 2001.

was passed.

Action on: HB 2206

A motion was made by Rep. Long to pass out the bill favorably. Rep. Grant seconded the motion. The motion carried.

After announcements, Chairman Lane adjourned the meeting at approximately 10:00 a.m. The next meeting is scheduled for March 1, 2001.