

MINUTES OF THE HOUSE FINANCIAL INSTITUTIONS COMMITTEE

The meeting was called to order by Chairperson Pete DeGraaf at 3:30 pm on Thursday, February 12, 2015, 152-S of the Capitol.

All members were present except:

Representative Mario Goico – Excused

Committee staff present:

Melissa Calderwood-Renick, Legislative Research Department

Whitney Howard, Legislative Research Department

Matt Sterling, Office of Revisor of Statutes

Gary Deeter, Kansas Legislative Committee Assistant

Eileen Ma, Office of Revisor of Statutes

Conferees appearing before the Committee:

Jennifer Cook, Deputy Commissioner, Division for Consumer and Mortgage Lending, Office of the State Bank Commissioner

Stan Jones, Director of Bond Services, Kansas State Treasurer

Others in attendance:

[See Attached List](#)

Hearing on: HB2258 — Amending the Kansas mortgage business act.

The Chair opened the hearing on **HB2258**. Staff Matt Sterling briefed the Committee on the bill; he said that the bill amends the definition of "mortgage loan" to clarify that a company that only places a lien on a residential property but does not conduct any mortgage business would not meet the definition of a mortgage business and would not be subject to mortgage company licensing requirements ([Attachment 1](#)).

Jennifer Cook, speaking as a proponent for the bill, explained that the intent of the bill is, for companies that place a "lien of contractors" on a residence, to exclude these contractors from the licensing and fee requirements of the Kansas Mortgage Business Act; such contractors are regulated by the Kansas Uniform Consumer Credit Code ([Attachment 2](#)).

Members briefly discussed the meaning of "natural person."

The hearing on **HB2258** was closed.

Hearing on: HB2259 — Amending the county and municipal statement of indebtedness reporting deadlines.

The Chair opened the hearing on **HB2259**. Staff Eileen Ma provided a briefing on the bill; she stated currently county clerks are required to submit a compiled statement of indebtedness to the State Treasurer by July 15 of each year. The bill moves the date to August 15.

CONTINUATION SHEET

MINUTES of the Committee on Financial Institutions at 3:30 pm on Thursday, February 12, 2015, 152-S of the Capitol.

Stan Jones, speaking in favor of the bill, explained that debt information is gathered by each county clerk from all municipal entities, such as school boards, water districts, fire departments, and incorporated towns, by July 5 and must be submitted to the State Treasurer by July 15; this two-step process often puts county clerks under undue time constraints to comply with the statute. The bill will extend the deadline ([Attachment 3](#)).

The hearing on **HB2259** was closed.

Hearing on: HB2260 — Eliminating the one-sheet requirement for temporary notes for improvements.

The Chair opened the hearing on **HB2260**. Ms. Ma commented on the simplicity of the bill, saying that the bill strikes the requirement that temporary notes must be only one sheet.

Mr. Jones spoke in support of the bill ([Attachment 4](#)). He said the original one-sheet requirement was created as an anti-fraud measure to protect municipalities that are financing infrastructure projects; however, in modern financial markets, which handle temporary notes electronically, the restriction no longer serves a purpose.

The Chairman closed the hearing on **HB2260**.

The meeting was adjourned at 4:03 p.m. The next meeting is scheduled for Tuesday, February 17, 2015, at 3:30 p.m. in Room 152-S.