

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairperson Jeff Longbine at 9:32am on Wednesday, February 17, 2016, 546-S of the Capitol.

All members were present except:

Senator Tom Hawk – Excused

Senator Jacob LaTurner – Excused

Committee staff present:

Theresa Allen, Kansas Legislative Committee Assistant

Melissa Renick, Legislative Research Department

Whitney Howard, Legislative Research Department

Eileen Ma, Office of Revisor of Statutes

Conferees appearing before the Committee:

Doug Wareham, EVP

Stephanie Mullholland, HCUA

Others in attendance:

[See Attached List](#)

Hearing on: SB387 — Legalizing certain savings account promotions.

Chair Longbine opened hearing on **SB387**. Eileen Ma, Staff Revisor, reviewed **SB387**.

There being no questions, Chair Longbine introduced the proponents.

Proponent:

Terry Bruce, Senate Majority Leader, spoke on behalf of D2D Fund. Prize linked savings accounts incentivize individuals to save for the future by entering them in a drawing every time they make a deposit over a predetermined threshold established by the financial institution. It is important to note that this is not a mandate; it simply allows entities to establish these types of accounts.

35% of Kansans live in liquid asset poverty, which means they are without sufficient liquid assets to subsist at a poverty level for 3 months in the absence of income. Also 52% of Kansans have subprime credit. I certainly believe Kansans should be given every opportunity to save money for a rainy day. ([Attachment 1](#))

Sen Schmidt asked what a D2D Fund is. Mr. Bruce stated The Doorways to Dreams Fund is a national non-profit group that have promoted financial security in general and explore a lot of the strategies that motivate people towards positive financial behavior and credit worthiness.

There being no questions, Chair Longbine introduced the next presenter.

CONTINUATION SHEET

MINUTES of the Committee on Financial Institutions and Insurance at 9:32am on Wednesday, February 17, 2016 in Room 546-S of the Capitol.

Doug Wareham, EVP, KBA

Doug Wareham, EVP, spoke on behalf of the Kansas Bankers Association in support of **SB387**. We support this bill which would allow a Kansas bank, savings and loan association, savings bank or credit union to conduct a savings promotion in which participants deposit money into a savings account in exchange for entries in the promotion. We will be the 12th state that participate if **SB387** is adopted. ([Attachment 2](#))

Mr. Wareham responded to questions from Committee members.

Stephanie Mullholland, DOS Heartland Credit Union

Stephanie Mullholland spoke on behalf of HCUA in support of **SB387**. Encouraging people to save is the purpose of this bill and one more tool for us to help consumers do that. The money saved in their account belongs to them and is never placed at risk, they are just eligible for additional cash prizes with these accounts. ([Attachment 3](#))

Ms. Mullholland responded to questions from the Committee members.

Proponent (written only)

Proponent written only testimony submitted:

Timothy Flacke, Executive Director of the D2D Fund. ([Attachment 4](#))

There being no further proponent, neutral or opponent testimony, Chair Longbine closed the hearing on **SB387**.

Chair Longbine discussed next meeting would be Thursday, February 18, 2016. Final action on Sub **SB103**, **SB419**, **SB438** and **SB387**.

Chair Longbine adjourned the meeting at 9:46am.