Approved: <u>June 18, 2015</u>

MINUTES OF THE SENATE JUDICIARY COMMITTEE

The meeting was called to order by Chairperson Jeff King at 10:50am on Wednesday, March 11, 2015, 346-S of the Capitol.

All members were present

Committee staff present:

Lauren Douglass, Legislative Research Department

Robert Allison-Gallimore, Legislative Research Department

Natalie Nelson, Legislative Research Department

Suzanne Nelson, Kansas Legislative Committee Assistant

Katherine Goyette, Office of Revisor of Statutes

Jason Thompson, Office of Revisor of Statutes

Conferees appearing before the Committee:

Larry Zimmerman, Attorney, Zimmerman & Zimmerman, P.A.;

L. Ali Khan, Professor of Law, Washburn University School of Law;

Kathleen A. Taylor, Kansas Bankers Association;

Luke Bell, General Counsel/VP of Governmental Affairs, Kansas Association of Realtors;

Others in attendance:

See Attached List

<u>Hearing on: HB2111 — Code of civil procedure; items allowable as costs.</u>

Chairperson King opened the hearing on **HB2111**. Jason Thompson gave a brief overview of the bill.

Larry Zimmerman gave testimony in support of **HB2111**. Mr. Zimmerman related that transaction fees have been around for a long time, but one who did not want to incur the fee simply filed with a check or cash. However, as e-court filing gathers steam and is becoming mandatory in some jurisdictions, the fees are no longer optional and knowing their status affirmatively as a taxable cost is important. (Attachment 1)

The Chair called attention to proponent written-only testimony from:

Brady Keith, Assistant General Counsel, Credit Management Services, Inc. (Attachment 2) Joe Molina, Attorney, Kansas Bar Association (Attachment 3)

There being no further questions, discussion, or comments, and no other testimony submitted at this time, the hearing on **HB2111** was closed.

Hearing on: HB2124 — UCC uniform law commission update; exclusion of consumer transactions governed by federal law.

Chair King opened the hearing on <u>HB2124</u>. Jason Thompson gave an overview of the bill, which is an update on the Uniform Commercial Code. Periodically, we get updates from the Uniform Law

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

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Commission such as is contained in the bill. Kansas is one of the few remaining states who have not yet passed the suggested update. Mr. Thompson told the committee this also presents an opportunity to make technical corrections, such as contained in the proposed amendments he distributed. He asked that the amendments be included in any motions offered when the committee works **HB2124**. (Attachment 4)

L. Ali Khan presented testimony in support of the bill. He told the committee that the bill provides greater clarity regarding the law governing remittance transfers, including transactions effectuated by means of negotiable instruments and letters of credit. (Attachment 5)

Kathy Taylor testified in support of <u>HB2124</u>. Ms. Taylor told the committee that without this amendment to our code, some commercial remittance transfers that are typically in large dollar amounts would fall into a gap, where there is no law - federal or state - to determine who bears the burden of any loss or damages caused by the transfer. (<u>Attachment 6</u>)

There was discussion and the proponents answered questions from the committee.

There being no other questions, further discussion or comments, and no other testimony was submitted at this time, the hearing on **HB2124** was closed.

<u>Hearing on: HB2256 — Commercial real estate broker lien act.</u>

Chairperson King opened the hearing on <u>HB2256</u>. Jason Thompson gave an overview of the bill, which extends the deadline to file a notice of lien on leased commercial real property from 90 to 180 days and also makes technical corrections to the Kansas Commercial Real Estate Broker Act (KCREBA).

Luke Bell gave oral testimony in support of the bill. Mr. Bell gave a summary of the KCREBA and how <u>HB2256</u> would modify the act. He also explained why Real Estate Licensees want an additional 90 days to file a Notice of Lien on leased property. (<u>Attachment 7</u>)

There being no further discussion, comments, or questions and no other testimony was submitted at this time, the hearing on **HB2256** was closed.

Possible action on bills previously heard

Chair King turned attention to action on <u>SB175</u>. He opened the floor for discussion, questions, or motions.

<u>Senator Pilcher-Cook moved that SB175 be recommended favorably for passage; seconded by Senator Lynn; the motion passes.</u> Senator Pettey asked to be recorded as a "No" vote.

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Chairperson King turned attention to action on <u>HB2023</u>. He opened the floor for discussion, questions, or motions.

<u>Senator Haley moved that **HB2023** be recommended favorably for passage; seconded by Senator Petersen; the motion passed.</u>

The Chair turned attention to action on **HB2025**. He opened the floor for discussion, questions, or motions.

<u>Chair King moved to amend HB2025 by inserting a comma on page 2, line 25 after the word</u> <u>"recordings;" seconded by Senator Knox; the motion passed.</u> Senator Haley asked to be shown as abstaining on the vote, and noted that he would be consulting with his mother, who taught English for 30 years.

Senator Lynn moved that **HB2025**, as grammatically amended, be recommended favorably for passage; seconded by Senator Petersen; the motion passed.

The Chair announced that there would be no meetings on Thursday 3/12, Friday 3/13, or Monday 3/16.

The meeting adjourned at 11:20am. The next meeting will be Tuesday, March 17, 2015 at 10:30am.