

STATE AFFAIRS COMMITTEE

March 4, 1963

The meeting was called to order and Mr. Malone appeared on behalf of the sponsors of HB 197, stating that this proposal deals with abstracts of title with relation of mortgages , deeds of trust and other encumbrances.

Mr. Walter Trachsel of Goodland and Mr. Schilling appeared to ask the Committee to introduce legislation amending the Consumer Loan Act (see attached). He stated that it gives the Commissioner more discretion in issuing licenses, etc. for loan companies. Mr. Unruh stated that he believed this to be poor legislation and attempts to regulate too much. There were several concurring members of the Committee. Mr. Behee asked what other states are doing and Mr. Trachsel stated that many have something similar of a regulatory nature; about 30 of them. Mr. Trachsel went on to discuss the Sales Finance Act, stating that there were several areas in which they experience difficulties, especially with foreign companies who engage in business without having an office in the state; that there is no method of supervising these companies.

Mr. Gulick appeared to discuss further SB 187 and answer questions concerning SB 235. There was considerable discussion about the retirement age, most of which was covered previously; however, some members of the committee were absent at that time. Mr. Fribley presented the proposed amendments and after considerable discussion, he moved that the amendments be adopted. Motion was seconded by Miss Jacquart and passed 12 to 4. Thereupon Mr. Fribley moved that 187, as amended, be recommended favorably. Motion was seconded by Miss Jacquart and carried 12 to 3. Mr. Fribley moved, seconded by Mr. Ford that SB 235 be recommended favorably. Motion carried 10 to 3.

Discussion was resumed on HB 197 and Miss Jacquart moved that it be passed favorably. Motion was seconded by Mr. Ford and carried unanimously.

H.B. 280 was again discussed and Mr. Mikesic and Mr. Gardner stated that their people wanted to be included; therefore Mr. Fribley moved that the bill be amended to include Johnson and Wyandotte Counties. Motion was seconded by Mr. Ford and passed unanimously.

The Chairman stated that with regard to HB 249, there was the question of constitutionality and that Mr. Malone had secured an opinion from the attorney general that the proposal was indeed unconstitutional. Mr. Fribley stated that as a member of the Counsel for the Aged, they were studying this matter of tax relief for the retired individual who needs some help. Thereupon, it was moved by Mr. Fribley and seconded by Mr. Doyen that 249 be reported adversely. Motion carried with one dissenting vote but one of the sponsors.

Mr. Unruh explained that HCR 27 was prompted because it came to his attention that most people didn't know that Congress had passed an Arms Control Act; that this would put us under the UN when advisable; that he thinks the UN has merit in certain areas but other areas are grounds for deep concern; that it has been publicly stated that the man in charge of Military Affairs is a communist, and attention should be drawn to these facts. Mr. Doyen moved that the resolution be recommended for adoption. Motion was seconded by Mr. Marshall and carried 11 to 4. Mr. Baringer explained that he didn't vote because he wasn't qualified by enough study or information.

Mr. Fawl of the Board of Barber Examiners appeared to discuss SB 52, and stated the reasons for desiring changes. (see attached) Members made inquiries on various points and discussion was deferred until a later date.

Meeting was adjourned.

DESIRED CHANGES AND ADDITIONS TO THE PRESENT RULES AND REGULATION
OF THE KANSAS STATE BARBER LAWS

We propose an educational requirement of 8th grade or its equivalent.

Increase the required school hours from 1000 to 1500 hours.

Increase the school training period from 6 months to 9 months.

You each have a copy which the Board has compiled, showing requirements of the other states.

It is incomplete as to all 50 states but it does show the trend over the US.

If you will note, there are only 5 states without educational requirements.

The majority of states require more than 6 months, some as much as 12 months.

REASONS FOR CHANGES

We do not accept applicants from other states for the apprentice examination, unless they have graduated from a school or college of Barbering with substantially the same requirements as the Kansas School curriculum requires.

This creates a problem, when we wish to reject an applicant because we require no minimum education and only 1000 hours in 6 months schools training.

In turn, when Kansas applicants go to many states they are rejected. They can not meet the strict requirements.

You have in your possession a copy taken from an opinion handed down by Harold R. Fitzer Attorney General in 1956, from which a Board ruling was written. We would like to have, the right to approve schools, made statutory.

We are asking that the Administrative Officer be placed within the classified exempt service and his compensation shall be determined as provided in 75-2935a of the General Statutes of 1949.

The Board has the endorsement of the AMBA and the Journeymen Barbers of Kansas

STATE EDUCATIONAL REQUIREMENTS

STATE	GENERAL EDUCATION	NUMBER OF HOURS	MONTHS
Ark.	8th Grade	1500	9
Ariz.	10th	1250	7
Calif.	8th	1248	7
Colo.	8th	1200	12
Florida	8th	1250	7
Idaho	10th	1000	8 6
Conn.	8th	1000	6
Ill.	10th	1572	8
Ind.	8th	1500	9
Iowa	8th	1348	6
Kansas	-	1000	6
Kentucky	High School	1500	9
Louisiana	8th	1500	9
Maryland	-	1200	6
Mich.	8th	1500	9
Minn.	8th	1200	9
Miss.	-	1500	12
Nebr.	8th	1200	6
Nevada	8th	1000	6
New York	8th	1000	6
Missouri	12th	1000	6
N. Car.	-	1654	8
N. Dak.	8th	1200	6
Ohio	8th	1500	9
Okl.	8th	1000	6
Oregon	8th	1000	6
Rhode Island	8th	1500	12

STATE	EDUCATION	HOURS	MONTHS
S. Dak.	8th	1000	6
in.	8th	1250	9
enn.	8th	1000	6
Texas	7th	1000	6
Vermont	-	1800	12
Wash.	8th	1000	6
W. Virginia	8th	1800	12
Wis.	8th	1248	9

31 States report 8th to 12th grade requirements

18 States have no general educational requirements--or--have not reported

22 States require that applicants for apprentice examination--graduate
from an approved school

14 do not have this statute--rest have no reported requirements

22 States require from 1200-1800 hours of school training

HAROLD R. FAZLER
Attorney General

STATE OF KANSAS
OFFICE OF THE ATTORNEY GENERAL

COPY

February 18, 1956

Mr. T. R. Maher
Secretary
State Board of Barber Examiners
Box 1478
Wichita, Kansas

Dear Mr. Maher:

This will acknowledge your inquiry relative to the power of the Board of Barber Examiners to establish certain educational qualifications for persons applying to be licensed as registered apprentice barbers in the State of Kansas.

You indicate that a school of barbering now operating in Tulsa, Oklahoma, is offering a course to prospective barbers that, in your opinion, does not comply with the standards established by barber colleges in the State of Kansas.

You further indicate that graduates of the Tulsa school have applied for licenses in Kansas in large numbers and have not been able to pass the examinations given by your board. You inquire as to whether we believe that your board has the power to exclude the graduates of that institution from the examination for registered apprentice barbers in this state.

The standards of the registered apprentice barber are set forth in G. S. 1949, 65-1812. That section in part provides:

"Any person shall be qualified to receive a certificate of registration as a registered apprentice: (a) who is a citizen of the United States of America; (b) who is at least sixteen years of age and of good moral character and temperate habits; and (c) who has passed a satisfactory examination conducted by the board to determine his fitness to practice as a registered apprentice."

We note that the statute contains no requirement of formal vocational training as a condition of eligibility to receive a license as a registered apprentice barber. However, we observe that the board is specifically empowered by G.S. 1949, 65-1821, "to supervise and regulate the barbering industry in this state" and is further authorized by G.S. 1949, 65-1825 to "adopt and enforce such orders as may be necessary to carry out the provisions of this act."

It would be our view that this general grant of power might properly be construed to authorize the board to establish additional standards of eligibility for registered apprentice barbers.

Further, it would seem to be within the purview of the board's power to adopt a regulation requiring only such persons be admitted to the apprentice barber examination as may have completed a course of instruction in a barber school approved by the Kansas State Board of Barber Examiners. We feel that board has the power to approve institutions outside of the state as well as inside and should the Tulsa Institution not comply with the Kansas Standards, it is our view that it would not be improper for the board to deny the graduates admission to the examinations. If we could assist you in preparing the nece-

ssary regulation we should be happy to do so.

HOUSE BILL NO. _____

BY COMMITTEE ON STATE AFFAIRS

AN ACT to amend and supplement the consumer loan act; changing the name of the consumer loan commissioner to consumer credit commissioner; providing for licensing according to the convenience and advantage of the community; providing for receipts for payments of cash; providing for enlarged investigating powers of the commissioner and the assessment of expenses therefor; amending sections 16-402, 16-403, 16-406, 16-407, 16-412, 16-414, and repealing said original sections.

Be it enacted by The Legislature of the State of Kansas.

Section 1. Section 16-402 of The General Statutes Supplement of 1961 is hereby amended to read as follows:

Sec. 16-402. Unless otherwise clearly indicated by the context, the following words when used in this act, for the purposes of this act, shall have the meanings respectively ascribed to them in this section: (a) "Person" shall mean individuals, partnerships, associations, corporations and any and all legal entities. (b) "License" shall mean the license provided for by this act. (c) "Licensee" shall mean the person holding any such license. (d) "Commissioner" shall mean the consumer ~~loan~~ credit commissioner. (e) "consumer type loan business" shall mean the business of making loans of two thousand one hundred dollars (\$2,100) or less generally repayable in substantially equal installments.

Section 2. Section 16-403 of The General Statutes Supplement of 1961 is hereby amended to read as follows:

Sec. 16-403. (a) There is hereby created the office of consumer ~~loan~~ credit commissioner, who shall be appointed by the governor and hold his office at the pleasure of the governor. The commissioner shall receive an annual salary of eight thousand five hundred dollars (\$8,500), payable in equal monthly installments. He is hereby authorized, in accordance with the Kansas civil service act, to appoint, employ, remove, prescribe the duties and fix the compensation of such employees as are necessary to properly discharge the duties of his office. On and after the effective date of this act, whenever this or any other act shall refer to consumer loan commissioner, it shall be deemed to mean the consumer credit commissioner. (b) all powers and duties of

regulation and supervision conferred by this act are vested in the commissioner. The commissioner shall adopt and promulgate such rules and regulations as shall be necessary to carry out the intent and purposes of this act. All rules and regulations of general application shall be filed with the revisor of statutes, as provided by law. A copy of every such rule or regulation shall be mailed to each licensee, postage prepaid, at least fifteen (15) days in advance of its effective date: Provided, however, That failure of a licensee to receive a copy of such rules or regulations shall not exempt him from the duty of compliance with such rules and regulations lawfully promulgated hereunder. (c) All valid rules and regulations adopted under the provisions of this act shall be binding upon all licensees and enforceable by the commissioner through the power of suspension or revocation of licenses.

Section 3. Section 16-406 of The General Statutes Supplement of 1961 is hereby amended to read as follows:

Sec. 16-406. (a) On and after August 1, 1955, each place of business operated under this act shall have and properly display therein, a nontransferable and nonassignable license. The same person may obtain additional licenses upon compliance with this act as to each license. Application for a license shall be on a form prescribed and furnished by the commissioner. A licensee may move his place of business from one place to another within a county without obtaining a new license, provided he gives written notice thereof to the commissioner at least thirty (30) days prior to such removal, provided, however, the commissioner may disapprove any change of location if he shall find during such period of notice, after a hearing, that the proposed location does not promote the convenience and advantage of the community. (b) Submitted with each application shall be fifty dollars (\$50) as an investigation fee and one hundred twenty-five dollars (\$125) as a license fee, which license fee shall be returned to the applicant if the application is denied. The license year shall be the calendar year and the license fee for any period less than six (6) months shall be sixty-two dollars fifty cents (\$62.50). Each license shall remain in force until surrendered, suspended or revoked. (c) All moneys collected under this act shall be paid into the state treasury by the commissioner and shall be credited by the state treasurer as follows: Twenty percent (20%) thereof to the general fund of the state and the remaining eighty percent (80%) to a special fund, which is hereby created

and shall be known as the "consumer loan administration fund," and which fund is hereby appropriated and made available to the commissioner for the purpose of paying the cost of administering and enforcing the provisions of this act.

Section 4. Section 16-407 of The General Statutes Supplement of 1961 is hereby amended to read as follows:

Sec. 16-407. (a) Within thirty (30) days after an application for a license is filed with the commissioner, together with the required fees, the commissioner shall issue the license if the character and general fitness of the applicant is such as to warrant belief that the business will be operated lawfully and fairly within the provisions of this act, or enter an order denying same, if he shall find to the contrary: Provided, however, that any person engaged in the consumer type loan business twelve (12) months or more immediately preceding the effective date of this act, shall receive a license upon filing the required application and fees within thirty (30) days after the effective date of this act, that on and after the effective date of this act the commissioner shall before issuing a license also find that granting a license to the applicant for the proposed location will promote the convenience and advantage of the community.

(b) A copy of the order granting or denying a license, together with a summary of the findings thereon, shall be filed in the office of the Commissioner and shall be a public record. A copy of the order denying a license, together with a summary of the findings thereon, shall be mailed postage prepaid, to the applicant at the address stated in the application.

Section 5. Section 16-412 of the General Statutes Supplement of 1961 is hereby amended to read as follows:

Sec. 16-412. (a) Borrower to receive a copy of contract; or statement of contents. At the time the loan is made, there will be delivered to the borrower, or if there be two (2) or more borrowers, to one (1) of them a copy of the loan contract, or a written statement in the English language showing in clear and distinct terms:

(1) The name and address of the lender and of one of the borrowers or a maker of the loan.

(2) The date of the loan contract;

(3) The schedule of installments or description thereof;
(4) The principal amount of the loan excluding charges;
(5) The rate or amount of charges as the contract may provide;
(6) The amount collected or paid out for each kind of insurance, if any;
(7) The amount collected or paid out for filing and other fees as allowed in Section 10 (f) 16-410 (f) hereof;⁵

(8) The collateral or security for the loan including all other accommodation or other joint makers (co-makers);

(9) That the borrower may prepay the loan in whole or in part at any time during a licensee's regular business hours, and in case the charges have been added to the principal of the loan that such charges are subject to the refund requirements of section 10 (c) 16-410 (c) if such loan is prepaid in full.

(b) Receipts; return of note. Every licensee shall: (1) Give to the borrower a plain and complete receipt in a form approved by the commissioner for every payment made in cash on account of any loan at the time such payment is made. (2) Endorse indelibly on a loan ledger which shall be kept by the licensee, the amount and date of each payment made by the borrower of the loan. (3) Upon repayment of the loan in full, the licensee shall mark indelibly every obligation and security signed by the borrower with the word "paid" or "canceled" and release any mortgage, restore any pledge, and cancel and return to the borrower any note and any assignment given to the licensee, within ten (10) days after such repayment. Such canceled notes and canceled assignments shall be mailed to the borrower at his last known address unless returned to the borrower in person.

Section 6. Section 16-414 of the General Statutes Supplement of 1961 is hereby amended to read as follows:

Sec. 16-414. The commissioner or his duly authorized representatives may at any time investigate any transactions with borrowers and may examine the books, accounts and records in this state to discover violations of this act by (1) any licensee, (2) any person who advertises for, solicits or holds himself as willing to make loans in amounts of two thousand one hundred dollars (\$2,100) or less, or (3) any person whom the commissioner has reason to believe is violating or is about to violate the provisions of this act. The commissioner shall have the same investigatory powers and authority as provided for in Section 16-506 of the General Statutes Supplement of 1961. If the

investigation or examination shall reveal that such person is not licensed under this act and has violated the provisions of this act by reason of other than as the result of a bona fide error of computation, the cost of such investigation or examination shall be borne by the person investigated or examined and the commissioner may maintain an action in any court of competent jurisdiction to recover such cost.

Section 7. Sections 16-402, 16-403, 16-406, 16-407, 16-412, 16-414 of the General Statutes of 1961 are hereby repealed .

Section 8. This act shall take effect and be in force from and after its publication in the official state paper.

HOUSE BILL NO. _____
BY COMMITTEE ON STATE AFFAIRS

AN ACT to amend and supplement the sales finance act; to provide for licensing of sales finance companies not maintaining offices in this state which engage in business in this state; providing assessment of costs of investigation; further defining contracts which may be used under the provisions of the sales finance act; amending Sections 16-503 and 16-505, and repealing said original sections.

Be it enacted by The Legislature of The State of Kansas:

Section 1. Section 16-503 of the General Statutes Supplement of 1961 is hereby amended to read as follows:

Sec. 16-503. (a) No person shall engage in the business of a sales finance company in this state, whether such person maintains an office in this state or not, without a license therefor as provided in this act: Provided, however, That no bank, trust company, savings and loan association or consumer loan licensee authorized to do business in this state shall be required to obtain a license under this act but shall comply with all of the other provisions of this act.

(b) Within sixty (60) days after the effective date of this act each place of business operated under a license under this act shall have and properly display therein, a nontransferable and nonassignable license. The same person may obtain additional license upon compliance with this act as to each license. Application for a license shall be on a form prescribed and furnished by the commissioner. A licensee may move his place of business from one place to another within a county without obtaining a new license, provided he gives written notice thereof to the commissioner at least ten (10) days prior to such removal.

(c) Submitted with each application shall be fifty dollars (\$50) as an investigation fee with one hundred twenty-five dollars (\$125) as a license fee. The license year shall be the calendar year and the license fee for any period less than six (6) months shall be sixty-two dollars fifty cents (\$62.50). Each license shall remain in force until surrendered.

(d) All moneys collected under the authority of this act shall be paid into the state treasury by the commissioner and shall be credited by the state treasurer as follows: Twenty percent (20%) thereof to the general fund of the state and the remaining eighty percent (80%) to the "consumer loan administration fund," and which fund is hereby appropriated and made available to the commissioner for the purpose of paying the cost of administering and enforcing the provisions of this act.

(e) Every licensee shall, on or before the first day of December, pay to the commissioner the sum of one hundred twenty-five dollars (\$125) for each license held as a license fee for the succeeding calendar year. Failure to pay such license fee within the time prescribed shall automatically revoke such license.

(f) Any sales finance company in business on the date this act takes effect may continue in operation but must obtain a license within sixty (60) days from said date in accordance with the provisions of this act.

Section 2. Section 16-505 of The General Statutes Supplement of 1961 is hereby amended to read as follows:

Sec. 16-505. (a) The commissioner or his duly authorized representatives shall have the power to make such investigations as he shall deem necessary and, to the extent necessary for this purpose, he may examine such licensee or any other person and shall have the power to compel the production of all relevant books, records, accounts and documents. The expenses of the commissioner incurred in the examination of the books and records of licensees shall be charged semiannually to the licensees so examined by the commissioner as soon as reasonably possible after June 30 and December 31 of each year in proportion to the number of days required to examine the books and records of the respective licensees. Each licensee shall be billed by the commissioner for the amount so charged to such licensee. If said charge is not paid within thirty (30) days after the mailing of such bill, the license of said licensee may be suspended or revoked. If such investigation or examination shall reveal that any person not licensed under this act has violated the provisions of this act other than as the result of a bona fide error of computation, then the cost of such investigation or examination shall be borne by the person so investigated or examined and the commissioner may maintain an action in any

court of competent jurisdiction to recover such costs.

(b) Any retail buyer having reason to believe that this act relating to his retail installment contract has been violated may file with the commissioner a written complaint setting forth the details of such alleged violation and the commissioner upon receipt of such complaint, may inspect the pertinent books, records, letters and contracts of the licensee and of the retail seller involved, relating to such specific written complaint.

Section 3. There is hereby added to the Kansas Sales Finance Act a new section to read as follows: Nothing in this act shall be construed to require all retail installment transactions to be evidenced solely by conditional sales contract nor shall any provision of this act be deemed to prohibit the taking of chattel mortgages, conditional sales contracts or contracts for bailment or leasing if such otherwise comply with the provisions of this act. The taking of a promissory note evidencing the obligation arising out of a retail installment transaction, whether attached to the contract by perforation or incorporated within the body of the instrument or otherwise, shall not be prohibited. The fact that a note given to evidence a retail time contract contains the matters and the things which this act requires be included in a retail time contract shall not render such note non-negotiable under any of the provisions of the Negotiable Instruments Law, if such note is not otherwise non-negotiable under said Negotiable Instruments Law.

Section 4. Sections 16-503 and 16-505 of the General Statutes supplement of 1961 are hereby repealed.

Section 5. This act shall take effect and be in force from and after its publication in the statute book.