

MINUTES OF THE SENATE COMMITTEE ON COMMERCIAL AND FINANCIAL INSTITUTIONS

The meeting was called to order by Sen. Neil H. Arasmith at
Chairperson

9:00 a.m./~~p.m.~~ on March 14, 1984 in room 529-S of the Capitol.

All members were present except:

Senators Hess, McCray, and Harder - Excused

Committee staff present:

Bill Wolff, Legislative Research
Myrta Anderson, Legislative Research
Bruce Kinzie, Revisor's Office

Conferees appearing before the committee:

Representative David Webb
Tom Wilder, Kansas League of Savings Institutions
E. A. Mosher, League of Kansas Municipalities

The minutes of March 13 were approved.

The hearing began on HB 2490 which amends the Uniform Commercial Code to extend from ten days to twenty days the period in which a secured party may file a purchase money security interest. Rep. Webb testified in support of the bill saying that the extra time is needed to allow time for the paperwork to get through the mails.

The chairman began the hearing on HB 2604 by calling on Tom Wilder, Kansas League of Savings Institutions, to give testimony on behalf of the authors in support of the bill which would give savings associations parity with banks in the deposit of funds to redeem municipal bonds. (See Attachment I.)

E. A. Mosher, League of Kansas Municipalities, followed with his testimony in support of HB 2604 saying that he supports the bill because he feels local units should have this discretion. Sen. Karr asked who would benefit and who would lose from the bill. Mr. Mosher answered that the local units would benefit, and the State of Kansas would lose. Jim Turner of the Kansas League of Savings Institutions added that savings and loan institutions must mail in deposits seventeen days sooner than banks and so the local units of government do not use savings associations. The bill gives savings and loans parity with banks so there is really no winner or loser.

Sen. Pomeroy made a motion to report HB 2604 favorably, Sen. Gordon seconded, and the motion carried.

The committee's attention was turned to HB 2490. The chairman reminded the committee that the bill is a carry over from last year and needed to be updated.

Sen. Pomeroy made a motion to amend HB 2490 to update it, Sen. Gannon seconded, and the motion carried.

Sen. Gannon moved to report HB 2490 favorably as conceptually amended. Sen. Reilly seconded, and the motion carried.

The chairman began a discussion of SB 413 which had been previously heard. He reminded the committee of the concerns expressed about telephone solicitations. Staff had prepared an amendment to resolve the problem. (See Attachment II.)

Sen. Pomeroy moved to amend SB 413 as suggested. Sen. Karr seconded, and the motion carried.

Sen. Pomeroy moved to update SB 413, Sen. Werts seconded, and the motion carried.

Sen. Reilly made a motion to report SB 413 favorably as amended. Sen. Feleciano seconded, and the motion carried.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON COMMERCIAL AND FINANCIAL INSTITUTIONS,
room 529-S, Statehouse, at 9:00 a.m. ~~xxx~~ on March 14, 1984.

The committee's attention was turned to HB 2437 dealing with automobile liability insurance. The chairman explained that staff had prepared an amendment resolving a problem raised regarding "nuclear energy liability" appearing on line 174 of the bill. (See Attachment III.)

Sen. Werts moved the amendment, Sen. Pomeroy seconded, and the motion carried.

The chairman began a discussion of the amendment on lines 154-158 of the bill dealing with family exclusion.

Sen. Pomeroy made a motion to report HB 2437 favorably as amended. Sen. Karr seconded the motion.

Sen. Reilly made a substitute motion to amend HB 2437 to include mandatory coverage with the right to decline. Sen. Feleciano seconded, and the motion carried.

Sen. Pomeroy made a motion to report HB 2437 favorably as amended, Sen. Gordon seconded, and the motion carried.

The meeting was adjourned.

SENATE COMMITTEE

ON

COMMERCIAL AND FINANCIAL INSTITUTIONS

OBSERVERS
(Please print)

DATE	NAME	ADDRESS	REPRESENTING
3/14	Marvin Umbholtz	Topeka	KCU
3/14	James Turner	Topeka	ALSI
	TJ Wilder	"	KLSI
	Jewel Wright	"	KCU
	A. Mascher	Leop	League of Women
	Jerry Maguire	Topeka	IAA
	E. Mullins	"	Budget
	Virginia Gordon	Highland	
	Wayne Gordon	Atchison	
	Dave Webb		Legislature
	Jim Mang	Topeka	KBA

KLSJ Kansas
League of
Savings
Institutions

JAMES R. TURNER, President • Suite 612 • 700 Kansas Ave. • Topeka, KS 66603 • 913/232-8215

March 14, 1984

TO: SENATE COMMITTEE ON COMMERCIAL AND FINANCIAL INSTITUTIONS
FROM: JIM TURNER
RE: H.B. 2604 (REDEMPTION OF BONDS)

The Kansas League of Savings Institutions appreciates the opportunity to appear before the Senate Committee on Commercial and Financial Institutions in support of H.B. 2604. This proposal will allow municipal units to deposit funds in savings and loan associations for the redemption of municipal bonds. Under present law, such funds may be placed in savings associations but must be forwarded to the State Treasurer at least 21 days prior to the maturity of the bonds. Funds deposited in state or national banks can be forwarded to the State Treasurer three days prior to the maturity of the bonds.

This bill gives savings associations parity with banks in the deposit of funds used to redeem municipal bonds. Municipal treasurers who use savings and loan associations as depositories will gain an additional 18 days use of such funds before the money is forwarded to the State. We would ask that the committee give favorable consideration to the passage of House Bill 2604.

James R. Turner
President

JRT:bw

Attachment I

PROPOSED AMENDMENTS TO SENATE BILL NO. 413

On Page 4, in line 127, by striking "and"; also in line 127, by inserting after "(B)" the following: "any general telephone solicitation; or (C)";

On page 5, in line 169, by striking "and"; also in line 169, by inserting after "(B)" the following: "any general telephone solicitation; or (C)";

PROPOSED AMENDMENT TO H.B. NO. 2437

On page 5, in line 174, by striking "is insured" and inserting "would be covered for such damages"