

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 26, 1984 in room 529-S of the Capitol.

All members were present except:

Senators Feleciano and Hess - Excused

Committee staff present:

Bill Wolff, Legislative Research  
Myrta Anderson, Legislative Research  
Bruce Kinzie, Revisor of Statutes

Conferees appearing before the committee:

None

The minutes of March 23 were approved.

The chairman began the meeting by calling the committee's attention to HB 2861 dealing with motor vehicle liability insurance with regard to the family exclusion. He noted that the same provision is in HB 2437 which passed the Senate the previous week.

Sen. Harder moved to report HB 2861 adversely, Sen. Gannon seconded, and the motion carried.

The chairman called for committee action on SB 859 dealing with the exemption of oil and gas transactions from securities registration. He reminded the committee that the change in the bill rearranges the language on pages two and three so that it is not self-defeating as in the present statute.

Sen. Karr moved to report SB 859 favorably and that it be placed on the consent calendar, Sen. Harder seconded, and the motion carried.

The chairman began a discussion on HB 2614 which would require that identification be carried in vehicles showing that the owner is covered by liability insurance. He reminded the committee that the Kansas Motor Car Dealers had requested that automobile dealers operating under fleet policies be exempt. Also, the chairman said he had visited with Sgt. Jacobs who had told him that since the motor vehicle inspection provision had been repealed, several used car dealers had been established on Broadway Street in Wichita. Sgt. Jacobs expressed concern with the request of the Motor Car Dealers because of this turn of events.

Sen. Harder made a conceptual motion to amend HB 2614 on line 264 of the bill as an addition to this section to exempt franchise new vehicle dealers operating under fleet policies from carrying proof of coverage in each vehicle. Sen. Gordon seconded the motion, and it carried.

The chairman reminded the committee of another suggested amendment by the Farmers Insurance Group to allow them to present a certificate of insurance as a further means of proof of coverage.

Sen. Reilly moved to amend HB 2614 as requested by the Farmers Insurance Group, Sen. Karr seconded, and the motion carried.

Sen. Gordon moved to report HB 2614 favorably as amended. Sen. Gannon seconded the motion.

Sen. Werts noted that the grammar on lines 119-121 in subsection (e) was poor. He made a substitute motion to amend the bill on line 120 to add "on" before "which" to clarify the language.

Staff reminded the committee that subsection (e) was not in the interim bill and that the House had reinserted it in the bill.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON COMMERCIAL AND FINANCIAL INSTITUTIONS,  
room 529-S, Statehouse, at 9:00 a.m./~~p.m.~~ on March 26, 1984.

Sen. Werts made another substitute motion to strike subsection (e) from HB 2614, Sen. McCray seconded, and the motion carried.

Sen. Werts made a motion to report HB 2614 favorably as amended, Sen. Karr seconded, the motion. The chairman noted that he realized that this was not an agreed upon proposal and asked the committee if it wished to take another approach to the bill. There were no further motions, and Sen. Werts' motion to report the bill favorably carried.

The committee turned its attention to HB 2041 which allows loans to be made at detached auxiliary banking facilities. Sen. Werts made a motion to report HB 2041 favorably. Sen. McCray seconded the motion, and it carried.

The committee began consideration of HB 2251 providing for the regulation of continuing care agreements and the registration of providers of continuing care. Sen. Pomeroy reported that he was a member of the interim Judicial Committee which studied the proposal which centered around Clear View City. He said that the committee decided not to take action on the bill because proponents were worrying about what might happen. He said that there was no evidence of anyone suffering a loss in Clear View City. The problem occurred because upon the death of the owner, the residents of Clear View City wanted to know immediately what was going to happen, but this was not possible due to the complications of settling the estate. Furthermore, the original bill would have made it very difficult for new retirement homes to be established. Sen. Pomeroy continued that if the committee does anything with the bill, he would recommend that it eliminate the five year penalty provision, and instead of including separate penalties, cross reference it to the Consumer Protection Act. He said it was found in the interim committee that the passage of the bill would not help Clear View City, and there had not been any other similar problems in Kansas.

Sen. McCray stated that he felt that there might be a need for the bill and began a discussion of the annual disclosure section located in Section 13 of the bill. Sen. Pomeroy noted that there is no provision for a detailed report and that the section does not deal with rates.

Sen. McCray made a motion to remove Section 13 (lines 580-611), the major penalty section, from HB 2251. There being no second to the motion, the bill was left with no committee action.

The meeting was adjourned.

SENATE COMMITTEE

ON

COMMERCIAL AND FINANCIAL INSTITUTIONS

OBSERVERS  
(Please print)

DATE                      NAME                      ADDRESS                      REPRESENTING

9/26	Mark Bennett	Topeka	asa
	TJ Wilder	"	KLSI
	Mervyn Umholtz	Topeka	KCUL
	John Spurgeon	Lawrence	Budget
	Jerel Wright	Topeka	KCUL
	Pete McEice	Topeka	KIBA
	Ron Smith	✓	✓
	HAZEL OLD STONES	Topeka	KBA
	Jim May	"	KBA
	St. Chin	Merchant Nat	
	June Young	Ks Dept. of Banking	Topeka