

Approved 3-26-85
Date

MINUTES OF THE HOUSE COMMITTEE ON COMMERCIAL & FINANCIAL INSTITUTIONS

The meeting was called to order by Rep. Harold P. Dyck at
Chairperson

3:30 ~~xxx~~/p.m. on March 21, 1985 in room 527S of the Capitol.

All members were present except:

Committee staff present: Bill Wolff, Legislative Research
Bruce Kinzie, Revisor of Statutes Office
Virginia Conard, Committee Secretary

Conferees appearing before the committee:

Don Phelps, Consumer Credit Commissioner
Julie Young, General Counsel, Bank Commissioner
Dave Skidgel, Attorney with McAnany, Van Cleve and Phillips, Kansas City
Larry Christ, Chief Counsel with Securities Commissioner
Don Schnacke, Kansas Independent Oil and Gas Association

Chairman Harold Dyck opened the meeting and called on Don Phelps, Consumer Credit Commissioner, the first of three proponents testifying for SB58. Mr. Phelps stated that his agency had introduced this bill and he feels very strongly that the committee should allow the passage of it.

Mr. Phelps then introduced the second conferee, Dave Skidgel, an attorney from Kansas City with the law firm McAnany, Van Cleve and Phillips. Mr. Skidgel said that this is a technical amendment. He said that certainly the FDIC is not in the business of making loans; however, the FDIC in its liquidation capacity must be allowed to undertake the collection of the bad UCCC loans left by a closed bank. The statute K.S.A. 16a-2-301 dealing with this states that if not supervised by a financial institution, collections cannot be taken or made on loans under the UCCC. Mr. Skidgel said that the intent of the statute was not to ban the FDIC from the liquidation of assets. He said it is vital that FDIC be able to enter into a purchase and assumption agreement with another bank when one bank becomes insolvent.

Mr. Skidgel told the committee that if this amendment is not passed it will have a chilling effect on FDIC taking over the liquidation of a closed bank.

Ms. Julie Young, General Counsel, Bank Commissioner's Office, said they are in favor of the passage of SB58. She said this amendment would aid FDIC in its entering into a purchase and assumption agreement so that the customer would benefit by another bank opening the doors of the insolvent bank which had been closed the day before.

There being no other person testifying on SB58, the chairman then called on Larry Christ, Chief Counsel with the Securities Commissioner. He said that SB140 deals with the exemption from registration of certain gas and oil leases. He said this bill would make a technical correction in K.S.A. 1984 Supp. 17-262a. Mr. Christ stated that when they had introduced this bill in the Senate Financial Institutions and Insurance Committee they had missed some language on page one, line 0045, and he would ask the committee to put line 0045 back as it was originally.

Rep. Bob Ott moved that line 0045 be put back as it was originally. Rep. David Louis seconded. Motion carried.

Don Schnacke of the Kansas Independent Oil and Gas Association spoke in favor of SB58.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON COMMERCIAL & FINANCIAL INSTITUTIONS,
room 527S, Statehouse, at 3:30 ~~a.m.~~/p.m. on March 21, 1985.

There being no further conferees, Chairman Dyck called attention to SB102 on which hearings had been held the past two days.

Rep. Louis moved that SB102 be amended on page 8, last line, to read "Kansas Register" instead of "statute book". Rep. Bob Ott seconded the motion.

Rep. Kenneth Francisco made a substitute motion that SB102 be recommended favorably for passage. Rep. Ivan Sand seconded the motion.

Following the discussion, the vote was taken, with yeas 10, nays 8.

Motion carried.

Rep. Louis moved that the minutes of yesterday's meeting be approved. Rep. Nichols seconded. Motion carried.

The meeting adjourned at 4:10 p.m.

GUEST REGISTER

HOUSE

COMMERCIAL & FINANCIAL INSTITUTIONS

NAME	ORGANIZATION	ADDRESS
Bud Grant	KCCI	Topeka
John C. Botenby	KIBA	Topeka
Peter J. Sturley	KAEG	Topeka
Jim Mays	KBA	"
R. W. Apple	Wall Street Journal	Dallas, TX
Bir R. Juller	KFB	Manhattan
Bret Wallace	McPherson Sentinel	McPherson
Ivan W. Wyatt	McPherson's Farmers Union	McPherson
Pete McGehee	KIBA	Topeka
Don Schnacke	KIOGA	Topeka
T. Paine	scf	"
Larry V. Christ	Ks. Securities Com.	Topeka
Marsha Hutchinson	K. Grain & Fed. Reserve Assoc.	Hutchinson
Virginia Wilbert	scf	Pittsburg
Dinda McGill	KIBA	Topeka
Julia Young	Banking Dept.	Topeka
John Peters	KAEG	Topeka
KIBA BEN NEILL	KIBA	Topeka
Leroy Jones	B.L.E.	Overland Park