

Approved

Date

Clyde Graeber 3/23/87

MINUTES OF THE HOUSE COMMITTEE ON COMMERCIAL AND FINANCIAL INSTITUTIONS

The meeting was called to order by Clyde D. Graeber at
Chairperson

3:30 ~~xxx~~ a.m./p.m. on March 19, 1987 in room 527-S of the Capitol.

All members were present except:

Committee staff present: Bill Wolff, Legislative Research Department
Bruce Kinzie, Revisor of Statutes
June Evans, committee secretary

Conferees appearing before the committee: Bud Grant, Vice President, Kansas Chamber of
Commerce and Industry
Tom Groneman, Kansas Register of Deeds

Chairman Clyde Graeber opened the meeting.

Hearing on SB 104: Dr. Bill Wolff, Legislative Research Department, gave a brief on the bill stating the bill would amend K.S.A. 1986 Supp. 84-9-302 to delete the requirement for filing financing statements for consumer goods with a purchase price of \$1,000 or less. This bill has been here in committee before; it amends one section of the UCC whereby the seller protects his interest for goods; 104 adds the 6th now there is protection for five. There is now no dollar limit and SB 104 has a \$1,000 limit.

Bud Grant, Vice President, Kansas Chamber of Commerce and Industry, testified for SB 104, stating this was requested by the Kansas Retail Council. UCC enacted several years ago opportunity for retailers to file; all but Kansas has reversed that position. This bill is the same as the committee had last year. (Attachment I).

Rex Hassler, Montgomery Wards, felt this bill was a good bill and very necessary to stores such as Sears, Penneys, Wards, etc. He felt the \$3.00 fee on each item sold mounts to a huge sum the stores have to pay to the Register of Deeds plus the paperwork that is necessary.

Tom Gronerman, Kansas Register of Deeds, testified against the bill (Attachment II).

Chairman Graeber closed the hearing on SB 104.

Representative Dillon moved and Representative Johnson seconded to table this bill.

Representative Wilbert stated there must be something to this bill since we are one of the few states that does not have it.

Representative Shallenburger stated it is not a bad bill and will offer a substitute motion that it be passed out favorably. Representative Long seconded.

Representative Sand stated he would not vote either way.

After committee discussion there was a vote by show of hands and 10 voted in favor and 4 voted against the bill. The motion carried to pass SB 104 out of committee favorably.

The meeting adjourned at 4:10 p.m.

Date: March 19, 1987

GUEST REGISTER

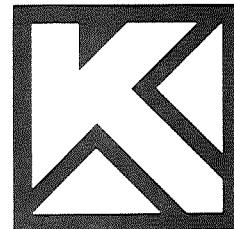
HOUSE

COMMERCIAL & FINANCIAL INSTITUTIONS COMMITTEE

| NAME | ORGANIZATION | ADDRESS |
|--------------|---------------------------|----------|
| Tom Groeman | Ks Register of Deeds Assn | |
| Dvo Coriano | KCCU | Topeka |
| Jim M... | KIBA | 1. |
| Doris Palmer | Reg. of Deeds | Leav. Ks |
| Carl Beard | Sec of State | Topeka |
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LEGISLATIVE TESTIMONY

Kansas Chamber of Commerce and Industry



500 First National Tower One Townsite Plaza Topeka, KS 66603-3460 (913) 357-6321

A consolidation of the
Kansas State Chamber
of Commerce,
Associated Industries
of Kansas,
Kansas Retail Council

SB 104

March 18, 1987

KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the

House Committee on Commercial and Financial Institutions

by

Bud Grant
Vice President

Mr. Chairman, members of the committee. My name is Bud Grant and I am here on the behalf of the Kansas Chamber of Commerce and Industry and the Kansas Retail Council in support of Senate Bill 104.

The Kansas Chamber of Commerce and Industry (KCCI) is a statewide organization dedicated to the promotion of economic growth and job creation within Kansas, and to the protection and support of the private competitive enterprise system.

KCCI is comprised of more than 3,000 businesses which includes 200 local and regional chambers of commerce and trade organizations which represent over 161,000 business men and women. The organization represents both large and small employers in Kansas, with 55% of KCCI's members having less than 25 employees, and 86% having less than 100 employees. KCCI receives no government funding.

The KCCI Board of Directors establishes policies through the work of hundreds of the organization's members who make up its various committees. These policies are the guiding principles of the organization and translate into views such as those expressed here.

Senate Bill 104 as introduced was identical to the bill which this committee recommended to the full House during the 1986 session of the Kansas Legislature.

ATCH I

The Senate Committee amendments were offered by the Kansas Bankers Association as technical and clarifying in nature.

The purpose of the bill Mr. Chairman, is to allow the retailer to gain some relief from a problem which results because of federal changes in bankruptcy laws. Kansas is the only state which requires that financing statements be filed on the sale of consumer goods. The elimination of this requirement on these lower value, but high volume sales would result in the customer or the retailer saving money, and in the customer saving time now required to complete the necessary paperwork.

Finally, I would point out Mr. Chairman, the Kansas Bankers Association, the Kansas Association of Finance Companies, the Kansas League of Savings Institutions, and the Kansas Credit Union League have all indicated they have no opposition to this proposal.

Thank you Mr. Chairman for the opportunity of visiting with you concerning Senate Bill 104 and request that the committee again recommend this proposal to the full Senate for passage.

KANSAS REGISTER OF DEEDS ASSOCIATION

TESTIMONY

ON

SENATE BILL #104

ATCH II

Mr. Chariman, members of the committee, I am Tom Groneman, Register of Deeds from Wyandotte County and Chairman of the Kansas Register of Deeds Association legislative committee. I appear before you today on behalf of our association in opposition to SB#104.

Senate Bill #104 is the reincarnation of Senate Bill #502 which died last year in the house due to a lack of action. If SB#104 passes it will exempt the requirement for filing Uniform Commercial Code financing statements on purchase money security interests in consumer goods with a purchase price of \$1,000.00 or less.

Senate Bill #104 is in direct conflict with one of the purposes of the Uniform Commercial Code which is to provide public notice of existing liens. The general public, including banks and lending institutions, who now rely on this information on a daily basis will find this information unavailable to them if Senate Bill #104 passes.

Individuals who do not own real estate and only have consumer goods to use for collateral will find it extremely difficult to get a needed loan. Lenders will be hesitant to loan money on consumer goods if they cannot find out about existing liens.

In addition to the loss of notification to the public there will be a loss of revenue to the counties. On January 1, 1984, Kansas went to a central filing system with the Secretary of State on all UCC's concerning farm related products. This change greatly reduced the number of UCC filings in many counties across the state. If SB#104 passes it will reduce even more the UCC filings at the county level. The counties will still have the expense of maintaining the UCC records, the indexes ect., but will not have the income.

For these reasons we ask you to vote NO on Senate Bill #104.

This FINANCING STATEMENT is presented to a _____ Officer for filing pursuant to the Uniform Commercial Code:

No. of Additional Sheets Presented:

Maturity Date 3. (Optional):

1. Debtor(s) (Last Name First) and Address(es):
Matson, Howard R. & Sandra
1039 Barnett
Kansas City, Mo. 66102

726-L

2. Secured Party(ies): Name(s) and Address(es):
Century Finance Co.
4734 Rainbow
S.M., s. 66205

4. For Filing Officer: Time, Date, Filing Office:

STATE OF KANSAS
WYANDOTTE COUNTY
RECEIVED FOR RECORD
MAR 16 11 8 49 AM
THOMAS W. GROENEMAN
REGISTER OF DEEDS

E028080

5. This Financing Statement Covers the Following Types (or Items) of Property:

Art-Paintings, Statues, Figurines, Pictures, Etc., Bicycles, Lawn Mowers, Hunting Equipment, Stereo Equipment, Televisions, Hand Tools

6. To be Recorded in Real Estate Mortgage Records

Proceeds

Products of the Collateral are Also Covered:

7. Description of Real Estate:

8. Name(s) of Record Owner(s):

9. Assignee(s) of Secured Party and Address(es)

10 This statement is filed without the debtor's signature to perfect a security interest in collateral (check if so)

- already subject to a security interest in another jurisdiction when it was brought into this state, or
- which is proceeds of the following described original collateral which was perfected:

By Howard Matson
Sandra Matson
Signature(s) of Debtor(s)

CENTURY FINANCE CO.

By [Signature]
Signature(s) of Secured Party(ies)
Approved By: [Signature] Secretary of State

(1) FILING OFFICER COPY - ALPHABETICAL
FORM M-UCC-1-MISSOURI UNIFORM COMMERCIAL CODE

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code:

3. Maturity date (if any):

1. Debtor(s) (Last Name First) and address(es):
Sherley, Mike E, BEcky A
4724 Ottawa
Kansas City, Ks 66106

2. Secured Party(ies) and address(es):
Credithrift of America
10448 MASstin
Overland Park, Ks 66212

For Filing Officer (Date, Time, Number, and Filing Office):

STATE OF KANSAS
WYANDOTTE COUNTY
RECEIVED FOR RECORD
MAR 16 11 9 17 AM
THOMAS W. GROENEMAN
REGISTER OF DEEDS

E028119

4. This financing statement covers the following types (or items) of property:

Personal Property located at the above address and more specifically described in the security agreement...
1 Camera, 1 Lawnmower, 1 Grill, 1 Outboard Motor, 1 Stereo, 1 VCR, 1 Air Compressor, 1 Drill, 1 Paint Sprayer, 1 Saw.

5. Assignee(s) of Secured Party and Address(es)

This statement is filed without the debtor's signature to perfect a security interest in collateral. (check if so)

- already subject to a security interest in another jurisdiction when it was brought into this state.
- which is proceeds of the original collateral described above in which a security interest was perfected:

Check if covered: Proceeds of Collateral are also covered. Products of Collateral are also covered. No. of additional Sheets presented.

Filed with: Wyandotte County 91/15

By Mike E Sherley
Becky A Sherley
Signature(s) of Debtor(s)

Credithrift of America

By [Signature]
Signature(s) of Secured Party(ies)

This FINANCING STATEMENT is presented to a filing office or filing pursuant to the Uniform Commercial Code:

1. Debtor(s) (Last Name First) address(es)
Shanks, Kirby S. & Kathleen A.
2525 S 48th ST
Kansas City, KS 66106

2. Secured Party(ies) (or assignee and address(es))
Norwest Financial Kansas Inc.
9906 College Blvd.
Overland Park, KS 66210

For Filing Office (Date, Time, Number and Filing Office):
BY: [Signature]
THOMAS M. SHANAHAN
REGISTER OF DEEDS
MAR 16 11 09 AM '08
STATE OF KANSAS
WABOITE COUNTY
RECEIVED FOR RECORD

E028116

3A. This financing statement covers the following types (or items) of property: (Describe) All of the debtors' household goods and sports/recreation equipment now located at the debtors' address shown above except those items prohibited by the Federal Trade Commission's Credit Practices Rule. Household goods sports/ recreation equipment
3B. (If collateral is crops) The above described crops are growing or are to be grown on: (Describe real estate)
3C. If applicable, the above (goods are to become fixtures on:) (timber is standing on:) (minerals or the like, including oil and gas, or accounts will be financed at the wellhead or minehead of the well or mine located on:) (Legal description of real estate)

(Name of record owner)

4. Check if products of Collateral are claimed Products of Collateral are also covered.

By: [Signature]
Kathleen A. Shanks
Signature(s) of Debtor(s)

Norwest Financial Kansas Inc.
By: [Signature]
Signature(s) of Secured Party(ies) (or assignee)

Form approved by: [Signature]
Secretary of State

(1) Filing Officer Copy - Alphabetical

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code:

1. Debtor(s) (Last Name First) and address(es)
Dozier, Marvin
3417 Longwood
Kansas City, KS. 66104

2. Secured Party(ies) (or assignee and address(es))
ITT Financial Services
P. O. Box # 40162
Overland Park, Ks. 66204

For Filing Office (Date, Time, Number and Filing Office):
BY: [Signature]
THOMAS M. SHANAHAN
REGISTER OF DEEDS
MAR 16 11 08 AM '08
STATE OF KANSAS
WABOITE COUNTY
RECEIVED FOR RECORD

E028082

3. A. This financing statement covers the following types (or items) of property: (Describe) 2 Wards 25" color tvs; 2 Zenith & Sounddesign am/fm tape player w 8 track and turntable and 4 zenith speakers, K L Wards Lawn Mower; 1 Pulzar Quartz class ring, 1 painting
3. B. (If collateral is crops) The above described crops are growing or are to be grown on: (Describe real estate)

3 C. If applicable, the above (goods are to become fixtures on:) (timber is standing on:) (minerals or the like, including oil and gas) or accounts will be financed at the wellhead or minehead of the well or mine located on:) (Legal description of real estate)

(Name of record owner)

4. Check if products of Collateral are claimed Proceeds of Collateral are also covered.

By: [Signature]
Marvin Dozier
Signature(s) of Debtor(s)

ITT Financial Services
By: [Signature]
Signature(s) of Secured Party(ies) (or assignee)

(1) FILING OFFICER COPY-ALPHABETICAL Form Approved by

FORM K-UCC-1-KANSAS UNIFORM COMMERCIAL CODE

[Signature]
Secretary of State

DEMAREE STATIONERY CO.
908 WALNUT, KANSAS CITY, MO.

This FINANCING STATEMENT is presented to a Filing Officer for filing pursuant to the Uniform Commercial Code:

1. Debtor(s) (Last Name First) and address(es):

Young, Aslee
7001 Cleveland
Kansas City, Kansas
66109

2. Secured Party(ies) (or Assignee) and address(es):

ABC Furniture Company
735 Minnesota Ave.
Kansas City, Kansas
66101

For Filing Officer (Date, Time, No. & Filing Office):

STATE OF KANSAS
RECORDED FOR RECORD
WYANDOTTE COUNTY
MAR 16 4 8 58 PM
THOMAS M. GONZALEZ
REGISTER OF DEEDS
BY JP

E028087

3A. This Financing Statement covers the following types (or items) of property: (describe)

19" RCA Portable T.V.
Model# FMR 425E
Serial# 637490181

3B. (If Collateral is crops) the above described crops are growing or are to be grown on: (describe Real Estate)

3C. If applicable, the above (goods are to become fixtures on:) (timber is standing on:) (minerals or the like, including oil and gas, or accounts will be financed at the wellhead or minehead of the well or mine located on:) (legal description of Real Estate)

(Name of Record Owner)

4. Check (X) if covered: Products of the Collateral are also covered.

Filed with Recorder of Deeds, Wyandotte County, Kansas

By: Aslee Young
Signature(s) of Debtor(s)

By: ABC Furniture Company
Signature(s) of Secured Party(ies) or Assignee(s)

Form approved by:

Patricia B...
Secretary of State

FORM K450
B. & C. INC.
2820 ROE LANE
KANSAS CITY, KS. 66103

(1) FILING OFFICER COPY—ALPHABETICAL
FORM UCC-1—KANSAS UNIFORM COMMERCIAL CODE

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code:

1. Debtor(s) (Last Name First) and address(es)

* Loss, James C.
350 S. 59th Lane, Lot 61
Kansas City, KS 66111
* Ross, Carrie

2. Secured Party(ies) (or assignee and address(es):

Kuluva's Inc.
833 Minnesota Ave.
Kansas City, KS 66101

For Filing Officer (Date, Time, Number and Filing Office):

STATE OF KANSAS
RECORDED FOR RECORD
WYANDOTTE COUNTY
MAR 16 4 8 54 PM
THOMAS M. GONZALEZ
REGISTER OF DEEDS
BY JP

E028084

3. A. This financing statement covers the following types (or items) of property: (Describe)

Tappan over & under, Side by Side refrigerator; frigidaire; washer & electric dryer (Maytag)

3. B. (If collateral is crops) The above described crops are growing or are to be grown on: (Describe real estate)

3. C. If applicable, the above (goods are to become fixtures on:) (timber is standing on:) (minerals or the like, including oil and gas, or accounts will be financed at the wellhead or minehead of the well or mine located on:) (Legal description of real estate)

(Name of record owner)

4. Check if products of Collateral are claimed Proceeds of Collateral are also covered.

By: James C. Ross
Carrie Ross
Signature(s) of Debtor(s)

By: Kuluva's Inc.
Patricia B...
Signature(s) of Secured Party(ies) (or assignee)

(1) FILING OFFICER COPY - ALPHABETICAL Form Approved by

FORM K-UCC-1—KANSAS UNIFORM COMMERCIAL CODE

Secretary of State