

MINUTES OF THE SENATE COMMITTEE ON JUDICIARY

The meeting was called to order by Senator Robert Frey at _____
Chairperson

10:00 a.m./~~p.m.~~ on February 9, 1987 in room 514-S of the Capitol.

~~All~~ members ~~were~~ present ~~except~~: Senators Frey, Hoferer, Burke, Feleciano, Gaines, Langworthy, Parrish, Steineger, Talkington, Winter and Yost.

Committee staff present:

Mike Heim, Legislative Research Department
Jerry Donaldson, Legislative Research Department
Gordon Self, Office of Revisor of Statutes

Conferees appearing before the committee:

Charles Henson, Kansas Bankers Association Trust Division
Steve Page, Kansas Bankers Association Trust Division
Daryl Craft, Kansas Bankers Association Trust Division

Senator Frank Gaines requested a bill be introduced concerning the oil and gas industry. Following explanation of the proposal, Senator Gaines moved the bill be introduced. Senator Feleciano seconded the motion, and the motion carried.

Senator Paul Feleciano requested a bill be introduced concerning law enforcement alert that was recommended by the Sedgwick County District Attorney. Following explanation of the proposal, Senator Feleciano moved the bill be introduced. Senator Gaines seconded the motion, and the motion carried.

Senate Bill 97 - Probate procedure, allowance of demand without hearing.

Charles Henson, KBA Trust Division, explained this bill amends the probate code to allow demand not including \$200. He suggested amending the bill by striking, in lines 53 and 54, "at the demand hearing" and inserting "at the hearing of petition."

Senate Bill 98 - Fiduciaries, investment standards for trustees.

Charles Henson explained the bill is an amendment to the Prudent Man Rule.

Mr. Henson introduced Steve Page, Merchants National Bank Trust Office, and Daryl Craft, Topeka Bank and Trust Trust Office.

Senate Bill 97

Steve Page, KBA Trust Division, testified they see this bill as further streamlining probate procedure. It is a way of reducing expense for the administration of estates. It will benefit small creditors. He said this is not a mandatory procedure; it is discretionary. The chairman inquired the difference between bill for \$195 and bill for \$300 against the estate. Mr. Page replied, the bill under \$200 can be paid by the executor of the estate. Under this bill the \$300 bill can be paid. Committee discussion was held concerning subsection (b), changing the \$200 dollar amount to \$2,000, and striking subsection (c).

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON JUDICIARY,
room 514-S, Statehouse, at 10:00 a.m./~~xxx~~ on February 9, 1987.

Senate Bill 97 continued

Daryl Craft, KBA Trust Division, testified the intent of the bill was to streamline and hopefully keep down the cost. It was put there to pay certain debts without going through a hearing. He said they did consider the \$1,000 amount but there was concern, and felt \$2,000 as a more appropriate figure. Further committee discussion was held.

Senate Bill 98 - Fiduciaries, investment standards for trustees.

Daryl Craft explained this bill is a reaction to the ever increasing problem of liability insurance. He said a person sets up a trust and as long as that person is living, there is no problem. The problem is when that grantor dies, and other relatives have come back saying you have to follow the Prudent Man Act guidelines. He stated as long as the person who creates the trust gives a written direction to the trustee, and the written direction is on file, this will protect the trustee from a problem. Considerable committee discussion was held.

The meeting adjourned.

A copy of the guest list is attached (See Attachment I).

