

Approved Feb. 14, 1989
Date

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS

The meeting was called to order by Representative Susan Roenbaugh at
Chairperson

9:05 a.m./~~p.m.~~ on February 2, 1989 in room 423-S of the Capitol.

All members were present except: Representatives Hamm and Wells, and
Representative Freeman who was excused.

Committee staff present: Norman Furse, Revisor of Statutes Office
Raney Gilliland, Legislative Research Department
Marjorie Brownlee, Committee Secretary

Conferees appearing before the committee: Edwin A. Van Petten, Deputy Attorney General,
Office of the Attorney General
Bud Grant, President of the Kansas Chamber
of Commerce and Industry
Judy Bravence-Stringer, Consumer Credit
Commissioner

Chairman Roenbaugh declared hearings open for HB 2068.

The Chair called upon Raney Gilliland to brief the Committee on the background of the bill. Mr. Gilliland pointed out that this bill in line 21 refers to a section of the criminal code which gives the penalties for giving a worthless check. Lines 60 through 73 repeat almost verbatim the penalties for giving a worthless check in criminal code except for a reference in lines 65 through 68 to uniform consumer credit code. Mr. Gilliland directed the Committee's attention to the fact that this might be setting up two different penalty procedures for worthless checks for pre-existing debt.

Ed Van Petten, Deputy Attorney General from the Office of the Attorney General, presented testimony for the support of HB 2068. (Attachment 1)

Bud Grant, President of the Kansas Chamber of Commerce and Industry, also testified in favor of HB 2068. (Attachment 2)

Judy Bravence-Stringer, Consumer Credit Commissioner, briefly addressed the Committee, expressing a concern with the wording as far as the legislation passed last year and the "90 days."

After a short question and answer session between the Members of the Committee and the conferees, the Chairman pronounced the hearings for HB 2068 to be closed.

The meeting was adjourned by Chairman Roenbaugh at 9:35 a.m.

The next meeting of the House Committee on Agriculture and Small Business will be on February 7, 1989, at 9:00 a.m.



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STATEMENT OF
DEPUTY ATTORNEY GENERAL EDWIN A. VAN PETTEN
TO THE HOUSE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS
RE: H. B. 2068
FEBRUARY 2, 1989

Mr. Chairman and Members of the Committee:

Attorney General Stephan would like to voice his support for House Bill 2068, and recommend its passage.

Worthless checks are, and for years have been a recurring nightmare to the small business men and women of our state, one about which, until recently there was very little that could be done. It seems that this is a matter which has never completely fit within the criminal or civil realm of our law.

K.S.A. 60-2610 when first adopted in 1986, took great strides in giving the businessman a civil remedy for worthless checks received, assessing a civil penalty to discourage this breach of trust. The amendment before you today extends the possibility of the penalty to individuals who have written worthless checks, on short term pre-existing indebtedness. This recourse has historically been absent from any collection provisions on the theory that the businessman is no worse off,

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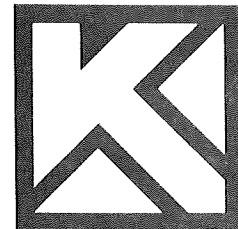
ATTACHMENT 1

after accepting the worthless check, because there was already a debt owed, and it was still owed. It is time however, to stop the issuance of worthless paper to our business people, and to give them the opportunity to receive at least limited damages upon receipt of worthless checks whether the debt is new or already exists.

We must stop punishing the honest, hard working individual for looking for the good in others. This is not a situation where anyone will receive a windfall, but merely permit an avenue for recoupment of damages suffered by the return of worthless checks to our business men and women, and the subsequent attempts at collection.

We urge your favorable consideration of H.B. 2068.

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

HB 2068

February 2, 1989

KANSAS CHAMBER OF COMMERCE AND INDUSTRY

Testimony Before the
House Committee on Agriculture and Small Business

by
Bud Grant
Vice President

Mr. Chairman and members of the Committee:

My name is Bud Grant, and on behalf of the Kansas Chamber of Commerce and Industry and the Kansas Retail Council, thank you for the opportunity of appearing before you today in support of HB 2068.

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.

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ATTACHMENT 2

In 1986, this committee recommended to the Legislature, and the Legislature adopted, a bill which authorized the receiver of a worthless check to pursue civil remedies as an alternative to the criminal statutes. In defining a worthless check, the definition from the criminal statutes was adopted by reference.

The new law went into effect on July 1, 1986, and within a week calls began to come in complaining that the new civil remedy statute wouldn't be available when dealing with a worthless check given in payment of a pre-existing debt because of the use of the criminal statute definition.

The language in HB 2068 was recommended by the Kansas County and District Attorneys Association, and is identical to language passed by the house in Sub. for HB 2372, late in the 1988 session. The Senate never had an opportunity to consider that bill.

Just as it is with shoplifting convictions, there is movement among the states to offer civil remedies when dealing with worthless checks. At a time when our jails and prisons are overcrowded, the approach offered by HB 2068 represents the best alternative to addressing a very expensive crime, costing Kansans with every purchase they make.

Please assist small business and close the loophole inadvertently left in 1986. I urge your support for HB 2068, and would be pleased to attempt to answer any questions.