

Approved \_\_\_\_\_ Date \_\_\_\_\_

MINUTES OF THE HOUSE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS

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

9:00 a.m. ~~pm~~ on February 13, 1990 in room 423-S of the Capitol.

All members were present except: Representative Ensminger, Excused  
Representative Flower, Excused  
Representative Solbach, Excused

Committee staff present: Raney Gilliland, Legislative Research  
Jill Wolters, Revisor of Statutes Office  
Pat Brunton, Committee Secretary

Conferees appearing before the committee: Art Weiss, Deputy Attorney General,  
Consumer Protection Division

Chairman Roenbaugh opened hearings on HB 2736 - concerning consumer protection and introduced Mr. Art Weiss, Deputy Attorney General.

Mr. Weiss testified in support of HB 2736 stating Attorney General Stephan has offered this bill to protect the integrity and privacy of Kansans' credit card numbers. (Attachment I). He further stated the Attorney General requests favorable consideration of HB 2736. Questions and answers followed the testimony.

Representative Freeman moved to pass HB 2736 favorably. The motion was seconded by Representative Amos.

Representative Freeman moved to amend his original motion to put HB 2736 on the consent calendar. There were no objections. The motion passed.

Chairman Roenbaugh asked for the committee's wishes on HB 2684.

Representative Amos made a motion to pass favorably HB 2684 concerning certain contracts to maintain stocks of outdoor power equipment. Representative Jenkins seconded and the motion carried.

Chairman Roenbaugh approved minutes of February 6, 7 and 8 with no objections from the committee.

The meeting adjourned at 9:15 a.m. The next meeting of the House Agriculture and Small Business Committee is scheduled for February 14, 1990 at 9:00 a.m. in Room 423-S.





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TESTIMONY OF  
DEPUTY ATTORNEY GENERAL ARTHUR R. WEISS  
ON BEHALF OF ATTORNEY GENERAL ROBERT T. STEPHAN  
TO THE HOUSE COMMITTEE ON AGRICULTURE AND SMALL BUSINESS

RE: H. B. 2736

February 13, 1990

Madame Chairperson and Members of the Committee:

Attorney General Stephan has offered House Bill 2736 to protect the integrity and privacy of Kansans' credit card numbers. An unscrupulous person armed with a credit card number, expiration date and card holder's name is limited only by their greed in their ability to make unauthorized charges to the consumer's credit card.

Security experts consistently warn not to give anyone access to such credit card information.

Several states, including Iowa after which this bill is modeled, prohibit the use of a credit card as a means of identification except for limited circumstances. There is no need for a merchant to receive a customer's credit card information as identification when the customer writes a check. There are sufficient forms of adequate identification such as driver's licenses, employee identification cards, insurance cards, etc. which enable a merchant to properly

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ATTACHMENT I

protect itself in the event the check is not honored and the merchant must locate the customer. Furthermore, the use of a credit card number as identification for a check is pointless. A merchant has no legal authority, in the event the check is not honored, to charge the purchase amount to that customer's credit card. If the merchant were to do so, and the customer disputed the charge, the credit card company would most assuredly remove the charge.

With other forms of identification available, and no legitimate need for the credit card information, it is totally pointless for such private and financially damaging information to be floating about in public.

This bill does provide safeguards for businesses such as rental establishments who would request a credit card number in lieu of a security deposit to assure payment in the event of default, loss or damage.

A violation of this section would be deemed to be an unconscionable act under the Kansas Consumer Protection Act and would allow the Attorney General's Office or private citizens to seek civil penalties or restitution from offender.

Thank you for this opportunity to appear. The Attorney General requests favorable consideration of House Bill 2736.