

Approved


Date 3-13-90

MINUTES OF THE HOUSE COMMITTEE ON Commercial and Financial Institutions

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

3:30 ~~a.m.~~/p.m. on February 28, 1990 in room 527-S of the Capitol.

All members were present except: Representatives Johnson, Francisco, Schauf and Long

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

Conferees appearing before the committee:

The Chairman called the meeting to order and opened the hearing on
HBs 3052 and 3053.

Bill Wolff, Research Department, gave a brief summary of the Uniform
Commercial Code and HBs 3052 and 3053 stating this is an Act concerning
the Uniform Credit Code relating to fund transfers. There is no specific
law that regulates. There is a need for uniform activity between and among
the states. This is regulation between financial institutions and businesses.
There is a definite need for these transactions among all states.

Jim Maag, Kansas Bankers Association, stated that both HB 3052 and 3053
are recommendation of the UCC. The House and Senate Judiciary Chairmen
attended the UCC meeting last summer and came back and wrote a letter that
these two measures be adopted. This is a very complex issue. It was
assumed these bills would go to the Judiciary Committee as they have
always dealt with the Uniform Commercial Code. Expert testimony is needed
on these bills, but they were just received in the Commercial and Financial
Institutions Committee on February 20 and there has not been time to have
the needed testimony regarding these bills.

The Chairman asked if an Interim Study was recommended.

These bills affect money transferred between banks, etc., and is very
important and does need study and adoption.

It was discussed whether to send these to an exempt committee then back
to this committee for further study when there is more time for testimony.

Carol Beard, Deputy Assistant Secretary of State, testified that the
Secretary of State's Office supports the adoption of both HBS 3052 and
3053. (See Attachment #1).

Further discussion included that every state has adopted the UCC. They
are all similar. This is not a federal law. It is important that all
states adopt as there is a need for uniformity.

Representative Shallenburger moved and Representative Roper seconded that
HBs 3052 and 3053 be referred to an exempt committee and back to Commercial
and Financial Institutions Committee for possible action.

The meeting adjourned at 4:20 P.M.



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STATE OF KANSAS

TESTIMONY BEFORE THE HOUSE COMMERCIAL AND FINANCIAL INSTITUTIONS COMMITTEE

February 28, 1990

House Bill No. 3052
House Bill No. 3053

The Secretary of State supports the adoption of uniform state laws that provide Kansas businesses with the many advantages of consistency in interstate dealings.

The Kansas Legislature recognized this need when it adopted the Uniform Commercial Code and it has periodically adopted amendments which conform our law with changes made by the Commissioners on Uniform State Laws.

House Bill No. 3052, dealing with funds transfers, and House Bill No. 3053, dealing with leases, both consist of recent updates to the U.C.C. that Kansas should adopt.

Neither bill affects our office and we do not have the technical expertise in these areas to comment on the details of the bill. However, we do generally support maintaining conformity with the U.C.C.

We encourage the committee to report these bills favorably for passage.

Carol Beard
Deputy Assistant Secretary of State

Atch #1