

Approved February 18, 1992  
Date

MINUTES OF THE HOUSE COMMITTEE ON COMMERCIAL & FINANCIAL INSTITUTIONS.

The meeting was called to order by Delbert L. Gross at  
Chairperson

3:30 ~~a.m.~~ p.m. on February 12, 1992 in room 527-S of the Capitol.

All members were present except:

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

Conferees appearing before the committee: James W. Parrish, Securities Commissioner  
T. C. Anderson, Kansas Society of Certified  
Public Accountants  
Donald P. Schnacke, Kansas Independent Oil  
and Gas Association

The Chairperson called the meeting to order at 3:30 P.M.

Representative Johnson moved and Representative Watson seconded the minutes of February 4 and February 5 be approved. The motion carried.

James W. Parrish, Securities Commissioner, testified in support of HB 2842 which amends the Kansas Securities Act. (See Attachment #1).

T. C. Anderson, Kansas Society of Certified Public Accountants, requested that HB 2842 be amended on Page 13, line 15 (1) to read: "This section would reduce the number of sales of ownership in a limited liability company from 35 to 20."

Also, it is requested that an amendment which would grandfather, until July 1, 1993, the conversion of interests in an existing entity to a limited liability company formed under the laws of the State of Kansas if the number of members does not exceed 35. (See Attachment #2).

Donald P. Schnacke, Kansas Independent Oil & Gas Association, requested an amendment to HB 2842 on Page 14, line 4, beginning with (n). (See Attachment #3).

The Chairperson closed the hearing on HB 2842.

The Chairperson opened the hearing on HB 2838.

Melvin Battin, Assistant Consumer Credit Commissioner, testified in support of HB 2838 stating this is a "clean up" bill because it contains no substantive changes in the Uniform Consumer Credit Code. This bill amends four sections of the code. (See Attachment #4).

The Chairperson closed the hearing on HB 2838.

The Chairperson then asked the Committee if they were ready to take final action on HB 2748.

The Chairperson asked staff to review HB 2748.

Representative Minor moved and Representative Johnson seconded to pass HB 2748 out of committee favorably. The motion carried.

The Chairperson asked Bill Caton, Consumer Credit Commissioner to review HB 2749.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON COMMERCIAL & FINANCIAL INSTITUTIONS,  
room 527-S Statehouse, at 3:30 ~~am~~<sup>XXX</sup> p.m. on February 12, 1992

After explanation, Bruce Kinzie, Revisor of Statutes, offered a balloon adding, "The proceeds from any loan made under this section shall not be applied to any other loan from the same lender or related interest."  
(See Attachment #5).

Representative Kline moved and Representative Cates seconded that the proposed amendment be added to HB 2749.

Representative Kline moved and Representative Cates seconded to move HB 2749 out of Committee favorably as amended. The motion carried.

Representative Shallenburger requested to be recorded as voting "NO" on HB 2749.

The Chairperson asked that Bill Caton, Consumer Credit Commissioner, review HB 2751. After the review, Bruce Kinzie, Revisor of Statutes, offered an amendment to HB 2751. On page 11, line 6, (f) is changed to read, "issue, amend and revoke written administrative interpretations. Such written administrative interpretations shall be approved by the attorney general and published in the Kansas Register within 15 days of issuance. The administrator shall annually publish all written administrative interpretations in effect." Then (f), line 6, becomes (g) and (g), line 7 becomes (h).

On page 8, line 13, strike "written administrative interpretation may be revised or overruled by a succeeding commissioner, a court of law, rule and regulation or legislation." (See Attachment #6).

Representative Shallenburger moved and Representative Watson seconded that the proposed amended be added to HB 2751.

Representative Shallenburger moved and Representative Johnson seconded that HB 2751 be moved out of committee favorably as amended. The motion carried.

The Attorney General's office requested a committee bill concerning credit card privacy. This bill prohibits merchants from recording consumer's telephone numbers on charge slips when using a credit card to make a purchase. (See Attachment #7).

Representative Dillon moved and Representative Minor seconded accepting the Attorney General's proposal as a committee bill. The motion carried.

The meeting adjourned at 4:45 P.M. and the next meeting will be February 13.



STATE OF KANSAS



OFFICE OF THE SECURITIES COMMISSIONER  
Second Floor  
618 South Kansas Avenue  
Topeka, Kansas 66603-3804  
(913) 296-3307

Joan Finney  
Governor

James W. Parrish  
Securities Commissioner

Before the House Committee  
on Commercial and Financial Institutions

EXPLANATION OF HB 2842  
Presented by  
James W. Parrish  
Securities Commissioner

House Bill No. 2842 proposes several amendments to the Kansas Securities Act.

Section 1

The first amendment appears on page 2, lines 5 through 8 and amends the definition of issuer to clarify who the issuer is in securities transactions involving oil, gas or mineral interests. The current definition without the amendment is somewhat ambiguous. This is significant because an issuer is exempt from the definition of broker-dealer. Therefore, anyone who could be characterized as an issuer would not be amenable to an enforcement action for violating K.S.A. 17-1254, acting as an unregistered broker-dealer.

Section 2

The second group of amendments are to K.S.A. 17-1254 and clarify and amplify the grounds for revoking or denying one's registration as a broker-dealer, agent or investment adviser. These grounds generally are found under K.S.A. 17-1254(g). The first amendment is found under subsection (4) and begins on the bottom of page 6, line 43 and carries through to page 7, line 4. Subsection (4) sets forth as grounds for revocation or denial the existence of a permanent or temporary injunction by any court. The amendment expands the scope of the subsection to include court injunctions relating to a broad range of investment activities, including insurance companies and depository institutions, and the commodities investment business.

CF&F  
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Atch #1

The next amendment in Section 2, is found in subsection (6) beginning on page 7, line 16 through line 22. Subsection (6) sets forth that certain prior administrative orders by regulatory bodies are a basis for revoking or denying a securities registration. The amendments clarify and expand the scope of those prior orders to include orders by the Commodity Futures Trading Commission and orders by securities self regulatory agencies, most notably the National Association of Securities Dealers ("NASD").

The next amendment to this section is found on page 8, lines 2 through 4. Subsection (12) provides the grounds for denying or revoking a registration because of a failure to supervise employees of a broker-dealer or agent. As currently drafted, the provisions only apply to the broker-dealer or investment adviser in its corporate capacity. The proposed amendments make clear that they would also apply to any agent or employee who is charged with the responsibility of supervising other people.

The last amendment in this section is found on page 8, lines 5 through 7. This provides a new basis for denying or revoking registration. New subsection (13) would provide that the willful failure to comply with a request for information by the Commissioner would be a basis for denying or revoking a registration.

### Section 3

Section 3 of the bill amends K.S.A. 17-1257 found on page 9, line 35. The amendment merely eliminates the requirement of filing three copies of the prospectus with the Commissioner. Those copies are duplicative and not needed and are just extra paperwork.

Some additional amendments are proposed by the revisors office and are found on page 10. These are merely housekeeping amendments which bring the statutory language in conformity with current drafting guidelines. It replaces the male pronoun "he" with the word "the Commissioner" and the references to rules from "rules" to "rules and regulations."

### Section 4

The next series amends K.S.A. 17-1262 which generally sets forth the transactional exemptions to the registration provisions of the Kansas Securities Act. These series of amendments are designed to eliminate some duplicative sections and to harmonize the conditions and numbers to a variety of exemptions currently available for certain domestic issuers.

The first amendment is found on page 12 to subsection (e), and is found at lines 6 through 8. The amendment provides that securities issued pursuant to a judicially

approved settlement in a pending litigation would be exempt from registration. Such a provision is found in almost every state securities act except Kansas. That statutory subsection has been interpreted through opinion letters to apply to the circumstances set forth in the amendment. The amendment just conforms the statutory language to current interpretive opinions and regulatory practice.

The next amendment is found on the same page on lines 24 and 25. The amendment eliminates subsection (h). The redrafting of a domestic issuer exemption found later in this bill makes this statutory section redundant.

The next amendment is found on page 13 on lines 15 through 23. The effect of the amendments is to change the current exemption which is available only to Kansas corporations. It expands the exemption to cover corporations, limited partnerships and the newly-created limited liability companies formed under Kansas law. These amendments would eliminate the need for two subsequent subsections to 17-1262 that pertain specifically to limited partnerships and limited liability companies. It harmonizes the conditions and numbers for these three separate exemptions and makes them uniform. From a regulatory policy standpoint this seems to be more consistent and treats all of these issuers the same. The number is expanded from 15 to 20 for Kansas corporations; is reduced from 30 to 20 for Kansas limited partnerships and limited liability companies. The committee may recall the exemption for the new limited liability companies was quickly created last year within a sunset clause. The bill would make the exemption permanent for such companies with up to 20 members. The other conditions remain the same.

The next amendment is found on page 14, subsection (n), lines 4 through 7. This provides the Commissioner with authority to exempt transactions involving the offer and sale of oil, gas and mineral leases in an auction format. A more detailed statement of conditions will be provided by rule and regulation. This amendment was in response to requests by the oil and gas industry. This issue was considered by the Commissioner's advisory committee. The conclusion of that committee and the Commissioner and staff is that the sale of interests in an auction format should be allowed without registration, provided appropriate conditions are imposed. Under these circumstances, registration is not essential to the protection of investors.

The remaining amendments to this statutory section simply strike two statutory subsections currently found in subsections (p) and (r). These amendments are found on pages 14 and the top of page 15. These exemptions are eliminated and are now encompassed by the amendments previously discussed and on page 13 of the bill.

## Section 5

The next amendment provided by the bill is to K.S.A. 17-1262(a). This statutory section generally sets forth a comprehensive exemption for oil, gas and mineral interests. The amendment is found on page 16, line 27. It simply includes the new oil and gas auction exemptions as one of the other exemptions allowed or encompassed by this exemption.

## Section 6

The next amendment in the bill is to K.S.A. 17-1270. The first amendment is found on page 17, lines 10 through 21. It allows the Commissioner to set the fee to be paid by licensed persons who are subject to examinations by the Commissioner's staff. The current statute provides that the fee should not exceed \$100.00 a day, plus actual expenses. This limit was set some time ago, and needs to be adjusted to more accurately reflect current costs. The amendment would allow the Commissioner to set the fee to be charged for such examinations by rule and regulation.

The remaining amendment to this section is found on page 18, lines 9 through 12. This amendment simply clarifies that a document can be filed with the Commissioner by electronic format, a developing practice which is anticipated to become more commonplace after certain contemplated changes are implemented in federal procedures in the near future.



# Kansas Society of Certified Public Accountants

400 CROIX / P.O. BOX 5654 / TOPEKA, KANSAS 66605-0654 / 913-267-6460 / FAX 913-267-9278

February 12, 1992

Chairman Gross and Members of the Commercial and Financial Institutions Committee:

I am T. C. Anderson, Executive Director of the Kansas Society of Certified Public Accountants.

I appear before you today to seek an amendment to HB 2842.

May I call your attention to page 13, line 15(1). This section would reduce the number of sales of ownership in a limited liability company from 35 to 20.

At least one of our member firms, which has more than 20 partners, is considering changing its form of practice to a limited liability company.

Up until this month, the American Institute of CPAs was the only national professional organization which limited the form of practice of its members to partnerships or professional corporations or associations. Currently, the State Board of Accountancy is reviewing the form of practice issue and we anticipate a late April favorable ruling from that body.

Thus, we would ask for your favorable consideration of an amendment which would grandfather, until July 1, 1993, the conversion of interests in an existing entity to a limited liability company formed under the laws of the State of Kansas if the number of members does not exceed 35. If you wish, this exclusion could apply only for those who were members of an entity which was in existence as of July 1, 1992.

We can live with the bill's proposed language for any new members coming into the entity after July 1, 1992.

Thank you for your consideration of this request. I will be happy to stand for questions.

CF & I  
2-12-92  
Atch #2





## KANSAS INDEPENDENT OIL & GAS ASSOCIATION

105 SOUTH BROADWAY • SUITE 500 • WICHITA, KANSAS 67202  
(316) 263-7297 • FAX (316) 263-3021  
1400 MERCHANTS NATIONAL BANK BLDG. • TOPEKA, KANSAS 66612  
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February 12, 1992

**TO: House Committee on Commercial & Financial Institutions**

**RE: HB 2842 - Securities Regulation**

Our industry supports a proposed new exemption relating to transactions which arise from rulemaking by the Securities Commissioner as it appears in HB 2842 on Page 14, line 4, beginning with (n).

There is a growing trend to dispose of oil and gas properties at public auction sales. Sales of oil and gas properties as defined under the Act are considered securities transactions under certain conditions. In order to clarify sales at auctions, it would appear the Commissioner needs the authority, either by specific legislation or through the rulemaking process. This amendment satisfies our concerns and has our support.

Donald P. Schnacke

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2-12-92  
Atch #3

Statement of Mel Battin  
Assistant Consumer Credit Commissioner  
Concerning HB 2838

Thank you Mr. Chairman and members of the committee. I am Mel Battin, Assistant Consumer Credit Commissioner.

We consider HB 2838 to be a "clean up" bill because it contains no substantive changes in the Uniform Consumer Credit Code. This bill amends four sections of the code.

The first amendment pertains to the delinquency charge section 16a-5-502. I believe the best way to explain this proposed amendment is to ask you to look at page 3 of the handout.

The left side of page 3 is the delinquency charge provision as it was when the code was adopted in 1974 and as it is in the uniform code. The right side of page 3 is the delinquency charge provision as amended in 1988.

The first phrase in the original section 16a-2-502 states "with respect to a precomputed consumer credit transaction". Therefore, delinquency charges were permitted to be charged only on precomputed credit transactions.

At the same time subsection (4) the original code was moved to a new section 16a-2-511. Not one word in subsection (4) was changed when it was moved to the new section.

The original subsection (4) of 16a-2-502 and the new section 16a-2-511 permits a lender to convert a precomputed loan to an interest bearing loan if two installments are in default for 10 days or more.

We believe it was an oversight the last sentence in 16a-2-511 was not stricken in 1988. That sentence being "If the creditor proceeds under this subsection, any delinquency or deferral charge made with respect to installments due at or after the maturity date of the first delinquent installment shall be rebated and no further delinquency or deferral charges can be made." After the amendment in 1988, delinquency charges were permitted on interest bearing loans. We now have a conflict, one section permits delinquency charges on interest bearing loans and another section prohibits delinquency charges on interest bearing loans converted from precomputed loans.

To summarize, HB 2838 repeals 16a-2-511 and amends 16a-2-502 subsection (4) with the same language that was in the original code and in K.S.A. 16a-2-511 less the words that prohibits delinquency charges on loans that have been converted from precomputed loans to interest bearing loans.

Section 2 of HB 2838 removes the eight disclosures in section 16a-3-201 the lessor must disclose to the lessee. This amendment would require the lessor to disclose to the lessee the information required by the more complete and comprehensive disclosures of the Federal-Truth-in-Lending Act and Regulation M. This amendment will eliminate any conflict between the state and federal statutes.

Section 34 of this bill merely corrects an error in the site of another section of the code. There is no section K.S.A. 16a-2-203 in the code. The section to which it refers is the licensing section K.S.A. 16a-2-302.

Section 4 of this bill amends K.S.A. 16a-6-117 to require the commissioner to include in the rules and regulations to carry out the provisions of Truth-in-Lending Act the lease section K.S.A. 16a-3-201.

**16a-2-502. (UCCC) Delinquency charges. (1)**

With respect to a precomputed consumer credit transaction, the parties may contract for a delinquency charge on any installment not paid in full within ten (10) days after its scheduled or deferred due date in an amount not exceeding the greater of

(a) an amount, not exceeding five percent (5%) of the unpaid amount of the installment, or two dollars and fifty cents (\$2.50), whichever is less, or

(b) the deferral charge (section 16a-2-503) that would be permitted to defer the unpaid amount of the installment for the period that it is delinquent.

(2) A delinquency charge under paragraph (a) of subsection (1) may be collected only once on an installment however long it remains in default. No delinquency charge may be collected with respect to a deferred installment unless the installment is not paid in full within ten (10) days after its deferred due date. A delinquency charge may be collected at the time it accrues or at any time thereafter.

(3) No delinquency charge may be collected on an installment which is paid in full within ten (10) days after its scheduled or deferred installment due date even though an earlier maturing installment or a delinquency charge on an earlier installment may not have been paid in full.

(4) If two installments or parts thereof of a precomputed consumer loan are in default for ten (10) days or more, the lender may elect to convert the loan from a precomputed loan to one in which the finance charge is based on unpaid balances. In this event he shall make a rebate pursuant to the provisions on rebate upon prepayment (section 16a-2-510) as of the maturity date of the first delinquent installment, and thereafter may make a finance charge as authorized by the provisions on loan finance charge for consumer loans (subsection (1) of section 16a-2-401) or the provisions on finance charge for supervised loans (subsection (2) of section 16a-2-401), whichever is appropriate. In any case, the terms of the converted loan shall be no less favorable to the debtor than the terms of the original loan. The amount of the rebate shall not be reduced by the amount of any permitted minimum charge (section 16a-2-510). (If the creditor proceeds under this subsection, any delinquency or deferral charges made with respect to installments due at or after the maturity date of the first delinquent installment shall be rebated, and no further delinquency or deferral charges shall be made.)

History: L. 1973, ch. 85, § 30; L. 1975, ch. 127, § 3; July 1.

**16a-2-502. (UCCC) Delinquency charges.** (1) The parties to a consumer credit transaction may contract for a delinquency charge on any installment not paid in full within 10 days after its scheduled or deferred due date in an amount not exceeding the greater of

(a) an amount, not exceeding 5% of the unpaid amount of the installment or \$25, whichever is less, or

(b) the deferral charge (section 16a-2-503) that would be permitted to defer the unpaid amount of the installment for the period that it is delinquent.

(2) A delinquency charge under paragraph (a) of subsection (1) may be collected only once on an installment however long it remains in default. No delinquency charge may be collected with respect to a deferred installment unless the installment is not paid

in full within 10 days after its deferred due date. A delinquency charge may be collected at the time it accrues or at any time thereafter.

(3) No delinquency charge may be collected on an installment which is paid in full within 10 days after its scheduled or deferred installment due date even though an earlier maturing installment or a delinquency charge on an earlier installment may not have been paid in full.

History: L. 1973, ch. 85, § 30; L. 1975, ch. 127, § 3; L. 1988, ch. 85, § 7; L. 1988, ch. 86, § 4; L. 1988, ch. 87, § 4; July 1.

**16a-2-511. Conversion of precomputed loan upon default, when; rebate.** (1) If two installments or parts thereof of a precomputed consumer loan are in default for 10 days or more, the lender may elect to convert the loan from a precomputed loan to one in which the finance charge is based on unpaid balances. In this event the lender shall make a rebate pursuant to the provisions on rebate upon prepayment (section 16a-2-510) as of the maturity date of the first delinquent installment, and thereafter may make a finance charge as authorized by the provisions on loan finance charge for consumer loans (subsection (1) of section 16a-2-401) or the provisions on finance charge for supervised loans (subsection (2) of section 16a-2-401), whichever is appropriate. In any case, the terms of the converted loan shall be no less favorable to the debtor than the terms of the original loan. The amount of the rebate shall not be reduced by the amount of any permitted minimum charge (section 16a-2-510). (If the creditor proceeds under this subsection, any delinquency or deferral charges made with respect to installments due at or after the maturity date of the first delinquent installment shall be rebated, and no further delinquency or deferral charges shall be made.)

(2) This section shall be a part of and supplemental to the uniform consumer credit code (16a-1-101 through 16a-9-102).

History: L. 1988, ch. 85, § 11; July 1.

# HOUSE BILL No. 2749

By Committee on Commercial and Financial Institutions

1-23

8 AN ACT concerning the uniform consumer credit code; loan finance  
9 charges for certain loans.

10  
11 *Be it enacted by the Legislature of the State of Kansas:*

12 Section 1. (1) On consumer transactions in which cash is  
13 advanced:

14 (a) With a short term,

15 (b) a single payment repayment is anticipated, and

16 (c) such cash advance is equal to or less than the maximum  
17 amount of the first tier used in the blended alternative rate in K.S.A.  
18 paragraph (a) of subsection (2) of 16a-2-401, and amendments thereto,  
19 and adjusted in K.S.A. 16a-2-401a, and amendments thereto, a li-  
20 censed or supervised lender may charge in lieu of the loan finance  
21 charges specified in K.S.A. 16a-2-401, and amendments thereto, the  
22 following amounts:

23 (i) On any amount up to and including \$100, a charge may be  
24 added equal to 10% of the loan proceeds plus a \$5 administrative  
25 fee;

26 (ii) on amounts in excess of \$100, but not more than \$250 a  
27 charge may be added equal to 7% of the loan proceeds with a  
28 minimum of \$10 plus a \$5 administrative fee;

29 (iii) for amounts in excess of \$250 and not greater than the max-  
30 imum defined in this section, a charge may be added equal to 6%  
31 of the loan proceeds with a minimum of \$17.50 plus a \$5 admin-  
32 istrative fee.

33 (2) The maximum term of any loan made under this section shall  
34 be 30 days.

35 (3) The contract rate of any loan made under this section shall  
36 not be more than 3% per month of the loan proceeds after the  
37 maturity date. No insurance charges or any other charges of any  
38 nature whatsoever shall be permitted, except as stated in subsection  
39 (6), including any charges for cashing the loan proceeds if they are  
40 given in check form.

41 (4) Any loan made under this section shall not be repaid by  
42 proceeds of another loan made under this section by the same lender  
43 or related interest.

The proceeds from any loan made under this section shall not be applied to any other loan from the same lender or related interest.

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1 organization (section 16a-1-301(37)).

2 (39) "Supervised loan" means a consumer loan, including a loan  
3 made pursuant to open end credit, in which the rate of the finance  
4 charge, calculated according to the actuarial method, exceeds 12%  
5 per year.

6 (40) "Written agreement" means an agreement such as a prom-  
7 issory note, contract or lease that is evidence of the indebtedness.  
8 A letter that merely confirms an oral agreement does not constitute  
9 a written agreement for purposes of this subsection.

10 (41) *Written administrative interpretation* means any written  
11 communication from the consumer credit commissioner which is the  
12 official staff interpretation of the Kansas uniform consumer credit  
13 code and rules and regulations pertaining thereto. ~~Written admin-  
14 istrative interpretation may be revised or overruled by a succeeding  
15 commissioner, a court of law, rule and regulation or legislation.~~

16 Sec. 2. K.S.A. 16a-5-201 is hereby amended to read as follows:  
17 16a-5-201. (1) If a creditor has violated the provisions of this act  
18 applying to collection of excess charges or enforcement of rights  
19 (subsection (4) of section 16a-1-201), restrictions on interests in land  
20 as security (section 16a-2-307), limitations on the schedule of pay-  
21 ments or loan terms for supervised loans (section 16a-2-308), attor-  
22 ney's fees (section 16a-2-507), security in sales and leases (section  
23 16a-3-301), assignments of earnings (section 16a-3-305), authorizations  
24 to confess judgment (section 16a-3-306), certain negotiable instru-  
25 ments prohibited (section 16a-3-307), assignees subject to defenses  
26 (section 16a-3-404), credit card issuer subject to defenses (section  
27 16a-3-403), or limitations on default charges (section 16a-3-402), the  
28 consumer has a cause of action to recover actual damages and in  
29 addition a right in an action other than a class action to recover  
30 from the person violating such provisions of this act a penalty in an  
31 amount determined by the court not less than ~~one hundred dollars~~  
32 ~~(\$100)~~ \$100 nor more than ~~one thousand dollars (\$1,000)~~ \$1,000.  
33 With respect to violations arising from sales or loans made pursuant  
34 to open end credit, no action pursuant to this subsection may be  
35 brought more than two years after the violations occurred. With  
36 respect to violations arising from other consumer transactions, no  
37 action pursuant to this subsection may be brought more than one  
38 year after the due date of the last scheduled payment of the  
39 agreement.

40 (2) If a creditor has violated the provisions of this act applying  
41 to authority to make supervised loans (section 16a-2-301), the loan  
42 is void and the consumer is not obligated to pay either the amount  
43 financed or finance charge. If ~~he~~ the consumer has paid any part of

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1 ~~atory thereof amendments thereto~~, and make the results available  
 2 to the public;

3 (e) adopt, amend, and ~~repeal revoke~~ rules and regulations to  
 4 carry out the specific provisions of K.S.A. 16a-1-101 to 16a-9-102,  
 5 inclusive, and ~~acts amendatory thereof amendments thereto~~;

6 ~~[(f) maintain offices within this state; and~~ (g) (f) issue, amend and revoke written administrative  
 7 ~~[(g) appoint any necessary attorneys, hearing examiners, clerks,~~ (h) interpretations. Such written administrative  
 8 and other employees and agents and fix their compensation, and interpretations shall be approved by the  
 9 authorize attorneys appointed under this section to appear for and attorney general and published in the Kansas  
 10 represent the administrator in court. Register within 15 days of issuance. The  
 11 (2) The administrator shall enforce the rules and regulations administrator shall annually publish all  
 12 adopted pursuant to K.S.A. 16a-6-117, ~~and amendments thereto~~, with written administrative interpretations  
 13 respect to all creditors except those described below, whose compli- in effect;  
 14 ance shall be enforced by their appropriate supervisory authorities  
 15 as follows:

16 (a) In the case of national banks, by the comptroller of the  
 17 currency;

18 (b) in the case of state banks, by the Kansas banking  
 19 commissioner;

20 (c) in the case of federally chartered savings and loan associations,  
 21 by the federal home loan bank board, acting directly or through the  
 22 federal savings and loan insurance corporation;

23 (d) in the case of state chartered savings and loan associations,  
 24 by the Kansas savings and loan commissioner;

25 (e) in the case of federally chartered credit unions, by the ad-  
 26 ministrator of the national credit union administration;

27 (f) in the case of state chartered credit unions, by the Kansas  
 28 credit union administrator;

29 (g) in the case of common carriers subject to the federal acts to  
 30 regulate commerce, 49 USC § 1 *et seq.*, by the interstate commerce  
 31 commission;

32 (h) in the case of intrastate public utilities or common carriers,  
 33 by the Kansas corporation commission;

34 (i) in the case of any air carrier or foreign air carrier subject to  
 35 the federal aviation act of 1958, by the civil aeronautics board; and

36 (j) with respect to any activities subject to the packer and stock-  
 37 yards act of 1921, by the secretary of agriculture.

38 (3) To keep the administrator's rules and regulations in harmony  
 39 with the rules of administrators in other jurisdictions which enact  
 40 the revised uniform consumer credit code, the administrator, so far  
 41 as is consistent with the purposes, policies and provisions of K.S.A.  
 42 16a-1-101 to 16a-9-102, inclusive, and ~~acts amendatory thereof~~  
 43 ~~amendments thereto~~, shall:



STATE OF KANSAS

OFFICE OF THE ATTORNEY GENERAL

2ND FLOOR, KANSAS JUDICIAL CENTER, TOPEKA 66612-1597

ROBERT T. STEPHAN  
ATTORNEY GENERAL

February 12, 1992

MAIN PHONE: (913) 296-2215  
CONSUMER PROTECTION: 296-3751  
TELECOPIER: 296-6296

TO: Representative Delbert Gross, Chairperson  
Members of House Commercial and Financial Institutions

FROM: Attorney General Bob Stephan *RTS*

RE: Legislative Recommendation

Credit Card Privacy - This bill prohibits merchants from recording consumer's telephone numbers on charge slips when using a credit card to make a purchase. Currently, six states have such legislation.

This was House Bill 2358 in 1991. The House Commercial and Financial Institutions Committee passed it out of committee but the bill was stricken from the calendar because it was passed out after deadline.

*CF&I*

*2-12-92*

*Atch #7*