

Approved June 26, 1992

MINUTES OF THE SENATE COMMITTEE ON FEDERAL AND STATE AFFAIRS.

The meeting was called to order by Sen. Edward F. Reilly, Jr. at 11:00 a.m. on February 17, 1992 in Room 254-E of the Capitol.

All members were present except:

Sens. Daniels, Ehrlich, McClure and Strick were excused

Committee staff present:

Mary Torrence, Office of Revisor of Statutes
Mary Galligan, Legislative Research Department
Jeanne Eudaley, Committee Secretary

Conferees appearing before the committee:

Carl Anderson, Kansas Lottery
Gene Yockers, Kansas Real Estate Commission

Others attending: See attached list

Sen. Reilly called the committees' attention to SB 513. Sen. Morris stated it appears this bill effects only one person in the state, and he hated to pass a bill for one person. Sen. Reilly asked Carl Anderson if he knew any other states that allow assignment of winnings. Mr. Anderson replied he thought Kansas was the only state to allow assignment, and stated he wanted to talk with Sen. Moran further on this bill. Sen. Bond recommended changes in Lines 31 and 32, which would be for clarification purposes (Attachment 1). Sen. Bond made a motion the committee adopt these amendments, and it was seconded by Sen. Webb. The motion passed. Sen. Bond moved SB 513 be passed as amended, and it was seconded by Sen. Webb. The motion passed.

Sen. Bond explained the amendment he promised last week on SB 514 (Attachment 2), which is an equatarian amendment and would insert prohibition No. 36 on Page 5. He stated this relates to redemption rights and applies to dwellings and farms only. Sen. Bond made a motion the committee adopt this amendment, and it was seconded by Sen. Ward. The committee discussed criminal penalties, sentencing guidelines and revocation of license, and Mr. Yockers stated there is a clause that such matters may be referred to the county attorney at the present time. Mary Torrence reminded the committee that in Line 29, "document" should be changed to "contractual agreement", and Sen. Bond stated he would include that change in his motion. The motion passed. Sen. Bond moved SB 514 be passed as amended, and the motion was seconded by Sen. Ward. The motion passed. (Committee Report - Attachment 3).

The Chairman asked the committee for action on SB 554, making the square dance the official state folk dance. Sen. Webb made a motion to pass the bill out of committee favorably, and it was seconded by Sen. Vidricksen. Sen. Morris stated he thought this bill was ridiculous, in light of other, more important issues before the Legislature. The motion passed. Sen. Morris requested he be recorded as voting "no".

Sen. Reilly referred to SB 616, which provides for name consolidation for the Correctional institutions, and complained about numerous name changes for state institutions and how much

it costs the taxpayers every time a name is changed. Sen. Morris commented that the statute may need to be changed instead of the name of the institution. The Chairman asked Mary Torrence to talk to Mr. Simmons so that she could brief the committee on the proposed changes.

Sen. Reilly stated he would distribute information to committee members regarding the Joint Committee meeting and the Indian Gaming Act.

Meeting adjourned at 11:45.

REPORTS OF STANDING COMMITTEES

MR. PRESIDENT:

Your Committee on Federal and State Affairs

Recommends that Senate Bill No. 513

"AN ACT concerning the state lottery; relating to prizes; amending K.S.A. 1991 Supp. 74-8720 and repealing the existing section."

Be amended:

On page 1, in line 31, by striking "is" and inserting "may be"; in line 32, after "as", by inserting "may be";

And the bill be passed as amended.

_____ Chairperson

Amend 58-3062

No licensee, whether acting as an agent or a principal shall:

Engage in the pattern or practice of:

- 1) purchasing one to four-family dwellings (including condominiums and cooperatives) or acquiring any right, title or interest therein, including any equity or redemption interests, which are subject to a loan in default at time of purchase or in default within one year subsequent to the purchase and the loan is secured by a mortgage and
- 2) fail to notify the mortgage holder in writing within 20 days of purchase or
- 3) fail to apply the rent proceeds from such property to the mortgage as the payments come due, regardless of whether the purchaser is obligated on the loan.

NOTE: PART (A) OF SECTION 416 "PENALTIES FOR EQUITY SKIMMING" OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1987 AMENDS SECTION 912 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1970. THE NEW LANGUAGE IS SET FORTH BELOW.

EQUITY SKIMMING

EXCERPT FROM HOUSING AND URBAN DEVELOPMENT ACT OF 1970

EQUITY SKIMMING

SEC. 912. Whoever, with intent to defraud, willfully engages in a pattern or practice of—

(1) purchasing one- to four-family dwellings (including condominiums and cooperatives) which are sub-

ject to a loan in default at time of purchase or in default within one year subsequent to the purchase and the loan is secured by a mortgage or deed of trust insured or held by the Secretary of Housing and Urban Development or guaranteed by the Veterans' Administration, or the loan is made by the Veterans' Administration,

(2) failing to make payments under the mortgage or deed of trust as the payments become due, regardless of whether the purchaser is obligated on the loan . . . and

(3) applying or authorizing the application of rents from such dwellings for his own use,

shall be fined not more than \$250,000 or imprisoned not more than 5 years, or both. This section shall apply to a purchaser of such a dwelling, or a beneficial owner under any business organization or trust purchasing such dwelling, or to an officer, director, or agent of any such purchaser. Nothing in this section shall apply to the purchaser of only one such dwelling.

title 12, Section 1709-2, U.S. Code

REPORTS OF STANDING COMMITTEES

MR. PRESIDENT:

Your Committee on Federal and State Affairs

Recommends that Senate Bill No. 514

"AN ACT amending the real estate brokers' and salespersons' license act; relating to certain prohibited acts; amending K.S.A. 1991 Supp. 58-3062 and 58-3068 and repealing the existing sections."

Be amended:

On page 3, in line 29, by striking "document" and inserting "contractual agreement";

On page 5, after line 4, by inserting:

"(36) Engage in the purchase of one-, two-, three- or four-family dwellings, including condominiums and cooperatives, or the acquisition of any right, title or interest therein, including any equity or redemption interests, which are subject to a loan in default at time of purchase or in default within one year subsequent to the purchase if: (A) The loan is secured by a mortgage; (B) the licensee fails to notify the mortgage holder of the interest acquired, in writing, within 20 days after purchase; and (C) the licensee fails to apply the rent proceeds from such dwellings to the mortgage as the payments come due, regardless of whether the purchaser is obligated on the loan.";

And the bill be passed as amended.

Chairperson