

MINUTES OF THE HOUSE FINANCIAL INSTITUTIONS.

The meeting was called to order by Chairperson Ray Cox at 3:30 p.m. on March 12, 2001 in Room 527-S of the Capitol.

All members were present except: Representative Melvin Minor - Excused

Committee staff present: Bruce Kinzie, Revisor's Office
Maggie Breen, Committee Secretary

Conferees appearing before the committee: None

Others attending: See Attached

Chairman Cox said the committee would work SB 58 - Consumer protection; prohibiting obtaining or submitting check without consent.

Bruce Kinzie, Revisor, said that the balloon for **SB 58** reflects the language that Steve Rarrick asked him to put in the amendment to the bill. He said that Elwaine Pomeroy has seen the language and has agreed to it. It strikes the floor amendment on line 18 to line 21 and puts the new language they came up with on line 24. **(Attachment 1)**

Chairman Cox asked Mr. Pomeroy if he had any comments. Mr. Pomeroy said they agreed.

Representative Grant made a motion to amend the balloon to SB 58. Representative Dreher seconded the motion. The motion carried.

Representative Sharp made a motion to pass SB 58 as amended. Representative Merrick seconded the motion. The motion carried.

Chairman Cox asked if there was a motion on the minutes.

Representative Grant made a motion to approve the committee minutes of March 5, 2001 as written. Representative Vickrey seconded the motion. Without objection, the motion passed.

Chairman Cox said he appreciated the committee's work this year. He said the committee would not meet again this year unless we received something additional from the Senate.

The meeting adjourned at 3:36 p.m.

The next scheduled meeting date is undetermined.

The minutes were sent to committee members with the understanding that they would be considered approved if the committee secretary was not notified of any corrections, additions, or deletions by 5:00 p.m. on March 22. None were received.

SENATE BILL No. 58

By Committee on Financial Institutions and Insurance

1-18

12 AN ACT relating to consumer protection; prohibiting certain acts; [char-
13 itable organizations; penalties;] amending K.S.A. [17-1773 and]
14 50-636 and repealing the existing section [sections].
15

16 Be it enacted by the Legislature of the State of Kansas:

17 Section 1. (a) No supplier shall obtain or submit for payment, other
18 than for the continuation of existing and recurrent services, [services
19 provided in connection with an existing debt or contract, payment
20 or performance of which has not been completed at the time of such
21 submission,] services provided by a public utility as defined in
22 K.S.A. 66-104, and amendments thereto, or [services provided by]
23 a wireless carrier as defined in K.S.A. 12-5301, and amendments
24 thereto, a check, draft or other form of negotiable instrument or payment
25 order drawn on a person's checking, savings, share or similar account
26 without the consumer's express written authorization. The supplier ob-
27 taining or submitting the check, draft or other form of negotiable
28 instrument or payment order for payment shall have the burden of
29 proving the express authorization by a preponderance of the
30 evidence.

31 (b) Express written authorization by a consumer includes:

- 32 ~~(1) The consumer's signature on a check, draft or other form of ne-~~
- 33 ~~gotiable instrument or payment order, or~~
- 34 ~~(2) the consumer's signature on a separate written agreement au-~~
- 35 ~~thorizing single or periodic payments by check, draft or other form of~~
- 36 ~~negotiable instrument or payment order As used in this section, "ex-~~
- 37 ~~press authorization" means an express affirmative act by a con-~~
- 38 ~~sumer clearly agreeing to the payment by check, draft or other form~~
- 39 ~~of negotiable instrument or payment order drawn on a person's~~
- 40 ~~checking, savings, share or similar account.~~

41 (c) Nothing in this section shall prohibit a consumer from personally
42 directing the consumer's financial institution to make payment from the
43 consumer's checking, savings, share or similar account via electronic or

~~[services provided in connection with an existing debt or
contract, payment or performance of which has not been
completed at the time of such submission,]~~

~~or~~
~~or the collection of a preexisting debt,~~