

Approved: 2-27-01  
Date

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson Sandy Praeger at 9:30 a.m. on February 20, 2001 in Room 234-N of the Capitol.

All members were present except:

Committee staff present: Dr. Bill Wolff, Kansas Legislative Research Department  
Ken Wilke, Office of the Revisor of Statutes  
JoAnn Bunten, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list.

**Action on SB 58 - Consumer protection; prohibiting obtaining or submitting check without written consent**

The Chair called the Committee's attention to amendments agreed to by representatives from the telephone industry, Attorney General's office and Senator Lee who had requested the bill. The language submitted was modeled after "slamming" legislation, and would exempt public utilities and wireless carriers as shown in the attached draft of the bill. (Attachment 1)

Senator Teichman made a motion to adopt the proposed amendments, seconded by Senator Feleciano. The motion carried.

Senator Feleciano made a motion the Committee recommend **SB 58 as amended** favorable for passage, seconded by Senator Barnett. The motion carried.

**Action on SB 151 - State employee health plans; relating to children of participants**

Senator Jenkins briefed the Committee on amendments to **SB 151** which would establish a pilot program by the Kansas State Employees Health Care Commission to provide health care benefits to eligible children of state employees commencing in the year 2002. (Attachment 2)

Senator Allen made a motion to adopt the proposed amendments, seconded by Senator Feleciano. The motion carried.

Amendments proposed by the Governor's office would define a parent as an active employee of the state of Kansas and eligibility requirements of the child as shown in the attached balloon of the bill. (Attachment 3)

Senator Allen made a motion to adopt the proposed amendments, seconded by Senator Teichman. The motion carried.

Senator Allen made a motion that the Committee recommend **SB 151 as amended** favorable for passage, seconded by Senator Brungardt. The motion carried.

**Action on SB 142 - Authorization of special orders by bank commissioner**

The Chair called the Committee's attention to action on **SB 142** which was reconsidered by the Committee on February 14, 2001.

The Committee discussed amendments that would strike reference to credit unions so that banks would not be able to authorize parity with credit union and vice versa, but parity would be established with savings and loans.

CONTINUATION SHEET

Senator Barnett made a motion that the Committee adopt the proposed amendments, and that **SB 142 as amended** be recommended favorable for passage, seconded by Senator Teichman. The motion carried.

Senator Feleciano voted No.

**Consideration of bills**

The Chair briefed the Committee on bills still in Committee but not acted upon. It was agreed by the Committee and requested by Senator Feleciano that **SB 185 - Enacting the Credit Score Disclosure Act** be recommended for Interim study. The Chair noted other bills would be discussed and recommendations given at the next meeting.

**Adjournment**

The meeting was adjourned at 10:30 a.m. The next meeting of the Committee is scheduled for February 21, 2001.

# SENATE FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE GUEST LIST

DATE: 2-20-01

NAME	REPRESENTING
Bill Sneed	HFHA
Carolyn Van Syoc	Leadership Emporia
Vickie Muckenthaler	Leadership Emporia
Carla Barnett	Leadership Emporia
Cathy Mulbourn	KTLA
Jerel Wright	Ks Dept of Credit Unions
Jeremy Anderson	KS Insurance Dept
TERRY BERWATZ	
Harry Bossi	Asst of Admin
Rich Gettner	Health Midwest
Judi Stork	OSBC
Sonny Allen	"
Timothy Wilson	✓✓
Chuck Stores	KBA
Matt Goddard	HCBA
Danielle Lee	DOFA
Colleen Mullen	Kathy Damon + Assoc
Kevin Brauer	Her / her ch-H
Roger Francko	Kbc

or a wireless carrier as defined in K.S.A. 12-5301, and amendments thereto,

Section 1. (a) No supplier shall obtain or submit for payment, other than for the continuation of existing and recurrent services ~~or services provided by a public utility as defined by K.S.A 66-104,~~ a check, draft or other form of negotiable instrument or payment order drawn on a person's checking, savings, share or similar account without the consumer's express ~~written~~ authorization. *The supplier obtaining or submitting the check, draft or other form of negotiable instrument or payment order for payment shall have the burden of proving the express authorization by a preponderance of the evidence.*

(b) *As used in this section, "express authorization" means an express, affirmative act by a consumer clearly agreeing to the payment by check, draft or other form of negotiable instrument or payment order drawn on a person's checking, savings, share or similar account. Express ~~written~~ authorization by a consumer includes:*

~~\_\_\_\_\_ (1) The consumer's signature on a check, draft or other form of negotiable instrument or payment order; or~~

~~\_\_\_\_\_ (2) the consumer's signature on a separate written agreement authorizing single or periodic payments by check, draft or other form of negotiable instrument or payment order;~~

(c) Nothing in this section shall prohibit a consumer from personally directing the consumer's financial institution to make payment from the consumer's checking, savings, share or similar account via electronic or telephonic means in accordance with procedures set by the consumer's financial institution, nor shall this section affect the right of a consumer to transfer funds from one account to another.

(d) *Financial institutions may decline to pay any check, draft or other form of negotiable instrument or payment order submitted without proof of the consumer's express authorization.*

~~(d)~~ (e) A violation of subsection (a) is an unconscionable act within the meaning of K.S.A. 50-627, and amendments thereto.

~~(e)~~ (f) This section shall be part of and supplemental to the Kansas consumer protection act.

Section 2. 50-636 is hereby amended to read as follows: 50-636. (a) The commission of any act or practice declared to be a violation of this act shall render the violator liable to the aggrieved consumer, or the state or a county as provided in subsection (c), for the payment of a civil penalty, recoverable in an individual action, including an action brought by the attorney general or county attorney or district attorney, in a sum set by the court of not more than ~~\$5,000~~ \$10,000 for each violation. An aggrieved consumer is not a required party in actions brought by the attorney general or a county or district attorney pursuant to this section.

(b) Any supplier who willfully violates the terms of any court order issued pursuant to this act shall forfeit and pay a civil penalty of not more than ~~\$10,000~~ \$20,000 per violation, in addition to other penalties that may be imposed by the court, as the court shall deem necessary and proper. For the purposes of this section, the district court issuing an order shall retain jurisdiction, and in such cases, the attorney general, acting in the name of the state, or the appropriate county attorney or district attorney may petition for recovery of civil penalties.

(c) In administering and pursuing actions under this act, the attorney general and the county attorney or district attorney are authorized to sue for and collect reasonable expenses and investigation fees as determined by the court. Civil penalties or contempt penalties sued for and recovered by the attorney general shall be paid into the general fund of the state. Civil penalties and contempt penalties sued for and recovered by the county attorney or district attorney shall be paid into the general fund of the county where the proceedings were instigated.

(d) Any act or practice declared to be a violation of this act not identified to be in connection with a specific identifiable consumer transaction but which is continuing in nature shall be deemed a separate violation each day such act or practice exists.

Section. 2 3. This act shall take effect and be in force from and after its publication in the statute book.

SENATE BILL No. 151

By Committee on Financial Institutions and Insurance

1-29

9 AN ACT concerning the state employees benefit program; relating to  
10 children of participants; relating to the payment of certain costs.  
11

12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. (a) Commencing in plan year 2002, if a parent is enrolled  
14 in a health care benefits plan administered by the Kansas state employees  
15 health care commission, pursuant to K.S.A. 75-6501 *et seq.*, and amend-  
16 ments thereto, the commission shall provide that [100%] of the cost to  
17 cover an eligible child or children shall be paid as an employer contri-  
18 bution for the participation of any eligible child or children in the state  
19 health benefits program.

20 (b) As used in this section, "eligible child" means any child who is  
21 otherwise eligible for insurance coverage under the insurance plan au-  
22 thorized by K.S.A. 38-2001 and amendments thereto but is not eligible  
23 solely because the child is a member of a family that is eligible for health  
24 benefits coverage under a state health benefits plan administered by the  
25 Kansas state employees health care commission.

26 Sec. 2. This act shall take effect and be in force from and after its  
27 publication in the statute book.

within the limits of appropriations therefor,  
the Kansas state employees health care  
commission shall establish a pilot program  
which provides that

a percentage determined by the commission,  
within the limits of appropriations for the  
pilot program,

Expenditures for such pilot program shall not  
be less than \$100,000. Such pilot program if  
funded by the legislature shall continue in  
effect subsequent to the first year of  
funding.

and under the guidelines for eligibility  
developed by the commission within the limits  
of appropriations for the pilot program

(c) The Kansas state employees health  
care commission shall report its findings and  
any recommendations which the commission may  
have concerning the pilot program established  
under this section to the governor and to the  
legislature annually.

Senate Financial Inst. & Insurance  
Date: 2-20-01  
Attachment No. 2



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an active employee of the state of Kansas

additional

who is an eligible dependent pursuant to  
K.A.R. 108-1-1 and