

MINUTES OF THE HOUSE FINANCIAL INSTITUTIONS COMMITTEE

The meeting was called to order by Chairman Ray Cox at 3:30 P.M. on March 20, 2006 in Room 527-S of the Capitol.

All members were present except:  
Tom Thull- excused

Committee staff present:  
Melissa Calderwood, Kansas Legislative Research Department  
Bruce Kinzie, Revisor of Statutes Office  
Patti Magathan, Committee Secretary

Others attending:  
See attached list.

**Representative O'Malley** presented the subcommittee report on **HB3003-Protection of certain personal information; restricting disclosure or use.** He summarized changed sections of the bill as a result of the subcommittee meeting on March 15. Section five of the original bill has been deleted and remaining sections have been reworded and renumbered. He stated that some of the revisions were made to be consistent with language used in other states. He said that this law is not as complicated as it looks and is a good faith attempt to compromise with all interested parties.

Some of the changes are: Skimmer devices would be illegal. No Social Security number would be required on many records unless required by Federal Law. Customer notification in the event of a data breach would be based on Delaware law. Information accounted for in federal law has been deleted. Credit freeze is available for persons with a valid police report of identity theft. Language has been added to be consistent with ALEC.

Following are motions entertained:

**Representative O'Malley** made a motion to adopt the bill and its balloons, which was seconded by **Representative Olson.** Motion passed.

**Mr. Ron Gaches** expressed support for the bill. **Mr. Matthew Goddard** stated that is a fair bill and a good compromise.

**Chairman Cox** invited further discussion.

**Representative Dillmore** made a motion to put back in lines 13-15 on page four. Motion seconded by **Representative Hummerickhouse.** Motion passed.

**Representative Dillmore** made a motion to strike the balloon on page 13 and use original language. Motion was seconded by **Representative Burroughs.**

**Matthew Goddard** expressed concern that people will use the credit freeze indiscriminately. He stated that this language is consistent with other states and federal law.

**Ron Gaches** said that the credit freeze should only be available to people who have had their identity stolen. His concern is that someone preparing to file bankruptcy would use the freeze to hide their financial situation from creditors.

Motion failed.

**Revisor Bruce Kinzie** suggested that on page 16 the word may be changed to shall. **Chairman Cox** motioned to follow the recommendation of **Mr. Kinzie.** Motion was seconded by **Representative Olson.** Motion passed.

CONTINUATION SHEET

MINUTES OF THE House Financial Institutions Committee at 3:30 P.M. on March 20, 2006 in Room 527-S of the Capitol.

Representative O'Malley made a motion to add the word "financial" in front of "account number" on page 3, line one. Motion seconded by Representative Burgess. Motion passed.

Representative Cox made a motion to incorporate the intent of HB3008-Protection of personal information in possession of business into HB 3003 by utilizing the statement which he provided called "Model Data Destruction Provision." (Attachment 1) This was seconded by Representative Goico. Motion passed.

Representative Hummerickhouse made a motion to incorporate HB3003 as amended into House Substitute for SB 196. Motion seconded by Representative Goico. Motion passed.

Representative Grant made a motion to accept without objection the minutes from March 15, 2006. Minutes are approved.

**Representative Cox** announced that this would be his last committee meeting to chair.

No further meetings are scheduled at this time.

Meeting adjourned at 5:05 P.M.



**Model Data Destruction Provision**

"A person or business shall take reasonable steps to destroy or arrange for the destruction of a customer's records within its custody or control containing personal information which is no longer to be retained by the person or business by shredding, erasing, or otherwise modifying the personal information in the records to make it unreadable or undecipherable through any means."