

MINUTES OF THE HOUSE FINANCIAL INSTITUTIONS COMMITTEE

The meeting was called to order by Chairman Ray Cox at 3:30 P.M. on January 25, 2006 in Room 527-S of the Capitol.

All members were present except:

Anthony Brown- excused

Tom Thull- excused

Committee staff present:

Melissa Calderwood, Kansas Legislative Research Department

Bruce Kinzie, Revisor of Statutes Office

Patti Magathan, Committee Secretary

Conferees appearing before the committee:

Patricia Lightener - HSBC

Judi Stork - Office of State Banking Commissioner

Rick Fleming - Kansas Securities Commission

Ed Cross - Kansas Independent Oil and Gas Association.

Others attending:

See attached list.

Chairman Cox welcomed the committee and opened the floor for bill introductions.

Patricia Lightener, HSBC, proposed expanding the definition of appraised value to section six (6) of the Uniform Consumer Credit Code. Existing code has an option A and an option B. She proposed adding an option C to allow an alternative evaluation method.

Without objection, Chairman Cox introduced the bill and opened the floor to hear **HB 2662 - Banks and trust companies, examinations, electronic filings.**

Judi Stork, Deputy Bank Commissioner for the Office of the State Bank Commissioner, reviewed the changes proposed for six statutes within existing banking code. These changes generally apply to timing of reports to allow for a single electronic report, authorizing banks to file their director's oaths using electronic means, removing mandatory filing of certain information which is already readily available electronically, and allowing the commissioner to ask that replies to information requests be submitted electronically. Attachment 1

Following a brief question and answer session, **Chairman Cox closed the hearing on HB 2662 and opened hearings on HB 2663 - Kansas uniform securities act; regulations.**

Rick Fleming, General Counsel of the Office of the Securities Commissioner, explained that the Kansas Uniform Securities Act (K.U.S.A.) was rewritten and became effective July 1, 2005, replacing the former Kansas Securities Act in its entirety. **HB 2663** is intended to fix some of the flaws discovered during the implementation of K.U.S.A. Firstly, the bill removes erroneous cross-references and removes a form letter. Secondly, language would be added to exempt oil and gas securities without going through the securities registration process. Thirdly, the Securities commission asks for the authority to deny or revoke licenses for people who lack sufficient character or reputation to warrant the public trust. Attachment 2

Ed Cross, Executive Vice President of Kansas Independent Oil and Gas Association, voiced his organization's support of **HB 2663** and the proposed changes to section 2 of K.U.S.A. No written testimony.

Following questions, Chairman Cox closed the hearing on **HB 2663.**

Chairman Cox asked the committee if the complexity of the requested bills would preclude working them today. The committee responded in the negative.

CONTINUATION SHEET

MINUTES OF THE House Financial Institutions Committee at 3:30 P.M. on January 25, 2006 in Room 527-S of the Capitol.

Chairman Cox asked the committee if they had further questions on **HB 2662**. There were none. Representative Grant made a motion to favorably pass **HB 2662**. Motion was seconded by Representative Brunk. Motion passed.

Chairman Cox asked the committee if they had further questions or comments on **HB 2663**. Representative O'Malley motioned that the committee recommend **HB 2663** favorably for passage. Seconded by Representative Dillmore. Motion passed.

Representative Grant made a motion to accept minutes of the January 18 meeting as read unless there were corrections. Chairman Cox asked if there were any changes. There were none. Minutes of January 18 stand approved.

The next meeting will be Wednesday, February 1, 2006 at 3:30 P.M.

Meeting was adjourned at 4:00 P.M.