

MINUTES OF THE SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE

The meeting was called to order by Chairman Ruth Teichman at 9:30 A.M. on March 20, 2007 in Room 234-N of the Capitol.

All members were present except:

Chris Steineger- excused  
James Barnett- excused

Committee staff present:

Melissa Calderwood, Kansas Legislative Research Department  
Ken Wilke, Office of Revisor of Statutes  
Bev Beam, Committee Secretary

Conferees appearing before the committee:

John Smith, Administrator, Kansas Dept. Of Credit Unions; Senator Marci Francisco

Others attending:

See attached list.

The Chair called the meeting to order.

Action on:

John Smith offered written testimony stating that HB 2113 would amend K.S.A. 17-2242(b) which currently states that a credit union may appeal an order of the administrator pursuant to K.S.A. 17-2241. Mr. Smith said that at a hearing before the Senate Financial Institutions and Insurance Committee on March 14, 2007, concern was expressed that parties who are subjected to administrative action are not able to request a hearing. Mr. Smith said according to testimony and discussion, substitution of the existing language on page 2, lines 6 through 9 would read, "The credit union board of directors or individuals named in the administrative action shall be given a hearing or an opportunity for a hearing in accordance with the provisions of the Kansas Administrative Procedures Act." (Attachment 1)

Senator Francisco addressed the group stating that the language agreed upon as presented by John Smith was the definition of credit unions. She said the two things she was trying to accomplish was to change the definition of credit union and the other was to add the Kansas Administrative Procedures Act to come into effect in 2007, which was the second part of the balloon. Senator Francisco said if it is left in SB 351, that will come into effect in 2009. If it is left with the language in this bill, it would happen in 2007.

Following questions by Senator Vicki Schmidt, Ken Wilke again clarified the balloon language to HB 2113. Mr. Wilke stated that on page 2, line 6, it would read, "The credit union board of directors or individuals of any administrative action shall be given a hearing or an opportunity for a hearing in accordance with the provisions of the Kansas Administrative Procedures Act." Further, in Sec. 2 (h), it states, The following state agencies, boards and commissions shall utilize the office of administrative hearings for conducting adjudicative hearings under the Kansas administrative procedures act in which the presiding officer is not the agency head or one or more members of the agency head: (1) "On and after July 1, 2005 . . . (2) "On and after July 1, 2006 . . . and (3) "On and after July 1, 2007: Kansas lottery, Kansas racing and gaming commission, the state department of credit unions, state treasurer, pooled money investment board, Kansas department of wildlife and parks and state board of tax appeals. (Attachment 2)

Senator Brownlee moved to adopt the amendments to HB 2113. Senator Schmidt seconded. Motion carried.

Senator Barone moved to move the bill out favorably as amended. Senator Brownlee seconded. Motion carried.

The Chair reminded the committee members that minutes would be e-mailed to them for approval. If they don't notify her office with changes by March 28, 2007, they will be considered approved.

The meeting adjourned at 9:50 a.m.