

Approved: _____

Date

MINUTES OF THE HOUSE GOVERNMENTAL ORGANIZATION & ELECTIONS.

The meeting was called to order by Chairperson Rep. Lisa Benlon at 3:35 p.m. on January 24, 2000 in Room 521-S of the Capitol.

All members were present except:

Rep. Douglas Johnston (E)
Representative Margaret Long (E)

Committee Staff present:

Dennis Hodgins, Research
Mary Galligan, Research
Theresa Kiernan, Revisor
Lisa Montgomery, Revisor
Dee Woodson, Committee Secretary

Conferees appearing before the committee:

Diane Smith, Licensed Dietitian
Angela Prettyman, Licensed Dietitian
Melissa Wangmann, Legal Counsel, Secretary of States Office

Others attending:

Fourteen guests registered to Guest List. See attached list.

HB 2323 -State agencies; methods of payment of fees, tuition and other charges

Chairman Benlon opened the hearing on **HB 2323** by requesting Research staff to explain the bill. Staff related that the bill was for any state agency to accept fee payment in the form of a personal check, certified check, cashier's check, money order, or credit card. Staff stated he had done some background checking with the State Board of Nursing and the Board of Technical Professions who accept every form of payment now except credit cards. They just are not set up for a computerized system for handling payment by credit cards. Staff stated that individuals have not been pleased with their associations not accepting personal checks, and that is probably why the bill was originated.

Chairman Benlon asked if there were questions.

Representative Vining inquired if this bill applied for any license or just for nurses.

Chairman Benlon told the Committee that she put an amendment on a bill in the House last year that dealt with nursing. She said the nurses were having some problems like some other professionals that were trying to be licensed, and we passed it through last year for nurses only because the bill only dealt with nurses. She said that she had heard complaints from nurses and other individuals that it is ridiculous that they cannot pay by personal check. So what this bill does is to catch all the other professions that we did not catch in the nurses' bill from last year.

Committee discussion followed regarding the excessive fees charged to use credit cards, and what state agencies have the ability to accept charge cards. Also if agencies that accept credit cards will be able to pass the cost on to those people that use a credit card for payment.

Chairman Benlon told the Committee that she had contacted the State Board of Nursing last week, and a representative said they are not doing the credit cards yet, but by July 1 they should be. They are in the process of getting the state system up, and so we have to allow time for them to get that completed. They are having some problems with it, and it is coming about slower than anticipated. Chairperson Benlon said her main concern is that if we expect professionals, we should be accepting personal checks. She said that we should take all types of payment. She believes the bill states that agencies can charge for any cost it takes to accept credit card payments. So if there is a 2 or 3% cost, and an individual wants to pay by credit card, then there should be a handling fee so the state is not assuming that fee. It is not intended that the agencies do anything other than recover cost. She said that if there is a check that bounced and it comes back with a \$20 fee from the bank, the agency should turn around and charge the writer of the check \$20.00. The committee needs to clarify the language and make that very clear.

CONTINUATION SHEET

Representative Powers asked for a clarification on the credit card issue from the Revisor.

The Revisor stated that this would be an all new section. She did not know if individual agencies have been authorized under other statutes to accept credit cards. This would just be a brand new section that would apply to all agencies.

Diane Smith, a proponent and licensed dietitian, testified how she is appalled and insulted when the time for her license renewal arrives and she has to be imposed to get a money order or cashier's check to pay the licensure fee due to the Kansas Department of Health and Environment. She gave the analogy that she is allowed to write personal checks for the eight professional organizations that she is a member, plus the various department stores, grocery stores, and other businesses. Her husband is a certified appraiser in Kansas, and he is permitted to write a personal check to the State of Kansas to maintain his certification. She asked for uniformity between state agencies. Also, she conveyed her concern for required needless information in a detailed survey by the Department of Health and Environment that is not related to recertification or licencing. She urged the committee to support **HB 2323**. (Attachment 1)

Committee discussion and questions followed regarding clarification on the survey forms required and the reasons KDHE requires this information. It was noted that other states do not have requirements, and also that national organizations accept personal checks. Request was made by Committee member to approach KDHE and find out about this material before we work the bill.

Angie Prettyman, licensed dietitian, appeared before the Committee in support of **HB 2323**. In her testimony she expanded on the inconvenience and insult the current process causes for professionals renewing their licenses. The additional time required to obtain certified checks or money orders is also an impediment. (Attachment 2)

Chairman Benlon asked if there were any other proponents for this bill that would like to testify. There being none she then asked for testimony from opponents, which there were none.

Written testimony only: Linda DeCoursey, Director of Government Affairs, Kansas Insurance Department (Attachment 3)

Chairman Benlon asked Sabrina Wells, representing the Insurance Department, to clarify the written testimony from her Department expressing their concern regarding payments made by use of credit cards. Sabrina explained that the Insurance Department was not either opposing or supporting the bill, but wanted the Committee to consider the costs incurred in allowing payment by credit cards. Also to give some thought to delaying the effective date if the credit cards acceptance goes state-wide for all state agencies. She said that it is going to take agencies some time to get the process in place. Ms. Wells answered several questions pertaining to this issue. She suggested that the State Treasurer's office could look into negotiating with a company to provide for a blanket sort of agreement that would allow all the agencies to maybe save money if we were to go that route.

Chairman Benlon said that might be difficult if there would have to be a different account number for each agency or department to be sure they get their own set fee, especially on a fee funded basis.

The revisor asked Ms. Wells what date would she suggest for implementation. Ms Wells responded January 1, 2001. Chairman Benlon suggested that we contact the State Treasurer's Office and find out what time frame it thinks would be possible.

Representative Horst wanted a clarification as to what all is included when they say "state agencies". She asked if state agencies included Regents universities. She said at one time the students could pay by credit card and now unless you are a graduate student, you cannot. She asked if the bill simple refers to administrative agencies?

The Revisor responded that this bill is addressed to agencies which license, registers and certifies or otherwise regulates members of a professional trade or practice so it wouldn't apply in that instance to Regents universities.

After some discussion, Representative O'Connor suggested it might be more acceptable to make the credit card portion a "may" rather than a "shall"

CONTINUATION SHEET

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

Page 2

Representative Huff asked the revisor if she knew of some departments in the State of Kansas that accept credit cards. The revisor responded that the Secretary of States Office does, and was confirmed by Melissa Wangmann, Legal Counsel to the Secretary of States Office. The Committee inquired as to what kind of fee that SOS office charges for using a credit card. Ms. Wangmann responded that they do not charge a surcharge as they do not have statutory authority to do it. If a statute says that a filing fee is \$75, then we charge \$75 because we can't charge more than what the statute says. She shared with the Committee that her department loses about \$417 a month in credit card transaction fees. Also, Secretary of States Office does not take personal checks. Further Committee discussion covered the cost per transaction and that the agency should recover their costs.

Melissa Wangmann elaborated that the Department of Revenue has specific language in statutes that authorizes them to collect a fee equal to the charge paid for by the state equal to the credit card fee, and that is KS 79-2973.

Brad Bryant, Secretary of States Office, further clarified the various charges encountered by their Office when accepting a credit card for payment for filings or services. If it is written in statute, they cannot collect more.

Chairman Benlon asked for any other questions or if there was anyone else who would like to speak on his issue. Hearing none, she closed the hearing on **HB 2323**.

The Chair announced that the Committee would be working this bill next Wednesday, and have a hearing also on Wednesday involving the Governor's lobbying bill, **HB 2627**. Also, advised the Committee to peruse the Committee minutes very closely this year as they will be put on the Internet once the Committee has approved them.

The Chair adjourned the meeting at 4:10 p.m. The next meeting of the House Government Organization and Elections Committee will be Wednesday, January 26, 2000 in Room 521-S.