

MINUTES OF THE HOUSE FINANCIAL INSTITUTIONS COMMITTEE

The meeting was called to order by Chairman Ray Cox at 3:30 P.M. on February 16, 2005 in Room 527-S of the Capitol.

All members were present.

Committee staff present:

Melissa Calderwood, Kansas Legislative Research Department
Michele Alishahi, Kansas Legislative Research Department
Bruce Kinzie, Revisor of Statutes Office
Patti Magathan, Committee Secretary

Conferees appearing before the committee:

None

Others attending:

See attached list.

Chairman Cox opened the floor to work HB 2143 - Consumer credit code, finance charges.

Representative Brunk made a motion, which was seconded by Representative Grant, to report this bill be not passed.

Representative Vickery made a substitute motion to amend HB 2143 as recommended by the Kansas Banker's Association. Motion was seconded by Representative Brown. Representative Brown dispersed copies of the proposed amendments which modifies language in Section 3 and includes language for a "floating" rate cap. **(Attachment 1)**

A Point of Order was requested by Chairman Cox regarding the substitute motion. Mr. Kinzie and Representative Humerickhouse clarified that it is legal to consider the substitute motion.

Substitute Motion passed.

Chairman Cox invited comments on the substitute motion. Points brought out in the ensuing discussion included: the need for data to make an informed decision, a desire to incorporate services for the financially under-served population within the existing financial services network, whether an interest rate cap is the proper tool to incorporate into the UCCC, the desire to protect the consumer, a compelling need to look at the economic impact for the state, and a desire to further study the issue.

Representative Grant made a motion to table HB 2143 as amended by committee until Feb. 16, 2006 to allow time to collect and evaluate data. Motion was seconded by Representative Olson. Motion passed.

An interim study will be requested by Chairman Cox.

Chairman Cox opened the floor to work HB 2145 - Consumer credit code, regulations, penalties. Melissa Calderwood of Legislative Research provided an overview of this bill. Representative Dillmore expressed an objection to some provisions of the bill. Representative Cox said that in order to resolve some issues with various sections of this bill he would not entertain motions today but would continue the bill to the next meeting on February 21, 2005.

Meeting was adjourned at 4:15P.M.