

Approved: _____

Date

Jan 31, 1994

MINUTES OF THE HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson William Bryant at 3:30 p.m. on January 27, 1994 in Room 527-S of the Capitol.

All members were present except: Representative Susan Wagle, Excused

Committee staff present: William Wolff, Legislative Research Department
Bruce Kinzie, Revisor of Statutes
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

ACTION ON HB 2658: Securities, exempt securities and transactions

After the proposed legislation was reviewed by William Wolff, additional information on government securities exemption was presented to Committee members (Attachment 1).

Representative Allen moved to pass the bill out favorably. The motion was seconded by Representative Helgerson. Motion carried.

ACTION ON HB 2654: Mortgages on real property, satisfaction thereof

Representative Minor moved to pass the bill out favorably. The motion was seconded by Representative Correll. Motion carried.

ACTION ON HB 2655: Safe deposit boxes, forcible entry

Representative Cox moved that the bill be placed on the Consent Calendar. Representative Sebelius seconded the motion. The motion carried.

ACTION ON HB 2657: State moneys, guaranty bonds

Representative Allen moved to adopt the amendments as proposed by the State Treasurer's Office (see minutes from January 26, 1994) and that any technical changes be made by the Revisor's Office. The motion was seconded by Representative Gilbert. Motion carried.

ACTION ON HB 2659: Machine readable instruments, definition

The Committee discussed what actually was meant by authorized transaction in the use of a debit card and determined that if the card was loaned and used, this would be an authorized transaction and the owner of the card would be liable for the charges thereon. Federal banks use this theory and this legislation would place such a definition in Kansas law.

Representative Cornfield moved that the bill be passed favorably out of Committee. The motion was seconded by Representative Neufeld. Motion carried.

Representative Helgerson moved to report the following bills adversely:

SB 24: Group accident and health insurance, number of employees for coverage

SB 34: Bank loans to stockholders

SB 408: Payment of interest on certain accounts

The motion was seconded by Representative Crabb. Motion carried.

Representative Minor moved to approve the minutes of January 24. The motion was seconded by Representative Crabb. Motion carried.

The meeting adjourned at 4:20 p.m. The next meeting is scheduled for January 31, 1994.

GUEST LIST

COMMITTEE: James H. H.

DATE: 1-27-94

[illegible]

STATE OF KANSAS



OFFICE OF THE SECURITIES COMMISSIONER
Second Floor
618 South Kansas Avenue
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Joan Finney
Governor

James W. Parrish
Securities Commissioner

TO: Representative Bill Bryant

FROM: James W. Parrish
Securities Commissioner

A handwritten signature in dark ink, appearing to read "James W. Parrish", is written over the printed name of the Securities Commissioner.

DATE: January 26, 1994

RE: Points on Government Securities Exemption

The following will help clarify the amendment exempting foreign government securities from Kansas registration:

1. Government securities issued by the U.S. and Canada are exempt under Kansas law. The proposed amendment expands the exemption to other foreign governments which have diplomatic relations with the U.S.
2. Foreign government securities are essentially a national matter and should not be subject to inconsistent state requirements.
3. All foreign government securities must be registered with the Securities and Exchange Commission before being sold in any state. State registration offers no protection and is simply a redundant layer of government "red tape."
4. Government securities involve debt offerings. As a practical matter they are sold by brokerage firms which will continue to be regulated by our agency.
5. The amendment applies to securities issued by foreign governmental entities and not private corporations. Foreign companies are subject to the same registration laws as U.S. companies.
6. We are proposing this expansion because we don't believe the current requirement for registration offers Kansans any protection that they don't already have.
7. The foreign government exemption is part of the 1956 Uniform Securities Act and has been adopted in most states.

H/B2658
Hawes F.D.D.

Jan. 27, 1994 Attachment 1