

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 February 7, 2007 in Room 234-N of the Capitol.

All members were present.

Committee staff present:

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

Conferees appearing before the committee:

John Thomas Thull, State Banking Commissioner  
Dale Goter, City of Wichita  
Sonya Allen, State Banking Commissioner's Office

Others attending:

See attached list.

The Chair called the meeting to order and welcomed John Thomas Thull to his confirmation hearing as State Banking Commissioner. Mr. Thull gave an overview of his past employment. (Attachment 1)

Senator Wysong moved recommendation of John Thomas Thull as State Banking Commissioner to the full Senate. Senator Brungardt seconded. Motion carried.

Hearing on:

**SB 154 - concerning municipal bonds; relating to the limit on the amount of the bond issue; amending K.S.A. 10-106 and repealing the existing section.**

The Chair asked Dale Goter, City of Wichita, for his testimony. Mr. Goter said the City of Wichita seeks legislative approval for an amendment to K.S.A. 10-106, increasing the statutory cap on bonds that may be sold through public notice or private sale for municipal bond projects. Current law sets the cap at \$100,000; the amendment raises that cap to \$2 million.

By raising the cap on negotiated bond placements, the city could pool as much as \$2 million in 20-year bonds and work directly with local bond houses to place the obligations at a more competitive rate resulting in financial benefits to homeowners and others who make the monthly special assessment repayments. (Attachment 2)

The Chair closed the hearing on **SB 154** and opened the hearing on **SB 197 - concerning the office of the state bank commissioner; relating to the office of administrative hearings; exception; amending K.S.A. 2006 Supp. 75-37,121 and repealing the existing section.**

Sonya Allen, State Commissioner's Office General Counsel, testified that this bill would include an amendment to add the "Office of the State Bank Commissioner," in addition to the "State Banking Board," to the list of exempt entities. Ms. Allen said this amendment reflects the original intent of the law when it was drafted and current practices allow for the greatest efficiency in terms of providing timely hearings to individuals who have been denied a license or have been the subject of some other administrative action, and whose appeal is to the Commissioner or Administrator of the UCCC. The amendment would allow us to continue our existing hearing process. The current process ensures that the individual hearing the matter has expertise in this area of the law, and provides an accurate and consistent interpretation of the Kansas Mortgage Business Act and the Kansas Uniform Consumer Credit Code. The Office of the State Bank Commissioner respectfully requests favorable consideration of **SB 197**. (Attachment 3)

Written testimony from the Kansas Association of Mortgage Brokers was also presented in favor of **SB 197**. (Attachment 4)

CONTINUATION SHEET

MINUTES OF THE Senate Financial Institutions and Insurance Committee at 9:30 A.M. on February 7, 2007 in Room 234-N of the Capitol.

Action on:

**SB 137 - concerning banks; prohibiting the establishment of branches with commercial affiliates.**

Senator Brownlee moved to pass SB 137 out favorably. Senator Wysong seconded. Motion carried.

Action on:

**SB 127 - concerning insurance; pertaining to subsidence insurance.**

Senator Wilson moved to accept the amendments to SB 127 as presented by Ken Wilke. Senator Wysong seconded. Motion carried.

Senator Wysong moved to accept KDHE amendment recommendations to SB 127. Senator Barone seconded. Motion carried.

Senator Barone moved to pass the bill out favorably as amended. Seconded by Senator Steineger. Motion carried.

Action on:

Senator Vicki Schmidt moved SB 197 out favorably for passage. Senator Brownlee seconded. Motion carried.

Action on:

Senator Vicki Schmidt moved SB 154 out favorably for passage. Senator Steineger seconded. Motion carried.

Ken Wilke presented balloon language to **SB 113 concerning insurance agents and producers; relating to the continuing education requirements**. Following discussion, the Chair said this bill would be worked at a later date.

The meeting adjourned at 10:30 a.m.