

MINUTES OF THE HOUSE FINANCIAL INSTITUTIONS COMMITTEE

The meeting was called to order by Chairman Ray Cox at 3:30 P.M. on March 15, 2006 in Room 527-S of the Capitol.

All members were present except:

Bob Grant- excused

Committee staff present:

Melissa Calderwood, Kansas Legislative Research Department

Bruce Kinzie, Revisor of Statutes Office

Patti Magathan, Committee Secretary

Conferees appearing before the committee:

Representative Ed O'Malley

Mike Welli - Mid American Credit Union

Others attending:

See attached list.

Chairman Cox opened hearings on **HB3003-Protection of certain personal information; restricting disclosure or use, and HB3008-Protection of personal information in possession of business.** He called the Committee's attention to a handout that is an overview of the bill prepared by Legislative Research Assistant, **Melissa Calderwood.** Attachment 1

The first proponent to testify was **Representative Ed O'Malley** who explained that he had been working with Chairman Cox on this bill for some time. Representative O'Malley stated that there was a clause in the bill dealing with Social Security Numbers in Court records that will be deleted. He then defined identity theft to the committee as the use of a person's identity usually for financial purposes. Most people do not know that their identity has been stolen until they apply for credit. He then summarized each section of the bill and provided the expected benefits expected from a favorable passage. Attachment 2

The second proponent was **Mike Welli** of Mid American Credit Union. Mr. Welli stated that the crime of identity theft is expensive for victims, financial institutions, and various entities that deal with client personal information. Kansas consumers have no tools other than protection of personal information available to them to prevent identity theft. This bill contains an option to freeze security with credit service bureaus rendering possession of personal data worthless to an identity thief. Attachment 3

Following a brief question and answer session, Chairman Cox explained that there were several people representing various entities that had expressed an interest in amending sections of the bill as it now stands. To expedite the process and achieve an output acceptable and in the best interest of all parties, he asked those people to stay in an informal working subcommittee setting chaired by Representatives O'Malley and Dilmore. Representative Burgess also stayed. The committee was dismissed at 4:30 P.M.

The next meeting will be Monday, March 20, 2006.