

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Karin Brownlee at 8:30 a.m. on March 08, 2002 in Room 123-S of the Capitol.

All members were present except: Senator Brungardt (Excused)
 Senator Steineger (Excused)
 Senator Wagle (Excused)

Committee staff present: Sherman Parks, Revisor of Statutes
 April Holman, Legislative Research
 Lea Gerard, Committee Secretary

Conferees appearing before the committee: Representative Dave Huff
 Steve Rarrick, Deputy Attorney General
 Terry Leatherman, KCCI

Others attending: See attached list.

Hearings on HB 2676—Electronically printed credit card receipts restrictions:

Representative Dave Huff, District 30, testified in support of **HB 2676** (Attachment 1). The bill would make it a requirement for all retailers to xxxx out at least all but the last five numbers of credit cards when you make your credit card purchases.

Senator Barone asked Representative Huff if there would be a cost to the business community to implement this requirement. Representative Huff stated he talked with First Data Corporation which controls about 85% of the systems and the newer models that have been shipped for the last couple years can easily be updated at no cost. The older models could be updated at a minimum fee of \$50. to \$100.

Chairperson Brownlee asked Representative Huff why the delay in implementation. Representative Huff stated that you have to give the credit card companies that make the electronic machines some time to reprogram. Currently seven states have a similar bill and this bill was modeled after the State of Washington that this gives retailers plenty of time to come into compliance with the law.

Steve Rarrick, Deputy Attorney General, testified on behalf of the Attorney General in support of **HB 2676** (Attachment 2) stating it will further protect consumers from misuse and theft of credits cards and is an important and ongoing privacy issue. Technology is in place and the bill gives ample time for businesses to come into compliance.

Senator Barone asked Steve Rarrick what the penalties will be under Section D. Steve Rarrick stated it would be the normal penalty under the Consumer Protection Act which is up to \$10,000 for each violation that is set by a District Court Judge in the event there was prosecution.

Terry Leatherman, KCCI, testified as a neutral party for **HB 2676** stating there is consumer concern about the receipts out there and the business community is already responding to this issue.

There being no further conferees wishing to testify, the hearing for **HB 2676** was closed.

Chairperson Brownlee stated she is offering an amendment to **HB 2676** (Attachment 3). The amendment would address that the retail employer would have to be responsible to train and educate their employees to compare customer signatures on credit and debit card transactions.

Chairperson Brownlee asked that Steve Rarrick check to see what the Attorney General's position is and if there would be a better way to word the amendment for **HB 2676**.

The committee considered the reappointment of Dan C. McClenny, member, Employment Security Board of Review, term expiring (Attachment 4).

Senator Jenkins moved, seconded by Senator Jordan to confirm the reappointment of Dan C. McClenny,

CONTINUATION SHEET

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member, Employment Security Board of Review. Motion carried.

The committee considered the reappointment of LaVon G. Wenger, member, Kansas Export Loan Guarantee Board of Review, term expiring (Attachment 5).

Senator Jordan moved, seconded by Senator Kerr to confirm the reappointment of LaVon G. Wenger, member, Kansas Export Loan Guarantee Board of Review. Motion carried.

Meeting adjourned at 9:30 a.m.

The next meeting is scheduled Monday, March 11, 2002 at 8:30 a.m.