

MINUTES OF THE HOUSE JUDICIARY COMMITTEE.

The meeting was called to order by Chairman Michael R. O'Neal at 3:30 p.m. on February 19, 2003 in Room 313-S of the Capitol.

All members were present except:

Representative Dale Swenson - Excused
Representative Dan Williams - Excused

Committee staff present:

Jerry Ann Donaldson, Legislative Research Department
Jill Wolters, Revisor of Statutes
Cindy O'Neal, Committee Secretary

Conferees appearing before the committee:

Representative David Huff
Candy Shively, Deputy Secretary, Kansas Department of Social and Rehabilitation Services
Glen Quackenbusch, Lenexa
Woody Moses, Kansas Ready-Mixed Concrete Association
Trista Curzydlo, Kansas Bar Association
David Brant, Kansas Security Commissioner
Tim Plumlee, Ulysses
Glenn Bishop, St. Marys
Ronald Rumsey, Topeka
John McCabe, Uniform Law Commission
Carl Wilkerson, Association of Life Insurance Companies

The hearing on **HB 2331 - back child support owed does not go dormant**, was opened.

Representative David Huff requested the bill for a constituent. Parents who do not pay child support places the pressure of raising children on the other parent. The proposed bill would make the non payment of child support obligation be paid to the parent, and upon death of the custodial parent the remaining child support owed would go to the surviving children. The only way a child support obligation would stop is through the death of the parent which owes the child support or if the child support is paid off.

Representative Huff provided a letter from Della Smith who's ex-husband owes back child support (Attachment 1).

Candy Shively, Deputy Secretary, Kansas Department of Social and Rehabilitation Services, believes that the proposed bill was good public policy. Many states are moving towards this direction. (Attachment 2)

The hearing on **HB 2331** was closed.

The hearing on **HB 2215 - increasing claim limit in small claims court from \$1,800 to \$5,000**, was opened.

CONTINUATION SHEET

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Representative David Huff requested the proposed bill which would raise the limit for filing a suit in small claims court. The amount has not been raised since 1994 and items that cost \$1,800 have tripled since that time. ([Attachment 3](#))

Glen Quackenbusch, Lenexa, told the committee of his situation with Crestline Windows & Doors and not being able to file in small claims court. ([Attachment 4](#))

Woody Moses, Kansas Ready-Mixed Concrete Association, appeared before the committee in support of the proposed bill because it would enable producers to resolve a number of claims without having to secure the services of a lawyer; would reduce the filings in the limited action divisions and would track with inflation increases since 1994. ([Attachment 5](#))

Trista Curzydlo, Kansas Bar Association, appeared before the committee as an opponent of the bill. She stated that this encourage the unauthorized practice of law. ([Attachment 6](#))

The hearing on **HB 2215** was closed.

The hearing on **HB 2347 - Uniform Securities Act**, was opened.

David Brant, Kansas Security Commissioner, reminded the committee that Kansas has one of the best securities acts in the country, however, with the passage of the proposed bill it will be an even better act. While the proposed uniform bill has many provisions, Mr. Brant touched only on the issue of variable annuities was included in the bill. ([Attachment 7](#))

Tim Plumlee, Ulysses, Glenn Bishop, St. Marys and Ronald Rumsey, Topeka, all spoke of instances where they invested in variable annuities and lost a large amount of their savings due to not understanding how an annuity works and not understanding the contract that they signed. (Their testimony can be found in attachment 7)

John McCabe, Uniform Law Commission, informed the committee that the ULC undertook the writing of the securities act to coordinate federal and state securities regulations. ([Attachment 8](#)) The Act touches on the following main issues:

- Registration of securities
- Regulation of broker-dealers, investment advisors, their agents and representatives
- Expanded enforcement powers
- Investigatory and subpoena powers
- Criminal penalties set by statute
- Investor education
- Electronic filing facilitation

The Act makes it optional whether to include variable annuities in the definition of security or to exclude it from that definition. He suggested that variable annuities are viewed as a security and probably should be regulated as one. ([Attachment 9](#))

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Carl Wilkerson, Association of Life Insurance Companies, appeared in support of the original Uniform Securities Act, without the variable annuities provision. The proposed bill, as drafted, would add to the costs of doing business in Kansas and would injure consumers by discouraging competitors to operate in Kansas. (Attachment 10)

The Kansas Bankers Association requested an amendment on page two, line 10 to include the words “or trust company” (Attachment 11).

The Chairman announced that the hearing on **HB 2347** would remain opened and would continue at a later date.