

Approved: February 24, 2003  
Date

MINUTES OF THE FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE

The meeting was called to order by Chairperson Senator Ruth Teichman at 9:30 a.m. on February 19, 2003 in Room 234-N of the Capitol.

All members were present except: Senator Steineger, Excused

Committee staff present: Ken Wilke, Office of the Revisor of Statutes  
Dr. Bill Wolff, Kansas Legislative Research Department  
Marlene Putnam, Committee Secretary

**SB 75**

Conferees appearing before the committee: Don Mohler Mike Taylor Ken Daniel  
Matt Goddard Steve Handke Chuck Stone  
Craig Meader Mark Tallman

Others attending: See attached list

**SB 66**

Bill Yanek Tom Krattli Mike McGrew  
Dolores Dalke Rep. Doug Patterson Roy

Worthington

Others attending: See attached list

Senator Teichman introduced Bill Yanek, Kansas Association of Realtors. He is an opponent for **SB 66**. The law now prevents real estate brokerages from creating and owning an affiliated title company. The Kansas Association of Realtors believe that it is time for Kansas to repeal the Kansas Affiliated Business Law because in the sixteen years of the law's existence, the Kansas title insurance landscape has changed, and that consumers will be better served if Kansas repeals its 1987 Affiliated Business Law.  
(See Attachment 1)

Tom Krattli, Kansas City Title, Inc. a proponent of **SB 66**. He realted that 82% of all buyers desire the opportunity to have one-stop shopping. He feels that if this bill is passed, it will increase the number of title companies, and lower consumer costs in unrestricted markets.  
(See Attachment 2)

Mike McGrew, Realtor, speaking as a proponent for **SB 66**, feels like more competition and more choice mean the opportunity for better service and better prices for consumers.  
(See Attachment 3)

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Dolores Dalke from Hillsboro, Kansas, a real estate broker, is a proponent for **SB 66**. Those of us in small communities need the opportunity to expand our business opportunities so that we can better serve our clients as well as save them money.

(See Attachment 4)

Representative Doug Patterson, a proponent for **SB 66**, is a real estate attorney. He related that the real estate broker is by far the most important professional within the residential or commercial real estate transaction. They are aware of the anomalies, problems, issues, legal standing and other issues between buyers, sellers, and lenders. The title insurance company agent is often not aware of these and many times significant portions of the transaction are missed under the current law, all to the detriment of the buying and selling public. The real estate agent has such a grasp.

Based upon this point alone, and following the 30 years of practice in the real estate law area, I can advise you that the buyers and sellers of real estate within Kansas will be better served when licensed real estate sales professionals are given the authority to assure and provide knowledgeable title insurance services.

(See Attachment 5)

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Roy Worthington, Kansas Land Title Association opposes **SB 66** (See attachment 6) Mr. Worthington also presented written testimony (attachment 6a) from Don Sewing, Realty and Investment Corporation.

**SB 75**

Don Mohler, Executive Director of the League of Kansas Municipalities, a proponent for **SB 75**. We oppose statutorily imposed restrictions on banking and investment choices. (See attachment 1)

Mike Taylor, City of Wichita. A proponent for **SB 75**. It will eliminate a special interest provision in Kansas law which forces local governments, including cities, counties and school districts, to deposit public funds only in so-called "hometown" banks which have a state charter. (See Attachment 2)

Kenneth Daniel, Midway Sale & Distributing, Inc. Mr. Daniel is an opponent of **SB 75**. He is the founder, chairman, and CEO. Not only do Kansas banks help small businesses, almost all of them are small businesses. And, they pay taxes. It does not make sense to starve the cash cow

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by shipping our money out-of-state. (See Attachment 3)

Matthew Goddard, Heartland Community Bankers Association. He is an opponent of **SB 75**. The bill removes the requirement in Kansas law that a public funds depository must have a main or branch office in the county in which the municipal corporation is located. In place of that requirement, the bill simply mandates that a public funds depository must have an office in Kansas. This would in turn allow any bank to open up a single branch in a city in Kansas and bid on public funds in all 105 counties. (See Attachment 4)

Steve Handke, CEO Union Bank of Everest. He represents the Community Bankers Association of Kansas. They are opponents of **SB 75**. (See Attachment 5)

Chuck Stone, Kansas Bankers Assoc., opponent of **SB 75**. Kansas taxpayers money should stay in Kansas for the benefit of the taxpayers. (See Attachment 6)

Craig Meader, President of the Kansas Bankers Association. Opponent to **SB 75**. It appears that we have had a system that worked for Kansas for 65 plus years. We believe it is very shorted to open the door and have the Kansas capital have the potential of being siphoned off based on some unsubstantiated hope that an out of state bank would pay more than a Kansas bank. (See Attachment 7)

Mark Tallman, Kansas Association of School Boards. Proponent of **SB 75**. (See Attachment 8)

Written Testimony from Sue, Hack, City of Lawrence. (See attachment 9)

Meeting Adjourned

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