Approved: <u>February 9, 2000</u> Date

MINUTES OF THE HOUSE BUSINESS, COMMERCE AND LABOR COMMITTEE.

The meeting was called to order by Chairperson Al Lane at 9:07 a.m. on January 26, 2000 in Room 521-S of the Capitol.

All members were present exce	ept: Rep. l	Bill McCreary - excused
	Rep. 1	Mike O'Neal - excused
Committee staff present:	Jerry Donalds Dennis Hodgi	Revisor of Statutes on, Legislative Research Department ns, Legislative Research Department Committee Secretary
Conferees appearing before the committee:		Steve Rarrick, Deputy Attorney General Rep. Doug Johnston Dr. Ernest C. Pogge, AARP Doug Smith, Dehart, Darr and Associates

Others attending: See attached list

Rep. Grant made a motion to approve the minutes of January 13, 19 and 20. It was seconded by Rep. Ruff. The motion passed and the minutes were approved as written.

Introduction of Bills:

Steve Rarrick, Deputy Attorney General, Chief, Consumer Protection Division, asked the committee to introduce a bill which would amend the Kansas Consumer Protection Act (KCPA). It would expand the definition of "consumer" to include husband and wife operations and would allow an order of sequestration to also act as a lien against the property of a supplier who is alleged to be in violation of the KCPA. (See Attachment 1)

Rep.Humerickhouse made a motion to introduce the bill as a committee bill. The motion was seconded by Rep. Johnson. The motion carried.

Hearing on: HB 2580 - Telephone solicitations; automated dialing machines

Rep. Doug Johnston appeared as the author and proponent of <u>HB 2580</u>. He introduced the bill in response to some serious concerns of his constituents. They were getting telephone calls and when they answered, there was no one there. This makes many of them nervous as they don't know if they are being stalked, an exhusband is harassing his ex-wife, or someone is checking to see if they are home. He found that they were telemarketing calls made by automatic dialing machines. If too many calls are made at one time there are not enough operators to answer them. The bill would require telemarketers in Kansas to have a live operator or a recorded voice answer each line they call and within 15 seconds indicate who they are and what they want. He ended his testimony by answering questions from the committee. (See Attachment 2)

Dr. Ernest C. Pogge, Coordinator, Capital City Task Force, AARP, appeared as a proponent of the bill. Their concern is that the 15 seconds stated in the bill is too long, that five seconds would be a more reasonable amount of time. AARP believes that a telephone solicitation call should answer the line immediately and state the true purpose of the call in plain language; provide the name and location of the company being represented; and explain all terms, conditions, costs, and refund or cancellation policies before money is requested. (See Attachment 3)

Doug Smith, appeared in support of the bill on the behalf of the Direct Marketing Association (DMA), and offered an amendment to the bill. DMA recommends inserting on page 2, line 22, the language "or terminate the call" before the period at the end of the sentence. He will check with the DMA to see if the five second amendment is something they can work with. He concluded his testimony by answering questions from the committee. (See Attachment 4)

MINUTES OF THE HOUSE BUSINESS, COMMERCE AND LABOR COMMITTEE, Room 521-S Statehouse, at 9:07 a.m. on January 26, 2000.

Steve Rarrick, Deputy Attorney General, Chief, Consumer Protection Division, appeared before the committee to talk about "predictive dialing". When the telephone rings at home, primarily during the evening hours, and there is no response when you answer, chances are you are the recipient of "predictive dialing" by a telemarketer. Attorney General Stovall is supportive of the concept addressed by Rep. Johnston's bill, but would add two amendments which she believes would further strengthen the bill. First, the call be answered by either a live operator or a recording so that the consumer knows who is calling them but would recommend shortening the time to five seconds. Second, the insertion of language specifically requiring an automatic dialing-announcing device to provide the information in (b)(1), (2) and (3) referenced in lines 9 through 13 at page 2 of the bill. Mr. Rarrick finished his testimony by answering questions and concerns from the committee. (See Attachment 5)

No others were present to testify for or against HB 2580 and Chairman Lane closed the hearing.

The meeting was adjourned at 9:45 a.m.

The next scheduled meeting is January 27, 2000.