

SENATE BILL No. 101

AN ACT concerning banks and trust companies; relating to employment of an officer or director who has been removed for cause; amending K.S.A. 9-1805 and repealing the existing section.

*Be it enacted by the Legislature of the State of Kansas:*

Section 1. K.S.A. 9-1805 is hereby amended to read as follows: 9-1805. (a) If the board finds in accordance with this section that any *current or former* officer or director of any bank or trust company has been dishonest, reckless or incompetent in performing duties as such officer or director or willfully or continuously fails to observe any legally made order of the commissioner or board, the board may ~~remove such officer or director~~ *take one or more of the following actions:*

(1) *Remove such officer or director; and*  
(2) *prohibit such officer's or director's further participation in any manner in the conduct of the affairs of any state bank or trust company in Kansas.*

(b) Prior to removing such officer or director, *or prohibiting such officer's or director's participation in the conduct of the affairs of any state bank or trust company in Kansas*, the board shall conduct a hearing in accordance with the provisions of the Kansas administrative procedure act.

(c) The board may recess or continue any hearing from time to time. If upon the conclusion of such hearing the board determines that the officer or director has been dishonest, reckless or incompetent in performing duties as such an officer or director, or has willfully or continuously failed to comply with any legally made order of the commissioner or board, the board may order the officer's or director's office forfeited and vacated *and prohibit such officer's or director's further participation in the conduct of the affairs of any state bank or trust company in Kansas*. The board shall mail a copy of its *removal* order to the bank or trust company which such officer or director was serving. *If the order prohibits such officer's or director's further participation in the conduct of the affairs of any state bank or trust company in Kansas, such order shall be published in the Kansas register within 30 days after such order becomes final.*

(d) During the time from and after any legally made order by the commissioner and upheld by the board, or order made by the board, and not complied with by any officer or director the board may place a special deputy in the bank up to and until the final disposition of the order by compliance or final disposition by order of the district court.

~~(e)~~ (e) Any action of the board pursuant to this section is subject to review in accordance with the act for judicial review and civil enforcement of agency actions. If on review the court upholds an order of the board removing an officer or director or if review of such an order is not sought within the time allowed by law, the office of the officer or director shall be forfeited and vacated by law and such office shall then be filled in accordance with existing statutes and bylaws by another person or persons.

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Sec. 2. K.S.A. 9-1805 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the SENATE, and passed that body

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*President of the Senate.*

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*Secretary of the Senate.*

Passed the HOUSE \_\_\_\_\_

\_\_\_\_\_  
*Speaker of the House.*

\_\_\_\_\_  
*Chief Clerk of the House.*

APPROVED \_\_\_\_\_

\_\_\_\_\_  
*Governor.*