

HOUSE BILL No. 2662

AN ACT relating to banks and trust companies; concerning the regulation thereof; amending K.S.A. 9-805, 9-1118, 9-1703, 9-1704, 9-1706 and 9-1707 and repealing the existing sections.

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

Section 1. K.S.A. 9-805 is hereby amended to read as follows: 9-805. Every bank and every trust company shall keep a full and correct list of the names and addresses of all of its stockholders, and the number of shares owned by each. This list of stockholders shall be kept and maintained in the ~~bank's or trust company's main office where its business is transacted, and such list shall be subject to inspection by all stockholders during the business hours of such bank or trust company, the same shall be subject to the inspection of all stockholders.~~ *Within 15 days after the annual meeting required by K.S.A. 9-1114, and amendments thereto, the president or cashier of every bank and every trust company shall submit to the commissioner on or before the thirty-first day of January of each year a list of such stockholders as of the first day of such calendar year, the correctness of which shall be verified under oath. The commissioner may require the list of stockholders to be filed using an electronic means.*

Sec. 2. K.S.A. 9-1118 is hereby amended to read as follows: 9-1118. Each director shall take and subscribe an oath that such director will administer the affairs of such bank or trust company diligently and honestly and that such director will not knowingly or willfully permit any of the laws relating to banks or trust companies to be violated. A copy of such oath shall be filed with the commissioner. *The commissioner may require the oath to be filed using an electronic means.*

Sec. 3. K.S.A. 9-1703 is hereby amended to read as follows: 9-1703. (a) The expense of every regular examination, together with the expense of administering the banking and savings and loan laws, including salaries, travel expenses, supplies and equipment, shall be paid by the banks and savings and loan associations of the state, and for this purpose the bank commissioner shall, prior to the beginning of each fiscal year, make an estimate of the expenses to be incurred by the department during such fiscal year. From this total amount the commissioner shall deduct the estimated amount of the anticipated annual income to the fund from all sources other than bank and savings and loan association assessments. The commissioner shall allocate and assess the remainder to the banks and savings and loan associations in the state on the basis of their total assets, as reflected in the last March 31 report called for by the federal deposit insurance corporation under the provisions of section 7 of the federal deposit insurance act, 12 USC 1817, and amendments thereto, or K.S.A. 17-5610, and amendments thereto, except that the annual assessment will not be less than \$1,000 for any bank or savings and loan association.

(b) The expense of every regular trust examination, together with the expense of administering trust laws, including salaries, travel expenses, supplies and equipment, shall be paid by the trust companies and trust departments of banks of this state, and for this purpose, the bank commissioner, prior to the beginning of each fiscal year, shall make an estimate of the trust expenses to be incurred by the department during such fiscal year. The commissioner shall allocate and assess the trust departments ~~and trust companies~~ in the state on the basis of their total fiduciary assets, *as reflected in the last March 31 report called for by the federal deposit insurance corporation under the provisions of section 7 of the federal deposit insurance act, 12 USC 1817, and amendments thereto, or K.S.A. 17-5610, and amendments thereto, except that the annual assessment shall not be less than \$1,000 for any active trust department. The commissioner shall allocate and assess the trust companies in the state on the basis of their fiduciary assets as reflected in the last December 31 report filed with the commissioner pursuant to K.S.A. 9-1704, and amendments thereto, except that the annual assessment will not be less than \$1,000 for any active trust department or trust company. A trust department or a trust company which has no fiduciary assets, as reflected in the last March 31 report called for by the federal deposit insurance corporation under the provisions of section 7 of the federal deposit insurance act, 12 USC 1817, and amendments thereto, or K.S.A. 17-5610, and amendments thereto, may be granted inactive status by the commissioner and the annual assessment shall not be more than \$100 for the inactive*

trust department. A trust company which has no fiduciary assets, as reflected in the last preceding year-end report filed with the commissioner, may be granted inactive status by the commissioner and the annual assessment shall not be more than \$100 for an inactive trust department or trust company. No inactive trust department or trust company shall accept any fiduciary assets or exercise any part of or all of its trust authority until such time as it has applied for and received prior written approval of the commissioner to reactivate its trust authority.

(c) A statement of each assessment made under the provisions of subsection (a) or (b) shall be sent by the commissioner to each bank, savings and loan association, trust department and trust company on July 1 or the next business day thereafter. If a bank, savings and loan association or trust company exists as a corporate entity with the secretary of state's office as of the close of business on June 30, and is authorized by the office of the state bank commissioner to conduct banking, savings and loan or trust business, one-half of the amount so assessed shall be due and payable on or before July 15. If a bank savings and loan association or trust company exists as a corporate entity with the secretary of state's office as of close of business on December 31, and is authorized to conduct banking, savings and loan or trust business, the remaining one-half of the amount assessed shall be due and payable on or before January 15. Any expenses incurred or services performed on account of any bank, trust department or trust company or other corporation which are outside of the normal expense of an examination required under the provisions of K.S.A. 9-1701, and amendments thereto, or K.S.A. 17-5612, and amendments thereto, shall be charged to and paid by the corporation for whom they were incurred or performed. The commissioner may impose a penalty upon any bank, savings and loan association, trust department or trust company which fails to pay its annual assessment. The penalty shall be assessed in the amount of \$50 for each day the assessment is not paid. The counting period for such penalty will begin February 1 or August 1.

The bank commissioner shall remit all moneys received by or for such commissioner from such examination fees to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury. Twenty percent of each deposit shall be credited to the state general fund and the balance shall be credited to the bank commissioner fee fund. All expenditures from the bank commissioner fee fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the bank commissioner or by a person or persons designated by the commissioner.

(d) As used in this section, "savings and loan association" means a Kansas state-chartered savings and loan association.

(e) (1) In the event a bank, savings and loan association or trust company is merged into, consolidated with, or the assets and liabilities of which are purchased and assumed by another bank, savings and loan association or trust company, between the preceding March 31 and June 30, for banks and savings and loan associations, or the preceding December 31 and June 30, for trust companies, the surviving or acquiring bank, savings and loan association or trust company is obligated to pay the assessment of the institution being merged, consolidated or assumed for the fiscal year commencing July 1.

(2) In the event a bank, savings and loan association, or trust company is merged into, consolidated with, or the assets and liabilities of which are purchased and assumed by another bank, savings and loan association or trust company between July 1 and December 31, the surviving entity shall be obligated to pay the unpaid portion of the assessment for the fiscal year commencing July 1 which would have been due on or before January 15 of the institution being merged, consolidated or assumed.

Sec. 4. K.S.A. 9-1704 is hereby amended to read as follows: 9-1704.

(a) Each bank or trust company shall be required to make a report to the commissioner at any time upon the commissioner's request. Such reports shall be in a form prescribed by the commissioner and shall be verified by the president, chief executive officer or cashier and attested by at least three directors of the bank or trust company, none of whom

shall have verified the report. The report shall show in detail the assets and liabilities of the bank or trust company at the close of business upon the date determined by the commissioner and such report shall be forwarded to the commissioner. The commissioner may require a copy of the report, or a portion thereof, to be published in a newspaper, published in or having a general circulation in the place where the bank or trust company is located, within 10 days after the report is forwarded to the commissioner. The expense of publication shall be paid by the bank or trust company.

(b) ~~Each trust department of a bank or trust company shall report to the commissioner all assets held by the trust department or trust company in a fiduciary capacity as of December 31 of each year. The report shall be in the form prescribed by the commissioner, and shall be filed with the commissioner by January 30 of each year. *The commissioner may require the report to be filed using an electronic means.*~~

(c) *Each trust department of a bank shall report to the commissioner all assets held by the trust department in a fiduciary capacity at any time upon the commissioner's request. The report shall be in the form prescribed by the commissioner. The commissioner may require the report to be filed using an electronic means.*

Sec. 5. K.S.A. 9-1706 is hereby amended to read as follows: 9-1706. Each bank and trust company shall prepare and forward to the commissioner ~~before the thirty-first day of January in each year, upon the commissioner's request,~~ a verified statement showing the receipts and disbursements of each bank and trust company for the preceding year. This statement shall be in ~~such form as the commissioner shall prescribe the form prescribed by the commissioner.~~ *The commissioner may require the report to be filed using an electronic means.*

Sec. 6. K.S.A. 9-1707 is hereby amended to read as follows: 9-1707. ~~A copy of each call made by the commissioner for a statement from all banks and trust companies doing business under this act shall be mailed to each bank and trust company, which shall be deemed to be legal notice to each such bank or trust company. A request for information made pursuant to K.S.A. 9-1704, 9-1705 and 9-1706, and amendments thereto, shall be made in writing and mailed to each bank and trust company. Such request shall be deemed to be legal notice to each bank and trust company. The request may include the requirement for the filing of information by the bank or trust company using an electronic means.~~

Sec. 7. K.S.A. 9-805, 9-1118, 9-1703, 9-1704, 9-1706 and 9-1707 are hereby repealed.

Sec. 8. 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 HOUSE, and passed that body

HOUSE concurred in
SENATE amendments _____

Speaker of the House.

Chief Clerk of the House.

Passed the SENATE
as amended _____

President of the Senate.

Secretary of the Senate.

APPROVED _____

Governor.