

Approved: February 18, 1993
Date

MINUTES OF THE HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson William Bryant at 3:30 p.m. on February 16, 1993 in Room 527-S of the Capitol.

All members were present except:

Committee staff present: William Wolff, Legislative Research Department
Bruce Kinzie, Revisor of Statutes
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

Dr. William Wolff gave a brief history and review of HB 2077 regarding the qualifications for bank directors and presidents. A balloon amendment (Attachment 1) was reviewed which would allow unqualified bank directors to serve only until the capital impairment of a bank or trust company has been resolved or has been declared insolvent. Representative Minor moved to amend the bill as suggested. Representative Correll seconded the motion. The motion carried. Representative King moved for the favorable passage of the bill as amended. Representative Neufeld seconded the motion. Motion carried.

Representative Cox moved that HB 2081 dealing with the merger, consolidation or transfer of assets of a bank be passed favorably. Representative Crabb seconded the motion. Motion carried.

Representative Cornfield moved that HB 2083 which would allow employers to have an insurable interest in their employees be passed favorably. Representative Cox seconded the motion. Motion carried. The Committee did express concern that under this proposed statute the money from the insurance was not specifically designated for only health benefits and might be used for other purposes.

Representative Helgerson moved that HB 2199 which defines the term "credit card" be passed favorably to the Consent Calendar. Representative Dawson seconded the motion. Motion carried.

Representative Helgerson moved to pass favorably HB 2198, a consumer bill which deals with finance charges, to the Consent Calendar. Representative Cox seconded the motion. Motion carried.

Representative King moved to amend HB 2197 on Page 2, Line 3, to read "consumer loan transaction" and in any other places within the bill where applicable. Representative Helgerson seconded the motion. Motion carried. Representative King moved for the favorable passage of the bill as amended. Representative Correll seconded the motion. Representative Neufeld expressed concern over any bill which sanctions such high interest rates. Representative King responded that the "pay day" loans are made to high risk individuals who voluntarily borrow the money. The vote was 13 in favor of the bill, and 4 against the bill. Representatives Cornfield and Standifer requested they be recorded as "no" votes. Motion carried.

Representative Helgerson moved that HB 2177 which requests technical changes in statutes dealing with holding companies be passed favorably to the Consent Calendar. Representative Neufeld seconded the motion. The motion carried.

The meeting adjourned at 4:10 p.m. The next meeting will be on February 17, 1993.

GUEST LIST

COMMITTEE:

DATE:

2/16

[illegible]

HOUSE BILL No. 2077

By Committee on Financial Institutions and Insurance

1-20

8 AN ACT relating to banks and banking; concerning qualifications of
9 president and directors; amending K.S.A. 9-1117 and repealing
10 the existing section.

11

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

13 Section 1. K.S.A. 9-1117 is hereby amended to read as follows:
14 9-1117. (a) No person shall be a member of the board of directors
15 or a president within the meaning of K.S.A. 9-1114 and 9-1115, and
16 amendments thereto, of any bank or trust company unless such
17 person is the owner of record of common stock having a par value
18 of not less than \$500 in such bank or trust company or in the parent
19 corporation of such bank or trust company. Such stock may be trans-
20 ferred to and held in a trust if such trust is revocable by the member
21 or president owning such stock, but the stock shall not be pledged,
22 hypothecated or assigned in any other way.

23 (b) *Any director who fails to maintain such director's qualifying*
24 *status, as a result of such director's failure to meet an assessment*
25 *required by K.S.A. [9-906], and amendments thereto, may continue*
26 *to serve in such person's capacity as a director, with the prior*
27 *approval of the state bank commissioner.*

28 Sec. 2. K.S.A. 9-1117 is hereby repealed.

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

9-906

, but only until the capital impairment of
such bank or trust company has been resolved
or such bank or trust company has been declared
insolvent

21 J. P. D.
Attachment 1
Feb. 16, 1993