

Approved: March 24, 1993  
Date

MINUTES OF THE SENATE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson Richard Bond at 9:18 a.m. on March 22, 1993 in Room 529-S of the Capitol.

Members present: Senators Corbin, Lawrence, Lee, Moran, Petty, Praeger, and Steffes.

Committee staff present: William Wolff, Legislative Research Department  
Fred Carman, Revisor of Statutes  
June Kossover, Committee Secretary

Conferees appearing before the committee: Judi Stork, Deputy Bank Commissioner  
James Maag, Kansas Bankers Association

Others attending: See attached list

Senator Steffes moved to adopt the minutes of the meeting of March 16, 1993 as submitted. Senator Praeger seconded the motion. The motion carried.

The hearing was opened on **HB 2081**, Merger, consolidation or transfer of assets of bank. Judi Stork, Deputy Bank Commissioner, appeared before the committee to explain that this bill clarifies the language in KSA 9-1724 to give the office of the Bank Commissioner oversight in any merger, consolidation or transfer of assets in which a state chartered bank is involved. (Attachment #1.) In response to Senator Steffes' question, Ms. Stork advised that the Bank Commissioner's office can examine mergers, etc., after the fact but not before. Ms. Stork also clarified the impact the bill would have on state to national mergers and national to state mergers. Discussion ensued regarding whether the state needs to have prior approval of state bank to national bank mergers since the Office of the Comptroller of the Currency has jurisdiction when the surviving bank is a national bank.

James Maag, Kansas Bankers Association, stated that the KBA has no position on this bill.

There were no further conferees; the hearing was closed.

Senator Steffes made a motion to amend the bill to allow the state bank commissioner prior examination and approval of the merger, consolidation or transfer of assets only when the surviving bank is a state chartered bank. Senator Petty stated that it was unclear whether or not stockholders, depositors, etc., would be protected with the amendment. Senator Bond clarified that their interests would be protected by the OCC when the surviving bank is a national bank. The motion to amend was seconded by Senator Praeger. The motion carried.

Senator Lawrence moved to pass the bill favorably as amended. Senator Praeger seconded the motion. The motion carried.

The committee adjourned at 9:38 a.m.

Unless further bills are assigned and need to be heard, the Senate Financial Institutions and Insurance Committee is in adjournment for the 1993 session.

## GUEST LIST

SENATE

COMMITTEE: FINANCIAL INSTITUTIONS AND INSURANCE

DATE: 3/22/93

[illegible]

STATE OF KANSAS

Frank D. Dunnick  
Bank Commissioner

Judi M. Stork  
Deputy Commissioner



OFFICE OF

**BANKING DEPARTMENT**  
TOPEKA

Kevin C. Glendening  
Assistant Deputy Commissioner

Ruth E. Glover  
Administrative Officer

**TESTIMONY BEFORE THE  
SENATE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE**

House Bill 2081 amends the language of K.S.A. 9-1724 to clarify that the Office of the Bank Commissioner, as the primary regulator of state chartered banks, does have oversight authority in any merger, consolidation, or transfer of assets and liabilities in which a state chartered bank is involved.

In essence, the amendment would clarify that whenever a state chartered bank seeks to be a party to any of the transactions outlined in K.S.A. 9-1724, the Bank Commissioner has the authority to investigate and approve or deny the transaction based on whether or not it complies with the criteria contained in the statute, regardless of whether the other party to the transaction is another state chartered bank, a national bank, savings and loan, or any other entity.

The present wording of the statute technically limits the department's oversight to mergers, etc. between two state chartered banks or a corporation as defined under article 67, chapter 17 of K.S.A. Therefore, as an example, if a state bank were to merge with a national bank, and the state bank survived, the transaction would not have to be submitted to the department for review to determine whether the interests of depositors, creditors, and stockholders are protected.

*Senate 7141 3/22/93  
Attachment #1*