SESSION OF 2026

SUPPLEMENTAL NOTE ON SENATE BILL NO. 300

As Recommended by Senate Committee on
Financial Institutions and Insurance

Brief*

SB 300 would prohibit the Office of the State Bank Commissioner or any other state agency from becoming a receiver for a technology-enabled fiduciary financial institution (TEFFI) that becomes insolvent or declares bankruptcy.

The bill would state that a TEFFI would be deemed to be insolvent if:

- The actual cash market value of the TEFFI's assets is insufficient to pay such TEFFI's creditor liabilities; or
- The TEFFI is unable to meet the demands of such TEFFI's creditors in the usual and customary manner.

The bill would add these provisions to the Technology-Enabled Fiduciary Financial Institutions Act.

Background

The bill was introduced by the Joint Committee on Fiduciary Financial Institutions Oversight.

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*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at https://klrd.gov/

Senate Committee on Financial Institutions and Insurance

In the Senate Committee hearing, **proponent** testimony was provided by a representative of the Office of the State Bank Commissioner, who stated that the bill would, in the event a TEFFI were to become insolvent, prevent the State from being appointed as a receiver of the entity's debts. The conferee spoke about a New Mexico trust company that failed in 2017, and the state agency appointed receiver is still attempting to wind down that company. The conferee stated that the bill would prevent such a situation from occurring with a TEFFI for the state of Kansas.

Written-only neutral testimony was provided by a representative of Beneficient Fiduciary Financial.

No other testimony was provided.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, the Office of the State Bank Commissioner is unable to estimate the costs and duties of a receivership and cannot state what the bill would potentially save by preventing a court-appointed receivership. The Department of Credit Unions indicates the bill would have no fiscal effect on operations since the bill would prohibit the Department of Credit Unions from being a receiver of the insolvent or bankrupt institution. The Office of the Attorney General indicates the bill would not have a fiscal effect on its operations. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties and the League of Kansas Municipalities both indicate that the bill would not have a fiscal effect.

Financial institutions; technology-enabled fiduciary financial institutions; State Bank Commissioner; receivership