

SESSION OF 2017

SUPPLEMENTAL NOTE ON SENATE BILL NO. 20

As Recommended by Senate Committee on
Financial Institutions and Insurance

Brief*

SB 20 would amend the Kansas Banking Code. The bill would update language concerning a bank's investment in foreign bonds to clarify the amount cannot exceed one percent of the bank's capital stock and surplus; amend language relating to lending limits to provide an exemption for segregated deposits; and make other clarifying language updates technical in nature. Additionally, the bill would require any bank or trust company owning tangible property to insure that property against loss. Finally, the bill would require banks and trust companies to record minutes of annual stockholders' meetings and detail any action taken by the stockholders, including the election of directors.

Background

The bill was introduced by the Senate Committee on Financial Institutions and Insurance at the request of the Office of the State Bank Commissioner (OSBC). At the Senate Committee hearing, a representative of the OSBC testified in favor of the bill stating the provisions relating to insured tangible property and stockholders' minutes are currently in administrative rules and regulations. Additionally, the representative noted the change in lending limits would allow banks to use checking, money market, and savings accounts as collateral as long as a hold is placed on the deposit to prevent the collateral from being dispersed. No neutral or opponent testimony was provided.

*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 <http://www.kslegislature.org>

According to the fiscal note prepared by the Division of the Budget, the OSBC indicates enactment of the bill would have no fiscal effect on the OSBC operations or the operations of state banks and trust companies.