

HOUSE BILL No. 2593

By Committee on Financial Institutions

2-1

1 AN ACT concerning interstate banking; relating to commission approval;
2 amending K.S.A. 9-532, 9-533 and 9-534 and K.S.A. 2011 Supp. 9-535
3 and repealing the existing sections.
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5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 9-532 is hereby amended to read as follows: 9-532.
7 With prior approval of the commissioner, any bank holding company may
8 acquire, directly or indirectly, ownership or control of, or power to vote,
9 any of the voting shares of, an interest in, or all or substantially all of the
10 assets of a Kansas *state chartered* bank or of a ~~Kansas~~ bank holding
11 company *that has an ownership interest in a Kansas state chartered bank.*

12 Request for approval shall be made by filing an application in such
13 form as required by the commissioner, containing the information
14 prescribed by K.S.A. 9-533, and amendments thereto, and by rules and
15 regulations adopted by the commissioner. At the time of filing the
16 application, the applicant shall pay to the commissioner a fee in an amount
17 established by rules and regulations adopted by the commissioner.

18 Sec. 2. K.S.A. 9-533 is hereby amended to read as follows: 9-533. An
19 application filed pursuant to K.S.A. 9-532, and amendments thereto, shall
20 provide the following information and include the following documents:

21 (a) A copy of any application by applicant seeking approval by a
22 federal agency of the acquisition of the voting shares or assets of a Kansas
23 *state chartered* bank or of a ~~Kansas~~ bank holding company *that has an*
24 *ownership interest in a Kansas state chartered bank*, and of any
25 supplemental material or amendments filed with the application.

26 (b) Copies of the public sections of the most recent CRA performance
27 evaluations for all banks which are subsidiaries of the applicant which
28 were assigned a rating of "needs to improve record of meeting community
29 credit needs" or "substantial noncompliance in meeting community needs"
30 under the federal community reinvestment act of 1977, 12 U.S.C. § 2901
31 *et seq.*

32 (c) Statements of the financial condition and future prospects,
33 including current and projected capital positions and levels of
34 indebtedness, of the applicant and the Kansas *state chartered* bank or
35 ~~Kansas~~ bank holding company *that has an ownership interest in a Kansas*
36 *state chartered bank* which is the subject of the application filed pursuant

1 to K.S.A. 9-532, and amendments thereto.

2 (d) Information as to how the applicant proposes to adequately meet
3 the convenience and needs of the community served by the *Kansas state*
4 *chartered bank* or ~~Kansas~~ bank holding company *that has an ownership*
5 *interest in a Kansas state chartered bank* which is the subject of the
6 application filed pursuant to K.S.A. 9-532, and amendments thereto, and
7 the communities served by other Kansas banks which are subsidiaries of
8 *the applicant*, in accordance with the federal community reinvestment act
9 of 1977, 12 U.S.C. § 2901 *et seq.*

10 (e) A list of the name and location of each subsidiary bank of the
11 applicant, together with each subsidiary's most recent examination date,
12 and assigned composite CAMEL rating, and information reflecting each
13 subsidiary's total assets, capital ratios, return on assets ratio and loan to
14 deposit ratios.

15 (f) Any additional information the commissioner deems necessary.

16 Sec. 3. K.S.A. 9-534 is hereby amended to read as follows: 9-534. In
17 determining whether to approve an application filed pursuant to K.S.A. 9-
18 532, and amendments thereto, the commissioner shall consider the
19 following factors:

20 (a) Whether the banks already subsidiaries of the applicant are
21 operated in a safe, sound and prudent manner.

22 (b) Whether banks already subsidiaries of the applicant have provided
23 adequate and appropriate services to their communities, including services
24 contemplated by the federal community reinvestment act of 1977, 12
25 U.S.C. § 2901 *et seq.*

26 (c) Whether the applicant proposes to provide adequate and
27 appropriate services, including services contemplated by the federal
28 community reinvestment act of 1977, 12 U.S.C. § 2901 *et seq.*, in the
29 communities served by the *Kansas state chartered bank* or by the *Kansas*
30 *bank subsidiaries of the Kansas bank holding company that has an*
31 *ownership interest in a Kansas state chartered bank.*

32 (d) Whether the proposed acquisition will result in a *Kansas state*
33 *chartered bank* or ~~Kansas~~ bank holding company *that has an ownership*
34 *interest in a Kansas state chartered bank* that has adequate capital and
35 good earnings prospects.

36 (e) Whether the financial condition of the applicant or any of its
37 subsidiary banks would jeopardize the financial stability of the *Kansas*
38 *state chartered bank* or ~~Kansas~~ bank holding company *that has an*
39 *ownership interest in a Kansas state chartered bank* which is the subject of
40 the application.

41 Sec. 4. K.S.A. 2011 Supp. 9-535 is hereby amended to read as
42 follows: 9-535. (a) The commissioner shall approve the application if the
43 commissioner determines that the application favorably meets each and

1 every factor prescribed in K.S.A. 9-534, and amendments thereto, the
2 proposed acquisition is in the interest of the depositors and creditors of the
3 Kansas *state chartered* bank or ~~Kansas~~ bank holding company *that has an*
4 *ownership interest in a Kansas state chartered bank* which is the subject of
5 the proposed acquisition and in the public interest generally. Otherwise,
6 the application shall be denied.

7 (b) Within 15 days after the commissioner's approval or denial, the
8 applicant shall have the right to appeal in writing to the state banking
9 board the commissioner's determination by filing a notice of appeal with
10 the commissioner. The state banking board shall fix a date for hearing,
11 which hearing shall be held within 45 days after such notice of appeal is
12 filed. The board shall conduct the hearing in accordance with the
13 provisions of the Kansas administrative procedure act and render its
14 decision affirming or rescinding the determination of the commissioner.
15 Any action of the board pursuant to this section is subject to review in
16 accordance with the Kansas judicial review act. An applicant who files an
17 appeal to the state banking board of the commissioner's determination
18 shall pay to the commissioner a fee in an amount established by rules and
19 regulations of the commissioner, adopted pursuant to K.S.A. 9-1713, and
20 amendments thereto, to defray the board's expenses associated with
21 conducting the appeal.

22 Sec. 5. K.S.A. 9-532, 9-533 and 9-534 and K.S.A. 2011 Supp. 9-535
23 are hereby repealed.

24 Sec. 6. This act shall take effect and be in force from and after its
25 publication in the statute book.
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