

75-4220. Liability of depository banks and affiliates; sale of security. Each depository bank and its agent, trustee, wholly-owned subsidiary or affiliate having identical ownership granting a security interest pursuant to K.S.A. 75-4218, and amendments thereto, shall be liable for payment if: (a) The depository bank fails to: (1) Pay any check, draft or warrant drawn by the treasurer and director of accounts and reports; or (2) account for any check, draft, warrant, order, or certificate of deposit, or any money entrusted to such bank by the treasurer; or (b) a conservator or receiver is appointed for the depository bank.

Any loss incurred by the state by reason of failure by any depository bank to safely keep and account for moneys and interest thereon shall be recovered by the state from the depository bank and a sale of the securities securing payment of such moneys under this act. The attorney general is authorized to prosecute in the name of the state any and all actions for recovery of any loss incurred by the state under this act.

In case of default by any depository bank having a state bank account of any type, the securities securing payment of such account under this act, if not in the possession of the treasurer, shall be transferred to the treasurer by the custodial bank to be sold by the treasurer and payment of the proceeds of such sale shall be made to the state to the extent of the state's interest, subject to the provisions of K.S.A. 75-4221, and amendments thereto.

History: L. 1967, ch. 447, § 9; L. 1994, ch. 105, § 9; L. 1996, ch. 254, § 22; L. 1997, ch. 180, § 28; May 29.