

9-2108. Trust service office; establishment or relocation; application. It is unlawful for any trust company to establish or operate a trust service office or relocate an existing trust service office except as provided herein.

(a) As used in this section: "Trust service office" means any office, agency or other place of business located within this state, other than the place of business specified in the trust company's certificate of authority, at which the powers granted to trust companies under K.S.A. 9-2103, and amendments thereto, are exercised. For the purposes of this section, any activity in compliance with K.S.A. 9-2107, and amendments thereto, does not constitute a trust service office.

(b) After first applying for and obtaining the approval of the commissioner under this section, one or more trust service offices may be established or operated in any city within this state by a trust company incorporated under the laws of this state.

(c) An application to establish or operate a trust service office or to relocate an existing trust service office shall be in the form and manner prescribed by the commissioner and provide the following documents:

(1) A certified copy of the written action taken by the board of directors of the trust company approving the establishment or operation of the proposed trust service office or the proposed relocation of the trust service office;

(2) all other required regulatory approvals;

(3) proof of publication of notice that the applicant intends to file or has filed an application pursuant to this section. The notice shall be published in a newspaper of general circulation where the proposed trust service office is to be located. The notice shall be in the form prescribed by the commissioner and shall contain the name of the applicant, the location of the proposed trust service office and a solicitation for written comments. The notice shall be published on the same day for two consecutive weeks and provide for a comment period of not less than 10 days after the date of the second publication; and

(4) the application shall include the name selected for the proposed trust service office. The name selected for the proposed trust service office shall not be the same or substantially similar to the name of any other trust company or trust service office doing business in the state of Kansas, nor shall the name selected be required to contain the name of the applicant trust company. If the name selected for the proposed trust service office does not contain the name of the applicant trust company, the trust service office shall provide in the public lobby of such trust service office, a public notice that it is a trust service office of the applicant trust company. Any trust company may request exemption from the commissioner from the provisions of this subsection.

(d) A trust company making application to the commissioner for approval of a trust service office under this section shall pay to the commissioner a fee, in an amount established pursuant to K.S.A. 2016 Supp. 9-1726, and amendments thereto, to defray the expenses of the commissioner in the examination and investigation of the application. The commissioner shall remit all moneys received under this section to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the bank investigation fund. The moneys in the bank investigation fund shall be used to pay the expenses of the commissioner or designee in the examination and investigation of such applications and any unused balance shall be transferred to the bank commissioner fee fund.

(e) Upon the request of any trust company proposing to relocate an existing trust service office less than one mile from the trust company's existing location, the commissioner may exempt such trust company from the requirements of this section.

(f) Upon the filing of a complete application with the commissioner, the commissioner shall make or cause to be made, a careful examination and investigation. If the commissioner finds any of the following matters unfavorably, the commissioner may deny the application:

(1) The reasonable probability of usefulness and success of the proposed trust service office; and

(2) the applicant trust company's financial history and condition including the character, qualifications and experience of the officers employed by the trust company.

(g) Upon service of an order denying an application, the applicant shall have the right to a hearing to be conducted in accordance with the Kansas administrative procedure act before the state banking board. Any final order of the state banking board pursuant to this section is subject to review in accordance with the Kansas judicial review act.

(h) When the commissioner determines that a trust company domiciled in this state has established or is operating a trust service office in violation of the laws governing the operation of such trust company, the commissioner may take such action as available under K.S.A. 9-1714, 9-1805, 9-1807 or 9-1809, and amendments thereto, to remedy such violation.

History: L. 1993, ch. 81, § 1; L. 1994, ch. 51, § 2; L. 2001, ch. 5, § 49; L. 2010, ch. 17, § 32; L. 2015, ch. 38, § 147; L. 2016, ch. 54, § 64; July 1.