



Date: February 9, 2018

To: House Financial Institutions & Pensions Committee
Rep. Jim Kelly, Chair

From: Doug Wareham, Executive Vice President-Chief Operating Officer

Re: Proponent – Senate Bill 283

Mr. Chairman and members of the committee, I am Doug Wareham appearing on behalf of the Kansas Bankers Association (KBA). KBA's membership includes 270 banks, savings & loans and savings banks operating in Kansas. We are very proud to represent 99% of the commercially chartered banks headquartered in Kansas. Our member banks employ more than 13,000 Kansans that provide financial services in more than 400 towns and cities across the state. We appreciate the opportunity to appear in support of Senate Bill 283.

Senate Bill 283 amends several sections of the state banking code including the following:

- KSA 2017 Supp. 9-1609 is amended to change the investment terminology for a bank trust department or trust company acting as a fiduciary to allow the establishment of "collective investment" funds rather than "common trust" funds which is currently in the statute.
- KSA 2017 Supp. 9-1720 is amended to prohibit a person, acting directly, indirectly or in concert with one or more persons either directly or indirectly, to engage in any activity that may result in acquiring control of any bank, bank holding company or trust company without notifying the Commissioner at least 30 days prior to acquiring control. A new subsection is added to require the board of directors of any privately held bank, bank holding company or trust company to notify the Commissioner of any change of control at least 30 days prior to the date the change of control becomes effective.
- KSA 2-17 Supp. 9-1721(a) is being amended to provide that the Commissioner may waive the 60-day notice requirement in a merger transaction, if the acquired bank or trust company is under a formal corrective action.
- Finally, KSA 2017 Supp. 75-3135(d) is amended which establishes the required qualifications for the deputy bank commissioner. Currently, the statute states that the deputy must have at least five years' experience as a state bank officer or five years' experience as a state or federal regulator. This proposal adds that the deputy could also have five years' experience as an officer of a state bank holding company or a wholly-owned subsidiary conducting business that is related to banking, or a combination of any of this experience.

We appreciate the fact the Office of the State Bank Commissioner provided information and background on these changes last fall to allow our state policy committee the opportunity to consider these changes. Following that review, which included more than 30 bankers from across the state, I am pleased to share we are fully supportive of Senate Bill 283.

Thank you for the opportunity to appear in support of this proposal. I would be happy to stand for questions.