



**Date:** February 1, 2017

**To:** Senate Financial Institutions & Insurance Committee  
Senator Jeff Longbine, Chair

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

**Re:** Proponent – Senate Bill 66

Mr. Chairman and members of the committee, I am Doug Wareham appearing on behalf of the Kansas Bankers Association (KBA). KBA's membership includes 99% (250 of 252) of the commercially chartered banks headquartered in Kansas. Our membership also includes 19 out-of-state commercial banks and 6 savings and loans operating 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 66.

The State Banking Board is a nine-member board that acts in an advisory capacity to the Office of the State Bank Commissioner. Six members of the Board are bankers with a minimum of five years of banking experience in a state bank in Kansas. The remaining three members of the Board are appointed to represent the general public in the regulation, operation and control of state banks and trust companies in Kansas. The Governor is responsible for appointing Board members subject to confirmation by the Kansas Senate and no more than five members of the Board are allowed from the same political party.

Senate Bill 66 amends K.S.A. 74-3004, which includes provisions relating to appointment qualifications and terms of service for appointees to the State Banking Board. This legislation will simply allow an appointee to serve two full three year terms, in addition to an appointee serving out the remainder of a term of a board member that resigned their post mid-term. We support allowing appointees the opportunity to serve two full terms, in addition to any portion of an unexpired term they might be tasked with completing and we believe this change will improve the appointment process.

Thank you for the opportunity to appear in support of Senate Bill 66. I would be happy to stand for questions.



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January 6, 2017

**ATTORNEY GENERAL OPINION NO. 2017- 2**

The Honorable Terry Bruce  
Senate Majority Leader  
Chair, Confirmation Oversight Committee  
State Senator, 34th District  
P.O. Box 726  
Hutchinson, Kansas 67504

**Re:** State Boards, Commissions and Authorities—State Banking Board—State Banking Board; Qualifications; Appointment; Senate Confirmation, Residence Requirements; Terms; Vacancies

**Synopsis:** A member of the State Banking Board who was appointed to fill a vacancy in an unexpired term and who was subsequently reappointed to serve another term, has served two terms, and therefore, is ineligible under K.S.A. 74-3004 for reappointment. Cited herein: K.S.A. 74-3004.

\* \* \*

Dear Senator Bruce:

As Chair of the Senate Confirmation Oversight Committee, you request our opinion on the eligibility for reappointment of a member of the State Banking Board who was appointed to fill a vacancy in an unexpired term and who was subsequently reappointed to serve another term. Put simply, you ask whether filling the unexpired term is deemed to be serving a "term" for purposes of K.S.A. 74-3004, which limits a member of the State Banking Board to two terms.

K.S.A. 74-3004 created the State Banking Board and provides for the qualifications and term of the Board's members. Subsection (b) provides:

Except as provided by subsection (c), terms of members of the board shall be for three years. Each member shall serve until a successor is

appointed and confirmed. No person shall serve more than two terms as a member of the board. In the event of a vacancy on the board, the governor shall appoint a new member of the same qualification to fill the unexpired term.<sup>1</sup>

Subsection (c) provides:

The terms of members who are serving on the board on the effective date of this act shall expire on March 15, of the year in which such member's term would have expired under the provisions of this section prior to amendment by this act. Thereafter, members shall be appointed for terms of three years and until their successors are appointed and confirmed.

Attorney General Stovall opined on the question of how a term is construed pursuant to K.S.A. 74-3004. In Attorney General Opinion No. 97-43, General Stovall concluded that:

K.S.A. 1996 Supp. 74-3004(b) requires that appointees to State Banking Board vacancies fill the unexpired term of the preceding member. The commencement of a term of office is the date on which the original member was appointed. A member who has filled a vacancy and served a full term has completed two terms and therefore, according to the statute, is ineligible for reappointment.

We have examined the statutes and the Kansas case law cited in Attorney General Opinion No. 97-43 and, having found no changes requiring a different conclusion, we reaffirm the opinion and adopt its conclusion here. Therefore, a member of the State Banking Board who was appointed to fill a vacancy in an unexpired term and who was subsequently reappointed to serve another term has served two terms and is ineligible under K.S.A. 74-3004 for reappointment.

Sincerely,



Derek Schmidt  
Kansas Attorney General



Athena E. Andaya  
Deputy Attorney General

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<sup>1</sup>K.S.A. 74-3004.