



**Date:** March 16, 2017

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

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

**Re:** Proponent – House Bill 2110

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 House Bill 2110.

Earlier this session, this committee received a report from the Office of the State Bank Commissioner (OSBC) that included information about the number and scope of trust companies and bank trust departments operating under the regulatory oversight of the OSBC. The OSBC reported there is currently \$51.4 billion in trust assets being managed by 38 state-chartered trust departments and 9 trust companies in Kansas. These trust companies and trust departments are also members of our organization and comprise the Trust Division of the KBA.

House Bill 2110 will eliminate a barrier in K.S.A. 9-2111 that could prohibit a Kansas trust company or state-chartered trust department from branching into another state. After conferring with leadership and counsel of the OSBC, we agreed that the references to "reciprocity" found in K.S.A. 9-2111 subsections (a) and (b) are problematic since reciprocity agreements between the OSBC and other state regulatory agencies for trust companies and trust departments does not currently exist.

Therefore, we worked with the OSBC to develop new language found on lines 19 through 21 of House Bill 2110 that we believe accomplishes the objective of prohibiting out-of-state trust companies and trust departments from branching into and operating in Kansas, unless the state in question allows a Kansas trust company or trust department to operate there. We support this clarification and hope you will act favorably on this legislation.