

KANSAS OFFICE *of*  
**REVISOR *of* STATUTES**

LEGISLATURE *of* THE STATE *of* KANSAS  
*Legislative Attorneys transforming ideas into legislation.*

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**MEMORANDUM**

To: Chairman Kelly and members of the House Financial Institutions and Pensions Committee

From: David Wiese, Assistant Revisor

Date: March 11, 2019

Subject: **SB 82; Updating the state banking code.**

Senate Bill No. 82 makes several amendments to the state banking code relating to the form of delivery of certain notices, certificates of existence and conversions to state banks.

The bill provides that no party may infer that the financial institution relying on the certificate of existence that is required to open a deposit account for an entity has knowledge of the terms of the entity's documentation solely because it holds a copy of all or a part of the entity's documentation. Such documentation includes, but is not limited to, a resolution, certificate of good standing, request for a taxpayer identification number, entity agreements or documents evidencing the existence of the entity or the authority of the person executing the certificate. "Entity" is defined as any government or governmental subdivision or agency, any domestic or foreign corporation, limited liability company, general partnership, limited liability partnership, joint venture, cooperative, association or other legal entity, whether operated for profit or not-for-profit.

The bill also allows the conversion of a national bank to a state bank upon the affirmative vote of at least  $\frac{2}{3}$  of the bank's outstanding voting stock or voting interests of members. Current law only references voting stock. The reference to voting interests of members is also added to the requirement that the bank submit a transcript of minutes of the meeting showing approval of the proposed conversion.

The bill also authorizes additional forms of delivery of notices of a stockholder meeting for a stock bank and of the termination of safe deposit box lease. Such notices may be delivered by certified mail or electronically pursuant to the uniform electronic transactions act, K.S.A. 16-1601 et seq. Under current law notice of a stockholder meeting can only be given to all stockholders by registered mail and in cases of terminating a safe deposit box lease, notice must be delivered either personally or by registered mail delivered to the latest address shown on the safe deposit records of the lessor.