

*As Amended by Senate Committee*

Session of 2021

**SENATE BILL No. 178**

By Committee on Financial Institutions and Insurance

2-9

1 AN ACT concerning financial institutions; relating to the state banking  
2 code; trust companies; providing for charter conversions; amending  
3 K.S.A. 2020 Supp. 9-803, 9-808, 9-809 and 9-1717 and repealing the  
4 existing sections.  
5

6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 2020 Supp. 9-803 is hereby amended to read as  
8 follows: 9-803. (a) Any bank or trust company with articles of  
9 incorporation that have lapsed, or hereafter shall lapse, may renew and  
10 extend the bank's corporate existence or the trust company's corporate  
11 existence in the manner provided by law and upon payment of the  
12 requisite fees.

13 (b) The acts of any bank or trust company with articles of  
14 incorporation that have lapsed or terminated by the expiration of time and  
15 such bank's or trust company's corporate existence is renewed and  
16 extended are hereby legalized and declared to be valid in the same manner  
17 and to the same effect as though the banks and trust companies had been  
18 duly authorized at all times since their organization.

19 Sec. 2. K.S.A. 2020 Supp. 9-808 is hereby amended to read as  
20 follows: 9-808. (a) Any national bank, federal savings association or  
21 federal savings bank organized under the laws of the United States and  
22 located in this state may become a state bank or state trust company upon  
23 the affirmative vote of not less than  $\frac{2}{3}$  of the institution's outstanding  
24 voting stock or voting interests of members. Any national bank, federal  
25 savings association or federal savings bank desiring to become a state bank  
26 or state trust company shall apply to the commissioner for permission to  
27 convert to a state bank or state trust company and:

28 (1) Shall submit a transcript of the minutes of the meeting of the  
29 institution's stockholders or voting interests of members showing approval  
30 of the proposed conversion;

31 (2) the name selected for the ~~state~~ bank or trust company shall not be  
32 the name of any other state bank or state trust company:

33 (A) Doing business in the same city or town; or

34 (B) within a 15-mile radius of the location of the converted  
35 institution. The name shall be accepted or rejected by the commissioner,  
36 although any state bank or state trust company may request exemption

Proposed amendment to SB 178, as amended by Senate Committee  
House Committee on Financial Institutions and Rural Development  
"trust company name"  
March 15, 2021  
Prepared by Office of Revisor of Statutes

; (3) the name selected for the trust company shall be different or substantially dissimilar from any other trust company doing business in the state.

1 from the commissioner from this paragraph; and  
2 ~~(3) the name selected for the state trust company shall be different~~  
3 ~~or substantially dissimilar from any other trust company doing business~~  
4 ~~in the state; and~~  
5 (4) provide any other information required in the application form  
6 prescribed by the commissioner.  
7 (b) A federal savings association or federal savings bank operating in  
8 a mutual form and seeking to become a stock bank must also convert to a  
9 stock form prior to converting to a state bank and shall submit appropriate  
10 documentation to the commissioner to show that the appropriate federal  
11 regulator has approved such mutual to stock conversion.  
12 (c) Upon receipt of each of the items required by this section the  
13 commissioner shall make or cause to be made such investigation as the  
14 commissioner deems necessary to determine whether:  
15 (1) All state and federal requirements for a conversion have been  
16 satisfied;  
17 (2) the conversion or the financial condition of the bank *or trust*  
18 *company* will not adversely affect the interests of the depositors;  
19 (3) the resulting state bank *or state trust company* will have an  
20 adequate capital structure in accordance with K.S.A. 9-901a et seq., and  
21 amendments thereto; and  
22 (4) the competence, experience or integrity of the proposed  
23 management personnel indicates that approving the conversion would be  
24 in the interest of the depositors of the bank *or trust company* and in the  
25 interest of the public.  
26 (d) If the commissioner determines each of the matters in subsection  
27 (c) favorably, the conversion shall be approved, and the commissioner  
28 shall issue a certificate of authority. Upon issuance of a certificate of  
29 authority, the articles of incorporation, duly executed as required by the  
30 Kansas corporate code, shall be filed with the Kansas secretary of state's  
31 office.  
32 (e) In any conversion authorized by this section, the resulting state  
33 bank *or state trust company* by operation of law shall continue all trust  
34 functions being exercised by the national bank, federal savings association  
35 or federal savings bank and shall be substituted for the national bank,  
36 federal savings association or federal savings bank and shall have the right  
37 to exercise trust or fiduciary powers created by any instrument designating  
38 the national bank, federal savings association or federal savings bank, even  
39 though such instruments are not yet effective.  
40 (f) In any conversion authorized by this section, the resulting state  
41 bank *or state trust company* shall succeed by operation of law without any  
42 conveyance or transfer by the act of the national bank, federal savings  
43 association or federal savings bank to all the actual or potential assets, real