

## MINUTES OF THE HOUSE FINANCIAL INSTITUTIONS COMMITTEE

The meeting was called to order by Chairperson Pete DeGraaf at 3:30 pm on Tuesday, January 27, 2015, 152-S of the Capitol.

All members were present except:

Representative Stan Frownfelter – Excused

Representative Mario Goico – Excused

Committee staff present:

Melissa Calderwood-Renick, Legislative Research Department

Whitney Howard, Legislative Research Department

Matt Sterling, Office of Revisor of Statutes

Gary Deeter, Kansas Legislative Committee Assistant

Eileen Ma, Office of Revisor of Statutes

Conferees appearing before the Committee:

Judi Stork, Deputy Commissioner, Office of the State Bank Commissioner

Others in attendance:

[See Attached List](#)

### **Bill introductions**

The Vice-Chair requested the introduction of a committee bill to modify the Money Transmitter Act; the proposed bill would update some language and clarify certain requirements. By unanimous vote of the Committee the bill was accepted.

### **Informational briefing:**

Judi Stork briefed the Committee on proposed comprehensive re-codification of the statutes governing the Office of the State Bank Commissioner ([Attachment 1](#)). She explained that the initiative, begun in 2000 and renewed in 2008 and 2012, resulted in a bill recently introduced into the Kansas Senate that amends 209 statutes, many of which have not been addressed for 40-60 years. She said that the purpose of the initiative is to update and clarify language as well as to eliminate antiquated wording and obsolete provisions.

Ms. Stork highlighted certain provisions; the statutory changes will:

- Result in 25 of the 30 special orders becoming statutes;
- Increase from \$250,000 to \$3 million capital start-up costs;
- Create a voluntary liquidation process;
- Clarify real-estate holding periods;
- Add a Memorandum of Understanding (MOU) authority; and
- Clarify the merger process.

Ms. Stork replied to a member's question that the real-estate holding provision added certain guidelines, such as appraisal requirements. A member expressed concern that the MOU seems to limit the public's right to know a bank's potential instability. Ms. Stork commented that currently all bank

CONTINUATION SHEET

MINUTES of the Committee on Financial Institutions at 3:30 pm on Tuesday, January 27, 2015, 152-S of the Capitol.

exams and ratings are confidential. Another member observed that extensive information about any bank is readily available online.

The meeting was adjourned at 4:00 p.m. The next meeting is scheduled for Tuesday, February 3, at 3:30 p.m. in Room 152-S.