

SENATE BILL No. 142

AN ACT concerning financial institutions; relating to the authority to issue special orders; amending K.S.A. 17-5601 and K.S.A. 2000 Supp. 9-1715 and repealing the existing sections.

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

Section 1. K.S.A. 2000 Supp. 9-1715 is hereby amended to read as follows: 9-1715. (a) The commissioner shall have the power to authorize any or all state banks to engage in any activity in which such banks could engage were they operating as ~~national banks~~ *any insured depository institution* at the time such authority is granted, including but without limitation because of enumeration the power to do any act, and own, possess and carry as assets, property of such character including stocks, bonds or other debentures which, at the time authority is granted, is authorized under ~~federal~~ *applicable* laws and regulations to be done by ~~national banks~~ *any insured depository institution* notwithstanding any restriction elsewhere contained in the statutes of the state of Kansas. This power shall include the power to authorize any or all Kansas trust companies to engage in any trust related activity in which the trust department of a ~~national bank~~ *any insured depository institution* with trust powers could engage at the time authority is granted. This power shall be in addition to any and all other powers granted to the commissioner.

(b) The commissioner shall exercise the power granted in subsection (a) by the issuance of a special order if the commissioner deems it reasonably required to preserve and protect the welfare of a particular institution, or if the commissioner deems it reasonably required to preserve the welfare of all state banks or trust companies and to promote competitive equality of state and ~~national banks~~ *other insured depository institutions*. Such special order shall provide for the effective date thereof and upon and after such date shall be in full force and effect until amended or revoked by the commissioner. Promptly following issuance, the commissioner shall ~~cause mail~~ *mail* a copy of each special order ~~to be mailed~~ to all state banks and trust companies and shall be published in the Kansas register.

(c) The commissioner, at the time of issuing any special order pursuant to this section, shall prepare a written report, which shall include a description of the special order and a copy of the special order, and submit the written report to:

- (1) The president and the minority leader of the senate;
- (2) the chairperson and ranking minority member of the senate standing committee on financial institutions and insurance;
- (3) the speaker and the minority leader of the house of representatives;
- (4) the chairperson and ranking minority member of the house of representatives standing committee on financial institutions; and
- (5) the governor.

(d) Within two weeks of the beginning of each legislative session, the commissioner shall submit to the chair of the senate standing committee on financial institutions and insurance, and the chair of the house standing committee on financial institutions, a written summary of each special order issued during the preceding year. Upon request of the chair of the senate standing committee on financial institutions and insurance or the chair of the house standing committee on financial institutions, the commissioner, or the commissioner's designee, shall appear before the committee to discuss any special order issued during the preceding year. If the committee desires information concerning the economic impact of any special order, the committee chair or ranking minority member may request assistance from the division of budget.

(e) The issuance of special orders under this section shall not be subject to the provisions of article 4 of chapter 77 of the Kansas Statutes Annotated.

(f) *As used in this statute, "insured depository institution" means a bank, a savings and loan association or a savings bank organized under the laws of the United States, this state, or any other state, whose deposits are insured by the United States government.*

Sec. 2. K.S.A. 17-5601 is hereby amended to read as follows: 17-5601. (a) The commissioner shall have general supervision over all associations and corporations which are subject to the provisions of this act. The commissioner shall enforce the purposes of this act by use of the powers herein conferred and by resort to the courts when required. In

addition to any and all other powers heretofore granted to the state savings and loan commissioner, the commissioner, with the prior approval of the savings and loan board, shall have the power to authorize state savings and loan associations to engage in any activity in which such associations could engage were they operating as ~~federal savings and loan associations~~ *any insured depository institution* at the time such authority is granted, including but without limitation because of enumeration, the power to do any act, and own, possess and carry as assets, property of such character, including stocks, bonds or other debentures which, at the time said authority is granted, is authorized under ~~federal~~ *applicable* laws and regulations to be done by ~~federal savings and loan associations~~ *any insured depository institution*, notwithstanding any restrictions elsewhere contained in the statutes of the state of Kansas. ~~The commissioner shall exercise such power by the issuance of a special order therefor, if such commissioner deems it reasonably required to preserve and protect the welfare of state savings and loan associations and promote competitive equality of state and federal savings and loan associations. Such special order shall provide for the effective date thereof and upon and after such date shall be in full force and effect until amended or revoked by the commissioner, with the prior approval of the state savings and loan board, by subsequent special order. Upon issuance of a special order, the commissioner promptly shall mail copies thereof to all state savings and loan associations. The issuance of such special orders shall not be subject to the provisions of article 4 of chapter 77 of the Kansas Statutes Annotated.~~

~~(b) The commissioner shall, at the time of issuing any special order pursuant to this section, submit a written report thereof to the president and minority leader of the senate and to the speaker and minority leader of the house of representatives.~~

(b) The commissioner shall exercise the power granted in subsection (a) by the issuance of a special order if the commissioner deems it reasonably required to preserve and protect the welfare of a particular institution, or if the commissioner deems it reasonably required to preserve the welfare of all state savings and loan associations and to promote competitive equality of state and other insured depository institutions. Such special order shall provide for the effective date thereof and upon and after such date shall be in full force and effect until amended or revoked by the commissioner. Promptly following issuance, the commissioner shall mail a copy of each special order to all state savings and loan associations and shall be published in the Kansas register.

(c) The commissioner, at the time of issuing any special order pursuant to this section, shall prepare a written report, which shall include a description of the special order and a copy of the special order, and submit the written report to:

- (1) The president and the minority leader of the senate;*
- (2) the chairperson and ranking minority member of the senate standing committee on financial institutions and insurance;*
- (3) the speaker and the minority leader of the house of representatives;*
- (4) the chairperson and ranking minority member of the house of representatives standing committee on financial institutions; and*
- (5) the governor.*

(d) Within two weeks of the beginning of each legislative session, the commissioner shall submit to the chair of the senate standing committee on financial institutions and insurance, and the chair of the house standing committee on financial institutions, a written summary of each special order issued during the preceding year. Upon request of the chair of the senate standing committee on financial institutions and insurance or the chair of the house standing committee on financial institutions, the commissioner, or the commissioner's designee, shall appear before the committee to discuss any special order issued during the preceding year. If the committee desires information concerning the economic impact of any special order, the committee chair or ranking minority member may request assistance from the division of budget.

(e) The issuance of special orders under this section shall not be subject to the provisions of article 4 of chapter 77 of the Kansas Statutes Annotated.

(f) As used in this statute, "insured depository institution" means a bank, a savings and loan association or a savings bank organized under

the laws of the United States, this state, or any other state, whose deposits are insured by the United States government.

Sec. 3. K.S.A. 17-5601 and K.S.A. 2000 Supp. 9-1715 are hereby repealed.

Sec. 4. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the SENATE, and passed that body

President of the Senate.

Secretary of the Senate.

Passed the HOUSE _____

Speaker of the House.

Chief Clerk of the House.

APPROVED _____

Governor.