

COMMERCIAL AND FINANCIAL INSTITUTIONS COMMITTEE
MINUTES

February 10, 1972
4:00 P.M.
Room 527-S

Except as otherwise noted, the individual remarks recorded herein have not been transcribed verbatim and this record has not been approved by the committee or by the individuals making such remarks.

The meeting was called to order by Chairman Arthur Gabriel. All members were present except Representatives Brokaw and Mikesic.

The signed guest list is attached herewith and is made a part of these minutes.

Chairman Gabriel announced that he received a letter from Mr. Dale Saffels with the State Corporation Commission. Mr. Saffels suggested that the Committee introduce a bill so that the Kansas Truth-in-Lending Act would comply with the federal statutes. Representative Hayes so moved and Representative Starks seconded the motion. Motion carried.

Chairman Gabriel asked if Representative Hayes was ready to explain House Bill 2050. Representative Hayes stated that he would have a substitute bill ready for Tuesday's meeting.

Today's meeting was for the opponents' testimony on House Bill 1922. Mr. John Anderson representing Valley View State Bank appeared before the Committee. He submitted copies of letters from bankers in Johnson County to the Committee. The original letters were given to Chairman Gabriel.

Mr. George Gagel representing Valley View State Bank, Overland Park Kansas gave testimony against House Bill 1922.

Mr. Harold Stones representing Kansas Bankers Association and Mr. Charles Henson, legal counsel for Kansas Bankers Association appeared in explanation of their association's stand on House Bill 1922.

At the request of Chairman Gabriel, Mr. Ed Hogan, Assistant Commissioner of the Kansas Bank Commissioner's Office appeared before the Committee. He stated that the Commission takes no position on House Bill 1922. He presented his suggestions on House Bill 1922. He was then open for questions and answers from the Committee.

February 10, 1972

GUEST LIST

1972

2-10	NAME	ADDRESS	REPRESENTING
	Don Maadeny	Prairie Village, Ks.	Johnson County Natl Bank
	Ernest Meyer	mission Kansas	mission State Bk + Trust
	Hugh Roberts	Prairie Village	Johnson Co Natl Bank + Tr
	Arthur C. Chastand	Prairie Village, Ks	Kansas National Bank
	D. Kandler	Olathe Ks.	First Natl Bank
	Walter Allen	Prairie Village Ks.	Southwest State Bank
	R.H. Kinsler	Topeka, Ks.	West town Memorial Hills
	LEE E NELSON	EMPERIA KANSAS	BREWSTER FARM + RANCH
	J. J. Addins	Topeka Kan	Memorial Park Cemetery
	Harold E. Garbutt	Olathe, Kansas	Oak Lawn Memorial Park
	A. G. Collins	Hutchinson, Kansas	Kansas Bankers Assn
	Donald & Wilson	Topeka, Kansas	Fidelity State Bank + Trust Co
	Charles W. Water	Manasa, Kansas	Topeka State Bank
	Conrad J. Vize	Topeka Kansas	Bank Plaza State Bank
	Carl Boumpy	"	Ks. Bankers Assn
	John J. Sullivan	mission Ks	Rolland Park Bank
	Jim Snyder	Topeka	Ks. Fun. Dir. Assoc.
	Ann Gan	Topeka.	Ks. Cemetery Assoc.
	Don H. Staley	K. C. Ks.	Ks. Cemetery Assoc.
	Elmer G. Noyes	Newton Kansas	Greenwood Cemetery
	Harold O'Hara	Topeka	Ks Bankers Assn
	Phyllis Cumley	Overland Park	J.C. Bankers Assn + Trust
	Paul Benson	Topeka	Kansas Bankers Assn
	Geo. W. Gage	OVERLAND PARK, KANS.	VALLEY VIEW STATE BANK
	WAYNE ZIMMERMAN	OLATHE, KANSAS	PATRONS STATE BANK + TRUST

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your committee on **COMMERCIAL AND FINANCIAL INSTITUTIONS**

Recommends that **House Bill 1933**

"AN ACT relating to banks and banking; concerning powers; amending K.S.A. 1971 Supp. 9-1101 and 9-1102 and repealing the existing sections.

BE PASSED AND PLACED ON THE CONSENT CALENDAR.

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your committee on **COMMERCIAL AND FINANCIAL INSTITUTIONS**

Recommends that **HOUSE BILL No. 1980**

"AN ACT relating to deposits of public moneys; amending K.S.A. 1971 Supp. 9-1401 and repealing the existing section.

BE PASSED AND BE PLACED ON THE CONSENT CALENDAR.

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your committee on **COMMERCIAL AND FINANCIAL INSTITUTIONS**

Recommends that **House Bill No. 1982**

"AN ACT relating to banks and banking; concerning authority of state banks to engage in activities authorized for national banks; amending K.S.A. 1971 Supp. 9-1715 and repealing the existing section.

BE PASSED AND BE PLACED ON THE CONSENT CALENDAR.

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your committee on **COMMERCIAL AND FINANCIAL INSTITUTIONS**

Recommends that **House Bill No. 2016**

"AN ACT relating to county public buildings; and concerning the powers of boards in connection therewith; amending K.S.A. 1971 Supp. 19-15,116 and repealing the existing section.

BE PASSED.

Gloria
Opposition

MARK PLAZA STATE BANK

9900 SANTA FE DRIVE - P. O. BOX 4569

OVERLAND PARK, KANSAS 66212

(913) 642-9000

SAMUEL A. BLASCO
PRESIDENT

February 8, 1972

Committee on Commercial and
Financial Institutions
House of Representatives
State House,
Topeka, Kansas:

Gentlemen:


We are a newly chartered bank in Overland Park, Kansas, under the name of Mark Plaza State Bank. Frankly, we are shocked at the provisions contained in House Bill 1922. This bill permitting two additional detached facilities within the seven contiguous cities of Northeast Johnson County is a form of branch banking to which we are definitely opposed.

Our bank, being new and not yet in operation, does not need the added competition of any bank now located outside the city limits of Overland Park which we feel would jeopardize our immediate and future growth.

There are 105 counties in the State of Kansas and House Bill 1922 pertains to just one eligible county which leaves the remaining 104 counties unaffected.

This legislation gives special privileges to the large banks outside of Overland Park, a privilege which is denied any other bank throughout the State of Kansas.

Sincerely,


Samuel A. Blasco,
President

SAB:scm

VALLEY VIEW STATE BANK

7500 WEST 95th ST. • OVERLAND PARK, KANSAS 66212 • DU 1-3311
and On the Mall at Metcalf South

February 8, 1972

Committee on Commercial and
Financial Institutions
House of Representatives
State House
Topeka, Kansas

Gentlemen:

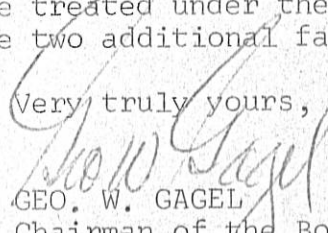
Representing the Valley View State Bank of Overland Park, Kansas, this Bank with this letter formally protests passage of H. B. 1922 as it is now constructed.

We specifically object to only part of the Bill. We realize that additional facilities are needed and we recommend the passage of the Bill in connection with the additional facilities for the purpose of better serving the public.

We do, however, object to the portion of the Bill referring to "7 or more contiguous municipal corporations located wholly within the same county being considered as one municipal corporation". This is set out in lines 23 thru 26 on page 2 of the Bill.

We think this portion of the Bill to which we object is unconstitutional and have been advised by 2 previous Attorney Generals that it may be so. Realizing that there is an urgent need for additional facilities we do not want to see this total Bill be declared unconstitutional because of the objectionable portion of it outlined on lines 23 to 26 in the Bill. We do not object to the Bill if Johnson County would be treated under the general provisions of the Act and allowing the two additional facilities.

Very truly yours,


GEO. W. GAGEL
Chairman of the Board

GWG/fjc

OFFICERS

GEO. W. GAGEL CHAIRMAN OF THE BOARD	GEORGE J. BUSER, JR. VICE PRES. & TRUST OFFICER
JOHN C. HOFMANN PRESIDENT	CHESTER J. CHURNS VICE PRESIDENT
BOB F. BARNES SENIOR VICE PRESIDENT	LARRY G. MCLENON ASSISTANT VICE PRESIDENT
PERRY F. BENIS VICE PRES. & CASHIER	JOHN ANDERSON, JR. SECRETARY

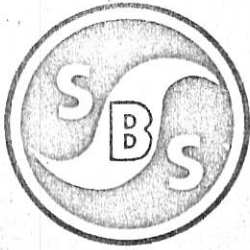
FRANCES J. CODY ASSISTANT SECRETARY
BILLIE L. HERNDON ASSISTANT CASHIER
R. C. RHOADES, JR. ASSISTANT CASHIER

DIRECTORS

GEO. W. GAGEL
JOHN ANDERSON, JR.
JOHN C. HOFMANN
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ADVISORY DIRECTORS

BOB F. BARNES
DAVID C. CLARK
JOHN W. GAGEL
JACK GOSNELL
LEONARD B. MCKINZIE
MAX A. LEAGUE



STATE BANK *of* STANLEY
SINCE 1905

PHONE 681-2323

• STANLEY, KANSAS 66084

O. A. DURR
CHAIRMAN OF THE BOARD
JAMES Mc ANELLY
PRESIDENT
LARRY C. BOWSER
VICE PRESIDENT AND CASHIER
WM. (BILL) MOFFETT
VICE PRESIDENT
STANLEY D. BUSS
ASSISTANT CASHIER
JOHN W. BREYFOGLE, JR.
SECRETARY

February 7, 1972

Committee on Commercial & Financial Institutions
House of Representatives
State House
Topeka, Kansas

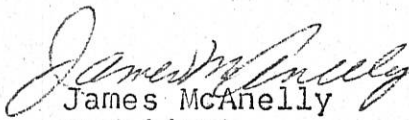
Gentlemen:

The State Bank of Stanley objects to a part of
House Bill 1922 as now before your committee.

Our objection is, "For purposes of such location
seven or more contiguous Municipal Corporations
located wholly within the same County maybe considered
as one Municipal Corporation." This wording is in
lines 23 through 26 of page 2 of the proposed bill.

We are not opposing the bill if Johnson County is
treated in the same manner as the other 104 Counties
in the State.

Very truly yours,


James McAnelly
President

"The Bank Better Service is Building"
Member Federal Deposit Insurance Corporation

**Santa Fe Trail
State Bank**

pioneering a new brand of banking



February 4, 1972

Committee on Commercial and
Financial Institutions
House of Representatives
State House
Topeka, Kansas

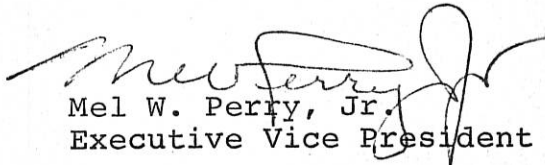
Gentlemen:

The undersigned representation of Santa Fe Trail State Bank in Johnson County, Kansas hereby protests passage of H.B. 1922 as it is now constituted.

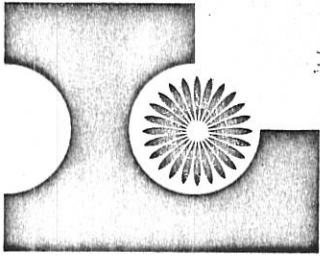
The objectionable language is "For purposes of such location, seven or more contiguous municipal corporations located wholly within the same County may be considered as one municipal corporation." As set out in lines 23 to 26 in page 2 of the Bill.

We are not opposed to the Bill if Johnson County is treated under the general provision of the Act.

Yours very truly,


Mel W. Perry, Jr.
Executive Vice President

MWP:sk



Lenexa, Kansas 66215

February 9, 1972

Lenexa
State
Bank
&
Trust Co.

Committee on Commercial &
Financial Institutions
House of Representatives
State House
Topeka, Kansas

Gentleman:

Our Executive Committee has voted unanimously to oppose House Bill 1922 in its present form.

The words we are objecting to are, "For purposes of such location seven or more contiguous municipal corporations located wholly within the same city may be considered as one corporation". These words are set out in lines 23 to 26 on page two of House Bill 1922.

If these words can be eliminated from the bill and Johnson County can be treated to the same general provisions of the bill, then it would have our wholehearted support.

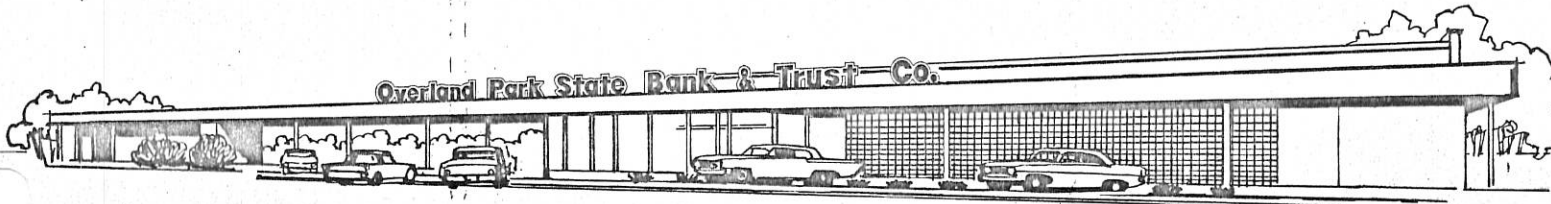
Thank you for your attention to this matter.

Sincerely,

Paul W. Walter
Chairman of the Board

PWW/ap

The **Overland Park State Bank** AND TRUST COMPANY
80TH STREET AND METCALF • OVERLAND PARK, KANSAS 66204 • PHONE 648-2800



February 8, 1972

Committee On Commercial and Financial Institutions
House of Representatives
State House
Topeka, Kansas

Gentlemen,

Please accept this letter as notification that The Overland Park State Bank And Trust Company protests the passage of House Bill 1922 as it is now written.

The part of this Bill that we object to is set out in lines 23 to 26 on Page 2 of the Bill which states "for purposes of such location, seven or more contiguous municipal corporations located wholly within the same county may be considered as one municipal corporation".

The Overland Park State Bank And Trust Company is not opposed to the Bill if Johnson County is treated under the general provisions of the Bill. In fact, we are very much in favor of the passage of the Bill and will appreciate your favorable action.

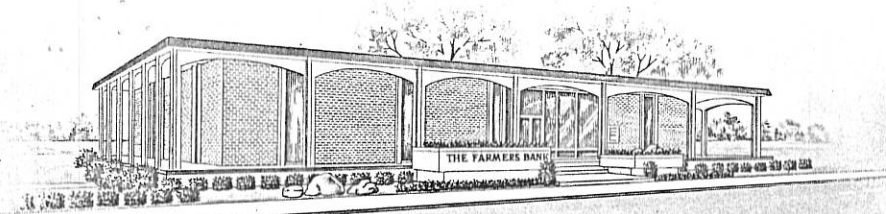
Very sincerely,

David B. Cox
Chairman of the Board
and President

DBC:mmf



DAVID B. COX, Chairman of the Board & President • RAY W. GUTHRIE, Executive Vice President • JOHN J. LARKIN, JR., Vice President
WILLIAM R. BURKHART, Vice President • FLORENT WM. WAGNER, Vice President & Trust Officer • C. R. KIRKBRIDE, Trust Officer
LES MUSSMAN, Investment Advisor • VIRGIL D. RICE, Cashier • ROY L. TRAYLOR, Ass't Vice President and Secretary
TERRY L. REYNOLDS, Ass't Vice President • JOHN B. BENNETT, Ass't Cashier • MABLE BURKINS, Admin.



THE FARMERS BANK

GARDNER, KANSAS 66030

February 8, 1972

Committee on Commercial and Financial Institutions
House of Representatives
State House
Topeka, Kansas

Gentlemen:

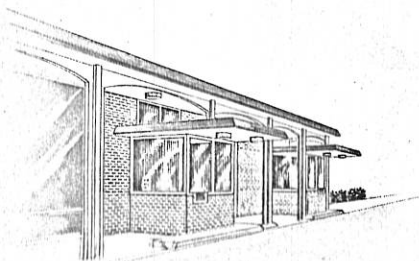
The undersigned representation of The Farmers Bank Gardner, Kansas in Johnson County, Kansas - hereby protests passage of H.B. 1922 as it is now constituted.

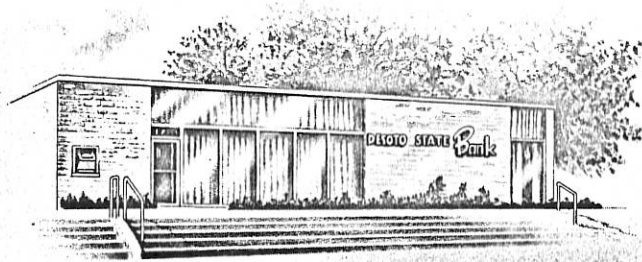
The objectionable language is "For purposes of such location, seven or more contiguous municipal corporations located wholly within the same County may be considered as one municipal corporation." As set out in lines 23 to 26 in page 2 of the Bill.

We are not opposed to the Bill if Johnson County is treated under the general provision of the Act.

Sincerely,

Dana E. Lehman
Exec. Vice President





DE SOTO STATE **Bank**

JESS W. JOHNSON, JR.
VICE-PRESIDENT & CASHIER

DE SOTO
KANSAS
66018

February 5, 1972

Mr. Arthur Gabriel, Chairman
Commercial and Financial Institutions Committee
State House
Topeka, Kansas 66612

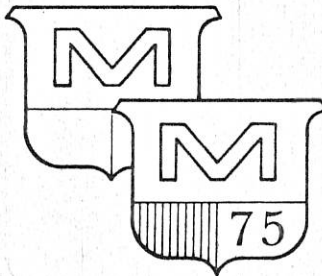
Dear Art:

We would not oppose an amendment to House Bill 1922, which would bring all Kansas Banks, wherever located, under the section of the Act that allows additional detached facilities within the corporate limits of the City in which the home office of a bank is located.

Yours truly,

Jess W. Johnson Jr.
Vice President & Cashier

METCALF
STATE BANK
79TH AND METCALF
OVERLAND PARK, KANSAS 66204
(913) 648-4540



METCALF 75
STATE BANK
75TH AND METCALF
OVERLAND PARK, KANSAS 66204
(913) 648-4540

February 10, 1972

Mr. Arthur Gabriel
Kansas House of Representatives
C/o Statehouse
Topeka, Kansas 66612

Dear Art:

As you know, I am committed to support HB 1922.

I am aware of the fact that there is considerable diversity of opinion among the Johnson County Bankers as to the value of said Bill as written to the public and to the bankers involved. I would be less than honest if I advised you that this Bill is the perfect answer to all of our problems. It was the product of a compromise.

We understand that an attempt is being made to amend this Bill by deleting therefrom the provisions that would permit seven or more contiguous municipal corporations located within one county with a population of 100,000 or more to be considered as one municipal corporation.

Those who sponsor this amendatory deletion can and do make a good case for their position. If I were not bound by my commitment to support HB 1922 as written, I would have to say to you in all good conscience that I might be supporting the proposed amendment.

However, until I am released from my commitment to support the original HB 1922 I must be counted to carry out my obligation.

Yours very truly,

Ben Craig
President and
Trust Officer

BC/bn