Approved March 15, 1983
Date

MINUTES OF THE House COMMITTEE ON Commercial and Financial Institutions.

The meeting was called to order by Representative Harold P. Dyck at
Chairperson

3:30 ~~xxxx~~./p.m. on March 1, 1983 in room 527-S of the Capitol.

All members were present except:

Committee staff present:

Bill Wolff, Research Department
Bruce Kinzie, Revisor of Statutes' Office
Vickie Bender, Committee Secretary
Nora Crouch, Co-Secretary

Conferees appearing before the committee:

Jim Turner, Kansas Savings and Loan League
Gary Montague, City Manager of Shawnee, Kansas
Ernie Mosher, League of Kansas Municipalities
Dennis McFall, Kansas Association of School Boards
Jim Maag, Kansas Bankers Association
Marvin Steiner, Bank Commissioner

Chairman Dyck announced that there would be hearings on HB 2126, SB 56, SB 57, and that the committee would consider proposed amendments on HB 2001. He informed the committee that the proposed amendments would be handed out for them to look at. The committee would also be given time to decide on possible action on bills that had been previously heard.

Jim Turner, Savings & Loan League representative, appeared to explain the provisions of HB 2126. He stated that the bill had been introduced by the committee and referred back to it. He said the bill would allow local units of government to establish NOW checking accounts at Savings & Loans within the State of Kansas. He explained that S & L's have the authority now to accept such deposits but there must be a policy decision as to whether or not local units can utilize these checking accounts at S&L's. Mr. Turner stated that the Association is talking about inactive or idle funds. He proposed further amendments to the bill. (Attachment 1) Mr. Turner answered a question on whether all NOW accounts are the same. He stated they are interest-bearing checking accounts and the interest will vary some.

Gary Montague, City Manager, City of Shawnee, Kansas, appeared on HB 2126, stating that the city should be able to invest funds in the best possible manner and that which makes the most money for the city. (Attachment 2) He further stated that current laws restrict government agencies from placing funds in branch offices of the S & L's and he urged the passage of the bill.

Ernie Mosher, League of Kansas Municipalities, appeared in support of HB 2126, stating that he does not believe most cities will use a local S & L as an active depository for the bulk of their money. It is a valuable tool and they will probably use it for payroll funds in the NOW accounts. He stated they are asking for a simple investment procedure.

Dennis McFall, Kansas Association of School Boards, appeared in support of HB 2126. He said that the School Boards believe there is a need to maximize a return on the funds of schools.

Jim Maag, Kansas Bankers Association, appeared in opposition to HB 2126 stating that with the passage of the Garn Act local units are eligible for NOW accounts, for the Super NOW accounts, and for money market accounts. The S & L contend that this proposition was not part of the agreement last year because passage of this bill would allow an S & L to have bidding authority in all of its branch offices, whereas Kansas banks would be limited to accepting funds from local units only where the bank is located. (Attachment 3) The KBA felt the 1982 compromise was legitimate and balanced out what both industries were willing to accept.

MINUTES OF THE House COMMITTEE ON Commercial and Financial Institutions,

room 527-S, Statehouse, at 3:30 ~~a.m.~~/p.m. on March 1, 1983

Marvin S. Steinert, Savings and Loan Commissioner, appeared to explain the provisions of SB 56. He said that he had requested that this bill be introduced. The bill would simply change the present statute language from "trustee" to "special deputy savings and loan commissioner". The statute gives the authority to appoint a trustee for various reasons. He said that he feels it would be much better to use the other term and it would be more in line with the banking department. He explained that he does not want the depositor and borrower confused about the word "trustee". (Attach. 4)

Mr. Steinert also appeared to explain the provisions of SB 57 stating that this was another of his requests and would give emergency authority to the Commissioner to authorize a branch office without going through the 30 day notice. (Attachment 5)

Bruce Kinzie, Revisor of Statutes' Office, explained the proposed amendments to HB 2001. (Attachment 6)

Representative Ott moved, with Representative Francisco seconding, that the amendments to HB 2001 be adopted. The motion carried.

Representative Holderman moved, with Representative Wilbert seconding, that the proposed amendments to HB 2126 be adopted. After much discussion the motion and second were withdrawn.

Representative Francisco moved, with Representative Shelor seconding, that HB 2490 be reported favorably for passage. The motion carried.

Chairman Dyck informed the committee that there would be no meetings next week as the House would be on General Orders all week. It was his intention to consider all bills heard by the committee at today's meeting and not call meetings on Wednesday or Thursday.

Representative Ott moved, Representative Teagarden seconding, that SB 56 be reported favorably for passage. The motion carried.

Representative Louis moved to report SB 57 favorable for passage. Representative Jarchow seconded the motion. The motion carried.

Representative Louis moved to report HB 2001 as amended favorable for passage. Representative Ott seconded the motion.

Representative D. Miller made a substitute motion to table HB 2001 as amended. Representative Nichols seconded the motion, and the motion carried. A division was requested; 10 voted "yes" and 7 voted "no".

Representative Holderman moved, with Representative Wilbert seconding, the HB 2126 be reported favorably for passage. The motion passed. A division was again requested; 10 voted "yes" and 7 voted "no".

Representative Holderman moved, Representative Ott seconding, that HB 2001 be removed from the table. After considerable discussion, Representative Teagarden called for the question. The motion was defeated. A division was called; 8 voted "yes" and 10 voted "no". HB 2001 remained tabled.

The meeting was adjourned at 5:14 p.m. by the Chairman.

KANSAS SAVINGS & LOAN LEAGUE

SUITE 612 • 700 KANSAS AVE. • TOPEKA, KANSAS 66603 • PHONE (913) 232-8215

JAMES R. TURNER
PRESIDENT

March 1, 1983

TO: HOUSE COMMITTEE ON COMMERCIAL AND FINANCIAL INSTITUTIONS

FROM: JIM TURNER, KANSAS SAVINGS AND LOAN LEAGUE

RE: H.B. 2126 (PUBLIC FUND DEPOSITS - LOCAL UNITS)

The Kansas Savings and Loan League appreciates the opportunity to appear before the House Committee on Commercial and Financial Institutions in support of H.B. 2126 which would allow local units of government (cities, counties, school districts) to establish NOW checking accounts at any office of a savings and loan association within the State. The authority for federally-insured savings and loan associations to offer NOW checking to governmental units was authorized by Congressional passage of the Garn-St. Germain bill in October, 1982.

The basic thrust of H.B. 2126 is to allow local units to utilize savings and loan associations, located in their community, as a depository for active funds in an interest bearing checking account.....known as a NOW Account. We are aware that there has been some unfortunate misinformation distributed that this proposal violates the 1982 agreement on inactive or idle funds. It does not. However, to further clarify our intent we would ask the committee's consideration of further amending Section 1, p. 2, line 0068, following the word "officer" by inserting a new sentence to read: Suggested

"Such funds which are immediately required for the purposes for which the moneys were collected or required shall be deposited only in negotiable order of withdrawal accounts if deposited in state or federally chartered savings and loan associations or federally chartered savings banks.

Attachment 1
HSE C&FI COMMITTEE 3/1/83

This language would insure that the NOW Accounts were used for active accounts and not as "sweep accounts" for inactive of idle funds.

We would point out that the NOW Account authority requested in Section 1 allows the local unit to use any savings and loan office. This is consistent with Congress allowing federal agency accounts to be established at any S&L office. We would point out that we have not requested a revision in the idle funds section (Page 8, line 287) per the home office restriction placed on such idle funds through a 1982 agreement with the Kansas Bankers Association.

Further, H.B. 2126 makes three other changes in current statutes:

1. Throughout the bill the words "federally chartered savings bank" have been inserted. Congress has provided that federally chartered savings and loan associations may convert to savings banks and this language change accommodates this possibility. Further, S.B. 319 has been introduced to make this type of change in other statutes.

2. Language has been added on lines 104-106 to provide that securities of the Federal Home Loan Mortgage Corporation ("Freddie Mac") are eligible securities for pledging.

3. Language has been added on lines 288 to 307 to correct an oversight from the 1982 law. This allows local units to use a savings and loan in an adjoining county if an adequate bid is not available or received. The language is identical to that applicable to commercial banks found in lines 266 to 284 (pp. 7-8).

The basic thrust of H.B. 2126 is to allow local units the opportunity to establish NOW checking accounts at savings and loan associations in their community consistent with what is now allowed to federal agencies and we would appreciate the committee's earliest consideration of reporting the bill favorably for passage.

James R. Turner
President

JRT:bw

REPORT BEFORE THE COMMERCIAL & FINANCE COMMITTEE OF THE KANSAS HOUSE OF REPRESENTATIVES

Re: House Bill #2126

The current investment law unduly restricts governmental entities from maximizing the return on the investment of idle funds. The city recognizes that public funds should not be endangered by frivolous investment practices and the legislature has the duty to require that tax dollars be invested in secured accounts. At the same time, the city feels that once measures have been taken to ensure the security of funds, the public has a right to expect that their tax dollars will be invested in such a manner as to generate the greatest return.

The city would rather not be constrained from investing idle funds outside the corporate limits of the City of Shawnee. We would like to have the flexibility of investing throughout the county. From this viewpoint, House Bill #2126 does not provide the opportunities to maximize the return on investments. Nevertheless, it is an improvement over the current law and we feel it is an acceptable compromise.

The city had the opportunity to invest in local savings and loan institutions until July of 1982 and the difference between what the banks offered versus what the savings and loan institutions offered on idle funds is based on actual experience. The competition created among the five savings and loan associations in the city increased the interest rate on idle funds by 1 to 1.5% over what the banks were offering. The yearly average of idle funds available for investment in Shawnee is $2,100,000. If an additional 1.5% interestwere applied to this amount, the City of Shawnee would generate an additional $30,000 per year. This figure is significant and clearly demonstrates that there is an advantage to allowing greater flexibility for the investment of idle funds.

In addition to the five savings and loan institutions in the City of Shawnee there are two banks in which all idle funds are currently invested. The banks tend to bid the 91 day treasury bill rate or slightly above when the city requests quotes for the investment of idle funds.

As you are aware, if a bank does not meet the 91 day treasury bill rate, the city has the option of seeking investment opportunities outside the local jurisdiction. This has happened only once in the last three years and we do not anticipate it happening on a regular basis. There are two major arguments for investing in local banking institutions. First, the additional deposits created by a local government investing in a bank within the jurisdiction tends to increase the volume of local loans. We disagree with this statement in that local government deposits constitute such a small percentage of bank reserves they do not substantially affect the banks ability to make loans and more importantly, loan demand is not created by the amount of money on deposit in the bank. In most instances, local deposits will be placed in the national money market which only indirectly affects the economy of the community.

Secondly, it has been argued that local loans stimulate the local economy through the multiplier effect. Although the multiplier effect is used as a justification for many types of activities, in reality the impact of the multiplier effect is theoretical and has not been demonstrated.

In conclusion, we would like to ask that you recommend the passage of House Bill #2126.

Attachment 2

HSE C&FI COMMITTEE 3/1/83

Gary K. Montague
City Manager
City of Shawnee, Kansas

TO
HOUSE COMMITTEE
ON
COMMERCIAL AND FINANCIAL
INSTITUTIONS

TESTIMONY
ON
HB 2126

BY
KANSAS BANKERS ASSOCIATION

MARCH 1, 1983

Attachment 3

HSE C&FI COMMITTEE 3/1/83

The KANSAS BANKERS ASSOCIATION
A Full Service Banking Association

March 1, 1983

TO: House Committee on Commercial and Financial Institutions

RE: HB 2126

Mr. Chairman and members of the Committee:

The 1982 session of the Kansas Legislature passed Sub. for HB 2139 which made a number of significant amendments to the statutes relating to the investment of public monies by local units of government. Among the key provisions of the act were:

(1) Kansas banks and savings and loan associations could accept unlimited amounts of idle funds from local units in which the home office of a bank or S&L was located subject to the requirements of the pledging of securities for the amounts invested.

(2) A detached facility of a bank or a branch office of an S&L could not receive local public funds for investment purposes.

(3) Securities used for pledging must have a market value which is equal to no less than 70% (100% if pledging above the 91-day T-bill rate) of the deposits made by the local unit.

(4) Negotiable promissory notes secured by first lien mortgages on Kansas real estate used as security for local public funds could be used for not more than 75% of the security required.

The passage of Sub. for HB 2139 was the culmination of two years of negotiations between the banking and S&L industries on this very complex issue (see attached memo). Kansas banks were willing to make major concessions to bring about this compromise at the request of both Senate and House committees and we were well aware that such sweeping changes could dramatically change the investment practices of local units of government. Such changes are not easily incorporated and it was certainly our belief that with the passage of Sub. for HB 2139 the issue of local public funds investment would not be reconsidered by the Legislature until such time that the full impact of these major changes had been analyzed. However, it is now apparent that the S&L League did not view last session's decision as any kind of a lasting compromise as they are now requesting a reopening of the local public funds investment issue in HB 2126.

The S&L League presents the spurious argument that what they are proposing in HB 2126 was not part of the 1982 compromise. The committee must look at what this bill reopens all of the issues discussed last session. K.S.A. 9-1401 is the section of the Kansas statutes which restricts demand deposit (active) accounts for local public units to banks located within the county where the public unit is located. With the creation of two new deposit instruments

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(Money Market Account and Super NOW) by the Depository Institutions Deregulation Committee (DIDC) in late 1982 it is now possible to offer to public units accounts which have no interest rate ceilings and which have few or not transaction limitations. Although there has been no Attorney General's opinion or court decision on the use of these accounts by local units, we must assume, based on past opinions and practices, the Attorney-General and the courts would rule that local units of government could use any one or all of these three accounts as demand deposit accounts. Indeed many local units are currently doing so. In addition, a local unit could put all of its idle funds in such an account if it so desired.

Under these circumstances the passage of HB 2126 would allow an S&L to be able to have bidding authority not only for the demand deposits and idle funds of a local unit where the S&L home office was located, but it would also have the unfair advantage of having all of its branch offices throughout the state eligible to bid on the funds of local units in the counties where the branch offices are located. As the accompanying maps show this would allow a large number of S&Ls to bid on local funds in numerous counties. Kansas banks, which have no branching authority, would continue to be limited to accepting public funds from those local units within the county where the bank is located.

Kansas bankers believe very strongly that there is a need to keep locally raised tax dollars invested in the communities from which they are derived. The passage of HB 2126 would obviously allow funds from many of the rural communities to flow into the money market centers where the home offices of S&Ls are located. Present statutes provide for a fair and just return of all local units of government and at the same time Kansas agriculture, business and industry use these dollars to strengthen the economy of those communities whose citizens raised the revenue.

Another area of concern relating to a possible shift of local public funds from banks to S&Ls would be the impact it could have on the Kansas municipal bond market. K.S.A. 9-1402 requires that public funds of governmental units must be secured from 70% to 100% of the deposits (after FDIC coverage) in eligible securities. Kansas banks rely very heavily on U. S. securities and Kansas general obligation municipal bonds for pledging purposes. In 1981 Kansas banks held nearly $2 billion in state and municipal obligations. Most bond houses contend that this is a very important factor in maintaining a significantly lower bond rate for Kansas taxpayers. Since S&Ls would have to rely heavily on first real estate mortgages for pledging purposes, a shift in local unit funds from banks to S&Ls could dramatically change the present positive relationship between local government funds and the municipal bond market. That could have the effect of adding millions of additional dollars to the tax liability of taxpayers in communities throughout the state of Kansas in the form of higher costs on bond issuance.

The argument has been presented that by giving a local unit more financial institutions to choose from in the investment of its funds it would create a bidding circumstance that would result in a higher rate being paid to the local unit. It should be noted, however, that this approach has a down side as well that is detrimental to the public interest. Some financial institutions may well be tempted to bid a higher figure than reasonable profit from the

deposit will justify in order to build total assets and any increase in rates paid on time deposits obviously increases the cost of money. In turn, this increase in the cost of money affects the customers of the bank in the form of higher loan rates. Thus, the very taxpayer whose dollars are being invested at a highly bid rate becomes the penalized borrower of that financial institution.

We truly believe that the impact of the major changes in the public funds investment law as made by the 1982 session of the Kansas Legislature has not been fully realized. The legislature may, in fact, want to analyze the shift of funds which has occurred and how it has affected the local units and the financial institutions involved. Thus, we are seriously concerned about reopening this issue by allowing S&Ls the additional authority contained in HB 2126.

The passage of HB 2126 would totally reshape the nature of local public funds investments less than one year after a major compromise was reached in changing the public funds laws which has served Kansas well for so many years. We strongly believe that to now make additional major alterations in the investment laws would not be in the best interests of the local units of government or the citizens of Kansas.

February 9, 1982

TO: House Committee on Pensions and Investments

RE: Local Public Funds

Representatives of the Kansas Bankers Association and the Kansas Savings and Loan League have agreed to the following major policy positions to be included in legislation on the investment of local public funds:

(1) Banks and S&Ls may accept unlimited amounts of public funds of any local unit of government wherein the home office of the bank or S&L is located;

(2) No S&L branch or detached facility of a bank may accept any local public funds;

(3) Rules and regulations governing the methods of valuing negotiable promissory notes secured by first lien mortgages on real estate to be used for pledging purposes shall be promulgated jointly by the S&L Commissioner and the Bank Commissioner and approved by both the State S&L Board and the State Banking Board;

(4) Negotiable promissory notes secured by first lien mortgages on real estate shall be taken at their value for not more than three-fourths of the security required for local public funds;

(5) Reference to investment of local public funds in S&Ls as contained in K.S.A. 17-5002 shall be retained;

(6) All other policy issues are agreed to as presented in the bill drafts placed before the Committee by the KBA at the hearing on February 2, 1982.

Mr. Chairman, we request that the committee have a bill drafted which incorporates these policy decisions and we further request that the committee then give favorable consideration to such legislation.

James R. Turner
President
Kansas Savings & Loan League

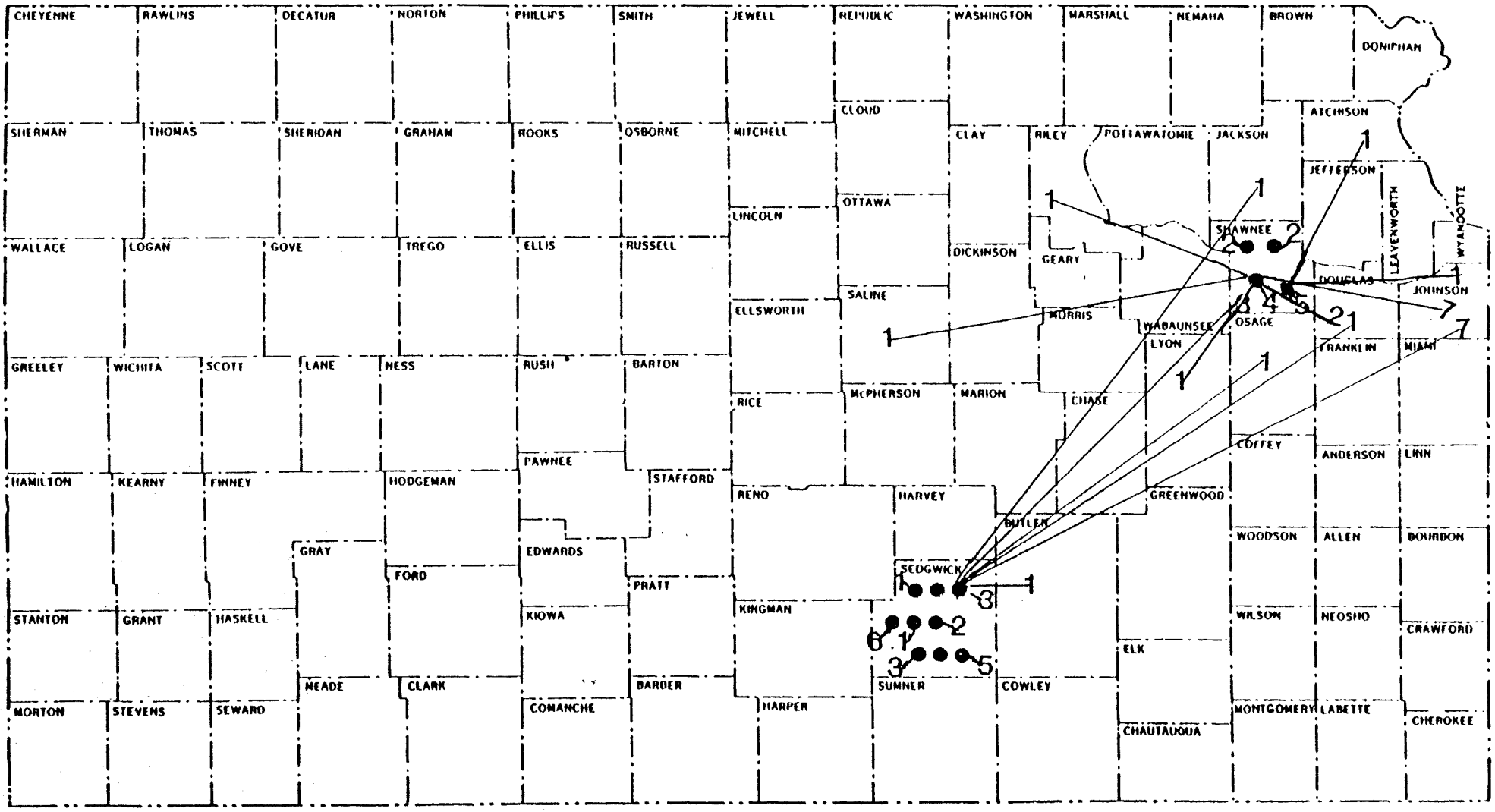
James S. Maag
Director of Research
Kansas Bankers Association

● - HOME OFFICE

- BRANCHES

KANSAS

Topeka and Wichita

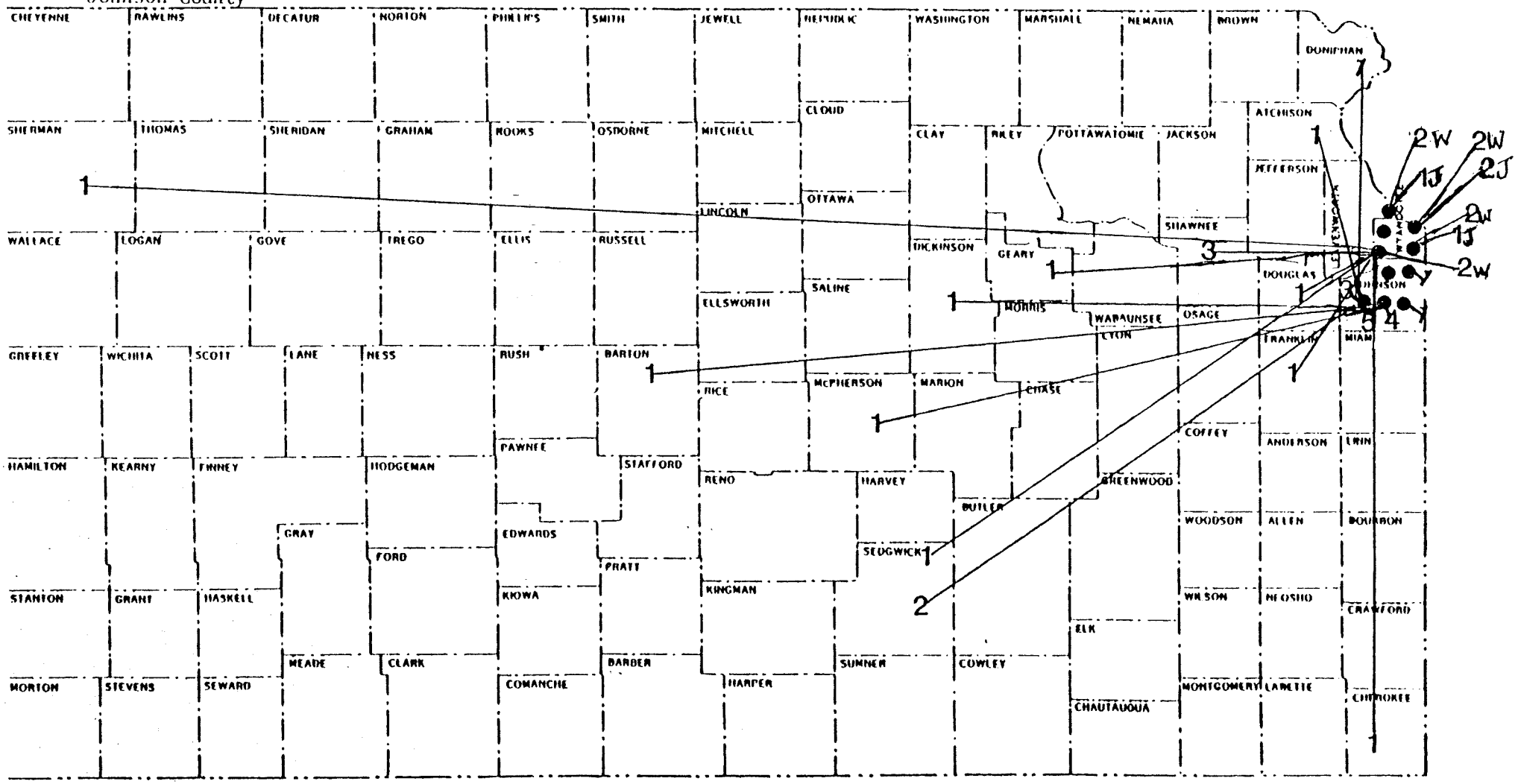


● HOME OFFICE

BRANCES

KANSAS

Kansas City, KS
Johnson County

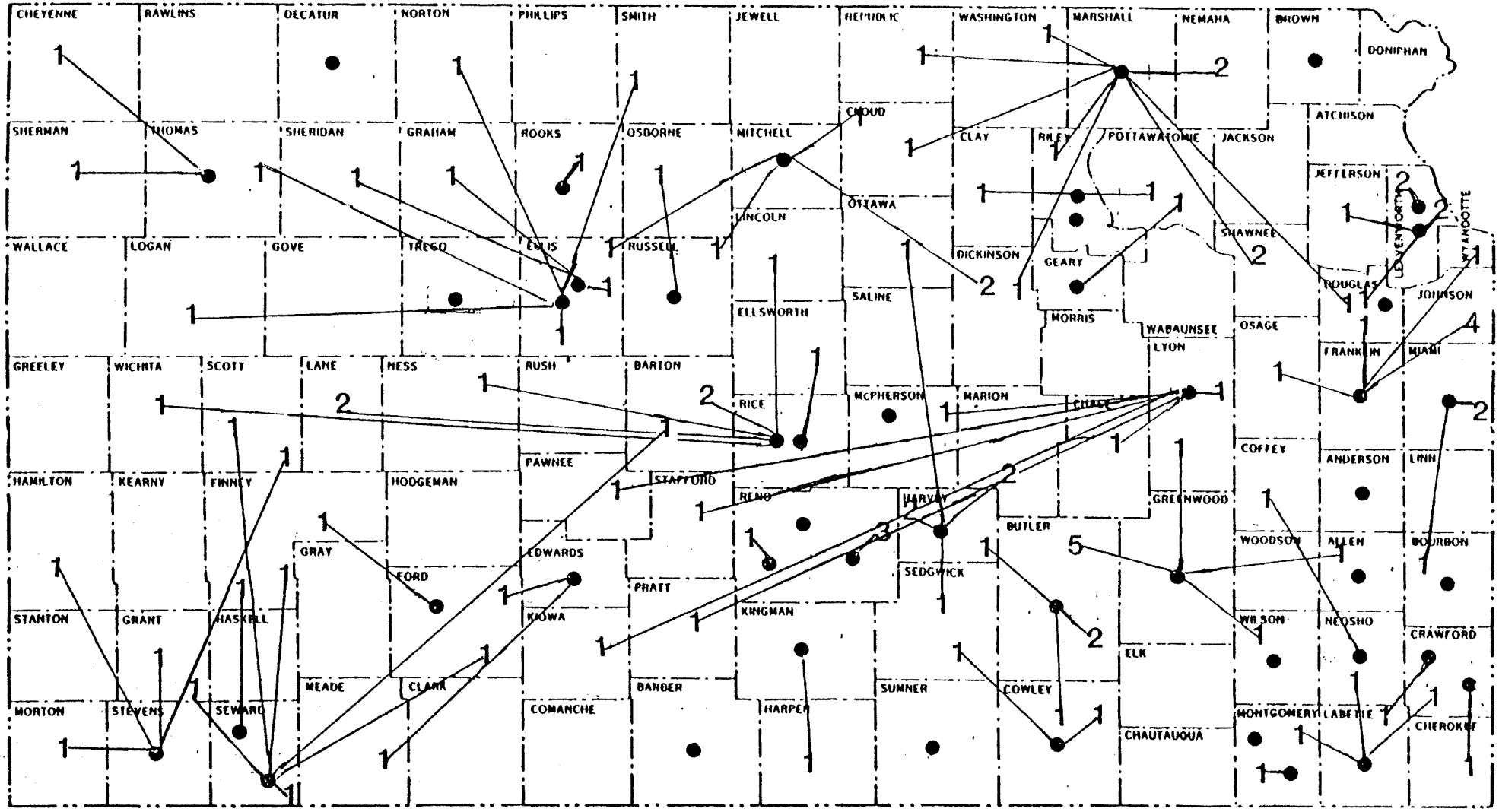


● HOME OFFICES

BRANCHES

KANSAS

(Excluding urban cities)



SENATE BILL NO. 56

Testimony concerning revision of K.S.A. 17-5615 to 5622 presented to the House Commercial and Financial Institutions Committee, March 1, 1983.

I. Reasons for changing from "trustee" to "special deputy savings and loan commissioner."

A. The term trustee is associated in the minds of the general public with the taking charge of the affairs of a person or organization that can no longer be trusted to continue as a self-directing entity.

1. This creates doubt in the public mind that the association can continue to be trusted with funds.

2. One of the purposes of naming a trustee in contrast to naming a receiver to investigate a problem in an association is to enable the association to operate normally while the problem is investigated and remedial steps taken as needed under close supervision of the Commissioner, with the hope that the association can be returned to control of the Directors if problems are found to be not critical or can quickly be remedied without major disruption in ongoing operations.

3. The duties and function of the "special deputy savings and loan commissioner" would be unchanged from existing statutes and it is believed that public anxiety would be appreciably lessened by the use of this term.

4. Since the Commissioner has no statutory power comparable to the "Cease and Desist" order of the federal supervisory authorities, the appointment of a deputy to take temporary charge of an association is an important tool in enforcing compliance. The use of the new term would make for less undesirable local psychological impact when the tool needs to be used.

SENATE BILL NO. 57

Testimony concerning revision of K.S.A. 17-5225 and 17-5630 presented to the House Commercial and Financial Institutions Committee, March 1, 1983.

I. Circumstances that would necessitate quick action by the Commissioner in giving permission for an association to operate a branch office without going through the procedure of approval by the Savings and Loan Board which requires a 30-day notice period before the hearing date.

A. If a decision is made to place an existing association into receivership and the Federal Home Loan Bank Board under its powers as insurer of accounts (F.S.L.I.C.), decides on an expedited liquidation, the existing offices may be up for bid. If a state-chartered association has the best bid, they would need to start operating the offices as their branches on very short notice.

B. The recent innovative liquidation procedure of North Kansas Savings Association of Beloit is an example where this power would have been necessary if a state-chartered association had submitted the best bid. The F.S.L.I.C. liquidated this association by assuming all the loans and transferring the savings and deposit accounts together with the offices of the association on a bid basis. A federally-chartered association had the best bid, so the problem did not arise.

C. A similar situation might ensue if a liquidation or reorganization under control of the Commissioner were being implemented and it was determined that it would be desirable to have the offices operated either temporarily or permanently as branches of another association on a very short notice basis.

Attachment 5

HSE C&FI COMMITTEE 3/1/83

Amendment to HOUSE BILL NO. 2001

Section 1. For the purpose of this act:

(a) "Bank holding company" means any company which has control over any bank or over any company that is or becomes a bank holding company.

(b) "Control" means a company has control over a bank or company if:

(1) The company directly or indirectly or acting through one or more other persons owns, controls or has power to vote 25% or more of any class of voting securities of the bank or company;

(2) the company controls in any manner the election of a majority of the directors or trustees of the bank or company; or

(3) the commissioner determines, after notice and opportunity for hearing, that the company directly or indirectly exercises a controlling influence over the management or policies of the bank or company. There is a presumption that any company which directly or indirectly owns, controls or has power to vote less than 5% of any class of voting securities of a given bank or company does not have control over the bank or company;

(4) however; no company shall be deemed to have control over a bank or a company:

(A) By virtue of its ownership or control of shares acquired by it in connection with its underwriting of securities if such shares are held only for such period of time as will permit the sale thereof on a reasonable basis;

(B) which is formed for the sole purpose of participating in a proxy solicitation;

(C) which acquires ownership or control of shares in securing or collecting a debt previously contracted in good faith, until two years after the date of acquisition; or

(D) which acquires ownership or control of shares in a fiduciary capacity. Bank shares shall not be deemed to have been acquired in a fiduciary capacity if the acquiring bank or company

in its capacity as trustee of a trust has sole discretionary authority to exercise voting rights with respect to those shares.

(c) "Company" means any corporation, partnership, business trust, association or similar organization, or any other trust unless by its terms it must terminate within 25 years or not later than 21 years and 10 months after the death of individuals living on the effective date of the trust, but shall not include any corporation the majority of the shares of which are owned by the United States or by any state.

(d) "Bank" means any bank, trust company or national banking association which accepts demand deposits and makes loans and which has its principal place of business in Kansas.

(e) "Commissioner" means the Kansas state bank commissioner.

Sec. 2. A bank holding company is prohibited from:

(a) Obtaining control of any bank if: (1) The total deposits in the bank together with the total deposits in all banks in Kansas controlled by the bank holding company exceed 10% of the total bank deposits in all banks in the state, determined as of the date of the last simultaneous request for reports of condition issued by the federal deposit insurance corporation, the comptroller of the currency and the commissioner, for which totals are available, preceding the date the bank holding company files an application with the commissioner; or (2) a bank has been in operation for less than five years.

(b) Chartering a new bank.

Sec. 3. (a) A bank holding company which seeks to acquire control of a bank or a bank holding company shall file with the commissioner a copy of any application which the bank holding company is required to file with the board of governors of the federal reserve system, together with such supplemental data as will enable the commissioner to determine if the acquisition is lawful under the provisions of section 2. The commissioner shall, within 30 days after receiving the application, issue an order declaring the acquisition to be lawful or unlawful under

the provisions of section 2. The order of the commissioner shall be the final administrative decision which may be appealed in the district court of the county of proper venue within 30 days after the mailing or delivery of notice of the commissioner's order, by any party aggrieved by the order.

(b) The commissioner shall also determine if the proposed acquisition of a bank by a bank holding company is consistent with the interests of promoting and maintaining a sound banking system and sound trust companies, the security of deposits and depositors and other customers, the preservation of the liquid position of banks and in the interest of preventing injurious credit expansions and contractions. If the commissioner determines that the proposed acquisition is not consistent with these objectives, the commissioner shall, within 30 days of receipt of the application, communicate the objections to the proposed acquisition to the board of governors of the federal reserve system.

(c) The provisions of section 2 and subsections (a) and (b) of this section shall not apply in the case of the acquisition of a bank or bank holding company acquired at the request of the commissioner, the federal deposit insurance corporation or the board of governors of the federal reserve system in order to prevent the imminent failure of a bank.

Sec. 4. No bank, trust company or bank holding company organized or based in any other state or country shall engage in the banking business from an office in this state, directly or indirectly, unless the office was in operation on July 1, 1983.

Sec. 5. (a) Any bank, bank holding company, company or any subsidiary of any of them which violates any provision of this act, upon conviction, shall be guilty of a misdemeanor and shall be fined not more than $1,000 for each day during which the violation continues.

(b) Any person who participates in a violation of any provision of this act, upon conviction, shall be guilty of a class A misdemeanor.

(c) Any court of competent jurisdiction may enjoin violations of this act. Any bank adversely affected by any such violation, any bank organization having statewide membership and the commissioner shall have standing to sue in any such action.

Sec. 6. The commissioner may adopt such rules and regulations necessary to carry out the provisions of this act.

Sec. 7. This act shall be known and cited as the Kansas bank holding company act.