

MINUTES OF THE SENATE COMMITTEE ON COMMERCIAL AND FINANCIAL INSTITUTIONS

The meeting was called to order by Sen. Neil H. Arasmith at
Chairperson

9:00 a.m./~~p.m.~~ on February 18, 1983 in room 529-S of the Capitol.

All members were present except:

Committee staff present:

Bill Wolff, Legislative Research
Bruce Kinzie, Revisor's Office

Conferees appearing before the committee:

Jim Turner, Kansas Savings and Loan League

The minutes of February 17 were approved.

The meeting began with the appearance of Jim Turner, Kansas Savings and Loan League. Mr. Turner requested that a bill be introduced and referred back to the committee regarding the possibility of a savings and loan converting to a savings bank. (See Attachment I). He said that this deals with the testimony on SB 55 where the potential of this happening was discussed by the committee. This bill would be a simpler way of clarifying this situation than making long amendments. Sen. Harder asked if this deals with federal savings and loan only, and Mr. Turner answered that it does.

Sen. Harder made a motion to introduce the bill. Sen. Karr seconded the motion. The motion carried.

Discussion began on SB 75 which had been previously heard. The chairman reminded the committee of copies of the balloon of the amendments which Marvin Umholtz, Kansas Credit Union League, had distributed to them previously.

Sen. Pomeroy made a motion to amend line 49 by striking "shareholders" and inserting "shareholding". Sen. Harder seconded the motion. The motion carried.

The chairman called the committee's attention to the next amendment offered on lines 63 through 78 which could be optional language because it is copied from federal regulations.

Sen. Hess made a motion to delete the language on lines 63 through 78 because it is not needed and may have to be changed later if federal law changes. Sen. McCray seconded the motion. The motion carried.

Sen. Feleciano made a motion to strike all after "directors" on line 84 and all following up to "No" on line 88. Sen. Pomeroy seconded the motion. The motion carried.

Discussion about lines 99 through 104 began. Mr. Umholtz said he would prefer these lines to be included in the bill because they are from the Federal Credit Union Act and provide more guidance to credit union law. It appears in a different section of the federal act and could be placed in the bill in a separate section.

Sen. Pomeroy made a motion to strike "A" on line 99 and to insert "(b) Any" and to reletter the subsequent subsections. Sen. Hess seconded the motion. The motion carried.

Sen. Pomeroy made a motion to amend line 113 by striking "\$5000" and inserting "\$10,000". Sen. Feleciano seconded the motion. The motion carried.

Sen. Pomeroy made a motion to strike all after "may" on line 146 and to strike all after "adopt" on line 147. After a short discussion as to the intent of these lines, Sen. Feleciano seconded the motion. The motion carried.

Sen. Pomeroy made a motion to amend line 151 by striking "or" and inserting a ","

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON COMMERCIAL AND FINANCIAL INSTITUTIONS,
room 529-S, Statehouse, at 9:00 a.m.~~7:00~~^{7:30} on February 18, 1983

and to insert an "and" at the end of the line. Sen. Hess seconded the motion. The motion carried.

Sen. Pomeroy asked the meaning of "or lend to the credit union" on line 152. Mr. Umholtz answered that it refers to certificate of indebtedness.

Sen. Pomeroy made a motion to amend line 157 by striking "may" and inserting "shall". Sen. Werts seconded the motion. The motion carried.

Sen. Pomeroy asked Mr. Umholtz why a written notice is required for a withdrawal and if the notice has to be in any particular form. Mr. Umholtz answered that some notice is needed in the event that the withdrawal is a large amount and that any form of written notice is acceptable.

Sen. Pomeroy made a motion to amend lines 189 and 190 by striking "present and". Sen. Hess seconded the motion after discussion. The motion carried.

Sen. Pomeroy made a motion to report SB 75 favorably as amended. Sen. Hess seconded the motion. The motion carried.

The next meeting will be held on February 21.

The meeting was adjourned.

BILL NO. _____

AN ACT relating to savings banks; amending K.S.A. 17-5525 and repealing the existing section.

BE IT ENACTED by the Legislature of the State of Kansas.

Section 1. K.S.A. 17-5525 is hereby amended to read as follows: 17-5525. Any association may convert itself into a federal savings and loan association in accordance with the provisions of section 5 of the home owners' loan act of 1933, as now or hereafter amended upon a vote of fifty-one percent or more of the votes of all the members of the association at an annual meeting, or at any special meeting called to consider such action. The term "federal savings and loan association" means a federal savings and loan association or a federal savings bank chartered by the federal home loan bank board under section 5 of the home owners' loan act and any reference in any other statute to federal savings and loan associations shall be deemed to be also a reference to such federal savings banks, unless the context indicates otherwise.

Section 2. K.S.A. 17-5525 is hereby repealed.

Section 3. This act shall take effect and be in force from and after its publication in the statute book.

Attachment I