

Approved

Clyde Graeber 1/29/87
Date

MINUTES OF THE HOUSE COMMITTEE ON COMMERCIAL AND FINANCIAL INSTITUTIONS.

The meeting was called to order by Representative Clyde Graeber at
Chairperson

3:30 ~~xxx~~ p.m. on January 28, 1987 in room 527-S of the Capitol.

All members were present except: Kenneth Francisco, J. C. Long, Bob Ott, L. V. Roper, Jim Russell, Ivan Sand and Lawrence Wilbert.

Committee staff present: Bill Wolff, Research Department
Myrta Anderson, Research Department
Bruce Kinzie, Revisor of Statutes Office
June Evans, committee secretary

Conferees appearing before the committee: Jim Maag, Kansas Bankers Association

Chairman Clyde Graeber opened the meeting.

Bill Wolff, Research Department concluded his presentation on Various Types of Financial Institutions in Kansas.

Jim Maag appeared before the committee asking the committee to consider clean-up of the banking bill (Section 1. K.S.A. 1986 Supp. 9-1101, K.S.A. 1987 Supp. 9-1713 and K.S.A. 9-1807). Mr. Maag suggests holding this until tomorrow and incorporating with the banking bill. (Attachments I and II). Tim Shallenburger moved and Susan Roenbaugh seconded this proposed piece of legislation be drafted.

The Kansas Banking Department will give a briefing on Thursday, January 29.

The meeting was adjourned by the Chairman at 4:00 P.M.

Section 1. K.S.A. 1986 Supp. 9-1101 is hereby amended to read as follows:

9-1101. Any bank hereby is authorized to ...

(15) to subscribe to, acquire, hold and dispose of stock of ~~any class of the KBA Mortgage Corporation,~~ a corporation having as its purpose the acquisition, holding and disposition of loans secured by real estate mortgages, and to acquire, hold and dispose of the debentures and capital notes of such corporation. No bank's investment in such stock, debentures and capital notes shall exceed two percent of its capital stock, surplus and undivided profits and such investment shall be carried on the books of the bank as directed by the commissioner; ...

New Section 1. (a) Subject to subsection (b), banks may engage in any activity, exercise any power or offer any financially related product or service in this state that any other provider of financial products or services may engage in, exercise or provide, or that the commissioner, with the approval of the state banking board, may approve as financially related.

(b) The activities, powers, products and services that may be engaged in, exercised or offered by a bank under subsection (a) are limited to those specified by rules and regulations adopted by the state bank commissioner pursuant to K.S.A. 1987 Supp. 9-1713, and amendments thereto, and with respect to such activities, powers, products and services of banks that are limited by other laws of this state, banks may engage in, exercise or offer such activities, powers, products and services only subject to the limitations of such laws.

(c) The state bank commissioner and the state banking board, pursuant to the provisions of K.S.A. 9-1807, may order any bank to cease and desist from any activity, the exercise of any power or the offering of any product or service authorized by rule and regulation pursuant to subsection (b) as an unsafe and unsound practice by the bank. Among the factors which may be considered in determining if such an order shall be issued are the bank's capital, assets, management, and liquidity.

Sec. 2. This act shall take effect and be in force from and after its publication in the statute book.

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