

Approved

Clyde Graeber 3/19/87
Date

MINUTES OF THE HOUSE COMMITTEE ON COMMERCIAL AND FINANCIAL INSTITUTIONS

The meeting was called to order by Clyde D. Graeber at
Chairperson

3:30 ~~xxx~~/p.m. on March 18, 1987 in room 527-S of the Capitol.

All members were present except: Susan Roenbaugh, Tim Shallenburger, Kenneth Francisco, Mary Jane Johnson, Ivan Sand and Fred Gatlin, all excused.

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

Conferees appearing before the committee: Charles Henson, Trust Division, Kansas Bankers Association
Daryl Craft, Vice President and Trust Officer, Kansas Bankers Association

Chairman Clyde Graeber opened the meeting.

Hearing on S.B. 98. Charles Henson, Trust Division, Kansas Bankers Association and Daryl Craft, Vice President and Trust Officer, Kansas Bankers Association testified for Senate Bill 98 which amends a statute setting standards for investments of trustees, the so-called prudent man rule. The bill provides that a trustee may follow written direction from the person having the power to amend or revoke the trust regarding investments of the trust regardless of the prudent man rule. There is concern that a trustee may be held liable for violating the prudent man rule even if they follow written investment directions of a settlor of a trust.

Representative Ott asked if times change when do you go back to the people and tell them there needs to be a change. Mr. Craft said written direction is followed.

Representative Green asked if this would be grandfathered. This would be from the date of enactment forward, not grandfathered.

Chairman Graeber told the committee that the Kansas Bankers Association feels this legislation is needed.

Representative Norman Justice moved and Representative Lawrence Wilbert seconded that S.B. 98 be moved out of committee favorably. The motion carried.

The minutes of the March 5 meeting were approved.

The meeting adjourned at 3:50 pm.

