

Approved *Clyde D. Graeber* Feb 14, 1989
Date

MINUTES OF THE HOUSE COMMITTEE ON Commercial and Financial Institutions.

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

3:30 XX a.m./p.m. on February 9, 1989 in room 527-S of the Capitol.

All members were present except:

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

Conferees appearing before the committee:

The Chairman called the meeting to order at 3:30 P.M.

Representative Green moved and Vice Chairperson Eckert seconded that the minutes of the February 2, 1989, meeting be approved. The motion carried.

Staff gave a briefing on Substitute H.B. 2004 stating this bill is an Act relating to trust companies, amending the old sections and adding new sections, 1 thru 7. The remainder of the bill is technically clean-up of the language. The words "trust companies" have been removed. (See Attachment No. 1).

After discussion, Representative King moved and Representative Francisco seconded that Substitute H.B. 2004 be passed out of Committee favorably. The motion carried.

Staff will prepare a Supplemental Note of Substitute H.B. 2004.

The meeting adjourned at 3:45 P.M.

Substitute for HOUSE BILL NO. 2004

By Committee on Commercial and Financial Institutions

AN ACT relating to trust companies; amending K.S.A. 2-612, 9-511, 9-802, 9-804, 9-902, 9-904, 9-905, 9-908, 9-909, 9-910, 9-911, 9-912, 9-1113, 9-1115, 9-1117, 9-1118, 9-1119, 9-1201, 9-1301, as amended by section 38 of chapter 356 of the 1988 Session Laws of Kansas, 9-1301a, as amended by section 39 of chapter 356 of the 1988 Session Laws of Kansas, 9-1302, 9-1304, 9-1801, 9-1802, 9-1804, 9-1806, as amended by section 44 of chapter 356 of the 1988 Session Laws of Kansas, 9-1907, 9-1908, 9-1915, 9-1916, 9-2001, 9-2002, 9-2003, 9-2004, 9-2009, 9-2011, 9-2012, 9-2016, 12-822, 16-301, 16-302, 16-303, 16-304, 16-310, 16-322, 16-324, 17-1311, 17-1312, 17-1348, 19-2870, 19-2892, 20-350, 24-624, 66-118h, 72-17,125, 75-4208, 75-4218a and 76-718a and K.S.A. 1988 Supp. 2-160, 9-701, 9-801, 9-901a, 9-903, 9-1102, 9-1114, 9-1116, 9-1123, 9-1215, 9-1216, 9-1401, 9-1402, 9-1403, 9-1405, 9-1406, 9-2007, 9-2014, 10-131, 12-1675, 12-1676, 12-3718, 12-3724, 32-104m, 40-3406, 58-3066, 65-3431, 68-2311, 74-2913, 74-3323, 74-4515, 74-8828, 75-2527, 75-4254, 76-818, 76-2473, 79-4804 and 82a-1369 and repealing the existing sections; also repealing K.S.A. 17-2001, 17-2002 and 17-2002b through 17-2026.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. Any trust company authorized to receive deposits under K.S.A. 17-2025, prior to its repeal by this act, shall be issued a certificate of authority by the state bank commissioner upon surrendering such trust company's charter and complying with the provisions of K.S.A. 9-804, and amendments thereto, and shall thereafter be subject to all of the requirements, limitations and terms of the banking code of Kansas.

New Sec. 2. (a) All trust companies incorporated after the effective date of this act shall be organized and governed pursuant to this act.

(b) All trust companies incorporated before the effective date of this act, upon the effective date of this act, shall be subject to and governed by the provisions of this act.

New Sec. 3. A trust company may exercise all powers necessary or incidental to carrying on a trust company business, including, without limitation, all powers conferred upon a business corporation by the Kansas corporation code of 1972, and amendments thereto, and also may exercise the following powers:

(a) To receive for safekeeping personal property of every description;

(b) to accept and execute any trust agreement and perform any trustee duties as required by such trust agreement;

(c) to act as assignee, transfer agent, registrar or receiver;

(d) to accept and execute all trusts and to perform any fiduciary duties as may be committed or transferred to it by order, judgment or decree of any court of record of competent jurisdiction;

(e) to act as agent or attorney in fact in any agreed upon capacity;

(f) to act as executor or trustee under the last will and testament, or as administrator, with or without the will annexed to the letters of administration, of the estate of any deceased person;

(g) to be a conservator for any minor, incapacitated person or trustee for any convict under the appointment of any court of competent jurisdiction;

(h) to loan money upon real estate, chattel, collateral or personal security; to execute and issue its notes, bonds or debentures payable at a future date, and to pledge any of its securities not in excess of 105% of the amount of such notes, bonds or debentures thus issued, except that no holder of securities in excess of the amount provided herein shall acquire

any title or claim to such excess; to buy and sell all kinds of government, state, county, municipal and corporation bonds, and all kinds of negotiable and nonnegotiable paper, securities, and stocks except that:

(1) The total investment of any such trust company in bank stock shall at no time exceed 1/4 its paid-in capital; and

(2) no trust company shall loan money upon or become the purchaser of its own stock, unless such purchase shall be necessary in the collection of, or to prevent loss upon, a debt previously contracted in good faith, whereupon the trust company may become the purchaser at public or private sale, but any stock so purchased shall be disposed of within six months after such purchase and shall not be included as a part of the assets of such company after the expiration of six months from the date of purchase;

(i) to receive money in trust for investment in real or personal property of every kind and nature and to reinvest the proceeds thereof;

(j) to act in any fiduciary capacity and to perform any act as a fiduciary which a Kansas state bank may perform under any provision of the banking laws of this state, including, without limitation, acting as a successor fiduciary to any bank upon liquidation of its trust department through the transfer of its fiduciary assets pursuant to K.S.A. 9-1604, and amendments thereto, which liquidation may be effected in the manner provided in section 7 or otherwise;

(k) to act as either an originating trustee or as a contracting trustee pursuant to section 7;

(l) to exercise any other power expressly conferred upon trust companies by any other provision of the laws of this state;

(m) to buy and sell foreign or domestic exchange, gold, silver, coin or bullion; and

(n) pursuant to K.S.A. 9-1713, and amendments thereto, the state bank commissioner may adopt rules and regulations clarifying any of the above enumerated powers and duties extended to trust companies.

New Sec. 4. No executor, administrator, conservator or trustee holding trust company stock, and no person holding trust company stock as collateral security shall be personally subject to any liability as stockholders in such trust company, but the person pledging such stock shall be considered as holding same, and shall be liable as stockholder accordingly. Any executor, administrator, conservator or trustee holding trust company stock shall be liable in like manner as the testator or intestate or the conservatee or person interested in such trust fund would have been if such person had been living and competent to act and hold the same stock in such person's own name.

New Sec. 5. Every executor, administrator, conservator or trustee holding shares of stock may vote as a shareholder and every person who shall pledge such person's stock, nevertheless, may represent the same at all meetings and may vote accordingly as a shareholder.

New Sec. 6. No trust company shall take the name of any other trust company incorporated in the state of Kansas, or a name so near like another as to be easily confused with it. No trust company shall change its name until such name change has been submitted to and approved by the state banking board. The bank commissioner shall have power to refuse authority to any trust company violating this provision.

Sec. 7. (a) For purposes of this section, the following terms shall have the following meanings:

(1) "Contracting trustee" means any trust company, as defined in K.S.A. 9-701, and amendments thereto, which accepts or succeeds to any fiduciary responsibility in any manner hereinafter provided;

(2) "originating trustee" means any trust company, bank, national banking association, savings and loan association or savings bank which has trust powers and its principal place of business in this state and which places or transfers any fiduciary responsibility to a contracting trustee in the manner hereinafter provided;

(3) "financial institution" means any trust company, bank,

national banking association, savings and loan association or savings bank which has its principal place of business in this state but which does not have trust powers.

(b) Any contracting trustee and any originating trustee may enter into an agreement whereby the contracting trustee, without any further authorization of any kind, succeed to and be substituted for the originating trustee as to all fiduciary powers, rights, duties, privileges and liabilities with respect to all accounts for which the originating trustee serves in any fiduciary capacity, except as may be provided otherwise in the agreement. No such agreement shall become effective unless notice thereof has been filed with the commissioner pursuant to subsection (f), and the commissioner has not disapproved the notice within 60 days thereafter.

(c) Unless the agreement expressly provides otherwise, upon the effective date of the substitution:

(1) The contracting trustee shall be deemed to be named as the fiduciary in all writings, including, without limitation, trust agreements, wills and court orders, which pertain to the affected fiduciary accounts;

(2) the originating trustee shall be absolved from all fiduciary duties and obligations arising under such writings and shall discontinue the exercise of any fiduciary duties with respect to such writings, except that the originating trustee shall not be absolved or discharged from any duty to account arising in K.S.A. 59-1709, and amendments thereto, or any other applicable statute, rule and regulation or court order, nor shall the originating trustee be absolved from any breach of fiduciary duty or obligation occurring prior to the effective date of the agreement.

(d) The agreement also may authorize the contracting trustee:

(1) To establish and maintain a trust service office at any office of the originating trustee at which the contracting trustee may conduct any trust company business and any business incidental thereto and which the contracting trustee may

otherwise conduct at its principal place of business; and

(2) to engage the originating trustee as the agent of the contracting trustee, on a disclosed basis to customers, for the purposes of providing administrative, advertising and safekeeping services incident to the fiduciary services provided by the contracting trustee.

(e) Any originating trustee also may enter into an agreement with a financial institution providing that the contracting trustee may maintain a trust service desk as authorized by subsection (d) in the offices of such financial institution and which provides such financial institution, on a disclosed basis to customer, may act as the agent of contracting trustee for purposes of providing administrative services and advertising incident to the fiduciary services to be performed by the contracting trustee.

(f) Notice to the commissioner of any agreement authorized by this section shall be accompanied by certified copies of the following documents:

- (1) The agreement;
- (2) the written action taken by the board of directors of the originating trustee or financial institution approving the agreement;
- (3) any other required regulatory approvals; and
- (4) an affidavit of publication of a notice of filing of application in a form prescribed by the commissioner on the same day for two consecutive weeks in the official newspaper of the city or county where the principal office of the originating trustee or financial institution is located.

(g) The commissioner may issue a notice disapproving any such application if the commissioner determines the agreement fails to meet a public need and does not serve the public interest. Notwithstanding any other provision of this section, no agreement authorized by this section shall become effective until the parties jointly file a certificate with the commissioner certifying that at least 60 days prior thereto, written notice of the substitution was sent by first class mail to each

cofiduciary, each surviving settlor of a trust, each ward of a guardianship, each person who has sole or shared power to remove the originating trustee as fiduciary and each adult beneficiary currently receiving or entitled to receive a distribution of principal or income from a fiduciary account affected by the agreement to each such person's address as shown in the originating trustee's records. An unintentional failure to give such notice shall not impair the validity or effect of any such agreement, except that intentional failure to give such notice shall render the agreement null and void as to the party not receiving the notice of substitution.

(h) Any party entitled to receive a notice under subsection (f) may file a petition in the court having jurisdiction over the fiduciary relationship, or if none, in the district court in the county where the originating trustee has its principal office, seeking to remove any contracting trustee substituted or about to be substituted as a fiduciary pursuant to this section. Unless the contracting trustee files a written consent to its removal or a written declination to act subsequent to the filing of the petition, the court, upon notice and hearing, shall determine the best interests of the petitioner and all other parties concerned and shall fashion such relief as it deems appropriate in the circumstances, including the awarding of reasonable attorney fees. The right to file a petition under this subsection shall be in addition to any other rights to remove fiduciary provided by any other statute or regulation or by the writing creating the fiduciary relationship.

Sec. 8. K.S.A. 1988 Supp. 2-160 is hereby amended to read as follows: 2-160. All moneys received by the treasurer for the fair association shall be deposited by the treasurer in a bank or trust-company designated by the executive board and authorized to receive public deposits. The treasurer shall pay out, on the warrant of the secretary, or by a combination warrant check, signed by the chairperson, all moneys which shall come to the treasurer's hands for the use of the fair association, and the treasurer shall not pay any sum from the funds of the association.

in any other manner. The treasurer shall keep a record of all the moneys received and disbursed, specifying the person or persons from whom received and to whom paid, and the object for which the same has been paid out. The treasurer shall present to the board of directors at each annual meeting of the board a written report containing a statement of all moneys received, disbursed and on deposit.

Sec. 9. K.S.A. 2-612 is hereby amended to read as follows: 2-612. All moneys received by the treasurer for the council or executive board shall be deposited by the treasurer in a bank or trust-company designated by the executive board and authorized to receive public deposits. The treasurer shall pay out, on the warrant of the secretary of the executive board, or by a combination warrant check, in either case, signed by the chairperson of the executive board all moneys which shall come to the treasurer's hands for the use of the council or executive board, and the treasurer shall not pay any sum from the funds of the council or executive board in any other manner. The treasurer shall keep a record of all the moneys received and disbursed, specifying the person or persons from whom received and to whom paid, and the object for which same has been paid out. The treasurer shall present to the executive board at each regular meeting of the board a report in writing containing a statement of all moneys received from the county treasurer and from any other source since the last regular meeting of the executive board; and of the disbursements made with the items of such disbursements, and exhibit the warrants or checks or combination warrants and checks therefor, which report shall be recorded by the secretary of the executive board; and at the close of the treasurer's term of office shall settle with the executive board; and shall hand over to the successor all records and papers received as treasurer, together with all moneys remaining in the hands of the treasurer.

Sec. 10. K.S.A. 9-511 is hereby amended to read as follows: 9-511. This act shall not apply to banks, trust--companies, building and loan associations, savings and loan associations, or

credit unions organized under the laws of and subject to the supervision of this state or the United States, to the government of the United States and its agencies, or to the receipt of money by an incorporated telegraph company at any office or agency thereof for immediate transmission by telegraph; also this act shall not apply to the distribution, transmission or payment of money as a part of the lawful practice of law, bookkeeping, accounting or real estate sales or brokerage or as an incidental and necessary part of any lawful business activity.

Sec. 11. K.S.A. 1988 Supp. 9-701 is hereby amended to read as follows: 9-701. Unless otherwise clearly indicated by the context, the following words when used in this act, for the purposes of this act, shall have the meanings respectively ascribed to them in this section:

(a) "Bank" means a state bank incorporated under the laws of Kansas.

(b) "Trust company" means a trust company incorporated under the laws of Kansas and which does not accept deposits.

(c) "Board" means the Kansas state banking board.

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

(e) "Insured bank" means a ~~trust-company-or~~ state bank whose deposits are insured through the federal deposit insurance corporation or other governmental agency or by an insurer approved by the state commissioner of insurance for such purpose.

(f) "Item" means any check, note, order, or other instrument or memorandum providing for the payment of money, or upon which money may be collected.

(g) "Demand deposits" includes every deposit which is not a "time deposit," "savings deposit," or "negotiable order of withdrawal deposit," as defined in this section.

(h) "Time deposits" means "time certificates of deposit" and "time deposits, open account," as defined in this section.

(i) "Time certificate of deposit" means a deposit evidenced by a negotiable or nonnegotiable instrument which provides on its face that the amount of such deposit is payable, upon presentation and surrender of the instrument, to bearer or to any

specified person or to such person's order: (1) On a certain date, specified in the instrument, not less than seven days after the date of the deposit; or

(2) at the expiration of a certain specified time not less than seven days after the date of the instrument; or

(3) upon notice in writing which is actually required to be given not less than seven days before the date of repayment.

(j) "Time deposit, open account" means a deposit, other than a "time certificate of deposit," with respect to which there is in force a written contract with the depositor that neither the whole nor any part of such deposit may be withdrawn, by check or otherwise, prior to the date of maturity, which shall be not less than seven days after the date of the deposit, or prior to the expiration of the period of notice which must be given by the depositor in writing not less than seven days in advance of withdrawal.

(k) "Savings deposit" means a deposit: (1) Which consists of funds deposited to the credit of or in which the entire beneficial interest is held by one or more individuals, or of a corporation, association or other organization operated primarily for religious, philanthropic, charitable, educational, fraternal or other similar purposes and not operated for profit; or that consists of funds deposited to the credit of or in which the entire beneficial interest is held by the United States, any state of the United States or any county, municipality or political subdivision thereof, or that consists of funds deposited to the credit of, or in which any beneficial interest is held by a corporation, partnership, association or other organization not qualifying above; and (2) with respect to which the depositor is not required by the deposit contract but may at any time be required by the bank to give notice in writing of an intended withdrawal not less than seven days before such withdrawal is made and which is not payable on a specified date or at the expiration of a specified time after the date of deposit.

(l) "Public moneys" means all moneys coming into the custody

of the United States government or any board, commission or agency thereof, and also shall mean all moneys coming into the custody of any officer of any municipal or quasi-municipal or public corporation, the state or any political subdivision thereof, pursuant to any provision of law authorizing any such official to collect or receive the same.

(m) "Municipal corporation" means any city incorporated under the laws of Kansas.

(n) "Quasi-municipal corporation" means any county, township, school district, drainage district, or any other governmental subdivision in the state of Kansas having authority to receive or hold moneys or funds.

(o) "Certificate of authority" means a statement signed and sealed by the commissioner evidencing the authority of a bank or trust company to transact a general business as such.

(p) "Transaction account" means a deposit or account on which the depositor or account holder is permitted to make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, telephone transfers, or other similar device for the purpose of making payments or transfers to third persons or others.

(q) "Nonpersonal time deposit" means a time deposit, including a savings deposit that is not a transaction account, representing funds in which any beneficial interest is held by a depositor which is not a natural person.

(r) "Negotiable order of withdrawal deposit" means a deposit on which interest is paid and which is subject to withdrawal by the owner by negotiable or transferable instruments for the purpose of making transfers to third parties, and which consists solely of funds in which the entire beneficial interest is held by one or more individuals, an organization which is operated primarily for religious, philanthropic, charitable, educational, fraternal or other similar purposes and which is not operated for profit, and with respect to deposits of public funds by an officer, employee or agent of the United States, any state, county, municipality or political subdivision thereof, the

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District of Columbia, the commonwealth of Puerto Rico, American Samoa, Guam, any territory or possession of the United States or any political subdivision thereof.

(s) "Trust company business" means engaging in, or holding out to the public as willing to engage in, the business of acting as a fiduciary for hire, except that no accountant, attorney, credit union, insurance broker, insurance company, investment adviser, real estate broker or sales agent, savings and loan association, savings bank, securities broker or dealer, real estate title insurance company or real estate escrow company shall be deemed to be engaged in a trust company business with respect to fiduciary services customarily performed by them for compensation as a traditional incident to their regular business activities.

Sec. 12. K.S.A. 1988 Supp. 9-801 is hereby amended to read as follows: 9-801. Any five or more persons may organize a bank or trust company and make and file articles of incorporation as provided by the laws of the state of Kansas. Except as otherwise provided in subsection (b) of K.S.A. 9-1801, and amendments thereto, no banking corporation or trust company shall be organized or incorporated to engage in business as such until the articles of incorporation have been submitted to and have been approved by the board. The name selected for the bank or trust company shall not be the name of any other bank or trust company doing business in the same city or town, and the name shall be accepted or rejected by the board. The articles of incorporation in addition to the information as now is required by law shall contain the names and addresses of its stockholders, the amount of common stock subscribed by each and the articles of incorporation may contain such other provisions as are consistent with law. The articles of incorporation shall be subscribed by at least five of the stockholders of the proposed bank or trust company or the parent company of such proposed bank or trust company who are residents of the state of Kansas, and shall be acknowledged by them. The full amount of the common stock including the surplus and undivided profits as required by this

act shall be subscribed before the articles of incorporation are filed.

Sec. 13. K.S.A. 9-802 is hereby amended to read as follows:
 9-802. The existence of any bank or trust company as a corporation shall date from the filing of its articles of incorporation from which time it shall have and may exercise the incidental powers conferred by law upon corporation:--Provided, except that no bank or trust company shall transact any business except the election of officers, the taking and approving of their official bonds, the receipts of payment upon stock subscriptions, and other business incidental to its organization, until it has secured the approval of the board and the authorization of the commissioners to commence the business of banking.

Sec. 14. K.S.A. 9-804 is hereby amended to read as follows:
 9-804. When the capital of any bank or trust company shall have been paid in, the president or cashier thereof shall transmit to the commissioner a verified statement showing the names and addresses of all stockholders, the amount of stock each subscribed, and the amount paid in by each; and. The commissioner ~~then-and-there~~ shall examine such bank or trust company and shall charge the statutory examination fee therefor, and shall examine especially as to the amount of money paid in for capital, surplus, and undivided profits, by whom paid, and the amount of capital stock owned in good faith by each stockholder, and generally whether such bank or trust company has complied with the provisions of law. If the commissioner ~~shall-find~~ finds from such examination that the bank or trust company has been organized as provided by law and, has complied with the provisions of law, and has secured the preliminary approval of the commissioner as authorized by subsection (b) of K.S.A. 9-1801, and amendments thereto, or the approval of the board, the commissioner shall issue a certificate showing that such bank or trust company has been organized and its capital paid in as required by law, and that it is authorized to transact a general banking or trust business as provided by law.

Sec. 15. K.S.A. 1988 Supp. 9-901a is hereby amended to read as follows: 9-901a. (a) For purposes of this section, the capital of a bank or trust company shall be the total of the aggregate par value of its outstanding shares of capital stock, its surplus and its undivided profits.

(b) The minimum capital of a bank or trust company in existence on July 1, 1975, shall be \$250,000 or such lesser amount as such bank or trust company had on July 1, 1975. With respect to a bank or trust company in existence on July 1, 1975, which thereafter transfers its place of business from one city to another, the minimum capital shall be the amount required by subsection (c).

(c) The minimum capital of a bank or trust company organized as a corporation after July 1, 1975, or which thereafter transfers its place of business from one city to another, shall be as follows:

(1) For a bank at least \$250,000 or at least an amount equal to 8% of its estimated deposits five years after its organization or transfer of place of business, whichever is greater, of which 60% shall be the aggregate par value of its outstanding shares of capital stock, 30% its surplus and 10% its undivided profits;

(2) for a trust company at least \$250,000 of which 60% shall be the aggregate par value of its outstanding shares of capital stock, 30% its surplus and 10% its undivided profits.

The state banking board may require that the bank or trust company have capital in excess of the amounts specified in this subsection if the board determines that the amount and character of the anticipated business of the bank or trust company and the safety of ~~its-depositors~~ the customers so require.

(d) The minimum capital of a bank or trust company organized pursuant to subsection (b) of K.S.A. 9-1801, and amendments thereto, shall be determined by the commissioner, provided that the successor bank has obtained deposit insurance from the federal deposit insurance corporation or its successor.

(e) Except as may be provided elsewhere in this act, no bank or trust company shall reduce voluntarily its capital stock or

surplus below the amounts required by this section.

Sec. 16. K.S.A. 9-902 is hereby amended to read as follows:
9-902. The common and preferred stock of any bank or trust company hereafter created shall be divided into shares of five ~~dollars--(\$5)~~ \$5 each, or a multiple thereof,---and. All subscriptions thereto to such stock shall be paid in cash and any bank ~~heretofore--organized~~ or trust company may change the par value of its shares to conform ~~herewith~~ with this section. When any bank or trust company shall reduce its common capital stock and issue preferred stock in lieu of such reduction, it may reduce the par value of the common stock in the proportion that the total amount of capital stock is reduced, but when the preferred stock is retired the par value of the common shares shall be restored.

Sec. 17. K.S.A. 1988 Supp. 9-903 is hereby amended to read as follows: 9-903. The shares of stock of any bank or trust company shall be deemed personal property and shall be transferred on the books of the bank or trust company in such manner as the bylaws thereof may direct. No transfer of stock shall be valid against the issuing bank or trust company so long as the registered owner thereof shall be liable as principal debtor, surety or otherwise to the bank or trust company on a matured obligation, nor shall any dividend, interest or profit be paid on such stock so long as the registered owner thereof is indebted to the bank or trust company on a matured obligation, but all such dividends or profits shall be retained by the bank or trust company and applied to the discharge of such matured obligations. No stock shall be transferred on the books of any bank or trust company when the bank or trust company is in a failing condition, or when its capital stock is impaired, except upon approval of the commissioner. Whenever a transfer of shares of stock of any bank or trust company occurs which results in direct or indirect ownership by a stockholder or an affiliated group of stockholders of 10% or more of the outstanding stock of the bank or trust company, and whenever additional shares of stock of the bank or trust company are transferred to such

stockholder or affiliated group of stockholders, the president or other chief executive officer of the bank or trust company shall report such transfer to the commissioner within 10 days after transfer of the shares of stock on the books of the bank or trust company.

Sec. 18. K.S.A. 9-904 is hereby amended to read as follows:
9-904. The capital stock of any bank or trust company may be reduced to the minimum provided by law for a new bank or trust company by resolution adopted by the stockholders representing ~~two-thirds~~ 2/3 of the voting stock of such bank ~~:-Provided,-~~ That or trust company, except that no such reduction shall become effective until the board approves the same. After the board has approved such reduction a certificate signed by the president and cashier of the bank or trust company setting forth the result of such reduction of its capital stock, and the names of its stockholders and the amount of stock held by each, shall be filed with the secretary of state, and a duplicate thereof shall be filed with the commissioner. Whenever the capital stock of any bank or trust company shall be reduced as herein provided, every stockholder, owner or holder of any stock certificate shall surrender the same for cancellation, and shall be entitled to receive a new certificate for ~~his-or-her~~ such person's proportion of the new stock, ~~--and.~~ No dividends shall be paid to any such stockholder until ~~he-or-she-first-surrenders~~ the old certificate is surrendered.

Sec. 19. K.S.A. 9-905 is hereby amended to read as follows:
9-905. The capital stock of any bank or trust company may be increased. The president and cashier shall forward a verified statement to the commissioner showing the amount of the increase, the names and addresses of the subscribers, the amount subscribed by each and that the same has been paid in full to the bank or trust company. The date and amount of such increase also shall be certified to the secretary of state.

Sec. 20. K.S.A. 9-908 is hereby amended to read as follows:
9-908. Any bank or trust company may issue preferred stock of one or more classes in such amounts as shall be approved by the

state banking board. The holders of ~~two-thirds~~ 2/3 in amount of the common stock of said such bank or trust company must approve such issuance at a meeting held for that purpose and for which meeting notice by registered mail must be given to each stockholder by mailing such notice at least five (5) days in advance of the date of said the meeting. No issue of preferred stock shall be valid until the par value of all stock so issued shall be paid in. With the approval of the board the common stock may be reduced below the requirements contained in K.S.A. 9-901a, and amendments thereto. No preferred stock shall be retired unless the common stock shall be increased in an amount equal to the amount of the preferred stock retired. All preferred stock shall be retired consistent with safety to the depositors.

Sec. 21. K.S.A. 9-909 is hereby amended to read as follows: 9-909. The holders of preferred stock shall not be liable for assessments to restore any impairment in the capital stock of such a bank or trust company.

The holders of preferred stock may be entitled to receive cumulative dividends, and shall have such voting and conversion rights, and shall have such control of management, as may be provided in the articles of incorporation and upon the written approval of the board. Such preferred stock shall be retired as provided in the articles of incorporation.

No dividends shall be declared or paid on common stock until all cumulative dividends, if any, on the preferred stock shall have been paid, and if the bank or trust company is dissolved or placed in liquidation no payments shall be made to the holders of common stock until the holders of the preferred stock first shall have been paid in full for any sums due upon such preferred stock.

Sec. 22. K.S.A. 9-910 is hereby amended to read as follows: 9-910. No bank or trust company during the time it shall continue in banking business, shall permit to be withdrawn in the form of dividends, any portion of its capital stock. The current dividends of any bank or trust company shall be paid from its undivided profits after deducting ~~therefrom--its~~ losses, to be

ascertained by a careful estimate of the actual cash value of all its assets at the time of making such dividend, and the present worth of all maturing paper shall be estimated at the usual discount rate of the bank; ~~Provided, That~~ or trust company. Any bank or trust company may reduce its capital stock as provided in this act otherwise-stated.

Sec. 23. K.S.A. 9-911 is hereby amended to read as follows: 9-911. The directors of any bank or trust company may declare dividends from the undivided profits, but before the declaration of any dividend each bank or trust company shall transfer ~~twenty-five-percent~~ 25% of its net profits since the last preceding dividend to its surplus fund, until the surplus fund shall equal the total capital stock.

Sec. 24. K.S.A. 9-912 is hereby amended to read as follows: 9-912. Any losses sustained by a bank or trust company in excess of its undivided profits may be charged to its surplus fund. Any bank or trust company, after receiving approval from the commissioner, may declare a stock dividend from its surplus fund, but no such dividend shall reduce the surplus fund to an amount less than ~~thirty-percent--(30%)~~ 30% of the resulting total capital; and any bank or trust company may reduce its surplus with permission of the state banking board.

Sec. 25. K.S.A. 1988 Supp. 9-1102 is hereby amended to read as follows: 9-1102. (a) Any bank or trust company may own, purchase, lease, hold, encumber or convey real property and certain personal property subject to the following:

(1) Own suitable building, furniture and fixtures, stock in a single nondepository trust company organized under the laws of the state of Kansas, and stock in a safe deposit company organized under the laws of the state of Kansas, and stock in a corporation organized under the laws of this state owning real estate occupied by the bank or trust company. ~~If--the--trust company--engages--in--the--business--of--receiving--deposits--of--banks, such--stock--shall--be--sold--within--six--months--or--removed--as--an--asset--of--the--bank.~~ The trust company and the safe deposit company in which a bank or trust company owns stock shall be located at all

times in the same city or township where the bank or trust company owning such stock is located, otherwise the bank or trust company shall dispose of such stock immediately;

(2) purchase, hold, encumber and convey real estate or lease, as lessor or lessee, any building or buildings. Any real estate not necessary for the bank's or trust company's accommodation in the transaction of its business shall be disposed of by the bank or trust company not later than seven years after its acquisition unless the state bank commissioner authorizes the bank or trust company to retain such real estate for a period not to exceed an additional two years;

(3) a bank's or trust company's total investment or ownership at all times in any one or more of the following shall not exceed 1/2 of its unimpaired capital stock, surplus, undivided profits and capital notes and debentures, and any such excess shall be removed from the bank's or trust company's books unless approval is granted by the state bank commissioner:

(A) The book value of real estate plus all encumbrances thereon;

(B) the book value of furniture and fixtures;

(C) the book value of stock in a safe deposit company;

(D) the book value of stock in a trust company; or

(E) the book value of stock in a corporation organized under the laws of this state owning real estate occupied by the bank or trust company and advances to such corporation acquired or made after July 1, 1973. Except that any real estate not necessary for the accommodation of the bank's or trust company's business shall be disposed of according to paragraph (2).

(b) Any bank or trust company may acquire real estate in satisfaction of any debts due it and may purchase real estate in satisfaction of any debts due it, and may purchase real estate at judicial sales, but no bank or trust company shall bid at any judicial sale a larger amount than is necessary to protect its debts and costs. No real estate, except for agricultural land, as defined in K.S.A. 17-5903, and amendments thereto, acquired in the satisfaction of debts or upon judicial sales shall be carried

as a book asset of the bank or trust company for more than five years. At the termination of the five years such real estate shall be charged off. No agricultural land, as defined in K.S.A. 17-5903, and amendments thereto, acquired in satisfaction of debts or upon judicial sales shall be carried as a book asset of the bank or trust company for more than 10 years. At the termination of the 10 years such agricultural land shall be charged off. The commissioner may grant an extension for an additional four years, or any portion thereof, if in the commissioner's judgment it will be to the advantage of the bank or trust company to carry the real estate or agricultural land as an asset for such extended period.

Sec. 26. K.S.A. 9-1113 is hereby amended to read as follows: 9-1113. No bank ~~or trust company~~ shall give any preference to any depositor either by pledging any of its assets as collateral security or in any other manner, except as provided under the provisions of K.S.A. 9-1603, and amendments thereto, and the deposit of public moneys and funds in the custody of the federal court or any of its officers may be secured as elsewhere provided in this act or as required by the federal court.

Sec. 27. K.S.A. 1988 Supp. 9-1114 is hereby amended to read as follows: 9-1114. The business of any bank or trust company shall be managed and controlled by its board of directors and this shall include the authority to provide for bonus payments, in addition to ordinary compensation for any or all of its officers and employees. The board shall consist of not less than five nor more than 25 members, all of whom shall be stockholders of the bank or trust company or of the parent corporation of the bank or trust company, and who shall be elected by the stockholders at any regular annual meeting which shall be held during the first 120 days of each calendar year. If the number of directors elected is less than 25, the number of directors may be increased so long as the total number does not exceed 25 and when the number is increased the first additional directors may be elected at a special meeting of the stockholders. The directors shall be elected in the manner provided in the general

corporation code. Vacancies in the board of directors may be filled in the manner provided in the general corporation code. A majority of the directors shall be residents of this state. Any director of any bank or trust company who shall become indebted to such bank or trust company on any judgment or charged off indebtedness shall forfeit such person's position as director and such vacancy shall be filled as provided by law.

Sec. 28. K.S.A. 9-1115 is hereby amended to read as follows: 9-1115. The board of directors may elect a ~~chairman~~ chairperson and shall elect a president from its members; and shall elect one or more vice-presidents, a secretary and a cashier. The office of president and cashier shall not be filled by the same person. Such officers shall hold their offices for a term of not to exceed one year and until their successors are elected and qualified. The board of directors shall require all officers and employees having the care or handling of the funds of the bank or trust company to give a good and sufficient bond to be executed by an approved corporate surety authorized to do business in this state. The amount and form of such bond shall be approved by the board of directors and the commissioner, and it shall be held by the commissioner. The costs of such bonds shall be paid by the bank or trust company. Any officer of any bank or trust company who shall become indebted to such bank or trust company on any judgment or charged off indebtedness shall forfeit the office and the board of directors shall fill the vacancy.

Sec. 29. K.S.A. 1988 Supp. 9-1116 is hereby amended to read as follows: 9-1116. The board of directors shall hold at least four regular meetings each year, at least one of which shall be held during each calendar quarter. The board of directors or an auditor selected by the board shall make a thorough examination of the books, records, funds and securities held by the bank or trust company at each of the quarterly meetings and the result of such examination shall be recorded in detail. If the board selects an auditor, the auditor's findings shall be reported directly to the board. In lieu of the required four quarterly examinations, the board of directors may accept one annual audit

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by a certified public accountant or an independent auditor approved by the commissioner.

Sec. 30. K.S.A. 9-1117 is hereby amended to read as follows: 9-1117. No person shall be a member of the board of directors or a president within the meaning of K.S.A. 9-1114 and 9-1115, and amendments thereto, of any bank or trust company unless such person is the owner of record of common stock, having a par value of not less than \$500, in such bank or trust company or in the parent corporation of such bank or trust company. Such stock may be transferred to and held in a trust if such trust is revocable by the member or president owning such stock, but the stock shall not be pledged, hypothecated or assigned in any other way.

Sec. 31. K.S.A. 9-1118 is hereby amended to read as follows: 9-1118. Each director shall take and subscribe an oath that such director will administer the affairs of such bank or trust company diligently and honestly and that such director will not knowingly or willfully permit any of the laws relating to banks or trust companies to be violated, and each director and the president of a bank or trust company shall swear that such director or president is the owner in good faith of shares of common stock having a par value of at least \$500 of such bank or trust company or in the parent corporation of such bank or trust company standing in such director's or president's name and that the same has not been pledged or assigned, except as authorized by K.S.A. 9-1117, and amendments thereto. A copy of such oath shall be filed with the commissioner.

Sec. 32. K.S.A. 9-1119 is hereby amended to read as follows: 9-1119. No officer or employee of any bank ~~or trust company~~ shall certify any check, draft, or order drawn upon such bank ~~or trust company~~ unless the maker or drawer of such instrument has moneys or funds equal to the amount of such check, draft or order on deposit with such bank ~~or trust company~~ at the time such check, draft or order is certified; but any check, draft or order so certified by any duly authorized officer or employee of any bank ~~or trust company~~ shall be shown immediately upon the books of the bank.

Sec. 33. K.S.A. 1988 Supp. 9-1123 is hereby amended to read as follows: 9-1123. For the purposes of this act:

(a) The term "bank service corporation" means a corporation organized to perform services authorized by this act, all of the capital stock of which is owned by one or more state or national banks at least one of which is a state bank subject to examination by the bank commissioner.

(b) The term "invest" includes any advance of funds to a bank service corporation, whether by the purchase of stock, the making of a loan or otherwise, except a payment for rent earned, goods sold and delivered or services rendered prior to the making of such payment.

(c) The term "depository institution" means a state or national bank, ~~trust--company,~~ savings and loan association, savings bank or credit union.

Sec. 34. K.S.A. 9-1201 is hereby amended to read as follows: 9-1201. All of the provisions contained within K.S.A. 9-1204, 9-1205, 9-1206, 9-1207, 9-1213 and 9-1214, and amendments thereto, shall extend and apply to ~~trust--companies--and-to~~ national banks organized under federal laws and state organized ~~trust-companies-and~~ banks.

Sec. 35. K.S.A. 1988 Supp. 9-1215 is hereby amended to read as follows: 9-1215. An individual adult or minor, hereafter referred to as the owner, may enter into a written contract with any bank ~~or-trust-company~~ located in this state providing that the balance of the owner's deposit account, or the balance of the owner's legal share of a deposit account, at the time of death of the owner shall be made payable on the death of the owner to one or more persons or, if the persons predecease the owner, to another person or persons, hereafter referred to as the beneficiary or beneficiaries. If any beneficiary is a minor at the time the account, or any portion of the account, becomes payable to the beneficiary and the balance, or portion of the balance, exceeds the amount specified by K.S.A. 59-3003, and amendments thereto, the moneys shall be payable only to a conservator of the minor beneficiary.

Transfers pursuant to this section shall not be considered testamentary or be invalidated due to nonconformity with the provisions of chapter 59 of the Kansas Statutes Annotated.

Every contract authorized by this section shall be considered to contain a right on the part of the owner during the owner's lifetime both to withdraw funds on deposit in the account in the manner provided in the contract, in whole or in part, as though no beneficiary has been named, and to change the designation of beneficiary. The interest of the beneficiary shall be considered not to vest until the death of the owner.

No change in the designation of the beneficiary shall be valid unless executed in the form and manner prescribed by the bank ~~or-trust-company~~ and delivered to the bank ~~or-trust--company~~ prior to the death of the owner.

For the purposes of this section, the balance of the owner's deposit account or the balance of the owner's legal share of a deposit account shall not be construed to include any portion of the account which under the law of joint tenancy is the property of another joint tenant of the account upon the death of the owner.

As used in this section, "person" means any individual, individual or corporate fiduciary or nonprofit religious or charitable organization as defined by K.S.A. 79-4701, and amendments thereto.

Sec. 36. K.S.A. 1988 Supp. 9-1216 is hereby amended to read as follows: 9-1216. When the owner and the bank ~~or-trust-company~~ have entered into a contract authorized in K.S.A. 9-1215, and amendments thereto, the owner's deposit account subject to the contract or any part of or interest on the account shall be paid by the bank ~~or--trust--company~~ to the owner or pursuant to the owner's order during the owner's lifetime. On the owner's death, the deposit account or any part of or interest on the account shall be paid by the bank ~~or--trust--company~~ to the designated beneficiary or beneficiaries. If any designated beneficiary is a minor at the time the account, or any portion of the account, becomes payable to the beneficiary and the balance, or portion of

the balance, exceeds the amount specified by K.S.A. 59-3003, and amendments thereto, the bank ~~or--trust--company~~ shall pay the moneys or any interest on them only to a conservator of the minor beneficiary. The receipt of the conservator shall release and discharge the bank ~~or--trust--company~~ for the payment.

Sec. 37. K.S.A. 9-1301, as amended by section 38 of chapter 356 of the 1988 Session Laws of Kansas, is hereby amended to read as follows: 9-1301. Every bank operating under the provisions of this act and authorized to receive deposits of money ~~and--any trust--company--authorized--to--receive--deposits--of--money~~ shall insure the deposits of each depositor with the federal deposit insurance corporation, or its successor, or with an insurer approved by the state commissioner of insurance in an amount not less than that provided by the federal deposit insurance corporation and shall pay all charges or assessments levied by such deposit insurance corporation, or its successor or such other insurer. Every state bank that accepts deposits of money which does not insure with the federal deposit insurance corporation shall furnish a blanket fidelity bond on all of its officers and employees in a principal amount of not less than 100% of the average total amount of all deposits in the bank, that average total deposits shall mean the average of the total amounts on deposit in such bank on June 30 and December 31 next preceding. The bond shall be executed by a corporate surety authorized to do business in the state and shall be held by the state bank commissioner for the benefit of the depositors of the bank; and if a receiver is appointed, the commissioner shall collect any moneys due under such bond for the benefit of the depositors. The bond shall provide that it cannot be canceled until at least 30 days after notice has been given to the state bank commissioner unless the commissioner shall authorize its cancellation at an earlier date. The premium on such bond shall be paid by the bank.

Any bank furnishing the bond shall also cause a certified audit of its books and accounts to be made, once in each calendar year by an independent certified public accountant licensed to do

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business in the state or an independent auditor approved by the commissioner, and the accountant or auditor shall audit and verify every account of the bank. The cost of any such audit shall be paid by the bank, and a copy of the report of such audit shall be filed with the state bank commissioner. Upon receipt of the report, the bank commissioner shall examine the report and shall transmit the report, with any recommendations as to action thereon, to the state banking board and the state banking board shall, without delay, take such necessary action as may be indicated by the audit report and the recommendations of the commissioner.

Whenever a bank shall fail to comply with the provisions of this section, the commissioner shall notify the bank that a continuation of such failure will result in the revocation of its authority to do business. If after receipt of such notice the bank fails or refuses to comply, the commissioner shall after a hearing or an opportunity for a hearing has been given to such bank, revoke its authority to transact business in this state. Hearings shall be conducted in accordance with the provisions of the Kansas administrative procedure act. The bank commissioner may grant a reasonable extension of time for compliance with this section under such rules and regulations as the state banking board may adopt. During the period of any such extension of time, the bank receiving the same shall give notice to persons making deposits, and include in all advertisements made for the purpose of securing deposits, a statement that the deposits of such bank are uninsured. The commissioner shall give written notice of such revocation to the president, cashier, or other managing officer of such bank, and by publishing a copy of the order of revocation in the Kansas register. The attorney general shall, at the request of the commissioner, then begin action for the appointment of a receiver for such bank and to dissolve same; and the receiver appointed shall take charge of such bank and liquidate the affairs and business in the same manner as provided in article 19 of chapter 9 of the Kansas Statutes Annotated, and any amendments thereto.

Sec. 38. K.S.A. 9-1301a, as amended by section 39 of chapter 356 of the 1988 Session Laws of Kansas, is hereby amended to read as follows: 9-1301a. Any bank ~~or--trust--company~~ electing to insure its deposits with an insurer other than the federal deposit insurance corporation shall make application for the approval of such insurer with the state commissioner of insurance. Upon receipt of such application and after reasonable notice and a public hearing conducted in accordance with the provisions of the Kansas administrative procedure act, the commissioner shall approve such insurer for such purpose if such commissioner determines that:

(a) The contract of insurance contemplated is in such form and provides for such coverage, maturity, voluntary and involuntary termination and complies with such further requirements for protection as the commissioner in the exercise of discretion may deem reasonably necessary, and

(b) the contract is underwritten by an insurer having a net worth reasonably commensurate with the risks underwritten, who is authorized to do business in this state, and who is admitted and authorized by law to write such insurance in an area sufficient to provide an adequate risk spread.

Sec. 39. K.S.A. 9-1302 is hereby amended to read as follows: 9-1302. When the federal deposit insurance corporation or its successor or other insurer insuring the deposits of any bank ~~or trust--company~~ shall pay, or make available for payment, the insured deposit liabilities of any bank ~~or--trust--company--said~~ the insurance company ~~thereupon~~ shall be and become subrogated to the extent of its payments, by operation of law, to all rights of each owner of a claim for deposit against such closed bank ~~or trust--company~~ to the extent now or hereafter necessary to enable the federal deposit insurance corporation, or its successor or such other insurer, under law to make insurance payments available to depositors of closed insured banks ~~and--trust companies~~.

Sec. 40. K.S.A. 9-1304 is hereby amended to read as follows: 9-1304. The commissioner ~~and/or~~ or the receiver or liquidator,

or the board of directors of any bank ~~or trust-company~~ which hereafter may be closed because of its inability to meet the demands of its depositors may borrow from the federal deposit insurance corporation or its successor, and pledge any part or all of its assets as security therefor, whether such bank ~~or trust-company~~ is insolvent or not: ~~Provided~~, except that all such loans first must have the approval of the commissioner. The assets, or any portion thereof, of any bank ~~or trust-company~~ which hereafter may close because of its inability to meet the demands of its depositors may be sold to the federal deposit insurance corporation or its successor upon such terms and conditions as the commissioner shall approve: ~~Provided~~, That. If said the insurance corporation is acting as receiver or liquidator for such bank, then the approval of the district court of the county wherein the bank is located first must be obtained for any such sale. Nothing contained in this section shall limit the power of any bank ~~or trust-company~~, the commissioner, or receiver or liquidator thereof to pledge or sell any assets in accordance with other provisions of this act and existing laws.

Sec. 41. K.S.A. 1988 Supp. 9-1401 is hereby amended to read as follows: 9-1401. (a) The governing body of any municipal corporation or quasi-municipal corporation shall designate by official action recorded upon its minutes the state and national banks, ~~trust-companies~~, state and federally chartered savings and loan associations and federally chartered savings banks with home offices located in the state of Kansas which shall serve as depositories of its funds and the officer and official having the custody of such funds shall not deposit such funds other than at such designated banks, ~~trust-companies~~, state or federally chartered savings and loan associations and federally chartered savings banks. The state and national banks, ~~trust-companies~~, state and federally chartered savings and loan associations and federally chartered savings banks which have offices in the county or counties in which all or part of such municipal corporation or quasi-municipal corporation is located shall be designated as such official depositories if the municipal or

quasi-municipal corporation can obtain satisfactory security therefor, and such official depositories have a home office located in the state of Kansas.

(b) Every officer or person depositing public funds shall deposit all such public funds coming into such officer or person's possession in their name and official title as such officer. If the governing body of the municipal corporation or quasi-municipal corporation fails to designate an official depository or depositories, the officer thereof having custody of its funds shall deposit such funds with one or more state or national banks, ~~trust--companies~~, state or federally chartered savings and loan associations or federally chartered savings banks which have offices in the county or counties in which all or part of such municipal corporation or quasi-municipal corporation is located if satisfactory security can be obtained therefor and if not then elsewhere, but upon so doing shall serve notice in writing on the governing body showing the names and locations of such banks, ~~trust--companies~~, state or federally chartered savings and loan associations and federally chartered savings banks where such funds are deposited, and upon so doing the officer having custody of such funds shall not be liable for the loss of any portion thereof except for official misconduct or for the misappropriation of such funds by such officer.

(c) As used in this section and K.S.A. 9-1402, 9-1403 and 9-1405, and amendments thereto, "municipal corporation or quasi-municipal corporation" includes each investing governmental unit under K.S.A. 12-1675, and amendments thereto.

Sec. 42. K.S.A. 1988 Supp. 9-1402 is hereby amended to read as follows: 9-1402. (a) Before any deposit of public moneys or funds shall be made by any municipal corporation or quasi-municipal corporation of the state of Kansas with any state or national bank, ~~trust-company~~, state or federally chartered savings and loan association or federally chartered savings bank, such municipal or quasi-municipal corporation shall obtain security for such deposit in one of the following manners prescribed by this section.

(b) Such bank, ~~trust-company~~, state or federally chartered savings and loan association or federally chartered savings bank may give to the municipal corporation or quasi-municipal corporation a personal bond in double the amount which may be on deposit at any given time.

(c) Such bank, ~~trust-company~~, state or federally chartered savings and loan association or federally chartered savings bank may give a corporate surety bond of some surety corporation authorized to do business in this state, which bond shall be in an amount equal to the public moneys or funds on deposit at any given time and such bond shall be conditioned that such deposit shall be paid promptly on the order of the municipal corporation or quasi-municipal corporation making such deposits.

(d) Any state or national bank, ~~trust--company~~, state or federally chartered savings and loan association or federally chartered savings bank may deposit, maintain, pledge and assign, or cause its agent, trustee or an affiliate bank having identical ownership as the bank receiving the deposit of public moneys or funds to deposit, maintain, pledge and assign, for the benefit of the governing body of the municipal corporation or quasi-municipal corporation in the manner provided in this act, securities owned by it directly or indirectly through its agent or trustee holding securities on its behalf, or owned by such affiliate bank, the market value of which is equal to 100% of the total deposits at any given time, and such securities shall consist of:

(1) Direct obligations of, or obligations that are insured as to principal and interest by, the United States of America or any agency thereof and obligations and securities of United States sponsored corporations which under federal law may be accepted as security for public funds;

(2) bonds of any municipal corporation or quasi-municipal corporation of the state of Kansas which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of direct obligations of, or obligations

the principal of and the interest on which are unconditionally guaranteed by, the United States of America;

(3) bonds of the state of Kansas;

(4) general obligation bonds of any municipal corporation or quasi-municipal corporation of the state of Kansas;

(5) revenue bonds of any municipal corporation or quasi-municipal corporation of the state of Kansas if approved by the state bank commissioner in the case of banks and by the savings and loan commissioner in the case of savings and loan associations or federally chartered savings banks;

(6) temporary notes of any municipal corporation or quasi-municipal corporation of the state of Kansas which are general obligations of the municipal or quasi-municipal corporation issuing the same;

(7) warrants of any municipal corporation or quasi-municipal corporation of the state of Kansas the issuance of which is authorized by the state board of tax appeals and which are payable from the proceeds of a mandatory tax levy;

(8) bonds of either a Kansas not-for-profit corporation or of a local housing authority that are rated at least Aa by Moody's Investors Service or AA by Standard & Poor's Corp.;

(9) bonds issued pursuant to K.S.A. 12-1740 et seq., and amendments thereto, that are rated at least MIG-1 or Aa by Moody's Investors Service or AA by Standard & Poor's Corp.; or

(10) notes of a Kansas not-for-profit corporation that are issued to provide only the interim funds for a mortgage loan that is insured by the federal housing administration; or

(11) bonds issued pursuant to K.S.A. 1988 Supp. 74-8901 through 74-8916, and amendments thereto.

(e) No state or national bank, ~~trust--company~~, state or federally chartered savings and loan association or federally chartered savings bank may deposit and maintain for the benefit of the governing body of a municipal or quasi-municipal corporation of the state of Kansas, any securities which consist of:

(1) Bonds secured by revenues of a utility which has been in

operation for less than three years; or

(2) bonds issued under K.S.A. 12-1740 et seq., and amendments thereto, unless such bonds have been refunded in advance of their maturity as provided in subsection (d) or such bonds are rated at least Aa by Moody's Investors Service or AA by Standard & Poor's Corp.

(f) Whenever a bond is authorized to be pledged as a security under this section, such bond shall be accepted as a security if (1) in the case of a certificated bond, it is assigned, delivered or pledged to the holder of the deposit for security; (2) in the case of an uncertificated bond, registration of a pledge of the bond is authorized by the system and the pledge of the uncertificated bond is registered; or (3) in a form approved by the attorney general, which assures the availability of the bond proceeds pledged as a security for public deposits.

(g) Any expense incurred in connection with granting approval of revenue bonds shall be paid by the applicant for approval.

Sec. 43. K.S.A. 1988 Supp. 9-1403 is hereby amended to read as follows: 9-1403. (a) During the periods of peak deposits occurring at tax paying time and tax distributing time and continuing for a period of not to exceed 60 continuous days at any given time and not to exceed 120 days in any calendar year the amount of security for the deposit of public moneys as required under K.S.A. 9-1402, and amendments thereto, may be reduced by not more than 1/2 in an amount thereof.

(b) The provisions of this section shall apply only to the deposits of all municipal corporations and quasi-municipal corporations, but the custodian of the funds of each of such municipal corporations or quasi-municipal corporations together with an officer of the depository state or national bank, trust company, state or federally chartered savings and loan association or federally chartered savings bank may enter into an agreement which designates in writing the beginning of each such sixty-day period, and a copy thereof, fully executed, shall be kept on file in the office of the governing body of such

municipal corporation or quasi-municipal corporation and in the files of such bank, ~~trust-company~~, state or federally chartered savings and loan association or federally chartered savings bank.

Sec. 44. K.S.A. 1988 Supp. 9-1405 is hereby amended to read as follows: 9-1405. (a) All bonds and securities given by any bank, ~~trust-company~~, state or federally chartered savings and loan association or federally chartered savings bank to secure public moneys of the United States or any board, commission or agency thereof, shall be deposited as required by the United States government or any of its designated agencies.

(b) All bonds and securities pledged to secure the deposits of any municipal corporation or quasi-municipal corporation shall be deposited with a Kansas state or national bank ~~or-trust company~~ having adequate modern facilities for the safekeeping of securities or the federal home loan bank of Topeka, and a joint custody receipt taken therefor with one copy going to the municipal corporation or quasi-municipal corporation making the public deposit and one copy going to the bank, ~~trust--company~~, state or federally chartered savings and loan association or federally chartered savings bank which has secured such public deposits. No bonds or securities pledged to secure public deposits shall be left for safekeeping in any safe deposit vault owned or controlled directly or indirectly by the bank, ~~trust company~~, state or federally chartered savings and loan association or federally chartered savings bank securing such public deposits.

(c) All such bonds and securities shall be deposited under a joint custody receipt issued by a bank within the state of Kansas or the federal reserve bank of Kansas City or the federal home loan bank of Topeka. All bonds or securities held by any depository and for which a joint custody receipt has been issued shall be retained by such depository and not released except upon consent of both the municipal corporation or quasi-municipal corporation making the deposit and the bank, ~~trust-company~~, state or federally chartered savings and loan association or federally chartered savings bank taking or securing such deposit. In every

report required to be published by any bank, ~~trust-company~~, state or federally chartered savings and loan association or federally chartered savings bank it shall show in full all of the assets pledged or deposited as security for public moneys.

(d) A bank, ~~trust--company~~, state or federally chartered savings and loan association or federally chartered savings bank which fails to pay according to its terms any deposit of public moneys of any municipal or quasi-municipal corporation shall immediately take such actions as are required to enable bonds and securities pledged to secure such deposit to be sold to satisfy its obligation to the municipal or quasi-municipal corporation.

Sec. 45. K.S.A. 1988 Supp. 9-1406 is hereby amended to read as follows: 9-1406. No public officer nor the sureties upon such officer's bond shall be liable for any loss sustained by the failure or default of any designated depository or depositories after a deposit or deposits have been made in an officially designated bank, ~~trust--company~~, state or federally chartered savings and loan association or federally chartered savings bank as provided in this act. This exemption from liability shall apply even though other statutes shall require the furnishing of a bond or other securities by the designated depositories of public moneys.

Sec. 46. K.S.A. 9-1801 is hereby amended to read as follows: 9-1801. (a) No bank or trust company hereafter shall be organized or incorporated under the laws of this state, nor shall any such institution transact either a banking business or a trust company business in this state, until the application for its incorporation and application for authority to do business ~~first-shall-have~~ has been submitted to and approved by the board; ~~and-in-so-doing~~. The board shall approve or disapprove the organization and establishment of any such institution in the city or town in which the same is sought to be located. The form for making any such application shall be prescribed by the board and any application made to the board shall contain such information as it shall require. The board shall not approve any such application until it first investigates and examines into

such application and the applicants.

(b) If upon the dissolution or insolvency of any bank or trust company under the laws of the state of Kansas, it is the opinion of the commissioner that by reason of the loss of services in the community, an emergency exists which may result in serious inconvenience or losses to the depositors or the public interest in the community, the commissioner may accept and approve an application for incorporation and application for authority to do business from applicants for the organization and establishment of a successor bank or trust company, subject to confirmation and subsequent approval by the board. Upon approval of an application for the organization and establishment of any such successor bank or trust company, the commissioner shall no later than the next regular meeting of the board submit such application to the board for its confirmation and approval.

Sec. 47. K.S.A. 9-1802 is hereby amended to read as follows: 9-1802. Upon the filing of any such application with the state banking board, such board shall make, or cause to be made, a careful examination and investigation concerning ~~(1)~~: (a) The financial standing, general business experience and character of the organizers and incorporators; ~~(2)~~ (b) the character, qualifications and experience of the officers of the proposed bank or trust company; ~~(3)~~ (c) the public need for the proposed bank or trust company in the community wherein it is proposed to locate the same and whether existing banks or trust companies are meeting such need; ~~(4)~~ (d) the prospects for success of the proposed bank or trust company. If the board shall determine any of such matters unfavorably to the applicants, the application shall be disapproved, but if not, then the application shall be approved. ~~Said~~ The board shall not make membership in any federal government agency a condition precedent to the granting of any application for incorporation and authority to do business.

In the event two or more applications for incorporation and authority to do business seeking to serve the same general territory are pending before the board, and the board determines all of such matters favorably in two or more such applications,

the board may approve the application of the proposed bank or trust company which it determines will best serve the needs of the territory sought to be served. If one or more such applications seeking to serve a territory are pending before the board, and the board has determined all of such matters favorably in one or more of such applications, and there also is pending before the board an application of an existing bank or trust company to change its place of business to serve the same territory which the board determines should be approved, and the board determines that there is public need for only one bank or trust company to serve the territory, the board may approve the application of the existing bank or trust company to change its place of business and disapprove the application or applications for incorporation and authority to do business.

Sec. 48. K.S.A. 9-1804 is hereby amended to read as follows:
9-1804. No bank or trust company incorporated under the laws of this state shall change its place of business, from one city or town to another or from one location to another within the same city or town, without the prior approval of the state banking board. Any such bank or trust company desiring to change its place of business shall file written application with the board in such form and containing such information as the board shall require. The board shall examine and investigate the application, and shall inquire into the public necessity for such bank or trust company in the community wherein it is proposed to locate the same, and thereafter shall approve or disapprove the application. The expenses of such examination and investigation shall be paid by the bank or trust company which shall deposit with the commissioner therefor the sum of ~~five-hundred-dollars~~ ~~(\$500)~~ \$500 and such further sums as are required by the commissioner. Any members of the board who make such an examination or investigation shall be paid the sum of ~~thirty-five dollars~~ ~~(\$35)~~ \$35 per diem for the time they actually are engaged in performing their duties as members of such board, and in addition thereto shall be paid all their actual and necessary expenses incurred in the performance of such duties from such

funds. The commissioner shall remit all amounts received under this section to the state treasurer who shall deposit the same to a separate special account in the state treasury for each application. The moneys in each such account shall be used only to pay the expenses of the examination and investigation to which it relates, and any unused portion of such deposit shall be refunded to the bank or trust company.

Sec. 49. K.S.A. 9-1806, as amended by section 44 of chapter 356 of the 1988 Session Laws of Kansas, is hereby amended to read as follows: 9-1806. The state recognizes that a bank ~~er--trust company~~ may pay an excessive rate of interest on deposits and that a continuation thereof will result in an impairment of its capital stock and a loss to its depositors. Hence, it is declared to be the policy of this state that all depositors and creditors of a bank ~~er--trust--company~~ should be protected therefrom and for that purpose the board shall have authority to prescribe the maximum rate of interest to be paid by any bank on its deposits, which maximum rate shall be established in the following manner.

The board in a notice signed by the commissioner, shall notify such bank that it believes that such bank is paying an excessive rate of interest on its deposits and that a hearing thereon will be held before the board at its next regular meeting which shall not be less than 20 days from the day such notice is given. The board may recess or continue any hearing from time to time. If upon the conclusion of such hearing the board determines that the rate of interest paid by such bank on its deposits will result in an impairment of its capital stock, the board may prescribe the maximum rate of interest to be paid by such bank upon its deposits. Any order so made shall not impair the validity of existing contracts.

Hearings under this section shall be conducted in accordance with the provisions of the Kansas administrative procedure act.

Sec. 50. K.S.A. 9-1907 is hereby amended to read as follows: 9-1907. The federal deposit insurance corporation or its successor, hereby is authorized and empowered to be and act without bond as receiver or liquidator of any insolvent bank ~~er~~

trust-company, the deposits in which are to any extent insured by said such corporation, and which bank or trust-company shall have been closed. In the event of any such closing of any bank or trust-company the commissioner may tender to said the insurance corporation the appointment as receiver or liquidator of such bank or trust-company, and if said the insurance corporation accepts said the appointment then such insurance corporation shall have and possess all the powers and privileges and shall assume all the duties and requirements provided by the laws of this state with respect to a state receiver or liquidator, respectively, of a bank or trust-company, its depositors and other creditors, and shall be subject to the jurisdiction of the district courts and supreme court of Kansas.

Sec. 51. K.S.A. 9-1908 is hereby amended to read as follows: 9-1908. Whenever the federal deposit insurance corporation, or its successor, shall accept the appointment as receiver or liquidator for any bank or trust-company the possession of and title to all of the assets, business, and property of every kind, including real estate, of such bank or trust-company shall pass to and vest in such insurance corporation as receiver or liquidator without the execution of any instruments of assignment, endorsement, transfer, or conveyance.

Sec. 52. K.S.A. 9-1915 is hereby amended to read as follows: 9-1915. It shall be unlawful for the president, director, managing officer, cashier or any other officer of any bank or trust-company to assent to the reception of deposits or the creation of any debt by any bank or trust-company after he or she shall have had such person has knowledge of the fact that such bank or trust-company is insolvent; and. It hereby is made the duty of every such officer or managing officer to examine into the affairs of every such bank or trust-company and know its condition if possible; and. Upon failure to discharge such duty he or she such person shall be held to have had knowledge of the insolvency of such bank or trust-company or that it was in failing circumstances, for the purposes of this act. Every person who shall violate the provisions of this section shall be

responsible individually for such deposits so received and all debts so contracted:--Provided, except that any director or officer who may have paid more than his-er-her such person's share of the liabilities mentioned in this section shall have the proper remedy at law against such other persons as shall not have paid their full share of such liabilities.

Sec. 53. K.S.A. 9-1916 is hereby amended to read as follows: 9-1916. In all actions brought for the recovery of any deposits received or debt created while any bank ~~er-trust-company~~ was insolvent or in failing circumstances all officers, agents, and directors of such bank ~~er--trust--company~~ may be joined as defendants or proceeded against severally. The fact that any bank ~~er-trust-company~~ was insolvent or in failing circumstances at the time of the reception of the deposit charged to have been so received, or the creation of the debt charged to have been so created, shall be prima facie evidence of such knowledge and assent to such deposit or creation of such debt on the part of such officer, agent, or director so charged therewith. This liability may be enforced by and against executors and administrators of any deceased officer, director or agent.

Sec. 54. K.S.A. 9-2001 is hereby amended to read as follows: 9-2001. Every banker, officer, employee, director or agent of any bank or trust company who shall neglect to perform any duty required by this act, or who shall fail to conform to any lawful requirement made by the bank commissioner, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not to exceed \$1,000, or by imprisonment ~~in-the--county jail~~ not to exceed one year, or by both fine and imprisonment.

Sec. 55. K.S.A. 9-2002 is hereby amended to read as follows: 9-2002. Every officer, director, agent or clerk of any bank or trust company doing business in the state of Kansas, who willfully and knowingly subscribes to or makes any false report or any false statement or entry in the books of such bank or trust company, or knowingly subscribes or exhibits any false writing or paper, with the intent to deceive any person as to the condition of such bank, ~~shall-be-deemed-guilty-of-felony,--and~~

~~upon conviction thereof shall be imprisoned in the state penitentiary not less than three years nor more than ten years, or fined in an amount not exceeding one thousand dollars (\$1,000), or both in the discretion of the court~~ or trust company, upon conviction shall be guilty of a class D felony.

Sec. 56. K.S.A. 9-2003 is hereby amended to read as follows: 9-2003. It shall be unlawful ~~for any individual, firm or corporation~~ to transact a banking business or trust business, or ~~receive deposits,~~ without having first transmitted to the bank commissioner a verified statement of the resources and liabilities of such ~~individual, firm or corporation,~~ said. Such statement shall be made in accordance with ~~sections 5 and 18 of this act~~ K.S.A. 9-804 and 9-1704, and amendments thereto.

The bank commissioner shall ~~thereupon~~ have power to examine into the condition and affairs of such bank, or trust company and shall within ~~thirty~~ 30 days from the receipt of such statement, shall make such examination, ~~and.~~ If such bank or trust company has in all respects complied with the provisions of law applicable thereto, ~~said~~ the commissioner shall issue ~~to such individual, firm, or corporation, under the commissioner's hand and seal,~~ a certificate showing the amount of capital paid in and that the same is authorized to transact a general banking or trust business, as provided by this act. And It shall be unlawful ~~for any individual, firm or corporation~~ to transact a banking or trust business without having first received such certificate from the bank commissioner.

Any person violating the provisions of this section, either individually or as an interested party in any association or corporation, shall be guilty of a misdemeanor, and on conviction thereof shall be fined in a sum not less than \$300 nor more than \$1,000, or by imprisonment ~~in the county jail~~ not less than ~~thirty~~ 30 days nor more than one year, or by both such fine and imprisonment.

Sec. 57. K.S.A. 9-2004 is hereby amended to read as follows: 9-2004. Every officer or employee of a bank or trust company required by this act to take an oath of or affirmation, who shall

willfully swear or affirm falsely, shall be deemed guilty of perjury, and upon conviction thereof shall be punished as provided by ~~the--law--of--this--state--in--case--of--perjury~~ K.S.A. 21-3805, and amendments thereto.

Sec. 58. K.S.A. 1988 Supp. 9-2007 is hereby amended to read as follows: 9-2007. Any receiver of an insolvent bank or trust company who fails to comply with the provisions of subsection (a) of K.S.A. 9-1912, and amendments thereto or who violates any of the provisions of this act relating to the examination of banks or trust companies, shall be subject to the same penalties provided for officers or employees of banks or trust companies.

Sec. 59. K.S.A. 9-2009 is hereby amended to read as follows: 9-2009. The commissioner may impose upon any bank or trust company which fails to make and transmit or to publish any report required by this act a penalty of not to exceed ~~fifty-dollars~~ (\$50) \$50 for each day that it delays to make and transmit or to publish such report. Whenever any bank or trust company delays or refuses to pay such penalty, the commissioner is hereby authorized to maintain an action in the name of the state of Kansas against the delinquent bank or trust company for the recovery of such penalty, and all sums collected by such action shall be paid into the state treasury and placed to the credit of the banking department.

Sec. 60. K.S.A. 9-2011 is hereby amended to read as follows: 9-2011. It shall be unlawful for any individual, firm or corporation to advertise, publish or otherwise promulgate that they are engaged in the banking business or trust company business, without first having obtained authority from the bank commissioner as herein provided. Any such individual or member of any such firm or officer of any such corporation ~~so-offending~~ violating this section shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not exceeding \$5,000.

Sec. 61. K.S.A. 9-2012 is hereby amended to read as follows: 9-2012. Every president, director, cashier, assistant cashier, teller, clerk, officer or agent of any bank or trust company who

embezzles, abstracts or willfully misapplies any of the moneys, funds, securities or credits of the bank or trust company, or who issues or puts forth any certificate of deposit, draws any draft or bill of exchange, makes any acceptance, assigns any note, bond, draft, bill of exchange, or who makes use of the name of the bank or trust company in any manner, with intent in either case to injure or defraud the bank or trust company or any individual, person, partnership, company or corporation, or to deceive any officer of the bank or trust company or any agent appointed to examine the affairs of the bank or trust company, and any person who with like intent aids or abets any officer, clerk or agent in violation of this act, ~~shall be deemed guilty of a felony, and upon conviction thereof shall be imprisoned in the state penitentiary not less than three years nor more than fifty years~~ upon conviction shall be guilty of a class C felony.

Sec. 62. K.S.A. 1988 Supp. 9-2014 is hereby amended to read as follows: 9-2014. It shall be the duty of the bank commissioner or any of the deputies of the commissioner, to inform the county or district attorney of the county in which the bank or trust company is located, of any violation of any of the provisions of this act, which constitute a misdemeanor or felony, by the officers, directors, owners or employees of any bank or trust company, which shall come to the notice of the bank commissioner or the commissioner's deputies, and upon receipt of such information the county or district attorney may institute proceedings to enforce the provisions of this act.

Sec. 63. K.S.A. 9-2016 is hereby amended to read as follows: 9-2016. It shall be unlawful ~~for any individual, firm or corporation~~ to transact a banking business or trust business without having first received a certificate from the commissioner. Any person violating the provisions of this section, either individually or as an interested party, in any association or corporation, shall be deemed guilty of a misdemeanor, and on conviction thereof shall be fined in a sum of not less than \$300 nor more than \$1,000 or by imprisonment ~~in the county jail~~ for not less than ~~thirty~~ 30 days nor more than one

year, or by both such fine and imprisonment.

Sec. 64. K.S.A. 1988 Supp. 10-131 is hereby amended to read as follows: 10-131. The governing body of any municipality, as defined in K.S.A. 10-101, and amendments thereto, which has issued or may issue bonds or temporary notes for any purpose, is hereby authorized and empowered to invest any portion of the proceeds of such bonds, notes or funds held pursuant to the resolution or ordinance authorizing the issuance of such bonds or notes, which is not currently needed, in: (a) Investments authorized by K.S.A. 12-1675, and amendments thereto, in the manner prescribed therein; (b) direct obligations of the United States government or any agency thereof; (c) the municipality's temporary notes issued pursuant to K.S.A. 10-123, and amendments thereto; (d) interest-bearing time deposits in commercial banks or trust companies located in the county or counties in which the municipality is located; (e) obligations of the federal national mortgage association, federal home loan banks or the federal home loan mortgage corporation; (f) repurchase agreements collateralized by securities described in (b) or (e) above; (g) investment agreements with or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's investors service or Standard and Poor's corporation; (h) investments in shares or units of a money market fund or trust the portfolio of which is comprised entirely of securities described in (b) or (e) above; (i) receipts evidencing ownership interests in securities or portions thereof described in (b) or (e) above; (j) municipal bonds or other obligations issued by any municipality of the state of Kansas as defined in K.S.A. 10-1101, and amendments thereto, which are general obligations of the municipality issuing the same; or (k) bonds of any municipality of the state of Kansas as defined in K.S.A. 10-1101, and amendments thereto, which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (b) or (e) above. The

interest received on any such investment shall upon receipt thereof be set aside and used for the purpose of paying interest on the bonds or notes issued or used for paying the cost of the project for which the bonds or notes were issued.

Sec. 65. K.S.A. 12-822 is hereby amended to read as follows: 12-822. It shall be unlawful for any public or municipally owned utility doing business in the state of Kansas to receive or collect a deposit from any customer as security for the payment of bills for service rendered, unless such public or municipally owned utility shall keep a separate account of the date on which such deposit is received, the name of the depositor, and the amount thereof, and shall pay to the customer making the deposit interest at the rate determined by the state corporation commission. Such interest shall be credited once a year or credited on January 1 succeeding such deposit and on each January 1 thereafter, to such customer's outstanding account, unless, prior to January 1, such customer shall request the payment of such interest in cash, in which event payment of interest shall be made as requested. Any interest credited shall be subject to call and payment at any time, but shall not draw interest.

The amount of deposit required shall at all times be reasonable, and shall be based upon the value of the maximum service rendered; and such advance deposit, together with the interest due thereon, may be applied to the payment of any accrued bills, or bills due on discontinuance of service. Deposits by customers so held as security for service or for meters at the taking effect of this act shall draw interest from that date and be credited and paid as herein provided. Any municipally owned utility doing business in the state of Kansas may invest money received as customers' deposits as herein provided, in investments authorized by K.S.A. 12-1675, and amendments thereto, in the manner prescribed therein or in bonds of the state of Kansas, or general improvement bonds of cities of the first and second class, or bonds of any county wherein a city of the first or second class is located within the state, or bonds of the boards of education in cities of the first class of

this state, or bonds issued or guaranteed by the United States government, or in savings accounts of commercial banks or trust companies.

Any amount of security deposit, and the accrued interest thereon remaining in the account of any customer of a municipally owned utility who has discontinued service with such utility shall be placed in the operating fund of such utility, upon the following conditions: (a) Such money has remained on deposit with the municipal utility for a period of more than three years from the date service was discontinued;

(b) no demand for such money has been made at any time during the three-year period;

(c) the whereabouts of the person to whose account the money is credited is unknown and a reasonable effort has been made to determine the same; and

(d) following the expiration of the three-year period, the utility has published, once each week for two consecutive weeks in a newspaper of general circulation in the county in which the utility is located, a notice listing any person whose deposit remains on account, and that a demand for such money must be made within 60 days. Any security deposits remaining in the account of any such customer 60 days after the last publication of such notice shall be placed in the operating fund of such utility.

Sec. 66. K.S.A. 1988 Supp. 12-1675 is hereby amended to read as follows: 12-1675. (a) The governing body of any county, city, township, school district, area vocational-technical school, community college, firemen's relief association, community mental health center, community facility for the mentally retarded or any other governmental entity, unit or subdivision in the state of Kansas having authority to receive, hold and expend public moneys or funds may invest any moneys which are not immediately required for the purposes for which the moneys were collected or received, and the investment of which is not subject to or regulated by any other statute.

(b) Such moneys shall be invested only in:

(1) Temporary notes or no-fund warrants issued by such

investing governmental unit;

(2) time deposit, open accounts or certificates of deposit:

(A) In commercial banks ~~or-trust-companies~~ which have offices located in such investing governmental unit; or (B) if the office of no commercial bank ~~or--trust--company~~ is located in such investing governmental unit, then in commercial banks ~~or-trust companies~~ which have offices in the county or counties in which all or part of such investing governmental unit is located; or (C) if such appropriate eligible commercial banks ~~or--trust companies~~ cannot or will not make deposits available to the investing governmental unit at interest rates equal to or greater than the average yield before taxes received on ninety-one day United States treasury bills as determined by the federal reserve banks, as fiscal agents of the United States, at its most recent public offering of such bills prior to the inception of such deposit contract, then in commercial banks ~~or-trust-companies~~ which have offices in the county or counties of the state of Kansas adjacent to the county or counties in which all or part of such investing governmental unit is located;

(3) in time certificates of deposit: (A) With state or federally chartered savings and loan associations or federally chartered savings banks which have offices located in such investing governmental unit; or (B) if the office of no state or federally chartered savings and loan association or federally chartered savings bank is located in such governmental unit, then with state or federally chartered savings and loan associations or federally chartered savings banks which have offices in the county or counties in which all or part of such investing governmental unit is located; or (C) if such appropriate eligible state or federally chartered savings and loan associations or federally chartered savings banks cannot or will not make such deposits available to the investing governmental unit at interest rates equal to or greater than the average yield before taxes received on ninety-one day United States treasury bills as determined by the federal reserve banks, as fiscal agents of the United States, at its most recent public offering of such bills

prior to the inception of such deposit contract, then with state or federally chartered savings and loan associations or federally chartered savings banks which have offices in the county or counties of the state of Kansas adjacent to the county or counties in which all or part of such investing governmental unit is located;

(4) repurchase agreements with: (A) Commercial banks, trust companies, state or federally chartered savings and loan associations or federally chartered savings banks which have offices located in such investing governmental unit, for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof; or (B) (i) if the office of no commercial bank, trust company, state or federally chartered savings and loan association or federally chartered savings bank is located in such investing governmental unit; or (ii) if no commercial bank, trust-company, state or federally chartered savings and loan association or federally chartered savings bank has an office located in such investing governmental unit is willing to enter into such an agreement with the investing governmental unit at an interest rate equal to or higher than a rate equal to two percentage points below the average yield before taxes received on ninety-one day United States treasury bills as determined by the federal reserve banks, as fiscal agents of the United States, at its most recent offering of such bills prior to the inception of such contract, then such repurchase agreements may be entered into with commercial banks, trust-companies, state or federally chartered savings and loan associations or federally chartered savings banks which have offices in the county or counties in which all or part of such investing governmental unit is located; or (C) if no bank, trust-company, state or federally chartered savings and loan association or federally chartered savings bank which has its office in such county or counties is willing to enter into such an agreement with the investing governmental unit at an interest rate equal to or higher than a rate equal to two percentage points below the average yield before taxes received

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on ninety-one day United States treasury bills as determined by the federal reserve banks, as fiscal agents of the United States, at its most recent offering of such bills prior to the inception of such contract then such repurchase agreements may be entered into with commercial banks, ~~trust-companies~~, state or federally chartered savings and loan associations or federally chartered savings banks which have offices in the state of Kansas; or

(5) United States treasury bills or notes with maturities as the governing body shall determine, but not exceeding six months.

(c) The investment authorized in paragraph (5) of subsection (b) shall be utilized only if the appropriate eligible commercial banks ~~or--trust--companies~~, which have offices located in the investing governmental unit or in the county or counties in which all or a part of such investing governmental unit is located if no such bank ~~or--trust--company~~ has an office which is located within such governmental unit, or the appropriate eligible state or federally chartered savings and loan associations or federally chartered savings banks, which have offices located in the investing governmental unit or in the county or counties in which all or a part of such investing governmental unit is located if no such state or federally chartered savings and loan association or federally chartered savings bank has an office which is located within such governmental unit, cannot or will not make the investments authorized in paragraph (2) or (3) of subsection (b) available to the investing governmental unit at interest rates equal to or greater than the average yield before taxes received on ninety-one day United States treasury bills as determined by the federal reserve banks as fiscal agents of the United States at its most recent public offering of such bills prior to the inception of such deposit contract.

(d) In selecting a depository pursuant to paragraph (2) or (3) of subsection (b), if a commercial bank, ~~trust-company~~, state or federally chartered savings and loan association or federally chartered savings bank has an office located in the investing governmental unit and such financial institution will make such deposits available to the investing governmental unit at interest

rates equal to or greater than the average yield before taxes received on ninety-one day United States treasury bills as determined by the federal reserve banks as fiscal agents of the United States, at its most recent public offering of such bills prior to the inception of such deposit contract, and such financial institution otherwise qualifies for such deposit, the investing governmental unit shall select one or more of such financial institutions for deposit of funds pursuant to this section. If no such financial institution qualifies for such deposits, the investing governmental unit shall select for such deposits one or more commercial banks, ~~trust-companies~~, state or federally chartered savings and loan associations or federally chartered savings banks which have offices in the county or counties in which all or a part of such investing governmental unit is located which will make such deposits available to the investing governmental unit at interest rates equal to or greater than the average yield before taxes received on ninety-one day United States treasury bills as determined by the federal reserve banks as fiscal agents of the United States, at its most recent public offering of such bills prior to the inception of such deposit contract, and which otherwise qualify for such deposits. If no such financial institution qualifies for such deposits, the investing governmental unit may select for such deposits one or more commercial banks, ~~trust--companies~~, state or federally chartered savings and loan associations or federally chartered savings banks which have offices in the county or counties of the state of Kansas adjacent to the county or counties in which all or a part of the investing governmental unit is located.

Sec. 67. K.S.A. 1988 Supp. 12-1676 is hereby amended to read as follows: 12-1676. Except as otherwise provided in K.S.A. 12-1678a, and amendments thereto, the provisions of this act authorizing the investment of moneys shall not apply to moneys collected or received by a county for apportionment, credit or distribution to the state or any political subdivision thereof. Interest paid by commercial banks ~~or-trust-companies~~ on time deposit, open accounts and certificates of deposit of investing

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governmental units and by state or federally chartered savings and loan associations or federally chartered savings banks on time certificates of deposit of investing governmental units shall be at rates agreed upon by the governmental units and the banks, ~~trust-companies,~~ state or federally chartered savings and loan associations or federally chartered savings banks.

Sec. 68. K.S.A. 1988 Supp. 12-3718 is hereby amended to read as follows: 12-3718. (a) The secretary of health and environment may create and establish a special fund to be known as a debt service reserve fund and may pay into such fund: (1) Any moneys appropriated by the state for the purpose of such fund;i

(2) any proceeds derived from the sale of revenue bonds under this act to the extent provided in the resolution of the secretary of health and environment authorizing the issuance of such bonds or in the trust agreement securing such bonds;i and

(3) any other moneys transferred to the secretary of health and environment or made available to the secretary of health and environment for the purpose of the debt service reserve fund from any other source or sources.

(b) The moneys in the debt service reserve fund, except as otherwise provided in this section, shall be used solely for: (1) The payment of the principal of the revenue bonds issued under this act, as such bonds mature;i

(2) the purchase of such revenue bonds;i

(3) the payment of interest on such revenue bonds;i or

(4) the payment of any redemption premium required to be paid for any such bonds redeemed prior to maturity, except that moneys shall not be withdrawn from the debt service reserve fund at any time in such amount as would reduce the amount then in such fund to less than the amount which the secretary of health and environment determines to be reasonably necessary for the purposes of such fund, except for the purpose of paying the principal of and the interest on the revenue bonds issued by the secretary of health and environment maturing and becoming due for which other moneys of the department of health and environment are not available.

(c) Moneys in the debt service reserve fund may be invested by the pooled money investment board: (1) In obligations of the United States of America or obligations the principal and interest of which are guaranteed by the United States of America;

(2) in interest-bearing time deposits in any commercial bank or trust company located in Kansas; or

(3) if the board determines that it is impossible to deposit such moneys in such time deposits, in repurchase agreements of less than 30 days' duration with a Kansas bank or with a primary government securities dealer which reports to the market reports division of the federal reserve bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof. Except as provided in subsections (d) and (e), any income or interest earned by or increment to the debt service reserve fund shall be credited to such fund. Securities in which any moneys in the debt service reserve fund are invested shall be valued semiannually at the then market value thereof.

(d) The pooled money investment board may enter into contracts with one or more financial advisors whom the board determines to be qualified, whereby the financial advisors undertake to perform the functions of the pooled money investment board with regard to the investment of moneys in the debt service reserve fund to the extent provided in the contract. Performance of functions under contract so entered into shall be paid for out of the gross interest or other income of the investments with respect to which the functions are performed, and the net interest or other income of the investments after that payment shall be considered income of the debt service reserve fund. The pooled money investment board shall require a financial advisor contracted with to give a fidelity bond in such sum as may be fixed by law or, if not so fixed, as may be fixed by the board, with corporate surety authorized to do business in this state.

(e) The moneys and securities in the debt service reserve fund shall remain in the custody of the state treasurer, except

that the pooled money investment board may arrange for the custody of such moneys and securities as it considers advisable with a member bank ~~or--trust--company~~ of the federal reserve system, or with one or more banks located in Kansas, or both, to be held in safekeeping by the bank ~~or-trust-company~~ or banks for the collection of the principal and interest or other income or of the proceeds of sale. The services provided by any such bank ~~or-trust-company~~ shall be paid for out of the gross receipts from such interest or other income, and the net interest or other income after such payment shall be considered income of the debt service reserve fund.

(f) The secretary of health and environment shall not issue any revenue bonds under this act at any time if the amount in the debt service reserve fund at the time of the issuance of such bonds is less than the maximum amount required in any year thereafter to pay the principal of, including any mandatory payment to retire bonds prior to their maturity, and the interest on all revenue bonds issued under this act which are then outstanding and secured by the debt service reserve fund unless the secretary of health and environment, at the time of the issuance of such bonds, deposits in such fund from the proceeds of such bonds or otherwise an amount which, together with the amount then in such fund, is not less than such maximum amount required to pay principal and interest.

(g) Any excess in the debt service reserve fund at the close of any fiscal year over such maximum amount required to pay principal and interest shall be remitted to the state treasurer and deposited to the credit of the state general fund. When all of the principal of and the interest and the premium, if any, on the revenue bonds, secured by the debt service reserve fund are paid, all moneys in the debt service reserve fund shall be transferred by the director of accounts and reports from the debt service reserve fund to the self-insurance reserve fund.

(h) To assure the continued operation and solvency of the department of health and environment for carrying out the purposes of this act and the maintenance of the debt service

reserve fund at the maximum amount prescribed by this section, there may be annually apportioned and paid to the department of health and environment the sum, if any, certified by the secretary of health and environment to the governor as necessary to restore the debt service reserve fund to an amount equal to such maximum amount required to pay principal of and interest on all outstanding revenue bonds issued under this act and secured by such fund. Any such sum so apportioned and paid shall be deposited to the credit of the debt service reserve fund. The secretary of health and environment shall annually on or before December 1 submit to the governor the secretary's certificate stating the sum, if any, required to restore the debt service reserve fund to the amount required under this subsection and the sum certified, if any, may be apportioned and transferred by the director of accounts and reports to the department of health and environment during the then current fiscal year of the state.

Sec. 69. K.S.A. 1988 Supp. 12-3724 is hereby amended to read as follows: 12-3724. (a) The pooled money investment board may invest and reinvest moneys in the self-insurance reserve fund in obligations of the United States of America or obligations the principal and interest of which are guaranteed by the United States of America or in interest-bearing time deposits in any commercial bank ~~or trust company~~ located in Kansas, or, if the board determines that it is impossible to deposit such moneys in such time deposits, in repurchase agreements of less than 30 days' duration with a Kansas bank or with a primary government securities dealer which reports to the market reports division of the federal reserve bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof.

(b) For the purposes of this act the board may accept funds, public or private, from any person, firm, corporation or from any state agency or other public instrumentality, or from the federal government or any department or agency thereof.

(c) All moneys in the self-insurance reserve fund, or payable to such fund, are hereby specifically exempt from any and

all taxes authorized by law to be levied or collected, whether sales, income, ad valorem, premium or by whatever name described.

Sec. 70. K.S.A. 16-301 is hereby amended to read as follows:
16-301. Any agreement, contract or plan requiring the payment of money in a lump sum or installments which is made or entered into with any person, association, partnership, firm or corporation for the final disposition of a dead human body, or for funeral or burial services, or for the furnishing of personal property or funeral or burial merchandise, wherein the delivery of the personal property or the funeral or burial merchandise or the furnishing of professional services by a funeral director or embalmer is not immediately required, is hereby declared to be against public policy and void, unless all money paid thereunder shall be deposited in a bank, ~~trust company~~ or savings and loan association which is authorized to do business in this state and insured by a federal agency, or invested in a credit union which is insured with an insurer or guarantee corporation as required under K.S.A. 17-2246, and amendments thereto, all as herein provided, and subject to the terms of an agreement for the benefit of the purchaser of the agreement, contract or plan. For the purposes of this act, personal property or funeral or burial merchandise shall include caskets, vaults and all other articles of merchandise incidental to a funeral service, but shall not include grave lots, grave spaces, grave memorials, tombstones, crypts, niches and mausoleums.

Sec. 71. K.S.A. 16-302 is hereby amended to read as follows:
16-302. Except as authorized by K.S.A. 16-308, and amendments thereto, all such money shall be deposited in such bank, ~~trust company~~, credit union or savings and loan association and shall be held by such bank, ~~trust company~~, credit union or savings and loan association in a separate account in the name or names of the purchaser of the merchandise or services and the name of the seller and the financial institution concerned, until released as herein provided.

Sec. 72. K.S.A. 16-303 is hereby amended to read as follows:
16-303. (a) Except as authorized by K.S.A. 16-308, and

amendments thereto, all payments made under such agreement, contract or plan, and any earnings or interest thereon, shall remain with such bank, ~~trust-company~~, credit union or savings and loan association until the death of the person for whose service the funds were paid or, except as provided in subsection (c), until demand for payment is made by the purchaser of the merchandise or services to the bank, ~~trust-company~~, credit union or savings and loan association, and upon such payment to the purchaser, the contract shall terminate.

(b) At the option of a purchaser, any installment contract may provide for additional payments by the purchaser for the cost of group credit life insurance at such rate as is approved from time to time by the insurance commissioner. In the event of the death of the purchaser, the proceeds shall be treated as funds in accordance with K.S.A. 16-304, and amendments thereto.

(c) At the option of the purchaser, such agreement, contract or plan may be made irrevocable as to the first \$2,000 of the funds paid plus any interest and earnings accumulated under the agreement, contract or plan. This option shall not prohibit the purchaser to designate a different funeral home at any time prior to death, after written notice to the current funeral home, and upon such notification all documents and funds shall be transferred as necessary.

Sec. 73. K.S.A. 16-304 is hereby amended to read as follows:
16-304. If any balance remains in the account upon the death of the person for whose services the funds were paid, the same shall not be paid by such bank, ~~trust-company~~, credit union or savings and loan association to the person, association, partnership, firm or corporation until the expiration of at least five days after the date of death of the person for whose services such funds were paid. The funds shall not be paid by the bank, ~~trust company~~, credit union or savings and loan association until a certified copy of the death certificate of such person shall have been furnished to the bank, ~~trust--company~~, credit union or savings and loan association, together with a verified statement setting forth that all of the terms and conditions of such

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agreement have been fully performed by the person, association, partnership, firm or corporation. If any balance remains in the fund after disposition of the fund in accordance with the terms of the agreement, contract or plan such balance shall inure to the benefit of the estate of the purchaser of the agreement, contract or plan.

Sec. 74. K.S.A. 16-310 is hereby amended to read as follows: 16-310. (a) The secretary of state, or the secretary's representative, may audit whenever and as often as deemed necessary by the secretary of state all accounts or trusts of each prearranged funeral agreement, plan or contract entered into pursuant to K.S.A. 16-301 et seq., and amendments thereto. For such purposes, the secretary of state or the secretary's representative is authorized to administer oaths and to examine under oath the directors, officers, employees and agents of any seller of personal property or funeral or burial merchandise. Such examination may be reduced to writing by the person taking it and the examiner may make findings as to the condition of each account or trust examined. Accounting records and information required by this section shall be maintained in a format approved by the secretary of state. For the purposes of such audits, the secretary of state may require any person or officer of a partnership, association, firm or corporation who sells such merchandise to furnish and submit the books, records, papers and instruments of such partnership, association, firm or corporation for examination.

(b) In the event the secretary of state determines that moneys have been improperly obtained from the account or trust by the seller of personal property or funeral or burial merchandise during the period covered by the audit, then the secretary may order the seller of personal property or funeral or burial merchandise to redeposit to the account or trust such moneys improperly withdrawn within 60 days.

(c) The attorney general, at the request of the secretary of state, may initiate an action to recover payments required to be redeposited to the account or trust under subsection (b), or to

recover other moneys received or disbursed in violation of this act. In addition, the attorney general may seek to enjoin any violation of this act.

(d) In the absence of fraud, all funds held in an account or trust established pursuant to a prearranged funeral agreement, plan or contract shall not be subject to attachment, garnishment or other legal process, nor be seized, taken, appropriated or applied to pay any debt or liability of the seller of personal property or funeral or burial merchandise, buyer or beneficiary, by any legal or equitable process or by operation of law.

(e) No person, partnership, association, firm or corporation shall enter into any prearranged funeral agreement, plan or contract until such person, partnership, association, firm or corporation has filed with the secretary of state a notification of its intention to sell and engage in such prearranged agreements, plans or contracts. Such notice shall include the name of the person, partnership, association, firm or corporation, its principal place of business and the name and address of the bank, ~~trust~~ company or savings and loan association, trustee or trustees to be utilized under the provisions of this section.

(f) Whenever any person, partnership, association, firm or corporation refuses to submit the books, records, papers and instruments to the examination and inspection of the secretary of state, or of any of the secretary's representatives, or in any manner obstruct or interfere with the examination or audit authorized by this section, or refuse to be examined under oath concerning any of the affairs of its prearranged funeral agreements, plans or contracts, the secretary of state may request the attorney general to institute proceedings for the appointment of a receiver for such person, partnership, association, firm or corporation.

(g) Any person, partnership, association, firm or corporation which refuses or neglects to comply with the requirements of this act for a period of 90 days after demand to do so is made upon it by the secretary of state shall be subject

to the penalties provided in K.S.A. 16-305, and amendments thereto. The attorney general, upon the request of the secretary of state, shall then begin an action for the appointment of a receiver for such person, partnership, association, firm or corporation and to dissolve the same.

(h) Whenever an audit is made pursuant to this section, the person, partnership, association, firm or corporation so audited shall pay to the secretary of state such expenses as shall be assessed pursuant to K.S.A. 1988 Supp. 75-422, and amendments thereto.

Sec. 75. K.S.A. 16-322 is hereby amended to read as follows:
16-322. (a) The cemetery corporation shall establish and maintain a cemetery merchandise trust fund with a bank, ~~trust company~~ or savings and loan association having trust powers. A copy of each contract or a written notice containing all relevant information regarding such prepaid merchandise contract for which deposits are made shall be furnished financial institutions. The institutions shall serve as trustees for the purposes of this act. Deposits to such fund shall be carried in the name of the cemetery corporation and the amounts deposited therein may be commingled, but the accounting records shall establish a separate account for each prepaid merchandise contract and shall show the amounts deposited, and the income or loss accruing thereon, with respect to each prepaid merchandise contract. The trustee shall reimburse the cemetery corporation for all income taxes and costs incurred with respect to the operation of such fund, and the trustee shall be reimbursed from the earnings of such fund for all reasonable costs incurred in serving as trustee, including a reasonable fee for its services. The taxes and costs shall be paid from earnings of the fund prior to the allocation of earnings to the individual accounts.

(b) No part of the moneys required by K.S.A. ~~1982-Supp.~~ 16-321, and amendments thereto, to be held under a prepaid merchandise contract shall ever be used for any purpose other than investment as authorized by K.S.A. ~~1982--Supp.~~ 16-324, and amendments thereto, until delivery of the merchandise is made.

With respect to any cemetery merchandise which is not affixed to real property, delivery shall occur when physical possession is tendered to the purchaser, and a bill of sale or similar instrument of title is delivered to the purchaser. With respect to cemetery merchandise which is affixed to realty, delivery shall occur when construction or permanent installation of the merchandise has been completed. Upon delivery of the cemetery merchandise, the cemetery corporation shall present the trustee with a verified statement that delivery has been made. Upon such presentation the trustee shall pay to the cemetery corporation the amount of any funds held in trust with respect to the cemetery merchandise delivered and no further deposits shall be made with respect to such cemetery merchandise.

Sec. 76. K.S.A. 16-324 is hereby amended to read as follows: 16-324. A cemetery merchandise trust fund established pursuant to K.S.A. 1982-Supp. 16-321 or 16-322, and amendments thereto, shall at all times be in the custody of a federally insured bank, ~~trust-company~~ or savings and loan association which is authorized to do business in this state. Any cemetery merchandise trust funds may be invested, reinvested, exchanged, retained, sold and managed in the manner and subject to the requirements of K.S.A. 17-5004, and amendments thereto, and, at the election of the trustee, as a part of common trust funds.

Sec. 77. K.S.A. 17-1311 is hereby amended to read as follows: 17-1311. Such corporation shall maintain, in a ~~trust company~~, a state or national bank located within the state of Kansas, a state or federally chartered savings and loan association located within the state of Kansas or a federally chartered savings bank located within the state of Kansas, a percentage of the purchase price of each burial lot sold by it, or any payment thereon, not less than 15% thereof, for the permanent maintenance of the cemetery within which the burial lot lies, but the total amount set aside shall not be less than \$25 for each burial lot at the time of conveyance of such lot. Deposits to the permanent maintenance fund shall be made within 45 days of receipt of moneys for which deposits are required to

be made. Moneys placed in such fund under the provisions of K.S.A. 17-1308, and amendments thereto, shall be credited for the purposes of fulfilling such requirement. Moneys in such fund may be held and invested to the same extent as is provided in K.S.A. 17-5004, and amendments thereto, but the total amount of money invested in any mortgage upon real property shall not exceed an amount equal to 75% of the market value of such property at the time of such investment. The income of the permanent maintenance fund shall be used exclusively for the maintenance of the cemetery. No part of the principal of the fund shall ever be used for any purpose except for such investment. In no event shall any loan of the funds be made to any stockholder in such corporation. The treasurer of such corporation may deposit, to the credit of such fund, donations or bequests for the fund and may retain property so acquired without limitation as to time and without regard to its suitability for original purchase. As used in this section, the term "burial lot" means a plotted space for one grave. Such maintenance shall include, but not be limited to, mowing, road maintenance and landscaping, but shall not include administrative costs, expense of audits or the portion of any capital expense for equipment used to maintain portions of a cemetery not sold for burial purposes or in use for grave sites.

Sec. 78. K.S.A. 17-1312 is hereby amended to read as follows: 17-1312. The permanent maintenance fund required to be established by K.S.A. 17-1311, and amendments thereto, shall at all times be in the custody of ~~a--trust--company~~, a state or national bank located within the state of Kansas, a state or federally chartered savings and loan association located within the state of Kansas or a federally chartered savings bank located within the state of Kansas. Any such ~~trust-company~~, bank, savings and loan association or federally chartered savings bank with which the custody of a permanent maintenance fund has been entrusted may invest, reinvest, exchange, retain, sell and manage the moneys within such fund. If the treasurer of any cemetery corporation shall entrust the custody of the permanent maintenance fund to a savings and loan association or

associations or federally chartered savings bank or banks, the amount of moneys in the custody of any such association or savings bank shall not exceed the amount for which deposits in such savings and loan association or savings bank are insured by the federal savings and loan insurance corporation or other insurer approved by the state commissioner of insurance. If the treasurer of any cemetery corporation shall entrust the custody of the permanent maintenance fund to a bank or banks or federally chartered savings bank or banks, the amount of money in the custody of any such bank or savings bank shall not exceed the amount for which deposits in such bank or savings bank are insured by the federal deposit insurance corporation or other insurer approved by the state bank commissioner. Such trust company, bank, savings and loan association or federally chartered savings bank may serve without bond and may be reasonably compensated for its services out of the income of the fund. It shall be a provision of any such trust agreement that no moneys, other than income from the trust, shall be paid over to the cemetery corporation by the trustee, except upon the written permission of the secretary of state.

Sec. 79. K.S.A. 17-1348 is hereby amended to read as follows: 17-1348. Any cemetery corporation now organized or existing, or which may be hereafter organized, for the purpose of establishing and maintaining a cemetery or cemeteries for charitable purposes and having or acquiring a perpetual care or permanent maintenance fund containing assets of at least one hundred-thousand-dollars-~~(\$100,000)~~ \$100,000, may by action of its governing board enter into an agreement with a bank or-trust company, having its principal office in this state, for the joint custody of such assets, which assets are to be deposited for safekeeping with such bank or--trust--company and such joint custody to be between the treasurer and governing body of said corporation and the bank or-trust-company. Whenever such assets are so deposited with a bank or-trust-company, the treasurer of said such corporation may be relieved from furnishing any surety bond relative thereto otherwise required by law.

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Sec. 80. K.S.A. 19-2870 is hereby amended to read as follows: 19-2870. All money coming into the hands of the treasurer of the board shall be deposited in one or more banks or trust-companies designated by the board and be protected as provided by article 14 of chapter 9 of the Kansas Statutes Annotated and amendments thereto.

Sec. 81. K.S.A. 19-2892 is hereby amended to read as follows: 19-2892. All money coming into the hands of the treasurer of the board shall be deposited in one or more banks or trust-companies designated by the board and be protected as provided by article 14 of chapter 9 of the Kansas Statutes Annotated and amendments thereto.

Sec. 82. K.S.A. 20-350 is hereby amended to read as follows: 20-350. (a) Except for fines and penalties authorized to be paid to counties pursuant to K.S.A. 19-101e, and amendments thereto, all moneys received by the clerk of the district court from the payment of fines, penalties and forfeitures shall be remitted to the state treasurer, in the manner provided by K.S.A. 20-2801, and amendments thereto, and the state treasurer shall deposit the same in the state treasury to the credit of the state general fund.

(b) The administrative judge may invest any moneys on deposit in the district court account if the moneys are not immediately required for the purposes for which they were collected or received. Such moneys may be invested in: (1) Time deposits, open account or certificates of deposit, for periods not to exceed six months, or savings deposits, in commercial banks or--trust--companies located in the county, except that amounts invested which are not insured by the United States government shall be secured in the manner and amounts provided by K.S.A. 1980-Supp. 9-1402, and amendments thereto;

(2) United States treasury bills or notes with maturities not to exceed six months; or

(3) savings and loan associations located in the county. No investment of more than the amount insured by the federal savings and loan insurance corporation shall be made in any one savings

and loan association. Interest received from the investment of moneys pursuant to this subsection shall be paid to the state treasurer in the manner provided by K.S.A. 20-2801, and amendments thereto, and the state treasurer shall deposit the same in the state treasury to the credit of the state general fund.

(c) Upon application of a party to an action in which such party claims ownership of moneys held by the district court, the administrative judge may invest such moneys in the same manner as provided by subsection (b). Interest received from the investment of moneys pursuant to this subsection shall become the property of the person found to be the owner of the moneys.

Sec. 83. K.S.A. 24-624 is hereby amended to read as follows:
24-624. The board may sell said bonds from time to time in such quantities as may be necessary and most advantageous, to raise money for the construction of said ditches and works and the acquisition of rights of way and property and otherwise to carry out the object and purpose of this act. Such bonds shall be sold as provided by law. The proceeds of the sale of said such bonds or any of them, shall be used to pay for the works and improvements in the drainage of said the district, and such costs, expenses, fees and salaries as may be authorized by law. The money derived from the sale of any bonds shall be deposited by the board of supervisors with some bank ~~or--trust--company~~ in any county in said the district under such conditions as the said board may prescribe and may be withdrawn from said such depository when ordered by the said board on check or warrant signed by the chairman chairperson and countersigned by the secretary thereof. And said such depository shall execute and deliver to the said board of supervisors of such drainage district a bond with good and sufficient sureties to be approved by the said board of supervisors, conditioned that said such depository shall account for, safely keep, and pay over as required by law and as ordered to do by said the board of supervisors any and all money received by said such depository, on account, for said the drainage district.

Sec. 84. K.S.A. 1988 Supp. 32-104m is hereby amended to read as follows: 32-104m. (a) The director of the Kansas fish and game commission or the director's designee shall be authorized to issue to any Kansas resident a lifetime fishing, hunting or combination hunting and fishing license upon proper application made therefor and payment of a license fee as follows: (1) If total payment is made at the time of purchase, the fee for a lifetime fishing or hunting license shall be \$200, and the fee for a lifetime combination fishing and hunting license shall be \$400; or (2) payment may be made over a two-year period in eight quarter-annual installments. Each installment payment for a hunting or fishing license shall be \$30, and each installment payment for a combination hunting and fishing license shall be \$55. Lifetime licenses shall not be issued until the final installment has been paid. A person making installment payments shall not be required to obtain the appropriate annual license and each installment payment shall be deemed to be such an annual license for a period of one year following the date of the last installment payment made. If an installment payment is not received within 30 days after it is due and owing, the commission may deem the payments in default and may retain any payments previously received. Any lifetime fishing, hunting or combination hunting and fishing license issued to a Kansas resident shall not be made invalid by reason of the holder thereof subsequently residing outside the state of Kansas. Any nonresident holder of a Kansas lifetime fishing, hunting or combination hunting and fishing license shall be eligible under the same conditions as a Kansas resident for a big game permit upon proper application to the director.

(b) All license fees received from the sale of such licenses shall be remitted at least quarterly to the state treasurer. Upon receipt of any such remittance, the state treasurer shall deposit the same in the state treasury and shall credit that amount thereof which is equal to the amount obtained by multiplying the number of lifetime fishing, hunting or combination licenses issued by the current fee for an annual

fishing, hunting or combination license to the fish and game commission fee fund and shall credit the remaining balance thereof to the fish and game conservation fund which is hereby created. The pooled money investment board may invest and reinvest moneys credited to the fish and game conservation fund in obligations of the United States or obligations the principal and interest of which are guaranteed by the United States or in interest-bearing time deposits in any commercial bank ~~or--trust company~~ located in Kansas, or, if the pooled money investment board determines that it is impossible to deposit such moneys in such time deposits, in repurchase agreements of less than 30 days' duration with a Kansas bank or with a primary government securities dealer which reports to the market reports division of the federal reserve bank of New York for direct obligations of, or obligations that are insured as to principal and interest by the United States government or any agency thereof. All moneys received as interest earned by the investment of the moneys in the fish and game conservation fund shall be credited to such fund. All expenditures from the fish and game conservation fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the director of the Kansas fish and game commission.

(c) The Kansas fish and game commission may adopt rules and regulations necessary to carry out the provisions of this section.

Sec. 85. K.S.A. 1988 Supp. 40-3406 is hereby amended to read as follows: 40-3406. The pooled money investment board may invest and reinvest moneys in the fund in obligations of the United States of America or obligations the principal and interest of which are guaranteed by the United States of America or in interest-bearing time deposits in any commercial bank ~~or trust-company~~ located in Kansas, or, if the board determines that it is impossible to deposit such moneys in such time deposits, in repurchase agreements of less than 30 days' duration with a Kansas bank or with a primary government securities dealer which

reports to the market reports division of the federal reserve bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof. Any income or interest earned by such investments shall be credited to the fund.

Sec. 86. K.S.A. 1988 Supp. 58-3066 is hereby amended to read as follows: 58-3066. (a) The real estate recovery revolving fund established within the state treasury by K.S.A. 58-3023, and amendments thereto, is hereby continued in existence. Such fund shall be used in the manner and for the purpose provided by this act.

(b) At any time that the balance remaining in the real estate recovery revolving fund is less than \$100,000 the commission, without delay, shall assess each licensed broker a fee of \$10 and each licensed salesperson a fee of \$5. Such fees shall be deposited in the state treasury and credited to the real estate recovery revolving fund. If a licensee does not pay the assessment within 30 days from the date notice of assessment is mailed to the last residence address reported to the commission by the licensee, the licensee's license may be suspended in accordance with the Kansas administrative procedure act until the assessment is paid. A fee of \$15 shall be paid by the licensee to reinstate the suspended license. Fees paid to reinstate licenses suspended under this section shall be deposited in the state treasury and credited to the state general fund and the real estate fee fund as provided by subsection (a) of K.S.A. 58-3074, and amendments thereto.

(c) All payments and disbursements from the real estate recovery revolving fund, shall be made upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the director of the commission or by any person or persons designated by the commission. Amounts credited to the real estate recovery revolving fund under this section shall not be subject to any limitation imposed by any appropriation act of the legislature. All payments and disbursements from the real estate recovery revolving fund shall be subject to post audit in

accordance with article 11 of chapter 46 of the Kansas Statutes Annotated and any amendments thereto.

(d) The pooled money investment board may invest and reinvest the moneys in the real estate recovery revolving fund in: (1) Direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America;

(2) interest-bearing time deposits in any commercial bank or trust--company located in Kansas, except that the amount so invested in any such bank or trust company shall not exceed an amount equal to the total capital and surplus of such bank or trust company and shall be secured in the manner prescribed by subsections (a) through (e) of K.S.A. 75-4218, and amendments thereto;

(3) if the board determines that it is impossible to deposit such moneys in such time deposits, in repurchase agreements of less than 30 days' duration with a Kansas bank or with a primary government securities dealer which reports to the market reports division of the federal reserve bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof; or

(4) in shares or accounts in savings and loan associations insured by the federal savings and loan insurance corporation, or other federal agency, to the extent covered by such insurance. All moneys received as interest earned by the investment of the moneys in the real estate recovery revolving fund shall be credited to such fund.

Sec. 87. K.S.A. 1988 Supp. 65-3431 is hereby amended to read as follows: 65-3431. The secretary is authorized and directed to: (a) Adopt such rules and regulations, standards and procedures relative to hazardous waste management as shall be necessary to protect the public health and environment and enable the secretary to carry out the purposes and provisions of this act.

(b) Report to the legislature on further assistance needed

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to administer the hazardous waste management program.

(c) Administer the hazardous waste management program pursuant to provisions of this act.

(d) Cooperate with appropriate federal, state, interstate and local units of government and with appropriate private organizations in carrying out the duties under this act.

(e) Develop a statewide hazardous waste management plan.

(f) Provide technical assistance, including the training of personnel, to industry, local units of government and the hazardous waste management industry to meet the requirements of this act.

(g) Initiate, conduct and support research, demonstration projects, and investigations and coordinate all state agency research programs with applicable federal programs pertaining to hazardous waste management.

(h) Establish policies for effective hazardous waste management.

(i) Authorize issuance of such permits and orders, conduct inspections and collect samples or require information and copy records or data as may be necessary to implement the provisions of this act and the rules and regulations and standards adopted pursuant to this act.

(j) Conduct and contract for research and investigations in the overall area of hazardous waste storage, collection, transportation, treatment, recovery and disposal including, but not limited to, new and novel procedures.

(k) Adopt rules and regulations establishing criteria for identifying the characteristics of hazardous waste and for listing hazardous waste. The secretary shall prepare and keep current a listing of hazardous wastes and set of characteristics based on the rules and regulations adopted pursuant to this subsection. The listing shall identify, but need not be inclusive of, all the hazardous waste subject to the provisions of this act. The criteria for identification and listing shall be consistent with the criteria for identification and listing adopted by the administrator of the United States environmental

protection agency under the authority vested in the administrator by the Resource Conservation and Recovery Act of 1976 (42 USC 6921) as amended by the Solid Waste Disposal Act of 1980 (P.L. 94-482, October 21, 1980), and as amended by the Hazardous and Solid Waste Act of 1984 (P.L. 98-616, November 8, 1984).

(1) Adopt rules and regulations establishing: (1) Appropriate measures for monitoring generators, transporters and facilities during operation, closure, and after closure of such facilities to insure compliance with the rules and regulations adopted under this act and any permit issued under this act; (2) procedures to suspend operation of such generators, transporters or facilities as may be required to protect the public health and safety or the environment; and (3) appropriate measures to insure that any use of a hazardous waste disposal facility after closure will not endanger the public health or safety or the environment.

(m) Adopt rules and regulations establishing standards for hazardous waste generators including, but not limited to, notification of hazardous waste generation, reporting, recordkeeping, labeling, containerization, source separation, storage, manifests, monitoring, sampling and analysis and manner of filing notifications, reports and manifests.

(n) Adopt rules and regulations prescribing the form of the manifest and requiring such manifest to accompany any hazardous waste collected, transported, treated, recovered or disposed of, and prescribing the contents of the manifest which shall include, but not be limited to the quantity and composition of the hazardous waste, generator, transporter, destination, facility and the manner of signing and filing of the manifest and for the maintenance of records.

(o) Adopt rules and regulations establishing standards for routes used for transporting hazardous waste within the state with the concurrence of the state corporation commission. Such standards shall be consistent with those of the United States department of transportation and the state corporation commission, with respect to transportation of hazardous materials. Motor vehicles which are used for the transportation

of hazardous waste in accordance with this act shall be exempt from the requirements of K.S.A. 66-1,108 et seq., and amendments thereto, and any rules and regulations adopted thereunder pertaining to routes which shall be under the jurisdiction of the secretary as provided in this act including any rules and regulations adopted thereunder. Otherwise such motor vehicles shall be subject to the requirements of K.S.A. 66-1,108 et seq., and amendments thereto, and any rules and regulations adopted thereunder.

(p) Adopt rules and regulations establishing standards for transporters of hazardous waste including, but not limited to, notification of hazardous waste transport, manifests, labeling, recordkeeping and the filing of reports.

(q) Adopt rules and regulations establishing standards and procedures to protect public health and the environment from any release of hazardous waste into the environment and to insure the prompt correction of any such release and damage resulting therefrom by the person transporting, handling or managing such hazardous waste.

(r) Adopt rules and regulations requiring that, for such period of time as the secretary shall specify, any assignment, sale, conveyance or transfer of all or any part of the real property upon which a hazardous waste treatment, storage or disposal facility is or has been located shall be subject to such terms and conditions as to the use of such property as the secretary shall specify to protect human health and the environment.

(s) Adopt rules and regulations establishing a permit system which includes standards for facilities and procedures for implementation of a permit system for the construction, alteration, or operation of a hazardous waste treatment, storage or disposal facility including, but not limited to, content of applications, evidence of financial responsibility, existing hydrogeological characteristics, environmental assessment, training of personnel, maintenance of operations, qualifications of ownership, continuity of operation, public notification and

participation and compliance with those standards established pursuant to subsection (t).

(t) Adopt rules and regulations establishing minimum standards for the design, location, construction, alteration, operation, termination, closing and long-term care of facilities for the treatment, storage or disposal of hazardous waste including, but not limited to, notification of hazardous waste treatment, storage or disposal, general facility standards, contingency plans, emergency procedures, manifest system, recordkeeping, inspections, monitoring, reporting, closure and postclosure plans and financial requirements. The operator of the facility shall be responsible for long-term care of the facility for 30 years after closure of the facility except that the secretary may modify the long-term care requirements for any facility when all hazardous waste is removed from the facility at closure. The secretary may extend the long-term care responsibility of any operator of a facility as the secretary may deem necessary to protect the public health and safety or the environment. Any person acquiring rights of possession or operation of any facility permitted by the secretary for the treatment, storage or disposal of hazardous waste at any time after the facility has begun to accept waste and prior to the end of the required period of long-term care shall be subject to all of the requirements, terms and conditions of the permit for the facility including all requirements relating to long-term care of the facility. The sale or acquisition of a hazardous waste disposal facility during the long-term care period shall be subject to the assignment of long-term care responsibilities as determined by the secretary.

(u) Adopt rules and regulations establishing a schedule of fees to be paid to the secretary by: (1) Permittees operating hazardous waste treatment, storage or disposal facilities; (2) hazardous waste transporters; or (3) hazardous waste generators producing or bringing into existence hazardous waste in Kansas. The fees shall be for monitoring facilities both during and after operation, for monitoring generators of hazardous waste in Kansas

and for monitoring the transportation of hazardous wastes. The fees shall be sufficient to reimburse the cost of the state in performing these monitoring responsibilities. The fee established under this subsection for each hazardous waste disposal facility shall not exceed \$25,000 annually. In setting fees, the secretary may exempt those fees which would be payable by generators for hazardous waste which is treated to recover substantial amounts of either energy or materials from hazardous wastes. The secretary shall remit any moneys collected from such fees to the state treasurer. Upon receipt of any such remittance, the state treasurer shall deposit the entire amount thereof in the state general fund.

(v) (1) Adopt rules and regulations establishing a schedule of fees to be paid to the secretary by permittees operating hazardous waste disposal facilities. In establishing fees, the secretary shall give consideration to degree of hazard, costs of treatment and disposal, estimated future receipts and estimated future expenses to the state for monitoring, maintenance and supervision of the facilities after closure. Fees shall be in an amount not to exceed \$.25 per cubic foot of hazardous waste disposed of. Each permittee, as an advance payment of the fees authorized under this subsection, shall remit to the secretary an amount to be established by the secretary not to exceed \$25,000 upon request and notification by the secretary that an initial application for a permit or initial renewal thereof has been approved, subject to receipt of the advance payment. Commencing with the second renewal, no advance payment shall be required. The advance payment shall constitute a credit against any fee which may be assessed pursuant to this subsection.

(2) The secretary shall remit any moneys collected pursuant to this subsection to the state treasurer to be deposited in the state treasury and credited to the hazardous waste perpetual care trust fund, which fund is hereby limited to the following uses:

(A) Payment of extraordinary costs of monitoring a permitted hazardous waste disposal facility after the responsibility of the operator has terminated; (B) payment of costs of repairing a

hazardous waste disposal facility, as a result of a postclosure occurrence which poses a substantial hazard to public health or safety or to the environment. If an expenditure made under this subsection would not have been necessary had the person responsible for the operation or long-term care of the permitted hazardous waste disposal facility complied with the requirements of a plan of operation approved by the secretary when the permit was issued, a cause of action in favor of the fund shall be accrued to the state of Kansas against such person, and the secretary shall take such action as is appropriate to enforce this cause of action by recovering any amounts so expended. The net proceeds of any such recovery shall be paid into the fund; and (C) on an emergency basis up to 20% of the balance in the hazardous waste perpetual care trust fund may be allocated for investigation, engineering and construction related to the removal, treatment and disposal of hazardous waste disposed of in any hazardous waste disposal facility closed prior to the date of this act, when such hazardous waste is found to pose an imminent and substantial risk to the public health or safety or the environment.

(3) The pooled money investment board may invest and reinvest moneys in the perpetual care trust fund established under this subsection in obligations of the United States or obligations the principal and interest of which are guaranteed by the United States or in interest-bearing time deposits in any commercial bank ~~or trust company~~ located in Kansas or, if the board determines that it is impossible to deposit such moneys in such time deposits, in repurchase agreements of less than 30 days' duration with a Kansas bank or with a primary government securities dealer which reports to the market reports division of the federal reserve bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof. Any income or interest earned by such investments shall be credited to the hazardous waste perpetual care trust fund.

(4) All expenditures from the hazardous waste perpetual care

trust fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the secretary for the purposes set forth in this subsection.

(w) Encourage, coordinate or participate in one or more waste exchange clearing houses for the purpose of promoting reuse and recycling of industrial wastes.

(x) Adopt rules and regulations establishing the criteria to specify when a change of principal owners or management of a hazardous waste treatment, storage or disposal facility occurs and under what circumstances and procedures a new permit shall be required to be issued to the transferees of a facility which was permitted to the transferor.

(y) Adopt rules and regulations concerning the generation, transportation, storage, blending, marketing, burning and types of hazardous waste for which any method, technique or process to recover energy will be considered hazardous waste treatment. Such rules and regulations should specify a minimum heat value of the waste so as to ensure that a legitimate energy recovery will occur and should consider other characteristics of the waste which are appropriate to ensure that such method, technique or process for energy recovery will not pose a threat to the public health or environment.

Sec. 88. K.S.A. 66-118h is hereby amended to read as follows: 66-118h. In case the order or decision of the commission is stayed or suspended, the order or judgment of the court shall not become effective until a suspending bond shall have been executed and filed with and approved by the court, payable to the people of the state of Kansas, sufficient in amount and security to secure the prompt payment, by the party petitioning for the stay, of all damages caused by the delay in the enforcement of the order or decision of the commission, and repayment of all moneys which any person, firm, corporation or any organization or association of any kind or character may be compelled to pay for any service in excess of the charges fixed by the order or decision of the commission in case such order or

decision is sustained or in excess of the rate, fare, toll, rental, charge or classification finally established as lawful and reasonable if the order or decision be vacated or set aside, and in addition thereto or in lieu thereof the court granting a stay or suspending the order or decision of a commission in any manner affecting rates, fares, tolls, rentals, charges or classifications shall direct the petitioner to pay into court from time to time all sums of money collected from any person, firm or corporation in excess of the sum that such person, firm or corporation would have been compelled to pay if the order of the commission had not been stayed or suspended. The sums so paid into court shall be deposited, as the court may direct, in any bank, ~~trust~~ company or other depository paying interest on deposits.

The court shall require the party collecting such sums to keep such records and issue such receipts as will facilitate the repayment of said such sums to the proper persons, firm or corporations if the order of decision of the commission be sustained, or if the rate, fare, toll, rental, charge or classification finally established as reasonable or lawful be less than the sum collected. If the order or decision of the commission be sustained or if the rate, fare, toll, rental, charge or classification finally established as lawful and reasonable be less than the sum collected, the court shall require notice be given, by publication or otherwise, to the persons, firms or corporations entitled to be reimbursed and shall provide for the payment and distribution of such sums of money so impounded or due under the bond herein provided. All sums of money collected under bond which are paid and distributed as herein provided shall bear interest from the date of collection, at the rate prescribed by K.S.A. 16-204, and amendments thereto.

Sec. 89. K.S.A. 1988 Supp. 68-2311 is hereby amended to read as follows: 68-2311. (a) All moneys received pursuant to the authority of this act, whether as proceeds from the sale of bonds or as payments from the state freeway fund, shall be deemed to be

trust funds to be held and applied solely as provided in this act. The secretary of transportation shall have the responsibility for the management of the state freeway fund and the state freeway construction fund. Within the limitations provided by this section, the pooled money investment board shall invest and reinvest moneys in the funds and shall acquire, retain, manage, including the exercise of any voting rights, and dispose of investments of the funds, except that moneys in the state freeway construction fund may be invested only in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America or in interest-bearing time deposits in any commercial bank ~~or--trust--company~~ located in Kansas, or, if the board determines that it is impossible to deposit such moneys in such time deposits, in repurchase agreements of less than 30 days' duration with a Kansas bank or with a primary government securities dealer which reports to the market reports division of the federal reserve bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof. In investing or reinvesting moneys in the funds, and in acquiring, retaining, managing and disposing of investments of the funds, there shall be exercised the judgment and care under the circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital. Within the limitations of the foregoing standard and subject to subsection (c), there may be acquired, retained, managed and disposed of as investments of the funds every kind of investment which persons of prudence, discretion and intelligence acquire, retain, manage and dispose of for their own account, with the objective of all such investments being to make the moneys in such fund as productive as possible, except that no funds may be invested in the common stock of any foreign or domestic corporation. Nothing

in this subsection shall be deemed to require the disposition of any common stock in which funds were invested prior to the effective date of this act.

(b) Subject to the standards, objectives and restrictions set forth in subsection (a), the pooled money investment board shall formulate policies for the investment and reinvestment of moneys in the state freeway fund and the state freeway construction fund and the acquisition, retention, management and disposition of investments of these funds. From time to time, the pooled money investment board shall review any policies so adopted and make such changes therein as it deems necessary.

(c) Notwithstanding any of the provisions of subsection (a) or any policies adopted pursuant to subsection (b) to the contrary, the pooled money investment board shall invest only those moneys which are not obligated to be expended within the immediately ensuing six-month period pursuant to contract or for debt service requirements pursuant to the provisions of this act.

(d) The pooled money investment board may enter into contracts with one or more financial advisors whom the board determines to be qualified, whereby the financial advisors undertake to perform the functions specified in subsection (a) to the extent provided in the contract. Performance of functions under contract so entered into shall be paid for out of the gross interest or other income of the investments with respect to which the functions are performed, and the net interest or other income of the investments after that payment shall be considered income of the state freeway fund. The pooled money investment board shall require a financial advisor contracted with to give a fidelity bond in such sum as may be fixed by law or, if not so fixed, as may be fixed by the board, with corporate surety authorized to do business in this state.

(e) In the acquisition or disposition of securities, the pooled money investment board may rely on the written legal opinion of a reputable and nationally recognized bond attorney or attorneys, or the written legal opinion of the attorney of the financial advisors.

(f) Except as provided in subsection (d) and this subsection the custody of money and securities of the funds shall remain with the state treasurer, except that the pooled money investment board may arrange for the custody of such money and securities as it considers advisable with a member bank ~~or-trust-company~~ of the federal reserve system, or with one or more banks in the state of Kansas, or both, to be held in safekeeping by the bank ~~or--trust company~~ or banks for the collection of the principal and interest or other income or of the proceeds of sale. The services provided by any such bank ~~or-trust-company~~ shall be paid for out of the gross receipts from such interest or other income, and the net interest or other income after such payment shall be considered income of the state freeway fund.

(g) With the advice and consent of the state director of accounts and reports, the pooled money investment board shall establish the requirements and procedure for reporting any and all activity relating to investment functions provided for in this section, in order to prepare a record monthly of the investment income and changes made during the preceding month. The record shall reflect a detailed summary of investment, reinvestment, purchase, sale and exchange transactions, showing the dates thereof, the prices paid and obtained, the names of the dealers and such other information as the board may consider advisable to reflect a true accounting of the investment activity of the state freeway fund and the state freeway construction fund.

(h) The pooled money investment board shall provide for an examination of the investment program annually. The examination shall include an evaluation of current investment policies and practices and of specific investments of the funds in relation to the standards and objectives set forth in subsection (a) and other criteria as may be appropriate, and recommendations relating to the investment policies and practices and to specific investments of the funds as are considered necessary or desirable.

Sec. 90. K.S.A. 72-17,125 is hereby amended to read as

follows: 72-17,125. (a) The board of education of any school district to which ~~any-of-sections-1-to-7~~ K.S.A. 72-1727, 72-1760, 72-1781, 72-1789, 72-17,100, 72-17,108 or 72-17,121, and amendments thereto, apply, and the retirement fund of which has a balance greater than ~~fifty-thousand-dollars-(\$50,000)~~ \$50,000, may invest and reinvest moneys in the retirement fund of the school district and to acquire, retain, manage, including the exercise of any voting rights, and dispose of investments of such fund in accordance with this subsection and K.S.A. 72-17,126 to 72-17,131, inclusive, and amendments thereto. In investing or reinvesting moneys in such fund, and in acquiring, retaining, managing and disposing of investments of such fund, there shall be exercised the judgment and care under the circumstances then prevailing, which men of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital. Within the limitations of the foregoing standard, there may be acquired, retained, managed and disposed of as investments of the funds every kind of investment which men of prudence, discretion and intelligence acquire, retain, manage and dispose of for their own account, with the objective of all such investments being to make the moneys in such fund as productive as possible.

(b) The board of education of any school district to which ~~any-of-sections-1-to-7~~ K.S.A. 72-1727, 72-1760, 72-1781, 72-1789, 72-17,100, 72-17,108 or 72-17,121, and amendments thereto, apply, and the retirement fund of which has a balance of ~~fifty--thousand dollars-(\$50,000)~~ \$50,000 or less, may invest and reinvest moneys in such fund only in direct obligations of, or obligations the principal of which and interest on which are unconditionally guaranteed by, the United States of America, or in time deposit open accounts in any bank ~~or-trust--company~~ located in Kansas, except that the amount so invested in a bank ~~or-trust-company~~ shall be secured in the manner prescribed by subsections (a) to (e), inclusive, of K.S.A. 75-4218, and amendments thereto.

Sec. 91. K.S.A. 1988 Supp. 74-2913 is hereby amended to read as follows: 74-2913. There is hereby created in the state treasury the all-sports hall of fame trust fund. The pooled money investment board may invest and reinvest moneys credited to such fund in obligations of the United States of America or obligations the principal and interest of which are guaranteed by the United States of America or in interest-bearing time deposits in any commercial bank ~~or-trust-company~~ located in Kansas, or, if the board determines that it is impossible to deposit such moneys in such time deposits, in repurchase agreements of less than 30 days' duration with a Kansas bank or with a primary government securities dealer which reports to the market reports division of the federal reserve bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof. All moneys received as interest earned by the investment of the moneys in the all-sports hall of fame trust fund shall be credited to such trust fund.

Sec. 92. K.S.A. 1988 Supp. 74-3323 is hereby amended to read as follows: 74-3323. (a) All moneys received as bequests, donations or gifts by the Kansas department of wildlife and parks shall be credited to the Kansas department of wildlife and parks private gifts and donations fund which is hereby created. The pooled money investment board may invest and reinvest moneys credited to the Kansas department of wildlife and parks private gifts and donations fund in obligations of the United States of America or obligations the principal and interest of which are guaranteed by the United States of America, in interest-bearing time deposits in any commercial bank ~~or-trust-company~~ located in Kansas or in repurchase agreements of less than 30 days' duration with a Kansas bank or with a primary government securities dealer which reports to the market reports division of the federal reserve bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof. Any moneys not so invested shall earn interest monthly based upon the average

interest rate each month on repurchase agreements entered into pursuant to K.S.A. 75-4205, and amendments thereto and the average daily balance in the Kansas department of wildlife and parks private gifts and donations fund. Any income or interest earned by the investments shall be credited monthly to the Kansas department of wildlife and parks private gifts and donations fund.

(b) On July 1, 1988, the director of accounts and reports shall transfer all moneys in the Kansas fish and game commission private gifts and donations fund to the Kansas department of wildlife and parks private gifts and donations fund. On July 1, 1988, all obligations of the Kansas fish and game commission private gifts and donations fund are hereby transferred to and imposed upon the Kansas department of wildlife and parks private gifts and donations fund, and the Kansas fish and game commission private gifts and donations fund is hereby abolished.

(c) On July 1, 1988, the director of accounts and reports shall transfer all moneys in the gifts and donations fund of the state park and resources authority to the Kansas department of wildlife and parks private gifts and donations fund. On July 1, 1988, all obligations of the gifts and donations fund of the state park and resources authority are hereby transferred to and imposed upon the Kansas department of wildlife and parks private gifts and donations fund, and the gifts and donations fund of the state park and resources authority is hereby abolished.

Sec. 93. K.S.A. 1988 Supp. 74-4515 is hereby amended to read as follows: 74-4515. (a) All moneys derived from the sale of bonds as provided in this act shall be paid into the state treasury and the state treasurer shall credit the same to a special account for the use of the authority to pay the cost of the specific public improvement or project for which the bonds were issued as shown by the bond indenture executed in connection with the issuance of the bonds. If moneys derived from the sale of bonds shall exceed the amount necessary to complete the specific public improvement or project for which the same were issued the authority shall have power by resolution to direct the

state treasurer to transfer any surplus from the special account to another account in the state park and resources authority general fees fund for the purpose of retiring the bonds. Upon making any such transfer the state treasurer shall notify the director of accounts and reports and the authority thereof who shall make the proper entries in the records of their respective offices to show such transfer.

(b) If any money deposited in the special account is not currently needed, the pooled money investment board may invest all or any part thereof in obligations of the United States government which shall mature within one year from date of purchase or in interest-bearing time deposits in any commercial bank ~~or--trust--company~~ located in Kansas, or, if the board determines that it is impossible to deposit such moneys in such time deposits, in repurchase agreements of less than 30 days' duration with a Kansas bank or with a primary government securities dealer which reports to the market reports division of the federal reserve bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof. Upon the maturity of the obligations so purchased the proceeds thereof shall be deposited in the state treasury and credited to the state park and resources authority general fees fund.

(c) The director of accounts and reports, upon the presentation of properly itemized and executed vouchers, approved by the chairperson or vice-chairperson of the authority, is hereby authorized to draw warrants on the state treasurer against the special account created under this section.

Sec. 94. K.S.A. 1988 Supp. 74-8828 is hereby amended to read as follows: 74-8828. (a) There is hereby established in the state treasury the racing applicant deposit fund.

(b) Moneys credited to the racing applicant deposit fund shall be used only to make transfers as authorized by subsection (c) and to pay refunds of deposits, and interest accrued thereon, pursuant to K.S.A. ~~1987~~ 1988 Supp. 74-8813 and 74-8815, and amendments thereto. Expenditures from such fund shall be made in

accordance with appropriation acts upon warrants of the director of accounts and reports, or a person designated by the director of accounts and reports pursuant to K.S.A. 75-3732 and amendments thereto, issued pursuant to vouchers approved by the executive director, or a person designated by the executive director.

(c) Upon forfeiture of a deposit pursuant to K.S.A. 1987 1988 Supp. 74-8813 or 74-8815, and amendments thereto, the executive director shall certify to the director of accounts and reports the amount of such deposit, and any interest accrued thereon. Upon receipt thereof, the director of accounts and reports shall transfer the amount certified to the state racing fund created by K.S.A. 1987 1988 Supp. 74-8826, and amendments thereto.

(d) The pooled money investment board may invest and reinvest moneys credited to the racing applicant deposit fund in obligations of the United States of America or obligations the principal and interest of which are guaranteed by the United States of America or in interest-bearing time deposits in any commercial bank ~~or trust company~~ located in Kansas. If the board determines that it is impossible to deposit the moneys in time deposits, it shall enter into repurchase agreements of less than 30 days' duration with a Kansas bank for direct obligations of, or obligations that are insured as to principal and interest by the United States government or any agency thereof. Any income or interest earned by the investments shall be credited to the racing applicant deposit fund.

Sec. 95. K.S.A. 1988 Supp. 75-2527 is hereby amended to read as follows: 75-2527. The pooled money investment board shall invest and reinvest moneys in the Jane C. Stormont perpetual endowment fund only: (a) In direct obligations of, or obligations the principal of which and interest on which are unconditionally guaranteed by, the United States of America,

(b) in interest-bearing time deposits in any bank ~~or trust company~~ located in Kansas, or, if the board determines that it is impossible to deposit such moneys in such time deposits, in

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repurchase agreements of less than 30 days' duration with a Kansas bank or with a primary government securities dealer which reports to the market reports division of the federal reserve bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof; or

(c) in insured savings and loan associations to the extent of the insurance provided by the federal savings and loan insurance corporation or other federal agency.

Sec. 96. K.S.A. 75-4208 is hereby amended to read as follows: 75-4208. (a) The board shall follow the procedure prescribed in this section preliminary to designating banks to receive deposit of state moneys in active accounts and inactive accounts. Such board shall meet on the first Monday in July of each year at such hour and place as is specified by the board. Except in any year in which such board is only exercising its option specified in subsection (c) of this section, at such meeting the board shall prepare and cause to be published in the Kansas register on or before July 15 of such year a notice as prescribed in this section. Such notice shall state that on a day specified in such notice, which shall be not later than September 1 of such year, sealed proposals will be received by the board for the deposit of state and special moneys in active and inactive accounts. Such notice shall specify this section of this act as authority for its publication, and shall specify the hour and place that the proposals herein provided for will be received and opened. Such notice shall specify that proposals may be made by any eligible bank ~~or trust company~~ on forms which shall be prepared by the board and approved by the attorney general.

(b) At the time and place specified in such notice, all proposals which have been submitted shall be publicly opened and tabulated.

(c) Within two weeks after the meeting date specified in such notice the board shall determine which banks shall receive state active and inactive accounts for the following 12 months, with the option of such board to extend such period for an

additional 12 months, and shall designate the types of accounts to be awarded each such bank and the initial amount of each award. Such initial awards which are active accounts shall be made as provided in K.S.A. 75-4205, and amendments thereto. Such initial awards which are inactive accounts shall be apportioned as is provided in K.S.A. 75-4209, and amendments thereto. Upon making the awards provided for above, the board shall notify each bank of its award, and that the same is subject to approval of securities to be pledged as prescribed in this act.

Sec. 97. K.S.A. 75-4218a is hereby amended to read as follows: 75-4218a. Whenever interest bearing time deposits in any commercial bank ~~or--trust--company~~ located in Kansas are authorized by the provisions of K.S.A. 12-3718, 12-3724, 40-2307, 58-3029, 68-2311, 74-4515, 75-2527, 75-4254 and 76-2473, and amendments thereto, such deposits shall be secured by pledge of securities as provided in K.S.A. 75-4218, and any amendments thereto.

Sec. 98. K.S.A. 1988 Supp. 75-4254 is hereby amended to read as follows: 75-4254. The pooled money investment board may invest and reinvest the moneys of surplus proceeds and surplus reserves in: (a) Direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America ~~or~~;

(b) in interest-bearing time deposits in any commercial bank ~~or--trust--company~~ located in Kansas, except that the amount so invested in any such bank or trust company shall not exceed an amount equal to the total capital and surplus of such bank or trust company and shall be secured in the manner prescribed by subsections (a) to (e), inclusive, of K.S.A. 75-4218, and amendments thereto or, and amendments thereto;

(c) if the board determines that it is impossible to deposit such moneys in such time deposits, in repurchase agreements of less than 30 days' duration with a Kansas bank or with a primary government securities dealer which reports to the market reports division of the federal reserve bank of New York for direct obligations of, or obligations that are insured as to principal

and interest by, the United States government or any agency thereof; or

(d) in shares or accounts in savings and loan associations insured by the federal savings and loan insurance corporation, or other federal agency, to the extent covered by such insurance.

Sec. 99. K.S.A. 76-718a is hereby amended to read as follows: 76-718a. The Kansas endowment association is hereby authorized to act as the investing agent for the permanent university fund referred to in K.S.A. 76-308, and the amendments thereto. The Kansas state university foundation is hereby authorized to act as the investing agent for the state agricultural university fund referred to in K.S.A. 76-410a, and amendments thereto. The Emporia state university endowment association, inc., is hereby authorized to act as the investing agent for the state normal school fund referred to in K.S.A. 76-604, and amendments thereto.

Such investing agents shall invest and reinvest moneys in such funds in:

(a) Time deposit, open accounts for periods of not less than ~~thirty--(30)~~ 30 days, or certificates of deposit for periods of not less than ~~ninety--(90)~~ 90 days, in commercial banks ~~or--trust~~ companies located in Kansas ~~or~~;

(b) United States treasury bills or notes with maturities as the investing agent shall determine; or

(c) insured savings and loan associations to the extent of the insurance provided by the F.S.L.I.C.

Sec. 100. K.S.A. 1988 Supp. 76-818 is hereby amended to read as follows: 76-818. All funds received pursuant to the provisions of this act, whether as proceeds from the sale of bonds, sale of property, insurance or condemnation awards, as revenues, proceeds or otherwise, shall be deemed to be trust funds to be held and applied solely as provided in this act and as provided in the resolution authorizing the issuance of the bonds or the trust agreement. The resolution of the board authorizing the issuance of the bonds or the trust agreement securing any bonds may provide that any of such moneys, including

the proceeds of the bonds, the sinking fund and any reserve account or accounts, may be invested by the pooled money investment board, pending the disbursement thereof, in obligations of the United States of America or obligations the principal and interest of which are guaranteed by the United States of America or in interest-bearing time deposits in any commercial bank ~~or-trust-company~~ located in Kansas, or, if the board determines that it is impossible to deposit such moneys in such time deposits, in repurchase agreements of less than 30 days' duration with a Kansas bank or with a primary government securities dealer which reports to the market reports division of the federal reserve bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof. Whenever such moneys are invested in interest-bearing deposits in any commercial bank ~~or-trust-company~~, such deposits shall be secured by pledge of securities as provided in K.S.A. 75-4218, and amendments thereto.

Sec. 101. K.S.A. 1988 Supp. 76-2473 is hereby amended to read as follows: 76-2473. The state treasurer shall have the custody and charge of all moneys in the all faiths chapel building fund. The pooled money investment board may invest and reinvest the moneys not needed immediately in: (a) Direct obligations the principal of and interest on which are unconditionally guaranteed by the United States of America ~~or~~;

(b) in interest-bearing time deposits in any commercial bank ~~or-trust-company~~ located in Kansas, except that the amount so invested in a bank or trust company shall not exceed an amount equal to the total capital and surplus of such bank or trust company and shall be secured in the manner prescribed by K.S.A. 75-4218, and amendments thereto ~~or~~;

(c) if the board determines that it is impossible to deposit such moneys in such time deposits, in repurchase agreements of less than 30 days' duration with a Kansas bank or with a primary government securities dealer which reports to the market reports division of the federal reserve bank of New York for direct

obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof; or

(d) in shares or accounts in federally insured savings and loan associations located in the state of Kansas to the extent covered by the insurance. The net income from the investments shall be considered income of the fund and placed in such fund, subject to reinvestment as provided by this section. All moneys in the fund and income therefrom shall be subject to post audit.

Sec. 102. K.S.A. 1988 Supp. 79-4804 is hereby amended to read as follows: 79-4804. (a) An amount equal to 60% of all moneys credited to the state gaming revenues fund shall be transferred and credited to the state economic development initiatives fund which is hereby created in the state treasury. Expenditures from the state economic development initiatives fund shall be made in accordance with appropriation acts for the financing of such programs supporting and enhancing the existing economic foundation of the state and fostering growth through the expansion of current, and the establishment and attraction of new, commercial and industrial enterprises as provided by this section and as may be authorized by law and not less than 1/2 of such money shall be distributed equally among the five congressional districts. From and after July 1, 1990, an amount equal to 90% of all moneys credited to the state gaming revenues fund shall be transferred and credited to the state economic development initiatives fund created by this section. All moneys credited to the state economic development initiatives fund shall be credited within the fund, as provided by law, to an account or accounts of the fund which are created by this section.

(b) There is hereby created the Kansas capital formation account in the state economic development initiatives fund. All moneys credited to the Kansas capital formation account shall be used to provide, encourage and implement capital development and formation in Kansas.

(c) There is hereby created the Kansas economic development research and development account in the state economic

development initiatives fund. All moneys credited to the Kansas economic development research and development account shall be used to promote, encourage and implement research and development programs and activities in Kansas and technical assistance funded through state educational institutions under the supervision and control of the state board of regents or other Kansas colleges and universities.

(d) There is hereby created the Kansas economic development endowment account in the state economic development initiatives fund. All moneys credited to the Kansas economic development endowment account shall be accumulated and invested as provided in this section to provide an ongoing source of funds which shall be used for economic development activities in Kansas, including but not limited to continuing appropriations or demand transfers for programs and projects which shall include, but are not limited to, specific community infrastructure projects in Kansas that stimulate economic growth.

(e) Except as provided in subsection (f), the pooled money investment board may invest and reinvest moneys credited to the state economic development initiatives fund in obligations of the United States of America or obligations the principal and interest of which are guaranteed by the United States of America or in interest-bearing time deposits in any commercial bank or trust-company located in Kansas, or, if the board determines that it is impossible to deposit such moneys in such time deposits, in repurchase agreements of less than 30 days' duration with a Kansas bank or with a primary government securities dealer which reports to the market reports division of the federal reserve bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof. All moneys received as interest earned by the investment of the moneys credited to the state economic development initiatives fund shall be deposited in the state treasury and credited to the Kansas economic development endowment account of such fund.

(f) Moneys credited to the Kansas economic development

endowment account of the state economic development initiatives fund may be invested in government guaranteed loans and debentures as provided by law in addition to the investments authorized by subsection (e) or in lieu of such investments. All moneys received as interest earned by the investment under this subsection of the moneys credited to the Kansas economic development endowment account shall be deposited in the state treasury and credited to the Kansas economic development endowment account of the state economic development initiatives fund.

Sec. 103. K.S.A. 1988 Supp. 82a-1369 is hereby amended to read as follows: 82a-1369. (a) To provide earnest money required as part of a memorandum of understanding between the state of Kansas and the United States department of the army concerning the purchase of municipal and industrial water supply storage, the pooled money investment board is authorized and directed to loan to the director of the Kansas water office sufficient funds therefor in the amount of \$4,000,000. The pooled money investment board is authorized and directed to use any moneys in the active accounts, inactive accounts or time deposits, open accounts, of the state of Kansas to provide funds for such loan. On the loan date of such loan, the pooled money investment board shall transfer the loan amount from the state bank accounts described in this subsection to the director of the Kansas water office by depositing the same in the state treasury to the credit of the water supply storage assurance fund.

(b) Commencing on the loan date, such loan shall bear interest equal to the amount of interest earned on moneys in the water supply storage assurance fund. The loan principal and interest thereon shall be payable solely from moneys credited to and available in the water supply storage assurance fund or as otherwise provided by law. Commencing on the first day of the 12th month commencing after the loan date, and annually thereafter until the repayment date of such loan, interest on such loan, as specified under this section, shall be paid to the pooled money investment board. The loan principal and any

interest remaining on such loan shall be paid in full on July 1, 1996. Such loan shall not be deemed to be an indebtedness or debt of the state of Kansas within the meaning of section 6 of article 11 of the constitution of the state of Kansas.

(c) There is hereby created in the state treasury the water supply storage assurance fund. The pooled money investment board may invest and reinvest moneys credited to the water supply storage assurance fund in obligations of the United States of America or obligations the principal and interest of which are guaranteed by the United States of America, in interest-bearing time deposits in any commercial bank ~~or trust company~~ located in Kansas or in repurchase agreements of less than 30 days' duration with a Kansas bank or with a primary government securities dealer which reports to the market reports division of the federal reserve bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof. Any moneys not so invested shall earn interest monthly based upon the average interest rate each month on repurchase agreements entered into pursuant to K.S.A. 75-4205, and amendments thereto, and the average daily balance in the water supply storage assurance fund. Any income or interest earned by the investments shall be credited monthly to the water supply storage assurance fund.

(d) All expenditures from the water supply storage assurance fund shall be made for the purpose of complying with the memorandum of understanding between the state of Kansas and the United States department of the army concerning the purchase of municipal and industrial water supply storage and for the purpose of paying the principal and interest on the loan received under this section in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the director of the Kansas water office or by a person designated by the director.

Sec. 104. K.S.A. 2-612, 9-511, 9-802, 9-804, 9-902, 9-904, 9-905, 9-908, 9-909, 9-910, 9-911, 9-912, 9-1113, 9-1115, 9-1117, 9-1118, 9-1119, 9-1201, 9-1301, as amended by section 38 of

chapter 356 of the 1988 Session Laws of Kansas, 9-1301a, as amended by section 39 of chapter 356 of the 1988 Session Laws of Kansas, 9-1302, 9-1304, 9-1801, 9-1802, 9-1804, 9-1806, as amended by section 44 of chapter 356 of the 1988 Session Laws of Kansas, 9-1907, 9-1908, 9-1915, 9-1916, 9-2001, 9-2002, 9-2003, 9-2004, 9-2009, 9-2011, 9-2012, 9-2016, 12-822, 16-301, 16-302, 16-303, 16-304, 16-310, 16-322, 16-324, 17-1311, 17-1312, 17-1348, 17-2001, 17-2002, 17-2002b through 17-2026, 19-2870, 19-2892, 20-350, 24-624, 66-118h, 72-17,125, 75-4208, 75-4218a and 76-718a and K.S.A. 1988 Supp. 2-160, 9-701, 9-801, 9-901a, 9-903, 9-1102, 9-1114, 9-1116, 9-1123, 9-1215, 9-1216, 9-1401, 9-1402, 9-1403, 9-1405, 9-1406, 9-2007, 9-2014, 10-131, 12-1675, 12-1676, 12-3718, 12-3724, 32-104m, 40-3406, 58-3066, 65-3431, 68-2311, 74-2913, 74-3323, 74-4515, 74-8828, 75-2527, 75-4254, 76-818, 76-2473, 79-4804 and 82a-1369 are hereby repealed.

Sec. 105. This act shall take effect and be in force from and after its publication in the statute book.