

Approved: February 19, 1996
Date

MINUTES OF THE HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE.

The meeting was called to order by Chairperson Bill Bryant at 3:30 p.m. on February 14, 1996 in Room 527S-of the Capitol.

All members were present except: Representative Delbert Crabb

Committee staff present: Bill Wolff, Legislative Research Department
Bruce Kinzie, Revisor of Statutes
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee: Representative Jo Ann Pottorff
Bernard E. Nichols, PaineWebber
Ruth A. Cramer, citizen
William Grant, Office of State Bank Commissioner

Others attending: See attached list

Hearing on HB 2843 - Uniform transfer on death security registration act

Representative Jo Ann Pottorff explained that this legislation dealing with transfer on death securities would define a person as an individual, a corporation, a partnership, or an organization. She then introduced Bernard E. Nichols, Senior Vice President for Investments of PaineWebber Inc. (Attachment 1). He explained the need for the legislation is due to a recent problem with Boston Equi-Service, a transfer agent in Boston. They refused a transfer on death request which would have transferred securities to the Kansas University Endowment Association stating, "A transfer on death account can only be registered to an individual, not an institution or foundation." He introduced Ruth A Cramer of Wichita who had made the request on behalf of her aunt.

At the suggestion of the Committee, it was recommended that "person" be changed to "persons" so multiple charities or companies could be listed. It was questioned whether the changes would apply to Massachusetts as well as Kansas if such legislation were passed.

Hearing on HB 2739 - Bank holding companies, definitions

William Grant, General Counsel to the State Bank Commissioner, explained the bill was only a minor amendment that is needed to correct an oversight that resulted from the passage of **SB 204** during the 1995 legislative session (Attachment 2).

Representative Landwehr moved to have the bill passed out as favorable and placed on the Consent Calendar. The motion was seconded by Representative Dawson. Motion carried.

Action and Discussion on HB 2670 - Opt in Riegle-Neal branch banking; prohibiting de novo branching; HB 2716 - Prohibiting certain merger transactions and interstate branching

Committee members discussed the lack of long-term study these bills have received and the possible long-range impact on the banking industry. Addressing the bill next year prior to the deadline after knowing how other states of like economic and geographic areas were reacting to the options would be beneficial in decision making. Privilege tax questions still need to be answered even though they are being addressed by **SB 448**. The other side of the issue was discussed that by not taking any action to "opt out," it would give the Comptroller opportunity to continue approving the use of the 30 mile rule in the next year.

Representative Humerickhouse moved to report HB 2716 as favorable. Motion was seconded by Representative Dawson.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE,
Room 527S-Statehouse, at 3:30 a.m. on February 14, 1996.

Revisor Bruce Kinzie reminded the Committee of the need for some technical changes. Representative Humerickhouse rescinded his motion and Representative Dawson rescinded her second.

Representative Samuelson moved for the Revisor to make the necessary technical changes. Representative Graeber seconded the motion. Motion carried

Representative Donovan moved for a substitute motion requesting that no action be taken on HB 2716 and that it be referred to the LCC and recommended for interim study for one year. The motion was seconded by Representative Gilbert.

It was noted that the LCC could refuse to place the bill in an interim study and the bill would die, having to be re-entered next year. Some Committee members urged action on the bill in an attempt to continue the process which has been started. Some members spoke against the motion stating that failure to take action this year would decrease the impact of a positive action to "opt out." The option of "opting out" would be the safer option because once a state has "opted in" they cannot "opt out." Some Committee members said they had not received information regarding this subject until the beginning of the Session and were uncomfortable with making a decision at this time.

The motion of Representative Donovan was voted upon, and the motion passed by 8 to 7. Asking to be recorded as "No" votes were: Representative Dawson, Representative Cox, Representative Samuelson, Representative Landwehr, Representative Vickery, and Representative Humerickhouse.

The meeting was adjourned at 4:10 p.m. The next meeting is scheduled for February 15, 1996.

HOUSE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE GUEST LIST

DATE: 2/14/96

NAME	REPRESENTING
Matthew Goddard	Heartland Community Bankers
Chuck Stones	KBA
Bill GRANT	OFFICE STATE BANK COMMISSIONER
Lawrence J. Stutz	First Nat'l Bank Alton, Mo
Alan Steppert	PETER MCGILL & ASSOC.
Kelley Kulltala	KTLA
Sue Anderson	CBA
Kathy A. Spelace	CBA
Jean Wendling	LYNDON STATE BANK - LYNDON, KS
Beth Cramer	Charities
Lemuel E. Nichols	"
Suzie Fozzmann	CBA
Martha Fowley	1 st State Bank - Burlington
Janice	KS State Bank Olathe, Mo
Sam Becker	St. Francis of Meriden
Bill Raine	BANK IV
Gordon Greer	Bank IV
Kathy Dale	KBA
Foger Trautwe	FFC

Jim Mann
KBA
By O. Redgers
Citizens Nat'l Bk. Grand

HOUSE FINANCIAL INSTITUTIONS AND INSURANCE COMMITTEE GUEST LIST

DATE: 2/14/96

NAME	REPRESENTING
RUDOLPH HIRSCH	Lt. Gov.
LINDA MCGILL	PMA
Pete McGeel	CBA

February 14, 1996

To: Committee Members
House Bill #2843

From: Bernard E. Nichols, Senior Vice President-Investments
PaineWebber Inc. - 100 N. Broadway - Wichita, Ks 67202

Thank you for the opportunity to address this committee. I wish to introduce Ruth A. Cramer - 8610 Huntington - Wichita, Ks 67206, a client who has power of attorney for an elderly aunt.

August 9, 1995 Mrs. Cramer directed PaineWebber in writing to register securities valued more than on hundreds thousand dollars (\$100,000), in her aunt's name TOD Kansas University Endowment Association.

We thought this type of registration permitted per Chapter 44 Senate Bill No 239 section 5. However the transfer agent, Boston EquiServe - 150 Royall Street - Canton, MA 02021, refused our request stating that "A transfer on death account can only be registered to an individual, not an institution or foundation".

By rejecting our request, I assume the transfer agent made their interpretation from Section 1.(a) "Beneficiary form" means a registration of a security which identifies the present owner of the security and the intention of the owner regarding the person who will become the owner of the security upon the death of the owner.

I urge you to approve:

(b) "Person means an individual, a corporation, a partnership, an association, or an organization"

Your enactment should allow transfer agents to transfer securities to charities upon the death of the owner. This should be of great benefit to charities based in Kansas.

House File
Attachment 1
Feb. 14, 1996

KANSAS

BILL GRAVES
GOVERNOR



OFFICE OF THE
STATE BANK COMMISSIONER

W. Newton Male
Bank Commissioner

Judi M. Stork
Deputy Commissioner

Kevin C. Glendening
Assistant Deputy Commissioner

William D. Grant, Jr.
General Counsel

Ruth E. Glover
Administrative Officer

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE

February 14, 1996

H.B. No. 2739

Mr. Chairman and Members of the Committee:

My name is William Grant, I am General Counsel to State Bank Commissioner W. Newton Male, and I urge you to recommend House Bill No. 2739 for passage by the House of Representatives. The bill contains only a minor amendment that is needed to correct an oversight that resulted from the passage of S.B. 204 during the 1995 legislative session.

The proposed amendment is designed to amend K.S.A. 9-519, which is the "definitions" section of the Kansas Bank Holding Company Act. On line 15, page 1 of the bill, statute number 9-539 has been stricken and replaced by 9-541. In 1995, two new sections were added to the Kansas Bank Holding Company Act and the revisor assigned the new sections the numbers 9-540 and 9-541. This proposed amendment is necessary to ensure that the terms used in the two new sections are understood to have the meanings assigned by the "definitions" section of the act (K.S.A. 9-519 as amended).

*House File
Attachment 2
2-14-96*