

SESSION OF 2005

SUPPLEMENTAL NOTE ON SENATE BILL NO. 101

As Recommended by Senate Committee on
Financial Institutions and Insurance

Brief*

SB 101 relates to the employment of an officer or director of a bank or trust company who has been removed for cause. The bill provides that a State Banking Board has the authority to remove a former or current officer or director by taking the following prescribed actions: removal and prohibition of the former or current officer from further participation in any manner of conduct of the affairs of any state bank or trust company. The bill further provides that the prohibition order be published in the *Kansas Register* 30 days after the order becomes final.

Background

The bill was requested by the Office of the State Bank Commissioner whose representative noted that the main purpose for the bill was to give the State Banking Board additional authority to prohibit officers or directors who have been removed from their positions from serving in another state bank or trust company in Kansas.

The bill also is supported by the Kansas Bankers Association.

The bill is opposed by the Community Bankers Association of Kansas whose representative indicated that an amendment should be considered to allow that publication of an individual's name in the *Kansas Register* not take place until 30 days after the final action of the appeals process has taken place.

The fiscal note prepared by the Division of the Budget indicates that passage of the bill would have no fiscal effect.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

