

HOUSE BILL No. 2056

By Committee on Financial Institutions

1-21

1 AN ACT relating to the state bank commissioner; concerning the
2 examination and annual assessment of certain financial institutions;
3 amending K.S.A. 2010 Supp. 9-1703 and repealing the existing
4 section.

5
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 2010 Supp. 9-1703 is hereby amended to read as
8 follows: 9-1703. (a) The expense of every regular examination, together
9 with the expense of administering the banking and savings and loan laws,
10 including salaries, travel expenses, supplies and equipment, shall be paid
11 by the banks and savings and loan associations of the state, and for this
12 purpose the bank commissioner shall, prior to the beginning of each fiscal
13 year, make an estimate of the expenses to be incurred by the department
14 during such fiscal year. From this total amount the commissioner shall
15 deduct the estimated amount of the anticipated annual income to the fund
16 from all sources other than bank and savings and loan association
17 assessments. The commissioner shall allocate and assess the remainder to
18 the banks and savings and loan associations in the state on the basis of
19 their total assets, as reflected in the last March 31 report called for by the
20 federal deposit insurance corporation under the provisions of section 7 of
21 the federal deposit insurance act, 12 U.S.C. § 1817, and amendments
22 thereto, or K.S.A. 17-5610, and amendments thereto, except that the
23 annual assessment will not be less than \$1,000 for any bank or savings
24 and loan association.

25 (b) The expense of every regular trust examination, together with the
26 expense of administering trust laws, including salaries, travel expenses,
27 supplies and equipment, shall be paid by the trust companies and trust
28 departments of banks of this state, and for this purpose, the bank
29 commissioner, prior to the beginning of each fiscal year, shall make an
30 estimate of the trust expenses to be incurred by the department during
31 such fiscal year. The commissioner shall allocate and assess the trust
32 departments in the state on the basis of their total fiduciary assets, as
33 reflected in the last ~~March~~ *December* 31 report called for by the federal
34 deposit insurance corporation under the provisions of section 7 of the
35 federal deposit insurance act, 12 U.S.C. § 1817, and amendments thereto,
36 or K.S.A. 17-5610, and amendments thereto, except that the annual

1 assessment shall not be less than \$1,000 for any active trust department.
2 The commissioner shall allocate and assess the trust companies in the
3 state on the basis of their fiduciary assets as reflected in the last
4 December 31 report filed with the commissioner pursuant to K.S.A. 9-
5 1704, and amendments thereto, except that the annual assessment will not
6 be less than \$1,000 for any active trust company. A trust department
7 which has no fiduciary assets, as reflected in the last ~~March~~ December 31
8 report called for by the federal deposit insurance corporation under the
9 provisions of section 7 of the federal deposit insurance act, 12 U.S.C. §
10 1817, and amendments thereto, or K.S.A. 17-5610, and amendments
11 thereto, may be granted inactive status by the commissioner and the
12 annual assessment shall not be more than \$100 for the inactive trust
13 department. A trust company which has no fiduciary assets, as reflected in
14 the last preceding year-end report filed with the commissioner, may be
15 granted inactive status by the commissioner and the annual assessment
16 shall not be more than \$100 for an inactive trust company. No inactive
17 trust department or trust company shall accept any fiduciary assets or
18 exercise any part of or all of its trust authority until such time as it has
19 applied for and received prior written approval of the commissioner to
20 reactivate its trust authority.

21 (c) A statement of each assessment made under the provisions of
22 subsection (a) or (b) shall be sent by the commissioner on July 1 or the
23 next business day thereafter, to each bank, savings and loan association,
24 trust department and trust company that exists as a corporate entity with
25 the secretary of state's office as of the close of business on June 30, and is
26 authorized by the office of the state bank commissioner to conduct
27 banking, savings and loan or trust business. The assessment may be
28 collected by the state bank commissioner as needed and in such
29 installment periods as the commissioner deems appropriate, but no more
30 frequently than monthly. When the commissioner issues an invoice to
31 collect the assessment, payment shall be due within 15 days of the date of
32 the invoice. The commissioner may impose a penalty upon any bank,
33 savings and loan association, trust department or trust company which
34 fails to pay its annual assessment when it is 15 days or more past due.
35 The penalty shall be assessed in the amount of \$50 for each day the
36 assessment is past due.

37 The commissioner shall remit all moneys received from such
38 examination fees to the state treasurer in accordance with the provisions
39 of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such
40 remittance, the state treasurer shall deposit the entire amount in the state
41 treasury. Twenty percent of each deposit shall be credited to the state
42 general fund and the balance shall be credited to the bank commissioner
43 fee fund. All expenditures from the bank commissioner fee fund shall be

1 made in accordance with appropriation acts upon warrants of the director
2 of accounts and reports issued pursuant to vouchers approved by the
3 commissioner or by a person or persons designated by the commissioner.

4 (d) The amount of expenses incurred and the cost of service
5 performed on account of any bank, trust department or trust company or
6 other corporation which are outside the normal expenses of an
7 examination required under the provisions of K.S.A. 9-1701 or 17-5612,
8 and amendments thereto, shall be charged to and paid by the bank, trust
9 department, trust company or corporation for which such expenses were
10 incurred or cost of services performed.

11 (e) As used in this section, "savings and loan association" means a
12 Kansas state-chartered savings and loan association.

13 (f) (1) In the event a bank, savings and loan association or trust
14 company is merged into, consolidated with, or the assets and liabilities of
15 which are purchased and assumed by another bank, savings and loan
16 association or trust company, between the preceding March 31 and June
17 30, for banks and savings and loan associations, or the preceding
18 December 31 and June 30, for trust companies, the surviving or acquiring
19 bank, savings and loan association or trust company is obligated to pay
20 the assessment based on the value of the assets of all institutions involved
21 with the merger, consolidation or assumption for the following fiscal year
22 commencing July 1.

23 (2) In the event a bank, savings and loan association, or trust
24 company is merged into, consolidated with, or the assets and liabilities of
25 which are purchased and assumed by another bank, savings and loan
26 association or trust company after July 1, the surviving entity shall be
27 obligated to pay the unpaid portion of the assessment for the remainder of
28 the fiscal year commencing July 1 which would have been due of the
29 institution being merged, consolidated or assumed.

30 Sec. 2. K.S.A. 2010 Supp. 9-1703 is hereby repealed.

31 Sec. 3. This act shall take effect and be in force from and after its
32 publication in the statute book.

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