

SESSION OF 2022

SUPPLEMENTAL NOTE ON SENATE BILL NO. 337

As Recommended by Senate Committee on
Financial Institutions and Insurance

Brief*

SB 337 would amend provisions pertaining to the pilot program established within the Technology-enabled Fiduciary Financial Institutions (TEFFI) Act to clarify and retroactively codify the intended date for the issuance of a full charter to the Beneficient Company. The bill would specify that, on December 31, 2021, the conditional charter granted under this pilot program shall be converted to a full fiduciary financial institution charter.

The bill would be in effect upon publication in the *Kansas Register*.

Background

[*Note:* The Joint Committee on Technology-enabled Fiduciary Financial Institutions (Joint Committee) met on December 7, 2021, and included this recommendation among its findings and recommendations: “[O]n the subject of legislative intent, the Committee recommends and clearly states, that a permanent charter be issued no later than December 31, 2021, so that practical actions can be taken within the FidFin Fiduciary Financial Institution Pilot Program and other requirements. Addressing such actions would allow requirements and processes associated with the [TEFFI Act], including those that remain at the discretion of the Commissioner . . . to move forward.”]

*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>

The bill was introduced by the Senate Committee on Financial Institutions and Insurance at the request of the Office of the State Bank Commissioner (OSBC).

Senate Committee on Financial Institutions and Insurance

In the Senate Committee hearing, the General Counsel for the OSBC testified as a **proponent** of the bill stating the bill represents the discussions and specified recommendation from the Joint Committee at its December 7, 2021, meeting. The President and Chief Fiduciary Officer for the Beneficient Company Group, LP (Beneficient Company) supported the bill, stating it would effectively address an ambiguity in the TEFPI Act and make clear the Beneficient Company charter converts from conditional to permanent (a “full charter”) on the date Beneficient was authorized to conduct fidfin transactions (December 31, 2021).

No other testimony was provided.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, the Bank Commissioner states enactment of the bill would have no fiscal effect.

Financial institutions; Technology-enabled Fiduciary Financial Institutions Act; State Bank Commissioner; charter