

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2074** submits the following report:

The House accedes to all Senate amendments to the bill, and your committee on conference further agrees to amend the bill as printed as Senate Substitute for House Bill No. 2074, as follows:

On page 4, following line 3, by inserting:

"(14) "trust" means a trust created pursuant to the Kansas uniform trust code, K.S.A. 58a-101 et seq., and amendments thereto, or created pursuant to the Kansas business trust act of 1961, K.S.A. 17-2707 et seq., and amendments thereto;"

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

Also on page 4, in line 19, after the period by inserting "Except as provided in section 25, and amendments thereto, the state banking board shall not approve any application until the Beneficient conditional charter has been converted to a full charter and the commissioner has completed a regulatory examination.";

On page 7, in line 5, after the second comma by inserting "third-party fees for consultants or other entities necessary to assist the commissioner,";

On page 11, in line 9, by striking "the"; by striking all in lines 10 through 12; in line 13, by striking all before "unless" and inserting "in such institution's name the words "bank" or "trust company" without reference to fidfin trusts or any other term that tends to imply that such fiduciary financial institution is a bank or trust company,"; in line 14, after the period by inserting "While a fiduciary financial institution is a trust company for purposes of federal and state law and rules and regulations and possesses trust powers under this act, it is the intent of this section to impose restrictions on the name of such institution to avoid confusion with other

banks and trust companies that operate in this state but that are not fiduciary financial institutions. The naming restrictions imposed under this section shall in no way reduce or eliminate the trust powers granted to a fiduciary financial institution as a trust company under this act. Other than indicating that the fiduciary financial institution is headquartered and chartered in Kansas, no fiduciary financial institution's name or advertising shall infer or imply that such fiduciary financial institution is endorsed by, an affiliate of or otherwise connected with the government of the state of Kansas.";

On page 15, in line 10, by striking "servcies" and inserting "services";

On page 19, in line 5, by striking all after "(b)"; by striking all in lines 6 through 32; in line 33, by striking all before the period and inserting "The commissioner may, upon a written request from a fiduciary financial institution prior to a form submission, offer to review a form and reply with informational comments only. Such informational comments shall not, in any manner, constitute approval or endorsement of such form, and the fiduciary financial institution shall not represent that such form has been approved by the office of the state bank commissioner"; in line 34, before "Pursuant" by inserting "(a)"; following line 36, by inserting:

"(b) The office of the state bank commissioner may enter into contracts for technical assistance and professional services as are necessary to administer the provisions of this act and to meet the deadline for the adoption of rules and regulations provided by this section. Such contracts shall be exempt from the requirements of K.S.A. 75-3739, 75-37,102 and 75-37,132, and amendments thereto, or any other statute relating to the procurement of such services.";

On page 20, in line 27, after "a" by inserting "conditional"; in line 28, after "upon" by inserting "the";

On page 21, in line 8, after "the" by inserting "conditional"; following line 30, by inserting:

"(e) On or before January 10, 2022, the office of the state bank commissioner shall provide a report to the house of representatives financial institutions and rural development

committee and the senate financial institutions and insurance committee updating such committees on the progress of such pilot program. Such report shall include recommendations from the office of the state bank commissioner for any legislation necessary to implement the provisions of this act.";

On page 23, in line 25, after the period by inserting "Tax credits allowed and earned under this section shall not be sold, assigned, conveyed or otherwise transferred."; in line 35, after "(h)" by inserting "In any taxable year, a fiduciary financial institution shall pay the greater of the qualified charitable distributions made during such taxable year or the tax liability of a fiduciary financial institution imposed pursuant to the Kansas income tax act or the privilege tax imposed upon a fiduciary financial institution pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto.

(i)";

Also on page 23, following line 36, by inserting:

"Sec. 29. (a) There is hereby created the joint committee on fiduciary financial institutions oversight, which shall be composed of four senators and five members of the house of representatives. The four senate members shall be the chairperson of the standing committee on financial institutions and insurance of the senate, or a member of such committee appointed by the chairperson, two members appointed by the president of the senate and one member appointed by the minority leader of the senate. The five representative members shall be the chairperson of the standing committee on financial institutions and rural development of the house of representatives, or a member of such committee appointed by the chairperson, two members appointed by the speaker of the house of representatives and two members appointed by the minority leader of the house of representatives.

(b) All members of the joint committee on fiduciary financial institutions oversight shall serve for terms ending on the first day of the regular legislative session in odd-numbered

years. On and after the first day of the regular legislative session in odd-numbered years, the chairperson shall be one of the representative members of the joint committee selected by the speaker of the house of representatives, and the vice chairperson shall be one of the senate members selected by the president of the senate. On and after the first day of the regular legislative session in even-numbered years, the chairperson shall be one of the senate members of the joint committee selected by the president of the senate and the vice chairperson shall be one of the representative members of the joint committee selected by the speaker of the house of representatives. The chairperson and vice chairperson of the joint committee shall serve in such capacities until the first day of the regular legislative session in the ensuing year. The vice chairperson shall exercise all of the powers of the chairperson in the absence of the chairperson.

(c) A quorum of the joint committee on fiduciary financial institutions oversight shall be a majority of the members. The joint committee on fiduciary financial institutions oversight shall meet at any time and at any place within the state on call of the chairperson. Members of the joint committee shall receive compensation, travel expenses and subsistence expenses or allowances as provided in K.S.A. 75-3212, and amendments thereto, when attending meetings of such committee authorized by the legislative coordinating council.

(d) In accordance with K.S.A. 46-1204, and amendments thereto, the legislative coordinating council may provide for such professional services as may be requested by the joint committee on fiduciary financial institutions oversight.

(e) The joint committee on fiduciary financial institutions oversight may introduce such legislation as deemed necessary in performing such committee's functions.

(f) The joint committee on fiduciary financial institutions oversight shall:

(1) Monitor, review and make recommendations regarding fiduciary financial institutions' operations in the state of Kansas;

(2) monitor, review and make recommendations regarding the fiduciary financial

institutions pilot program established in section 25, and amendments thereto; and

(3) receive a report from the office of the state bank commissioner prior to December 31, 2021, providing an update on the implementation of the technology-enabled fiduciary financial institutions act and the pilot program established in section 25, and amendments thereto. Such report shall include recommendations from the office of the state bank commissioner for any legislation necessary to implement the provisions of the technology-enabled fiduciary financial institutions act.

(g) The office of the state bank commissioner shall appear annually before the joint committee and shall present a report on the fiduciary financial institution industry.";

And by renumbering sections accordingly;

On page 1, in the title, in line 9, after "distributions" by inserting "; creating the joint committee on fiduciary financial institutions oversight";

And your committee on conference recommends the adoption of this report.

Conferees on part of Senate

Conferees on part of House