

As Amended by House Committee

Session of 2012

HOUSE BILL No. 2593

By Committee on Financial Institutions

2-1

1 AN ACT concerning interstate banking; relating to commission approval;  
2 amending K.S.A. 9-532, 9-533 and 9-534 and K.S.A. 2011 Supp. 9-535  
3 and repealing the existing sections.  
4

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

6 Section 1. K.S.A. 9-532 is hereby amended to read as follows: 9-532.  
7 With prior approval of the commissioner, any bank holding company may  
8 acquire, directly or indirectly, ownership or control of, or power to vote,  
9 any of the voting shares of, an interest in, or all or substantially all of the  
10 assets of a Kansas *state chartered* bank or of a ~~Kansas~~ bank holding  
11 company *that has an ownership interest in a Kansas state chartered bank.*

12 Request for approval shall be made by filing an application in such  
13 form as required by the commissioner, containing the information  
14 prescribed by K.S.A. 9-533, and amendments thereto, and by rules and  
15 regulations adopted by the commissioner. At the time of filing the  
16 application, the applicant shall pay to the commissioner a fee in an amount  
17 established by rules and regulations adopted by the commissioner.

18 Sec. 2. K.S.A. 9-533 is hereby amended to read as follows: 9-533. An  
19 application filed pursuant to K.S.A. 9-532, and amendments thereto, shall  
20 provide the following information and include the following documents:

21 (a) A copy of any application by applicant seeking approval by a  
22 federal agency of the acquisition of the voting shares or assets of a Kansas  
23 *state chartered* bank or of a ~~Kansas~~ bank holding company *that has an*  
24 *ownership interest in a Kansas state chartered bank*, and of any  
25 supplemental material or amendments filed with the application.

26 (b) Copies of the public sections of the most recent CRA performance  
27 evaluations for all banks which are subsidiaries of the applicant which  
28 were assigned a rating of "needs to improve record of meeting community  
29 credit needs" or "substantial noncompliance in meeting community needs"  
30 under the federal community reinvestment act of 1977, 12 U.S.C. § 2901  
31 et seq.

32 (c) Statements of the financial condition and future prospects,  
33 including current and projected capital positions and levels of  
34 indebtedness, of the applicant and the Kansas *state chartered* bank or  
35 ~~Kansas~~ bank holding company *that has an ownership interest in a Kansas*  
36 *state chartered bank* which is the subject of the application filed pursuant

1 to K.S.A. 9-532, and amendments thereto.

2 (d) Information as to how the applicant proposes to adequately meet  
3 the convenience and needs of the community served by the *Kansas state*  
4 *chartered* bank or ~~Kansas~~ bank holding company *that has an ownership*  
5 *interest in a Kansas state chartered bank* which is the subject of the  
6 application filed pursuant to K.S.A. 9-532, and amendments thereto, and  
7 the communities served by other Kansas banks which are subsidiaries of  
8 *the* applicant, in accordance with the federal community reinvestment act  
9 of 1977, 12 U.S.C. § 2901 et seq.

10 (e) A list of the name and location of each subsidiary bank of the  
11 applicant, together with each subsidiary's most recent examination date,  
12 and assigned composite CAMEL rating, and information reflecting each  
13 subsidiary's total assets, capital ratios, return on assets ratio and loan to  
14 deposit ratios.

15 (f) Any additional information the commissioner deems necessary.

16 Sec. 3. K.S.A. 9-534 is hereby amended to read as follows: 9-534. In  
17 determining whether to approve an application filed pursuant to K.S.A. 9-  
18 532, and amendments thereto, the commissioner shall consider the  
19 following factors:

20 (a) Whether the banks already subsidiaries of the applicant are  
21 operated in a safe, sound and prudent manner.

22 (b) Whether banks already subsidiaries of the applicant have provided  
23 adequate and appropriate services to their communities, including services  
24 contemplated by the federal community reinvestment act of 1977, 12  
25 U.S.C. § 2901 et seq.

26 (c) Whether the applicant proposes to provide adequate and  
27 appropriate services, including services contemplated by the federal  
28 community reinvestment act of 1977, 12 U.S.C. § 2901 et seq., in the  
29 communities served by the *Kansas state chartered* bank or by the *Kansas*  
30 *bank* subsidiaries of the ~~Kansas~~ bank holding company *that has an*  
31 *ownership interest in a Kansas state chartered bank*.

32 (d) Whether the proposed acquisition will result in a *Kansas state*  
33 *chartered* bank or ~~Kansas~~ bank holding company *that has an ownership*  
34 *interest in a Kansas state chartered bank* that has adequate capital and  
35 good earnings prospects.

36 (e) Whether the financial condition of the applicant or any of its  
37 subsidiary banks would jeopardize the financial stability of the *Kansas*  
38 *state chartered* bank or ~~Kansas~~ bank holding company *that has an*  
39 *ownership interest in a Kansas state chartered bank* which is the subject of  
40 the application.

41 Sec. 4. K.S.A. 2011 Supp. 9-535 is hereby amended to read as  
42 follows: 9-535. (a) The commissioner shall approve the application if the  
43 commissioner determines that the application favorably meets each and

1 every factor prescribed in K.S.A. 9-534, and amendments thereto, the  
2 proposed acquisition is in the interest of the depositors and creditors of the  
3 Kansas *state chartered* bank or ~~Kansas~~ bank holding company *that has an*  
4 *ownership interest in a Kansas state chartered bank* which is the subject of  
5 the proposed acquisition and in the public interest generally. Otherwise,  
6 the application shall be denied.

7 (b) Within 15 days after the commissioner's approval or denial, the  
8 applicant shall have the right to appeal in writing to the state banking  
9 board the commissioner's determination by filing a notice of appeal with  
10 the commissioner. The state banking board shall fix a date for hearing,  
11 which hearing shall be held within 45 days after such notice of appeal is  
12 filed. The board shall conduct the hearing in accordance with the  
13 provisions of the Kansas administrative procedure act and render its  
14 decision affirming or rescinding the determination of the commissioner.  
15 Any action of the board pursuant to this section is subject to review in  
16 accordance with the Kansas judicial review act. An applicant who files an  
17 appeal to the state banking board of the commissioner's determination  
18 shall pay to the commissioner a fee in an amount established by rules and  
19 regulations of the commissioner, adopted pursuant to K.S.A. 9-1713, and  
20 amendments thereto, to defray the board's expenses associated with  
21 conducting the appeal.

22 Sec. 5. K.S.A. 9-532, 9-533 and 9-534 and K.S.A. 2011 Supp. 9-535  
23 are hereby repealed.

24 Sec. 6. This act shall take effect and be in force from and after its  
25 publication in the ~~statute book~~ **Kansas register**.

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