AN ACT concerning banking; allowing the obtaining of fingerprints from certain individuals for certain purposes; amending K.S.A. 9-1722 and 9-1801 and K.S.A. 2011 Supp. 9-509 and repealing the existing sections.

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

Section 1. K.S.A. 2011 Supp. 9-509 is hereby amended to read as follows: 9-509. (a) No person shall engage in the business of selling, issuing or delivering its payment instrument, check, draft, money order, personal money order, bill of exchange, evidence of indebtedness or other instrument for the transmission or payment of money or otherwise engage in the business of money transmission with a resident of this state, or, except as provided in K.S.A. 9-510, and amendments thereto, act as agent for another in the transmission of money as a service or for a fee or other consideration, unless such person obtains a license from the commissioner.

(b) An application for a license shall be submitted on forms prescribed by the commissioner. The application shall be accompanied by an application fee as established by rules and regulations adopted by the commissioner. The commissioner may require fingerprinting of any individual, officer, director, partner, member, shareholder or any other person related to the application deemed necessary by the commissioner. Such fingerprints may be submitted to the Kansas bureau of investigation, federal bureau of investigation or other law enforcement agency for the purposes of verifying the identity of such person and obtaining the records of such person's criminal arrests and convictions. Whenever the commissioner requires fingerprinting, any associated costs shall be paid by the applicant or the parties to the application. If the applicant is a publicly traded corporation or a subsidiary of a publicly traded corporation, no fingerprint check shall be required. In addition, each person submitting an application shall meet the following requirements:

(1) The net worth of such person shall be at all times not less than $250,000, as shown by an audited financial statement and certified to by an owner, a partner or officer of the corporation or other entity in a form prescribed by the commissioner and filed in the commissioner's office. The commissioner may require any person to file a statement at any other time upon request;
such person shall deposit and at all times keep on deposit with the
state treasurer, or a bank in this state approved by the commissioner, cash
or securities satisfactory to the commissioner in an amount not less than
$200,000. The commissioner may increase the amount of cash or securities
required up to a maximum of $500,000 upon the basis of the impaired
financial condition of a person, as evidenced by a reduction in net worth,
financial losses or other relevant criteria as determined by the
commissioner;

(3) in lieu of the deposit of cash or securities required by paragraph
(2), such person may give a surety bond in an amount equal to that
required for the deposit of cash or securities, in a form satisfactory to the
commissioner and issued by a company authorized to do business in this
state, which bond shall be payable to the office of the state bank
commissioner and be filed with the commissioner. The deposit of cash or
securities or surety bond shall be for the protection and benefit of
purchasers of money transmission services, purchasers or holders of
payment instruments furnished by such person or for the protection of
those for whom such person has agreed to act as agent in the transmission
of monetary value and to secure the faithful performance of the obligations
of such person in respect to the receipt, handling, transmission and
payment of monetary value. The aggregate liability of the surety for all
breaches of the conditions of the bond shall, in no event, exceed the
amount of such bond. The surety on the bond shall have the right to cancel
such bond upon giving 30 days' notice to the commissioner and thereafter
shall be relieved of liability for any breach of condition occurring after the
effective date of the cancellation. The commissioner or any aggrieved
party may enforce claims against such deposit of cash or securities or
surety bond. So long as the depositing person is not in violation of this act,
such person shall be permitted to receive all interest and dividends on the
deposit and shall have the right to substitute other securities satisfactory to
the commissioner. If the deposit is made with a bank, any custodial fees
shall be paid by such person; and

(4) such person shall submit a list to the commissioner of the names
and addresses of other persons who are authorized to act as selling agents
for transactions with Kansas residents.

(c) The commissioner shall have the authority to examine the books
and records of any person operating in accordance with the provisions of
this act at such person's expense to verify compliance with state and
federal law.

Sec. 2. K.S.A. 9-1722 is hereby amended to read as follows: 9-1722.
(a) A notice of a proposed bank acquisition filed pursuant to K.S.A. 9-
1721, and amendments thereto, shall contain the following information:

(1) The identity, personal history, business background and
experience of each person by whom or on whose behalf the acquisition is
to be made, including such person's material business activities and
affiliations during the past five years and a description of any material
pending legal or administrative proceedings in which the person is a party
and any criminal indictment or conviction of such person by a state or
federal court;
(2) a statement of the assets and liabilities of each person by whom or
on whose behalf the acquisition is to be made, as of the end of the fiscal
year for each of the five fiscal years immediately preceding the date of the
notice, together with related statements of income and source and
application of funds for each of the fiscal years then concluded and an
interim statement of the assets and liabilities for each such person, together
with related statements of income and source and application of funds, as
of a date not more than 90 days prior to the date of the filing of the notice.
Individuals who own 10% or more shares in a bank holding company, as
defined in K.S.A. 9-519, and amendments thereto, shall file the financial
information required by this paragraph;
(3) the terms and conditions of the proposed acquisition and the
manner in which the acquisition is to be made;
(4) the identity, source and amount of the funds or other
considerations used or to be used in making the acquisition and, if any part
of these funds or other considerations has been or is to be borrowed or
otherwise obtained for the purpose of making the acquisition, a description
of the transaction, the names of the parties, and any arrangements,
agreements or understandings with such persons;
(5) any plans or proposals which any acquiring party making the
acquisition may have to liquidate the bank, to sell its assets or merge it
with any company or to make any other major change in its business or
corporate structure or management;
(6) the identification of any person employed, retained or to be
compensated by the acquiring party or by any person on such person's
behalf to make solicitations or recommendations to stockholders for the
purpose of assisting in the acquisition and a brief description of the terms
of such employment, retainer or arrangement for compensation;
(7) copies of all invitations or tenders or advertisements making a
tender offer to stockholders for purchase of their stock to be used in
connection with the proposed acquisition; and
(8) any additional relevant information in such forms as the
department may require by specific request in connection with any
particular notice.
(b) With regard to any trust company which files a notice pursuant to
this section, the commissioner may require fingerprinting of any proposed
officer, director, shareholder or any other person deemed necessary by the
commissioner. Such fingerprints may be submitted to the Kansas bureau of investigation, federal bureau of investigation or other law enforcement agency for the purposes of verifying the identity of such persons and obtaining the records of their criminal arrests and convictions. Whenever the commissioner requires fingerprinting, any associated costs shall be paid by the applicant or the parties to the application.

(c) The commissioner may accept an application filed with the federal reserve bank or federal deposit insurance corporation in lieu of a statement filed pursuant to subsection (a). The commissioner may, in addition to such application, request additional relevant information.

(d) At the time of filing a notice of a proposed bank acquisition pursuant to K.S.A. 9-1721, and amendments thereto, or an application filed pursuant to subsection (b), the applicant shall pay to the commissioner a fee in an amount established by rules and regulations adopted by the commissioner.

Sec. 3. K.S.A. 9-1801 is hereby amended to read as follows: 9-1801.

(a) No bank or trust company shall be organized or incorporated under the laws of this state, nor shall any such institution transact either a banking business or a trust business in this state, until the application for its incorporation and application for authority to do business has been submitted to and approved by the board. The board shall approve or disapprove the organization and establishment of any such institution in the city or town in which the same is sought to be located. The form for making any such application shall be prescribed by the board and any application made to the board shall contain such information as it shall require. The board may require fingerprinting of any officer, director, incorporator or any other person of the proposed trust company related to the application deemed necessary by the board. Such fingerprints may be submitted to the Kansas bureau of investigation, federal bureau of investigation or other law enforcement agency for the purposes of verifying the identity of such persons and obtaining the records of their criminal arrests and convictions. Whenever the board requires fingerprinting, any associated costs shall be paid by the applicant or the parties to the application. The board shall not approve any such application until it first investigates and examines such application and the applicants.

(b) If upon the dissolution, insolvency or appointment of a receiver of any bank, trust company, national bank association, savings and loan association, savings bank or credit union, it is the opinion of the commissioner that by reason of the loss of services in the community, an emergency exists which may result in serious inconvenience or losses to the depositors or the public interest in the community, the commissioner may accept and approve an application for incorporation and application
for authority to do business from applicants for the organization and
establishment of a successor bank or trust company.

Sec. 4. K.S.A. 9-1722 and 9-1801 and K.S.A. 2011 Supp. 9-509 are
hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its
publication in the statute book.