

SESSION OF 2012

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2593**

As Amended by House Committee on Financial  
Institutions

**Brief\***

HB 2593 would amend provisions of the Banking Code that apply to the review of applications associated with acquisitions by a bank holding company of a bank whose home office is located in Kansas. The bill would require the Office of the State Bank Commissioner to review only those applications that involve Kansas state-chartered banks.

Under the current law, the Bank Commissioner is required to review the applications for acquisitions by both an in-state and out-of-state bank holding company of either a Kansas state-chartered bank or a national bank that has a home office in Kansas.

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

**Background**

The bill was introduced at the request of the Office of the State Bank Commissioner. The Deputy Bank Commissioner indicated the bill would eliminate the need for the agency to review acquisitions by bank holding companies that are acquiring national banks in Kansas. The Deputy Commissioner referred to the mission of the agency, regulating state-chartered banks and trust companies. The agency is required, under current law, to review the application when a bank holding company acquires a national

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\*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>

bank with its home office located in Kansas; however, the agency has no regulatory control or enforcement capability. The Deputy Commissioner indicated if the review by the Office of the State Bank Commissioner was removed from the process of application review for national banks, the Federal Reserve Bank (FRB) would still oversee all bank holding company acquisitions of national banks.

The House Committee on Financial Institutions amended the publication date for the bill. The amendment was requested by the Office of the State Bank Commissioner.

The fiscal note prepared by the Division of the Budget on the original bill states the Office of the State Bank Commissioner indicates that the bill would provide savings by reducing the number of applications that the agency would be required to review; however, the savings are estimated to be negligible because the agency receives very few applications from in-state or out-of-state bank holding companies that are proposing to acquire a national bank with its home office located in Kansas. The agency indicates that it currently charges these companies an application fee of either \$500 or \$1,000, depending on the type of transaction. The application fee is used to offset the agency's anticipated cost of reviewing the application. Any fiscal effect associated with the bill is not reflected in *The FY 2013 Governor's Budget Report*.