

2018 Kansas Statutes

9-906. Restoration of impaired capital. (a) Whenever it shall appear that the capital stock of any stock bank or trust company is impaired, the commissioner shall notify the stock bank or trust company to restore the capital stock within 90 days of receipt of such notice.

(b) For purposes of this section, "impairment" means that charges or losses to the bank or trust company's capital accounts have been sufficient to eliminate all of the bank or trust company's allowance for loan and lease loss, undivided profits, surplus fund and any other capital reserves and has brought the book amount of the capital stock below the par value of the capital stock.

(c) Within 15 days of receipt of the impairment notice from the commissioner, the board of directors of the bank or trust company shall levy an assessment on the common stockholders sufficient to restore the capital stock.

(d) A bank or trust company may reduce its capital stock to the extent of the impairment, if such reduction is conducted pursuant to the requirements of K.S.A. 9-904, and amendments thereto.

History: L. 1947, ch. 102, § 19; L. 1987, ch. 54, § 3; L. 2015, ch. 38, § 37; L. 2016, ch. 54, § 19; L. 2018, ch. 75, § 15; July 1.