

Summary of SB 283 Provisions

Section 1 – Change in definition

- Replaces “common trust” funds with “collective investment” funds.
- The term collective investment fund(s) is an overarching term which includes funds held by a bank or trust company as fiduciary and invested collectively in either a common trust fund or a collective investment fund as defined in Kansas Administrative Regulations.
- SB 283 aligns the statute with current language in state regulation to better reflect how the term collective investment funds is used and understood within the industry.
- It also aligns the Kansas statute with Office of the Comptroller of the Currency (OCC) trust regulations updated in 2014.

Section 2 - Change of Control

- The bill would provide a dual reporting requirement from both the persons (as defined in the bill) seeking to acquire control, and the Board of Directors of the Institution that would experience a change of control.
- In the event of a change of control, the Board would be required to notify the Commissioner at least 30 days prior to the change of control.
- This dual requirement would preclude a situation in which the OSBC would not be made aware of and able to provide approval of an application prior to an actual change of control.

Section 3 – 60 Days Prior Notice, Merger & Acquisition

- This section would enable a bank under a formal corrective action to be acquired by another entity in an expedited timeframe.
- We believe this provision is necessary to address a situation when an institution is experiencing rapid financial deterioration.

Section 4– Deputy Bank Commissioner Qualifications

- The final provision in SB 283 expands the breadth of experience that would allow a candidate to be qualified to serve in the role of Deputy Bank Commissioner.
- The current statute requires five years of service as a state bank officer or as a federal or state regulator. The bill would allow for experience as an officer of a state bank holding company or a wholly owned subsidiary conducting business that is related to banking – or a combination of the above to be included in the requirement for five years of service.
- We believe this expansion in qualifying criteria would allow for the consideration of candidates that have banking related experience, but not in a traditional bank officer role.