

Trust Company Charter Conversions; SB 178

SB 178 amends provisions in the Kansas Banking Code governing organization and supervision to permit a national bank, federal savings association, or federal savings bank to convert to a state trust company. The bill also permits a trust company to convert its charter to one of the above-named financial institutions.

The bill updates references to include trust companies in law pertaining to renewal and extension of articles of incorporation (KSA 2020 Supp. 9-803); stockholder vote for conversion to a state bank (KSA 2020 Supp. 9-808); stockholder vote for conversion to a national bank (KSA 2020 Supp. 9-809); and prohibition against felons serving as directors, officers, or employees (KSA 2020 Supp. 9-1717). The bill also establishes a naming standard to require the name selected for a state trust company to be different or substantially dissimilar from the name of any other trust company doing business in the state.

Under current law, a national bank, federal savings and loan association, or federal savings bank is permitted to convert its charter to a state bank charter. Conversely, the law also allows a state bank to convert to a national bank, federal savings and loan association, or federal savings bank.