

## **Amendments to the State Banking Code; SB 82**

**SB 82** amends provisions of the State Banking Code (Code) relating to certificate of existence, voting rights for conversion to a state charter, and the method of delivery for certain notices.

### ***Certificate of Existence***

The bill specifies no party may infer a financial institution relying on a certificate of existence has knowledge of the terms of an entity's documentation (such as a resolution, certificate of good standing, request for taxpayer identification number, entity agreements, or other documents) solely because the financial institution holds a copy of all or part of the entity's documentation. [*Note:* "Financial institution" is defined in continuing law as any federal- or state-chartered commercial bank, savings and loan association, or savings bank. "Entity" is defined as any government or governmental subdivision or agency, any domestic or foreign corporation, limited liability company, general partnership, limited liability partnership, joint venture, cooperative, association, or other legal entity, whether operated for profit or not-for-profit.]

### ***Conversion to a State Charter—Voting Rights***

The bill authorizes any national bank, federal savings association, or federal savings bank to become a state bank upon the affirmative vote of not less than two-thirds of the institution's voting interests of members. [*Note:* Continuing law permits an affirmative vote of two-thirds of the institution's outstanding voting stock.] The bill also requires the submission of a transcript of minutes from the meeting if two-thirds of the voting interests of members approve of the proposed conversion to a state bank.

### ***Method of Delivery for Certain Notices***

The bill authorizes notice by certified mail or electronically pursuant to the Uniform Electronic Transactions Act (KSA 16-1601 *et seq.*) to all stakeholders at least five days in advance of a meeting to vote on the issuance of preferred stock.

The bill also authorizes a safe deposit lessor to provide notice by certified mail or electronically pursuant to the Act to the lessee when a safe deposit box lease is being terminated.