AN ACT concerning interstate banking; relating to commission approval; amending K.S.A. 9-532, 9-533 and 9-534 and K.S.A. 2011 Supp. 9-535 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 9-532 is hereby amended to read as follows: 9-532. With prior approval of the commissioner, any bank holding company may acquire, directly or indirectly, ownership or control of, or power to vote, any of the voting shares of, an interest in, or all or substantially all of the assets of a Kansas state chartered bank or of a Kansas bank holding company that has an ownership interest in a Kansas state chartered bank.

Request for approval shall be made by filing an application in such form as required by the commissioner, containing the information prescribed by K.S.A. 9-533, and amendments thereto, and by rules and regulations adopted by the commissioner. At the time of filing the application, the applicant shall pay to the commissioner a fee in an amount established by rules and regulations adopted by the commissioner.

Sec. 2. K.S.A. 9-533 is hereby amended to read as follows: 9-533. An application filed pursuant to K.S.A. 9-532, and amendments thereto, shall provide the following information and include the following documents:

(a) A copy of any application by applicant seeking approval by a federal agency of the acquisition of the voting shares or assets of a Kansas state chartered bank or of a Kansas bank holding company that has an ownership interest in a Kansas state chartered bank, and of any supplemental material or amendments filed with the application.

(b) Copies of the public sections of the most recent CRA performance evaluations for all banks which are subsidiaries of the applicant which were assigned a rating of "needs to improve record of meeting community credit needs" or "substantial noncompliance in meeting community needs" under the federal community reinvestment act of 1977, 12 U.S.C. § 2901 et seq.

(c) Statements of the financial condition and future prospects, including current and projected capital positions and levels of indebtedness, of the applicant and the Kansas state chartered bank or Kansas bank holding company that has an ownership interest in a Kansas state chartered bank which is the subject of the application filed pursuant
to K.S.A. 9-532, and amendments thereto.

(d) Information as to how the applicant proposes to adequately meet the convenience and needs of the community served by the Kansas state chartered bank or Kansas bank holding company that has an ownership interest in a Kansas state chartered bank which is the subject of the application filed pursuant to K.S.A. 9-532, and amendments thereto, and the communities served by other Kansas banks which are subsidiaries of the applicant, in accordance with the federal community reinvestment act of 1977, 12 U.S.C. § 2901 et seq.

(e) A list of the name and location of each subsidiary bank of the applicant, together with each subsidiary's most recent examination date, and assigned composite CAMEL rating, and information reflecting each subsidiary's total assets, capital ratios, return on assets ratio and loan to deposit ratios.

(f) Any additional information the commissioner deems necessary.

Sec. 3. K.S.A. 9-534 is hereby amended to read as follows: 9-534. In determining whether to approve an application filed pursuant to K.S.A. 9-532, and amendments thereto, the commissioner shall consider the following factors:

(a) Whether the banks already subsidiaries of the applicant are operated in a safe, sound and prudent manner.

(b) Whether banks already subsidiaries of the applicant have provided adequate and appropriate services to their communities, including services contemplated by the federal community reinvestment act of 1977, 12 U.S.C. § 2901 et seq.

(c) Whether the applicant proposes to provide adequate and appropriate services, including services contemplated by the federal community reinvestment act of 1977, 12 U.S.C. § 2901 et seq., in the communities served by the Kansas state chartered bank or by the Kansas bank subsidiaries of the Kansas bank holding company that has an ownership interest in a Kansas state chartered bank.

(d) Whether the proposed acquisition will result in a Kansas state chartered bank or Kansas bank holding company that has an ownership interest in a Kansas state chartered bank that has adequate capital and good earnings prospects.

(e) Whether the financial condition of the applicant or any of its subsidiary banks would jeopardize the financial stability of the Kansas state chartered bank or Kansas bank holding company that has an ownership interest in a Kansas state chartered bank which is the subject of the application.

Sec. 4. K.S.A. 2011 Supp. 9-535 is hereby amended to read as follows: 9-535. (a) The commissioner shall approve the application if the commissioner determines that the application favorably meets each and
every factor prescribed in K.S.A. 9-534, and amendments thereto, the
proposed acquisition is in the interest of the depositors and creditors of the
Kansas state chartered bank or Kansas bank holding company that has an
ownership interest in a Kansas state chartered bank which is the subject of
the proposed acquisition and in the public interest generally. Otherwise,
the application shall be denied.

(b) Within 15 days after the commissioner's approval or denial, the
applicant shall have the right to appeal in writing to the state banking
board the commissioner's determination by filing a notice of appeal with
the commissioner. The state banking board shall fix a date for hearing,
which hearing shall be held within 45 days after such notice of appeal is
filed. The board shall conduct the hearing in accordance with the
provisions of the Kansas administrative procedure act and render its
decision affirming or rescinding the determination of the commissioner.
Any action of the board pursuant to this section is subject to review in
accordance with the Kansas judicial review act. An applicant who files an
appeal to the state banking board of the commissioner's determination
shall pay to the commissioner a fee in an amount established by rules and
regulations of the commissioner, adopted pursuant to K.S.A. 9-1713, and
amendments thereto, to defray the board's expenses associated with
conducting the appeal.

Sec. 5. K.S.A. 9-532, 9-533 and 9-534 and K.S.A. 2011 Supp. 9-535
are hereby repealed.

Sec. 6. This act shall take effect and be in force from and after its
publication in the statute book.