

HOUSE BILL No. 2147

AN ACT relating to banks and banking; concerning unlawful transactions; amending K.S.A. 2000 Supp. 9-1112 and repealing the existing section.

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

Section 1. K.S.A. 2000 Supp. 9-1112 is hereby amended to read as follows: 9-1112. (a) No bank shall buy, sell or trade tangible property as a business or invest in the stock of another bank or corporation, except as specifically authorized.

(b) No bank shall sell, give or purchase any instrument, contract, security or other asset to or from any employee or to or from the bank's parent company or a subsidiary of the bank's parent company without prior approval of the commissioner. Approval of the commissioner need not be obtained for an assignment of third party loans and security for the payment thereof to or from a subsidiary of the bank's parent company.

(c) No bank shall acquire or make a loan on its own shares of stock, or the stock of the bank's parent company or a subsidiary of the bank's parent company except as provided in subsection (d) or except as provided in subsection (26) of K.S.A. 9-1101, and amendments thereto.

(d) A bank may hold or sell any property coming into its ownership in the collection of debts. All such property except legal investments, shall be sold within ~~six months~~ *one year* of acquisition, provided a commercially reasonable sale can occur.

(e) If a commercially reasonable sale cannot occur within ~~six months~~ *one year*, the bank shall not carry such property as a book asset, except that the commissioner may authorize a bank to carry such property as a book asset for a longer period.

Sec. 2. K.S.A. 2000 Supp. 9-1112 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.

I hereby certify that the above BILL originated in the HOUSE, and passed that body

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\_\_\_\_\_  
*Speaker of the House.*

\_\_\_\_\_  
*Chief Clerk of the House.*

Passed the SENATE \_\_\_\_\_

\_\_\_\_\_  
*President of the Senate.*

\_\_\_\_\_  
*Secretary of the Senate.*

APPROVED \_\_\_\_\_

\_\_\_\_\_  
*Governor.*