

SESSION OF 2002

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2695**

As Recommended by House Committee on  
Financial Institutions

**Brief\***

HB 2695 concerns qualifications for service as a member of a bank's board of directors. The bill requires any director of a bank or trust company whose indebtedness to the bank is forgiven to forfeit the person's position as director.

**Background**

HB 2695 was recommended by the Bank Commissioner whose Deputy Commissioner explained that current law requires a director to forfeit the position if any judgment against the director is charged off by the bank. The bill creates another cause for forfeiture of a director position. A bank officer already is subject to forfeiture of the officer's position if the bank has forgiven the officer's debt.

The fiscal note prepared by the Division of the Budget indicates passage of the bill would have no fiscal effect.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.accesskansas.org/legislature/>