



To: Kansas Senate Committee on Financial Institutions & Insurance
From: Mark Knackendoffel, President & Sr. Trust Officer
Date: March 16, 2017
Re: Testimony on HB 2110: Clarification of Branching Authority to Other States for Kansas Trust Companies, Banks, Corporations or Other Business Entities

I am the CEO of The Trust Company, an independent Kansas-chartered Trust Company, headquartered in Manhattan, KS, which I founded 25 years ago.

I was actually here five (5) years ago testifying in support of an amendment to this same statute, KSA 9-2111. That amendment expanded the authority of Kansas trust companies and bank trust departments to branch to other states, so long as non-Kansas trust companies and bank trust departments from those other states could do the same in Kansas under the laws of those other states.

Since then, our trust company has expanded into four new locations, two in Kansas and two in other states, and hired 15 new employees, 11 of them in Kansas. Thank You!

HB 2110 is now being presented as a “clean-up” amendment to clarify what is required under those other states’ laws in order for Kansas to permit non-Kansas trust businesses to establish offices in Kansas.

Rather than using the current, rather vague requirement, to “**reciprocally**” authorize this ability to establish branches in each state, this amendment removes that provision and requires that other states’ laws must authorize:

. . . a Kansas chartered trust company, trust department of a bank, corporation, or other business entity to establish or operate a trust facility within that state.

The requirement that the laws of Kansas and those other states be “reciprocal” or identical is removed by this amendment, which provides clarity and also eliminates a potential bureaucratic roadblock for the expansion of Kansas businesses.