

1 AN ACT relating to financial institutions.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 286.1-440 is amended to read as follows:

- 4 (1) The commissioner shall appoint a sufficient number of examiners and assistant
5 examiners to examine all institutions coming under the supervision of the
6 department. A salary schedule for examiners and assistant examiners shall be
7 prepared by the commissioner and presented to the secretary of the Finance and
8 Administration Cabinet for approval. In the event an advisory state banking board is
9 established by law, the appointment and compensation of examiners and assistant
10 examiners shall be with the advice of such board.
- 11 (2) The commissioner, the deputy commissioner, and each examiner shall take the
12 constitutional oath of office.
- 13 (3) Neither the commissioner, nor the deputy commissioner, nor any examiner or
14 assistant examiner shall be indebted directly or indirectly either as borrower,
15 indorser, surety, or guarantor, to any bank or trust company under his *or her*
16 supervision or subject to his *or her* examination, nor shall he or she be a director,
17 officer or employee in such bank or trust company, nor engage or become interested
18 in the sale of securities as a business or in the negotiation of loans for others.
- 19 (4) No person shall be assigned to examine the affairs of any bank or trust company in
20 a county in which he *or she* holds stock in either a state or national bank or trust
21 company.
- 22 (5) The commissioner may enter into contracts with any bank supervisory agency that
23 has concurrent jurisdiction over a state bank or the branch of an out-of-state state
24 bank operating in this state to engage the services of the agency's examiners at a
25 reasonable rate of compensation, or to provide the services of the commissioner's
26 examiners to the agency at a reasonable rate of compensation. Any contract entered
27 into pursuant to this subsection shall be deemed a sole source contract under the

1 provisions of KRS 45A.095.