

Schuerer  
Lundby  
McCoy

SSB-1009

Commerce

Succeeded by

SENATE FILE SFV/HF 126

BY (PROPOSED COMMITTEE ON  
COMMERCE BILL BY  
CHAIRPERSON JOHNSON)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act permitting state banks to establish additional bank  
2 offices, and containing effective dates.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 524.1201, subsection 1, Code 2001, is  
2 amended to read as follows:

3 1. ~~A bank shall not open or maintain a branch bank.~~ A  
4 state bank may establish and operate any number of bank  
5 offices at any location in this state subject to the approval  
6 and regulation of the superintendent ~~and to the restrictions~~  
7 ~~upon location and number imposed by section 524.1202.~~ A bank  
8 office may furnish all banking services ordinarily furnished  
9 to customers and depositors at the principal place of business  
10 of the state bank which operates the office, and a bank office  
11 manager or an officer of the bank shall be physically present  
12 at each bank office during a majority of its business hours.  
13 The central executive and official business and principal  
14 recordkeeping functions of a state bank shall be exercised  
15 only at its principal place of business or at another bank  
16 office as authorized by the superintendent for these  
17 functions.

18 Sec. 2. Section 524.1202, Code 2001, is amended by adding  
19 the following new subsection:

20 NEW SUBSECTION. 4. Notwithstanding other restrictions in  
21 this chapter to the contrary, a state bank may establish up to  
22 three bank offices at any location in Iowa in addition to the  
23 bank offices that may be established pursuant to other  
24 provisions of this chapter, subject to the approval of the  
25 superintendent.

26 Sec. 3. Section 524.1204, Code 2001, is amended to read as  
27 follows:

28 524.1204 PRIVILEGES EXTENDED TO NATIONAL BANKS.

29 The privileges extended to state banks by section 524.1201,  
30 ~~524.1202~~ and 524.1212 and chapter 527 shall be available on  
31 the same conditions to national banks to the extent they are  
32 so authorized by federal law.

33 Sec. 4. Section 524.1205, Code 2001, is amended to read as  
34 follows:

35 524.1205 ESTABLISHMENT OF BRANCH OR OFFICE IN OTHER STATE

1 -- SUPERINTENDENT'S AUTHORITY TO REGULATE.

2 1. Notwithstanding section 524.1201, subsection 1, and  
3 section 524.1202, subsection 2, paragraph "b", upon  
4 application to and approval by the superintendent, a state  
5 bank may acquire in any manner, establish, maintain, operate,  
6 retain, or relocate a branch or office in a state other than  
7 this state. Subject to the approval of the superintendent,  
8 such branch or office may engage in any activity authorized  
9 for a branch or office of a bank organized under the laws of  
10 that other state.

11 2. The superintendent shall supervise and regulate all  
12 out-of-state branches and offices of a state bank.

13 3. Sections 524.1201 and 524.1203 apply to an out-of-state  
14 branch or office of a state bank except as otherwise provided  
15 by the laws of the state in which a branch or office is  
16 located or by the superintendent pursuant to this section.

17 4. This section does not authorize or permit a state-  
18 chartered bank located outside of this state or a national  
19 bank located outside of this state to establish a de novo  
20 branch or office in this state. ~~This-section-does-not~~  
21 ~~authorize-or-permit-before-June-17-1997-an-interstate-merger~~  
22 ~~transaction-within-the-meaning-of-12-U.S.C.-§-1831u(a)~~

23 Sec. 5. Section 524.1205, Code 2001, as amended by section  
24 4 of this Act, is amended to read as follows:

25 524.1205 ESTABLISHMENT OF BRANCH OR OFFICE IN OTHER STATE  
26 -- SUPERINTENDENT'S AUTHORITY TO REGULATE.

27 1. Notwithstanding section 524.1201, subsection 1, and  
28 ~~section-524.1202, subsection-2, paragraph-"b"~~, upon  
29 application to and approval by the superintendent, a state  
30 bank may acquire in any manner, establish, maintain, operate,  
31 retain, or relocate a branch or office in a state other than  
32 this state. Subject to the approval of the superintendent,  
33 such branch or office may engage in any activity authorized  
34 for a branch or office of a bank organized under the laws of  
35 that other state.

1     2. The superintendent shall supervise and regulate all  
2 out-of-state branches and offices of a state bank.

3     3. Sections 524.1201 and 524.1203 apply to an out-of-state  
4 branch or office of a state bank except as otherwise provided  
5 by the laws of the state in which a branch or office is  
6 located or by the superintendent pursuant to this section.

7     4. This section does not authorize or permit a state-  
8 chartered bank located outside of this state or a national  
9 bank located outside of this state to establish a de novo  
10 branch or office in this state.

11    Sec. 6. Section 524.1212, Code 2001, is amended to read as  
12 follows:

13    524.1212 LOCATION OF SATELLITE TERMINALS.

14    Any state bank may utilize a satellite terminal, as defined  
15 in section 527.2, when that satellite terminal is lawfully  
16 being operated, at any location within this state. A  
17 ~~satellite-terminal-which-complies-with-the-requirements-of~~  
18 ~~chapter-527-is-not-a-branch-bank-or-an-office-of-a-bank-and-is~~  
19 ~~not-subject-to-the-restrictions-on-location-or-number-set~~  
20 ~~forth-in-section-524-1202.~~ Any transaction engaged in through  
21 the use of a satellite terminal shall be deemed to take place  
22 at the principal place of business of a bank whose accounts  
23 and records are affected by the transaction.

24    Sec. 7. Section 524.1213, Code 2001, is amended by adding  
25 the following new subsection:

26    NEW SUBSECTION. 8A. A bank that is converted to the  
27 principal place of business or to a bank office of a united  
28 community bank as a result of a merger or consolidation under  
29 subsection 3 may establish any number of additional bank  
30 offices that could have been established by the bank pursuant  
31 to section 524.1202, subsection 4, prior to the merger or  
32 consolidation.

33    Sec. 8. Section 524.1419, Code 2001, is amended to read as  
34 follows:

35    524.1419 OFFICES OF A RESULTING STATE BANK.

1 If a merger or conversion results in a state bank subject  
2 to the provisions of this chapter, the resulting state bank,  
3 after the effective date of the merger or conversion, shall be  
4 subject to the provisions of sections 524.1201~~7~~-524~~7~~-1202~~7~~ and  
5 524.1203 relating to the bank offices.

6 Sec. 9. Section 534.214, subsection 2, unnumbered  
7 paragraph 2, Code 2001, is amended by striking the unnumbered  
8 paragraph.

9 Sec. 10. Sections 524.1202 and 524.1213, Code 2001, are  
10 repealed.

11 Sec. 11. FUTURE EFFECTIVE DATE. Sections 1, 3, 5, 6, 8,  
12 9, and 10 of this Act take effect July 1, 2004.

13 Sec. 12. IMMEDIATE EFFECTIVE DATE. Except as provided in  
14 section 10 of this Act, this Act, being deemed of immediate  
15 importance, takes effect upon enactment.

16 EXPLANATION

17 This bill allows state banks to establish additional bank  
18 offices, in two phases.

19 The first phase is effective upon enactment, and involves  
20 an amendment to Code section 524.1202 to provide that,  
21 notwithstanding other restrictions in the chapter to the  
22 contrary and subject to approval by the superintendent, a  
23 state bank can establish up to three bank offices at any  
24 location in Iowa. In a related action, the bill amends Code  
25 section 524.1213 to provide that a bank that changes to a  
26 principal place of business or to a bank office of a united  
27 community bank due to merger or consolidation may establish  
28 the number of additional bank offices it would have been  
29 entitled to establish under Code section 524.1202 prior to the  
30 merger or consolidation.

31 The other Code section that is amended upon enactment is  
32 Code section 524.1205. The bill divides the existing section  
33 into subsections, and deletes an outdated reference  
34 restricting interstate merger transactions under 12 U.S.C. §  
35 1831(u) prior to June 1, 1997.

1 The second phase of the bill takes effect on July 1, 2004.  
2 At that time, Code section 524.1201 is amended to provide that  
3 a state bank may establish any number of bank offices at any  
4 location in the state, subject to the approval and regulation  
5 of the superintendent. In a related action, Code sections  
6 524.1202 and 524.1213 are repealed at that time. Related  
7 changes are made to Code sections 524.1204, 524.1205,  
8 524.1212, and 524.1419 to delete references to the repealed  
9 Code section 524.1202. Code section 534.214 deletes a  
10 provision relating to the restrictions on the number of  
11 offices a bank may establish.

12 Portions of the bill take effect upon enactment and will be  
13 codified in the next edition of the Code. The provisions of  
14 the bill that do not take effect until July 1, 2004, will not  
15 be codified until that time. Prior to that time, references  
16 to the session law will be contained in footnotes to the  
17 appropriate Code sections.

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Substituted for by HF 222  
(P. 331) 2/14/01

FILED FEB 6 '01

SENATE FILE 126  
BY COMMITTEE ON COMMERCE

WITHDRAWN

(SUCCESSOR TO SSB 1009)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act permitting state banks to establish additional bank  
2 offices, and containing effective dates.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SENATE FILE 126

S-3061

1 Amend Senate File 126 as follows:  
2 1. Title page, line 1, by striking the words  
3 "state banks" and inserting the following: "banks in  
4 Iowa".

By NEAL SCHUERER

S-3061 FILED FEBRUARY 13, 2001

SF 126

1 Section 1. Section 524.1201, subsection 1, Code 2001, is  
2 amended to read as follows:

3 ~~1. A bank shall not open or maintain a branch bank:~~ A  
4 state bank may establish and operate any number of bank  
5 offices at any location in this state subject to the approval  
6 and regulation of the superintendent ~~and to the restrictions~~  
7 ~~upon location and number imposed by section 524.1202.~~ A bank  
8 office may furnish all banking services ordinarily furnished  
9 to customers and depositors at the principal place of business  
10 of the state bank which operates the office, and a bank office  
11 manager or an officer of the bank shall be physically present  
12 at each bank office during a majority of its business hours.  
13 The central executive and official business and principal  
14 recordkeeping functions of a state bank shall be exercised  
15 only at its principal place of business or at another bank  
16 office as authorized by the superintendent for these  
17 functions.

18 Sec. 2. Section 524.1202, Code 2001, is amended by adding  
19 the following new subsections:

20 NEW SUBSECTION. 4. Notwithstanding other restrictions in  
21 this chapter to the contrary, a state bank may, subject to the  
22 approval of the superintendent, establish up to three bank  
23 offices at any location in Iowa in addition to the bank  
24 offices that may be established pursuant to other provisions  
25 of this chapter.

26 NEW SUBSECTION. 5. Notwithstanding any other restrictions  
27 in this chapter to the contrary, a branch of an out-of-state  
28 national bank or a branch of an out-of-state state bank may  
29 establish up to three bank offices at any location in Iowa in  
30 addition to the bank offices that may be established pursuant  
31 to other provisions of this chapter, provided that no more  
32 than a total of three such bank offices may be established by  
33 all branches collectively of an out-of-state national bank or  
34 an out-of-state state bank.

35 Sec. 3. Section 524.1204, Code 2001, is amended to read as

1 follows:

2 524.1204 PRIVILEGES EXTENDED TO NATIONAL BANKS.

3 The privileges extended to state banks by section 524.1201,  
4 ~~524.1202~~ and 524.1212 and chapter 527 shall be available on  
5 the same conditions to national banks to the extent they are  
6 so authorized by federal law.

7 Sec. 4. Section 524.1205, Code 2001, is amended to read as  
8 follows:

9 524.1205 ESTABLISHMENT OF BRANCH OR OFFICE IN OTHER STATE  
10 -- SUPERINTENDENT'S AUTHORITY TO REGULATE.

11 1. Notwithstanding section 524.1201, subsection 1, and  
12 section 524.1202, subsection 2, paragraph "b", upon  
13 application to and approval by the superintendent, a state  
14 bank may acquire in any manner, establish, maintain, operate,  
15 retain, or relocate a branch or office in a state other than  
16 this state. Subject to the approval of the superintendent,  
17 such branch or office may engage in any activity authorized  
18 for a branch or office of a bank organized under the laws of  
19 that other state.

20 2. The superintendent shall supervise and regulate all  
21 out-of-state branches and offices of a state bank.

22 3. Sections 524.1201 and 524.1203 apply to an out-of-state  
23 branch or office of a state bank except as otherwise provided  
24 by the laws of the state in which a branch or office is  
25 located or by the superintendent pursuant to this section.

26 4. This section does not authorize or permit a state-  
27 chartered bank located outside of this state or a national  
28 bank located outside of this state to establish a de novo  
29 branch or office in this state. ~~This section does not~~  
30 ~~authorize or permit, before June 17, 1997, an interstate merger~~  
31 ~~transaction within the meaning of 12 U.S.C. § 1831u(a).~~

32 Sec. 5. Section 524.1205, Code 2001, as amended by section  
33 4 of this Act, is amended to read as follows:

34 524.1205 ESTABLISHMENT OF BRANCH OR OFFICE IN OTHER STATE  
35 -- SUPERINTENDENT'S AUTHORITY TO REGULATE.

1 1. Notwithstanding section 524.1201, subsection 1, and  
2 ~~section-524-1202, subsection-2, paragraph-"b"~~, upon  
3 application to and approval by the superintendent, a state  
4 bank may acquire in any manner, establish, maintain, operate,  
5 retain, or relocate a branch or office in a state other than  
6 this state. Subject to the approval of the superintendent,  
7 such branch or office may engage in any activity authorized  
8 for a branch or office of a bank organized under the laws of  
9 that other state.

10 2. The superintendent shall supervise and regulate all  
11 out-of-state branches and offices of a state bank.

12 3. Sections 524.1201 and 524.1203 apply to an out-of-state  
13 branch or office of a state bank except as otherwise provided  
14 by the laws of the state in which a branch or office is  
15 located or by the superintendent pursuant to this section.

16 4. This section does not authorize or permit a state-  
17 chartered bank located outside of this state or a national  
18 bank located outside of this state to establish a de novo  
19 branch or office in this state.

20 Sec. 6. Section 524.1212, Code 2001, is amended to read as  
21 follows:

22 524.1212 LOCATION OF SATELLITE TERMINALS.

23 Any state bank may utilize a satellite terminal, as defined  
24 in section 527.2, when that satellite terminal is lawfully  
25 being operated, at any location within this state. A

26 ~~satellite-terminal-which-complies-with-the-requirements-of~~  
27 ~~chapter-527-is-not-a-branch-bank-or-an-office-of-a-bank-and-is~~  
28 ~~not-subject-to-the-restrictions-on-location-or-number-set~~

29 ~~forth-in-section-524-1202.~~ Any transaction engaged in through  
30 the use of a satellite terminal shall be deemed to take place  
31 at the principal place of business of a bank whose accounts  
32 and records are affected by the transaction.

33 Sec. 7. Section 524.1213, Code 2001, is amended by adding  
34 the following new subsection:

35 NEW SUBSECTION. 8A. A bank that is converted to the

1 principal place of business or to a united community bank  
2 office as a result of a merger or consolidation under  
3 subsection 3 that occurs after January 1, 2001, may establish  
4 any number of additional bank offices that could have been  
5 established by the bank pursuant to section 524.1202,  
6 subsection 4, prior to the merger or consolidation.

7 Sec. 8. Section 524.1419, Code 2001, is amended to read as  
8 follows:

9 524.1419 OFFICES OF A RESULTING STATE BANK.

10 If a merger or conversion results in a state bank subject  
11 to the provisions of this chapter, the resulting state bank,  
12 after the effective date of the merger or conversion, shall be  
13 subject to the provisions of sections 524.1201~~7~~-524.1202~~7~~ and  
14 524.1203 relating to the bank offices.

15 Sec. 9. Section 534.214, subsection 2, unnumbered  
16 paragraph 2, Code 2001, is amended by striking the unnumbered  
17 paragraph.

18 Sec. 10. Sections 524.1202 and 524.1213, Code 2001, are  
19 repealed.

20 Sec. 11. FUTURE EFFECTIVE DATE. Sections 1, 3, 5, 6, 8,  
21 9, and 10 of this Act take effect July 1, 2004.

22 Sec. 12. IMMEDIATE EFFECTIVE DATE. Except as provided in  
23 section 11 of this Act, this Act, being deemed of immediate  
24 importance, takes effect upon enactment.

25 EXPLANATION

26 This bill allows state banks to establish additional bank  
27 offices, in two phases.

28 The first phase is effective upon enactment, and involves  
29 an amendment to Code section 524.1202 to provide that,  
30 notwithstanding other restrictions in the chapter to the  
31 contrary and subject to approval by the superintendent, a  
32 state bank can establish up to three bank offices at any  
33 location in Iowa in addition to the bank offices that can be  
34 established pursuant to Code chapter 524. A branch of an out-  
35 of-state national or state bank is also permitted to establish

1 up to three bank offices at any location in Iowa in addition  
2 to the bank offices that may be established pursuant to Code  
3 chapter 524, provided that no more than a total of three such  
4 bank offices may be established by all branches collectively  
5 by an out-of-state bank.

6 In a related action, the bill amends Code section 524.1213  
7 to provide that a bank that changes to a principal place of  
8 business or to a united community bank office due to merger or  
9 consolidation after January 1, 2001, may establish the number  
10 of additional bank offices it would have been entitled to  
11 establish under Code section 524.1202 prior to the merger or  
12 consolidation.

13 The other Code section that is amended upon enactment is  
14 Code section 524.1205. The bill divides the existing section  
15 into subsections, and deletes an outdated reference  
16 restricting interstate merger transactions under 12 U.S.C. §  
17 1831(u) prior to June 1, 1997.

18 The second phase of the bill takes effect on July 1, 2004.  
19 At that time, Code section 524.1201 is amended to provide that  
20 a state bank may establish any number of bank offices at any  
21 location in the state, subject to the approval and regulation  
22 of the superintendent. In a related action, Code sections  
23 524.1202 and 524.1213 are repealed at that time. Related  
24 changes are made to Code sections 524.1204, 524.1205,  
25 524.1212, and 524.1419 to delete references to the repealed  
26 Code section 524.1202. Code section 534.214 is amended to  
27 delete a provision relating to the restrictions on the number  
28 of offices a bank may establish.

29 Portions of the bill take effect upon enactment and will be  
30 codified in the next edition of the Code. The provisions of  
31 the bill that do not take effect until July 1, 2004, will not  
32 be codified until that time. Prior to that time, references  
33 to the session law will be contained in footnotes to the  
34 appropriate Code sections.

35