

## CHAPTER 236.

## NEW BANKS OR TRUST COMPANIES, BOARD OF APPEAL, ETC.

S. F. 476.

AN ACT to authorize the superintendent of banking to deny a certificate of authority for any proposed new bank or trust company to commence business; to provide a board of appeal; and to prohibit any more private banks from commencing business, provided private banks established previous to the date of enactment of said act are not affected, and to provide publication of said act.

*Be it enacted by the General Assembly of the State of Iowa:*

**SECTION 1. New banks or trust companies—certificate—denial of—**  
1 **appeal, etc.** That the superintendent of banking be, and he is hereby  
2 authorized to deny or decline to issue a certificate of authority to  
3 commence business, if, after he shall have made, or cause to have  
4 been made, an examination and investigation, it shall be his judgment  
5 that the town or city or community in which the proposed new bank  
6 is to be located, is amply served with banking facilities, and that the  
7 public necessity, convenience and advantage will not be promoted by  
8 the opening of the proposed new bank or trust company, or that the  
9 character and general fitness of the persons named as officers and  
10 stockholders are such as not to command the confidence of the com-  
11 munity in which such bank or trust company is proposed to be located.  
12 If the superintendent of banking shall not be satisfied with the result  
13 of said examination or said investigation, he shall inform the appli-  
14 cants within sixty (60) days after the certified articles of incorpora-  
15 tion and application have been presented to him. The expenses in  
16 making said examination or investigation by the superintendent of  
17 banking, or his department, shall be paid by the proposed bank or  
18 trust company, and payment shall be made in advance if required by  
19 the superintendent of banking. In the event the application for a  
20 certificate of authority shall have been rejected by the superintendent  
21 of banking, the applicants may, if they desire, appeal to the committee  
22 on retrenchment and reform within thirty (30) days after service of  
23 notice of rejection of application for said certificate of authority and  
24 the applicants so appealing shall file a notice in writing with the  
25 superintendent of banking that they appeal from his decision made on  
26 said application to the committee on retrenchment and reform. Upon  
27 filing of such notice the superintendent of banking shall lay all the  
28 facts in writing, together with his written decision thereon, and the  
29 notice of appeal, before the chairman of the committee on retrench-  
30 ment and reform. The chairman of the committee on retrenchment  
31 and reform shall fix a time and place within ten (10) days after  
32 receiving said communication from the superintendent, when and  
33 where the committee on retrenchment and reform shall hear the  
34 appeal, and shall notify the applicants and the superintendent of bank-  
35 ing thereof, that they may be present. The proceedings shall be  
36 reviewed by the committee on retrenchment and reform, which com-  
37 mittee on retrenchment and reform shall also hear other or addi-  
38 tional evidence and the committee on retrenchment and reform, shall,  
39 within three (3) days subsequent to said meeting issue an order,  
40 either affirming or reversing the order of the superintendent of bank-

41 ing, and shall immediately thereafter return to the superintendent of  
 42 banking all of the records and proceedings pertaining to such case,  
 43 together with a statement of its decision, and the superintendent of  
 44 banking shall thereupon transmit a copy of that decision of the com-  
 45 mittee on retrenchment and reform relating to said appeal to the said  
 46 incorporators. Any order reversing the decision of the superintendent  
 47 of banking must have the majority vote of said committee on retrench-  
 48 ment and reform. The said decision of the said committee on retrench-  
 49 ment and reform shall be final and conclusive, and the superintendent  
 50 of banking shall be so governed in said case. Provided, however, that  
 51 none of the provisions of this section shall be in force or effect after  
 52 Dec. 31, 1920.

SEC. 2. **New private banks—the words “bank”, “banking”, etc.—**  
 1 **unlawful use of—misdemeanor—penalty.** Henceforth, it shall be  
 2 unlawful for any individual, partnership, or unincorporated associa-  
 3 tion, or corporation, other than national banking associations, not sub-  
 4 ject to the supervision or examination of the banking department, to  
 5 make use of any office sign bearing thereon the word “Bank”, “Bank-  
 6 ing”, “Banker”, or any derivative, plural or compound of the word  
 7 “Banking”, or word or words in a foreign language having the same  
 8 or similar meaning, or to make use of any exterior or interior sign  
 9 bearing thereon such word or words whatsoever to indicate to the gen-  
 10 eral public, or to any individual, that such place or office is the place  
 11 or office of a bank, nor shall such person or persons, partnership, unin-  
 12 corporated association, or corporation, make any use of or circulate  
 13 any letterheads, billheads, bank notes, bank receipts, certificates, cir-  
 14 culars, or any written or printed, or partly written or partly printed  
 15 papers whatever having thereon any other word or words indicating  
 16 that such business is the business of a bank. Any person or persons  
 17 violating any of the provisions of this section, either individually or as  
 18 an interested party in any such copartnership or corporation, shall be  
 19 guilty of a misdemeanor and on conviction thereof shall be fined in a  
 20 sum not less than three hundred dollars nor more than one thousand  
 21 dollars, or by imprisonment in the county jail not less than sixty days  
 22 nor more than one year, or by both such fine and imprisonment.

1 SEC. 3. **Present private banks or bankers—act not to affect.** But  
 2 nothing in this act shall be construed as affecting or in any wise inter-  
 3 fering with any private bank or private banker that may be engaged  
 4 in lawful business previous to the date on which the foregoing may be  
 5 enacted.

1 SEC. 4. **Parts of act not interdependent.** If any part of this act  
 2 shall be declared unconstitutional it shall not affect any other part of  
 3 this act.

1 SEC. 5. **Publication clause.** This act being deemed of immediate  
 2 importance shall take effect and be in force from and after its publica-  
 3 tion in the Des Moines Capital and Des Moines Register, newspapers  
 4 published at Des Moines.

Approved April 15, A. D. 1919.

I hereby certify that the foregoing act was published in the Des Moines Register April 17, 1919 and in the Des Moines Capital April 18, 1919.

W. S. ALLEN, *Secretary of State.*