

*Reprinted 2/24*

FILED MAR 5 1980

SENATE FILE 2292

BY COMMITTEE ON COMMERCE

(FORMER SSB 2200)

*Approved 3/5 (p. 712)*

Passed Senate, Date 3-20-80 (+ 490) Passed House, Date \_\_\_\_\_

Vote: Ayes 46 Nays 2 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

### A BILL FOR

1 An Act amending the Iowa banking law in relation to the  
2 powers of banks with respect to the compensation of  
3 directors, permissible deposit accounts and related  
4 charges, places of doing business, permissible investments,  
5 loan charges and leasing powers.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section five hundred twenty-four point six  
2 hundred ten (524.610), unnumbered paragraph one (1), Code  
3 1979, is amended to read as follows:

4 ~~Subject to the approval of the superintendent, the~~ The  
5 shareholders of a state bank shall fix the compensation of  
6 directors for their services as members of the board of  
7 directors.

8 Sec. 2. Section five hundred twenty-four point eight  
9 hundred five (524.805), Code 1979, as amended by Acts of the  
10 Sixty-eighth General Assembly, 1979 Session, chapter one  
11 hundred twenty-eight (128), section fourteen (14), is amended  
12 by adding the following new subsection:

13 NEW SUBSECTION. A state bank may receive deposits from  
14 one or more persons with the provision that upon the death  
15 of the depositors the deposit account shall be the property  
16 of the person or persons designated by the deceased depositors  
17 as shown on the deposit account records of the state bank.  
18 The account is subject to the debts of the deceased depositors  
19 and the payment of Iowa inheritance tax. However, six months  
20 after the date of death of the deceased depositors, the receipt  
21 or acquittance of the persons designated is a valid and  
22 sufficient release and discharge of the state bank for the  
23 delivery of any part or all of the account.

24 Sec. 3. Section five hundred twenty-four point eight  
25 hundred six (524.806), Code 1979, is amended to read as  
26 follows:

27 524.806 DEPOSIT IN THE NAMES OF TWO OR MORE INDIVIDUALS.  
28 When a deposit ~~shall be~~ is made in any state bank in the names  
29 of two or more individuals, payable to ~~either~~ any one or more  
30 of them, or payable to ~~either or~~ the survivor or survivors,  
31 ~~such the~~ deposit, including interest, or any part thereof,  
32 may be paid to ~~either~~ any one or more of such individuals  
33 whether the ~~other~~ others be living or not, and the receipt  
34 or acquittance of the ~~individual~~ individuals so paid shall  
35 be a valid and sufficient release and discharge to the state

1 bank for any payment so made.

2     Sec. 4. Section five hundred twenty-four point eight  
3 hundred twenty-one (524.821), subsection two (2), Code 1979,  
4 as the section is amended by Acts of the Sixty-eighth General  
5 Assembly, 1979 Session, chapter one hundred twenty-nine (129),  
6 section one (1), is amended to read as follows:

7     2. A state bank which offers its customers, or any of  
8 them, the opportunity to engage in transactions with or through  
9 the bank in the manner authorized by subsection 1 shall not  
10 require any customer to deal with or through the bank in that  
11 manner in lieu of writing checks in the usual manner upon  
12 a conventional checking account, ~~and shall not impose any~~  
13 ~~extraordinary charge upon customers who choose to write checks~~  
14 ~~in the usual manner upon a conventional checking account~~  
15 ~~maintained at that bank.~~

16     Sec. 5. Section five hundred twenty-four point nine hundred  
17 one (524.901), Code 1979, as amended by Acts of the Sixty-  
18 eighth General Assembly, 1979 Session, chapter one hundred  
19 twenty-eight (128), section sixteen (16), is amended by adding  
20 the following new subsection:

21     NEW SUBSECTION. A state bank may invest in participation  
22 certificates issued by one or more production credit  
23 associations chartered under the laws of the United States  
24 in an amount which does not exceed, in the aggregate with  
25 respect to all such associations, twenty percent of the capital  
26 and surplus of the state bank.

27     Sec. 6. Section five hundred twenty-four point nine hundred  
28 five (524.905), Code 1979, as amended by Acts of the Sixty-  
29 eighth General Assembly, 1979 Session, chapter one hundred  
30 twenty-eight (128), sections fourteen (14), twenty (20) through  
31 twenty-three (23), and twenty-eight (28), is amended by adding  
32 the following new subsection:

33     NEW SUBSECTION. When an installment of a loan made pursuant  
34 to this section is not paid when due, a state bank may collect  
35 a single delinquency charge, in an amount not to exceed the

1 greater of five percent of the installment or five dollars,  
2 for each installment in arrears for a period of more than  
3 ten days, provided that a delinquency charge shall not be  
4 made if the delinquency is caused by acceleration or by  
5 application of an otherwise timely payment to a prior  
6 delinquent installment.

7 Sec. 7. Section five hundred twenty-four point nine hundred  
8 six (524.906), subsection six (6), Code 1979, is amended by  
9 striking the subsection.

10 Sec. 8. Section five hundred twenty-four point nine hundred  
11 eight (524.908), Code 1979, is amended to read as follows:

12 524.908 DIRECT-LEASING LEASING OF PERSONAL PROPERTY.

13 ~~A state bank shall have the power, subject to approval by~~  
14 ~~the superintendent, to~~ may acquire, upon the specific request  
15 of and for the use of a customer, and lease, personal property  
16 pursuant to a binding arrangement for the leasing of ~~such~~  
17 the property to the customer upon terms requiring payment  
18 to the state bank, during the minimum period of the lease,  
19 of rentals which in the aggregate, when added to the estimated  
20 tax benefits to the bank resulting from the ownership of the  
21 lease property plus the estimated residual market value of  
22 the leased property at the expiration of the initial term  
23 of the lease, will be at least equal to the total expenditures  
24 by the state bank for, and in connection with, the acquisition,  
25 ownership, maintenance and protection of the property. A  
26 lease made under authority of this section shall have the  
27 prior approval of the superintendent or be made pursuant to  
28 personal property lease guidelines approved by the  
29 superintendent for use by the lessor bank or pursuant to a  
30 personal property lease guideline rule of general applicability  
31 for use by all state banks.

32 Sec. 9. Section five hundred twenty-four point one thousand  
33 two hundred one (524.1201), Code 1979, is amended to read  
34 as follows:

35 524.1201 GENERAL PROVISIONS. No bank shall open or

1 maintain a branch bank. A state bank may establish and operate  
 2 bank offices subject to approval and regulation of the  
 3 superintendent and to the restrictions upon location and  
 4 number imposed by section 524.1202. A bank office may furnish  
 5 all banking services ordinarily furnished to customers and  
 6 depositors at the principal place of business of the state  
 7 bank which operates the office, and an officer of the bank  
 8 shall be physically present at each bank office during a  
 9 majority of its business hours. The central executive and  
 10 official business and principal record-keeping functions of  
 11 a state bank shall be exercised only at its principal place  
 12 of business, except that data processing services referred  
 13 to in section 524.804 may be performed for the state bank  
 14 at some other point. All transactions of a bank office shall  
 15 be immediately transmitted to the principal place of business  
 16 of the state bank which operates the office, and no current  
 17 record-keeping functions shall be maintained at a bank office  
 18 except to the extent the state bank which operates the office  
 19 deems it desirable to keep there duplicates of the records  
 20 kept at the principal place of business of the state bank.

21 Sec. 10. Section five hundred twenty-four point one  
 22 thousand two hundred two (524.1202), subsection two (2), is  
 23 amended to read as follows:

24 2. A state bank located in a municipal corporation may  
 25 establish not more than two bank offices within the boundaries  
 26 of the municipal corporation, ~~each of which shall have adequate~~  
 27 ~~off-street parking as determined by the superintendent, and~~  
 28 ~~may also have facilities to serve pedestrian customers,--A~~  
 29 ~~state bank located in a municipal corporation, or in an urban~~  
 30 ~~complex composed of two or more Iowa municipal corporations~~  
 31 ~~each of which is contiguous to or corners upon at least one~~  
 32 ~~of the other municipal corporations within the complex, having~~  
 33 ~~a population of over fifty thousand according to the most~~  
 34 ~~recent federal census may establish two such offices within~~  
 35 ~~the boundaries of the municipal corporation or urban complex,~~

1 however, ~~such a municipal corporation or urban complex on~~  
2 ~~boundaries of the state having a contiguous municipal~~  
3 ~~corporation in another state may have one additional such~~  
4 ~~office, if or the urban complex composed of the municipal~~  
5 ~~corporation in which the state bank is located and one or~~  
6 ~~more other Iowa municipal corporations, each of which is~~  
7 ~~contiguous to or corners upon at least one of the other~~  
8 ~~municipal corporations within the complex. If the municipal~~  
9 ~~corporation or urban complex has a population of over one~~  
10 ~~hundred thousand but not over two hundred thousand according~~  
11 ~~to the most recent federal census, the state bank may establish~~  
12 ~~three such bank offices within the boundaries of the municipal~~  
13 ~~corporation or urban complex, if. If the municipal corporation~~  
14 ~~or urban complex has a population of over two hundred thousand,~~  
15 ~~the state bank may establish four such bank offices within~~  
16 ~~the boundaries of the municipal corporation or urban complex.~~  
17 A state bank located in a municipal corporation or urban  
18 complex which is located on a boundary of this state and  
19 contiguous to a municipal corporation in another state may  
20 have one office in addition to the number of offices permitted  
21 by the preceding sentences. Such a One such facility located  
22 in the proximity of a state bank's principal place of business  
23 may be found by the superintendent to be an integral part  
24 of the principal place of business, and not a bank office  
25 within the meaning of this section. One such facility located  
26 adjacent to or cornering upon the property on which an office  
27 of a bank is located, or separated from being adjacent to  
28 or cornering upon the property only by a street, alley or  
29 other publicly owned right-of-way, may be found by the  
30 superintendent to be an integral part of that office location  
31 and not a separate bank office within the meaning of this  
32 section.

33 Sec. 11. Section five hundred twenty-four point one  
34 thousand two hundred twelve (524.1212), Code 1979, is amended  
35 to read as follows:

1 524.1212 LOCATION OF SATELLITE TERMINALS. Any state bank  
2 may utilize a satellite terminal, as defined in section 527.2,  
3 when that satellite terminal is lawfully being operated, at  
4 any location within this state. A satellite terminal  
5 authorized-by which complies with the requirements of chapter  
6 527 shall is not be considered a branch bank or an office  
7 of a bank and is not subject to the restrictions on location  
8 or number set forth in section 524.1202. Any transaction  
9 engaged in through the use of a satellite terminal shall be  
10 deemed to take place at the principal place of business of  
11 a bank whose accounts and records are affected by the  
12 transaction.

13 Sec. 12. Section five hundred twenty-four point two hundred  
14 eighteen (524.218), subsection two (2), Code 1979, is amended  
15 by striking the subsection.

16 EXPLANATION

17 This bill makes various changes in the Iowa Banking Act,  
18 chapter 524 of the Code.

19 Section 1 deletes the requirement that the superintendent  
20 of banking approve the compensation set by stockholders for  
21 state bank directors.

22 Section 2 authorizes state banks to maintain deposit  
23 accounts payable on the death of the depositor to a person  
24 or persons not previously owning the account.

25 Section 3 authorizes the maintenance of deposit accounts  
26 in the joint names of more than two individuals.

27 Section 4 deletes a requirement interpreted as prohibiting  
28 state banks from passing on to customers the cost benefits  
29 of electronic transfers.

30 Section 5 authorizes state banks to invest in production  
31 credit association participation certificates.

32 Section 6 expressly authorizes state banks to impose late  
33 charges on delinquent real estate loans.

34 Section 7 repeals the 25% limitation on the portion of  
35 a state bank's assets which may be composed of consumer and

1 installment loans.

2 Section 8 authorizes a state bank to lease personal property  
3 if the lease arrangement will permit the bank to recover its  
4 costs through tax benefits and the residual value of the  
5 property as well as the direct rentals, and requires the  
6 superintendent to approve lease forms.

7 Section 9 requires a bank officer to be present at every  
8 bank office during a majority of its business hours.

9 Section 10 modifies the provision relating to the  
10 permissible number of bank offices. The section also deletes  
11 the requirement that each bank office have off-street parking  
12 facilities.

13 Section 11 provides that a satellite terminal which complies  
14 with the requirements of chapter 527 of the Code is not a  
15 bank branch or office for the purposes of state law.

16 Section 12 strikes a requirement that the superintendent  
17 of banking approve contracts of a state bank relating to the  
18 purchase of data processing services.

19 The bill would take effect July first following enactment.

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S-5335

1 Amend Senate File 2292 as follows:

2 1. By striking page 4, line 24, through page 5,  
3 line 32, and inserting in lieu thereof the following:  
4 "2. A state bank located in a municipal corporation  
5 may establish not more than two bank offices within  
6 the boundaries of the municipal corporation, ~~each~~  
7 ~~of which shall have adequate off-street parking as~~  
8 ~~determined by the superintendent, and may also have~~  
9 ~~facilities to serve pedestrian customers.~~ A state  
10 bank located in a municipal corporation, or in an  
11 urban complex composed of two or more Iowa municipal  
12 corporations each of which is contiguous to or corners  
13 upon at least one of the other municipal corporations  
14 within the complex, having a population of over fifty  
15 thousand according to the most recent federal census  
16 may establish two such offices within the boundaries  
17 of the municipal corporation or urban complex, ~~however,~~  
18 ~~such a municipal corporation or urban complex on~~  
19 ~~boundaries of the state having a contiguous municipal~~  
20 ~~corporation in another state may have one additional~~  
21 ~~such office, if.~~ If the municipal corporation or  
22 urban complex has a population of over one hundred  
23 thousand but not over two hundred thousand according  
24 to the most recent federal census, the state bank  
25 may establish three such bank offices within the  
26 boundaries of the municipal corporation or urban  
27 complex, if. If the municipal corporation or urban  
28 complex has a population of over two hundred thousand,  
29 the state bank may establish four such bank offices  
30 within the boundaries of the municipal corporation  
31 or urban complex. A state bank located in a municipal  
32 corporation or urban complex which is located on a  
33 boundary of this state and contiguous to a municipal  
34 corporation in another state may have one office in  
35 addition to the number of offices permitted by the  
36 preceding sentences. Such a one such facility located  
37 in the proximity of a state bank's principal place  
38 of business may be found by the superintendent to  
39 be an integral part of the principal place of business,  
40 and not a bank office within the meaning of this  
41 section. One such facility located adjacent to or  
42 cornering upon the property on which an office of  
43 a bank is located, or separated from being adjacent  
44 to or cornering upon the property only by a street,  
45 alley or other publicly owned right-of-way, may be  
46 found by the superintendent to be an integral part  
47 of that office location and not a separate bank office  
48 within the meaning of this section."

S-5335 FILED  
MARCH 11, 1980

BY EDGAR H. HOLDEN

*Adopted 3/20 (A 990)*

SENATE FILE 2292

S-5316

1 Amend Senate File 2292 as follows:  
2 1. Page 2, by striking lines 2 through 15.  
S-5316 FILED BY PATRICK J. DELUHERY  
MARCH 7, 1980

*Last 3/20 (4-20)*

SENATE FILE 2292

S-5431

1 Amend Senate File 2292 as follows:  
2 1. Page 2, line 32, by striking the word  
3 "subsection" and inserting in lieu thereof the word  
4 "subsections".  
5 2. Page 3, by inserting after line 6 the following:  
6 "NEW SUBSECTION. Notwithstanding the other  
7 provisions of this section, a state bank shall not  
8 make a loan secured by a lien on real property if  
9 an officer or employee of the bank is engaged as a  
10 real estate agent for purposes of the sale of the  
11 real property to which the loan relates."

S-5431 FILED  
MARCH 18, 1980

*Filed out of order  
3/20 (4-29)*

BY ARNE WALDSTEIN  
ELIZABETH MILLER  
NORMAN RODGERS  
GARY BAUGHER

JAMES GALLAGHER  
ROLF V. CRAFT  
ROBERT CARR  
SUE YENGER

SENATE FILE 2292  
By COMMITTEE ON COMMERCE

(AS AMENDED AND PASSED BY THE SENATE MARCH 20, 1980)

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

### A BILL FOR

1 An Act amending the Iowa banking law in relation to the  
2 powers of banks with respect to the compensation of  
3 directors, permissible deposit accounts and related  
4 charges, places of doing business, permissible investments,  
5 loan charges and leasing powers.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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\_\_\_\_\_ = New Language  
by the Senate

SENATE FILE 2292

H-5655

1 Amend Senate File 2292, as amended, passed  
2 and reprinted by the Senate, as follows:  
3 1. Page 2, by striking lines 2 through 15.

H-5655 FILED  
MARCH 24, 1980

BY BYERLY of Polk  
CHIODO of Polk  
WOODS of Polk

1 Section 1. Section five hundred twenty-four point six  
2 hundred ten (524.610), unnumbered paragraph one (1), Code  
3 1979, is amended to read as follows:

4 ~~Subject to the approval of the superintendent, the~~ The  
5 shareholders of a state bank shall fix the compensation of  
6 directors for their services as members of the board of  
7 directors.

8 Sec. 2. Section five hundred twenty-four point eight  
9 hundred five (524.805), Code 1979, as amended by Acts of the  
10 Sixty-eighth General Assembly, 1979 Session, chapter one  
11 hundred twenty-eight (128), section fourteen (14), is amended  
12 by adding the following new subsection:

13 NEW SUBSECTION. A state bank may receive deposits from  
14 one or more persons with the provision that upon the death  
15 of the depositors the deposit account shall be the property  
16 of the person or persons designated by the deceased depositors  
17 as shown on the deposit account records of the state bank.  
18 The account is subject to the debts of the deceased depositors  
19 and the payment of Iowa inheritance tax. However, six months  
20 after the date of death of the deceased depositors, the receipt  
21 or acquittance of the persons designated is a valid and  
22 sufficient release and discharge of the state bank for the  
23 delivery of any part or all of the account.

24 Sec. 3. Section five hundred twenty-four point eight  
25 hundred six (524.806), Code 1979, is amended to read as  
26 follows:

27 524.806 DEPOSIT IN THE NAMES OF TWO OR MORE INDIVIDUALS.  
28 When a deposit ~~shall be~~ is made in any state bank in the names  
29 of two or more individuals, payable to ~~either~~ any one or more  
30 of them, or payable to ~~either or~~ the survivor or survivors,  
31 ~~such the~~ deposit, including interest, or any part thereof,  
32 may be paid to ~~either~~ any one or more of such individuals  
33 whether the ~~other~~ others be living or not, and the receipt  
34 or acquittance of the ~~individual~~ individuals so paid shall  
35 be a valid and sufficient release and discharge to the state

1 bank for any payment so made.

2 Sec. 4. Section five hundred twenty-four point eight  
3 hundred twenty-one (524.821), subsection two (2), Code 1979,  
4 as the section is amended by Acts of the Sixty-eighth General  
5 Assembly, 1979 Session, chapter one hundred twenty-nine (129),  
6 section one (1), is amended to read as follows:

7 2. A state bank which offers its customers, or any of  
8 them, the opportunity to engage in transactions with or through  
9 the bank in the manner authorized by subsection 1 shall not  
10 require any customer to deal with or through the bank in that  
11 manner in lieu of writing checks in the usual manner upon  
12 a conventional checking account, ~~and shall not impose any~~  
13 ~~extraordinary charge upon customers who choose to write checks~~  
14 ~~in the usual manner upon a conventional checking account~~  
15 ~~maintained at that bank.~~

16 Sec. 5. Section five hundred twenty-four point nine hundred  
17 one (524.901), Code 1979, as amended by Acts of the Sixty-  
18 eighth General Assembly, 1979 Session, chapter one hundred  
19 twenty-eight (128), section sixteen (16), is amended by adding  
20 the following new subsection:

21 NEW SUBSECTION. A state bank may invest in participation  
22 certificates issued by one or more production credit  
23 associations chartered under the laws of the United States  
24 in an amount which does not exceed, in the aggregate with  
25 respect to all such associations, twenty percent of the capital  
26 and surplus of the state bank.

27 Sec. 6. Section five hundred twenty-four point nine hundred  
28 five (524.905), Code 1979, as amended by Acts of the Sixty-  
29 eighth General Assembly, 1979 Session, chapter one hundred  
30 twenty-eight (128), sections fourteen (14), twenty (20) through  
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33 NEW SUBSECTION. When an installment of a loan made pursuant  
34 to this section is not paid when due, a state bank may collect  
35 a single delinquency charge, in an amount not to exceed the

1 greater of five percent of the installment or five dollars,  
2 for each installment in arrears for a period of more than  
3 ten days, provided that a delinquency charge shall not be  
4 made if the delinquency is caused by acceleration or by  
5 application of an otherwise timely payment to a prior  
6 delinquent installment.

7 Sec. 7. Section five hundred twenty-four point nine hundred  
8 six (524.906), subsection six (6), Code 1979, is amended by  
9 striking the subsection.

10 Sec. 8. Section five hundred twenty-four point nine hundred  
11 eight (524.908), Code 1979, is amended to read as follows:

12 524.908 ~~DIRECT-LEASING~~ LEASING OF PERSONAL PROPERTY.  
13 A state bank ~~shall have the power, subject to approval by~~  
14 ~~the superintendent, to~~ may acquire, upon the specific request  
15 of and for the use of a customer, and lease, personal property  
16 pursuant to a binding arrangement for the leasing of ~~such~~  
17 the property to the customer upon terms requiring payment  
18 to the state bank, during the minimum period of the lease,  
19 of rentals which in the aggregate, when added to the estimated  
20 tax benefits to the bank resulting from the ownership of the  
21 lease property plus the estimated residual market value of  
22 the leased property at the expiration of the initial term  
23 of the lease, will be at least equal to the total expenditures  
24 by the state bank for, and in connection with, the acquisition,  
25 ownership, maintenance and protection of the property. A  
26 lease made under authority of this section shall have the  
27 prior approval of the superintendent or be made pursuant to  
28 personal property lease guidelines approved by the  
29 superintendent for use by the lessor bank or pursuant to a  
30 personal property lease guideline rule of general applicability  
31 for use by all state banks.

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33 two hundred one (524.1201), Code 1979, is amended to read  
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35 524.1201 GENERAL PROVISIONS. No bank shall open or

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2 bank offices subject to approval and regulation of the  
3 superintendent and to the restrictions upon location and  
4 number imposed by section 524.1202. A bank office may furnish  
5 all banking services ordinarily furnished to customers and  
6 depositors at the principal place of business of the state  
7 bank which operates the office, and an officer of the bank  
8 shall be physically present at each bank office during a  
9 majority of its business hours. The central executive and  
10 official business and principal record-keeping functions of  
11 a state bank shall be exercised only at its principal place  
12 of business, except that data processing services referred  
13 to in section 524.804 may be performed for the state bank  
14 at some other point. All transactions of a bank office shall  
15 be immediately transmitted to the principal place of business  
16 of the state bank which operates the office, and no current  
17 record-keeping functions shall be maintained at a bank office  
18 except to the extent the state bank which operates the office  
19 deems it desirable to keep there duplicates of the records  
20 kept at the principal place of business of the state bank.

21 Sec. 10. Section five hundred twenty-four point one  
22 thousand two hundred two (524.1202), subsection two (2), is  
23 amended to read as follows:

24 2. A state bank located in a municipal corporation may  
25 establish not more than two bank offices within the boundaries  
26 of the municipal corporation, each of which shall have adequate  
27 off-street parking as determined by the superintendent, and  
28 may also have facilities to serve pedestrian customers. A  
29 state bank located in a municipal corporation, or in an urban  
30 complex composed of two or more Iowa municipal corporations  
31 each of which is contiguous to or corners upon at least one  
32 of the other municipal corporations within the complex, having  
33 a population of over fifty thousand according to the most  
34 recent federal census may establish two such offices within  
35 the boundaries of the municipal corporation or urban complex,

1 ~~however, such a municipal corporation or urban complex on~~  
2 ~~boundaries of the state having a contiguous municipal~~  
3 ~~corporation in another state may have one additional such~~  
4 ~~office, if.~~ If the municipal corporation or urban complex  
5 has a population of over one hundred thousand but not over  
6 two hundred thousand according to the most recent federal  
7 census, the state bank may establish three such bank offices  
8 within the boundaries of the municipal corporation or urban  
9 complex, if. If the municipal corporation or urban complex  
10 has a population of over two hundred thousand, the state bank  
11 may establish four such bank offices within the boundaries  
12 of the municipal corporation or urban complex. A state bank  
13 located in a municipal corporation or urban complex which  
14 is located on a boundary of this state and contiguous to a  
15 municipal corporation in another state may have one office  
16 in addition to the number of offices permitted by the preceding  
17 sentences. ~~Such a~~ One such facility located in the proximity  
18 of a state bank's principal place of business may be found  
19 by the superintendent to be an integral part of the principal  
20 place of business, and not a bank office within the meaning  
21 of this section. One such facility located adjacent to or  
22 cornering upon the property on which an office of a bank is  
23 located, or separated from being adjacent to or cornering  
24 upon the property only by a street, alley or other publicly  
25 owned right-of-way, may be found by the superintendent to  
26 be an integral part of that office location and not a separate  
27 bank office within the meaning of this section.

28 Sec. 11. Section five hundred twenty-four point one  
29 thousand two hundred twelve (524.1212), Code 1979, is amended  
30 to read as follows:

31 524.1212 LOCATION OF SATELLITE TERMINALS. Any state bank  
32 may utilize a satellite terminal, as defined in section 527.2,  
33 when that satellite terminal is lawfully being operated, at  
34 any location within this state. A satellite terminal  
35 ~~authorized by~~ which complies with the requirements of chapter

1 527 ~~shall~~ is not be considered a branch bank or an office  
2 of a bank and is not subject to the restrictions on location  
3 or number set forth in section 524.1202. Any transaction  
4 engaged in through the use of a satellite terminal shall be  
5 deemed to take place at the principal place of business of  
6 a bank whose accounts and records are affected by the  
7 transaction.

8 Sec. 12. Section five hundred twenty-four point two hundred  
9 eighteen (524.218), subsection two (2), Code 1979, is amended  
10 by striking the subsection.

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