

FILED FEB 19 1985

SENATE FILE 286

BY COMMITTEE ON COMMERCE

Formerly SSB 180

*Approved 2/19/85 (p. 431)*

Passed Senate, Date 2-27-85 (p. 521) Passed House, Date 3-8-85 (p. 125)

Vote: Ayes 44 Nays 0 Vote: Ayes 92 Nays 0

Approved March 12, 1985 (p. 745)

## A BILL FOR

1 An Act relating to the operation of a bank or bank office  
2 located outside a municipal corporation when the bank  
3 is merged into or acquired by another state bank and  
4 providing for an effective date.

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

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### COMMUNICATION FROM THE SECRETARY OF STATE

March 26, 1985

Ms. K. Marie Thayer  
Secretary of the Senate  
State Capitol Building  
LOCAL

Dear Ms. Thayer:

I hereby certify that Senate File 286 was published in The Altoona Herald-Mitchellville Index on March 21, 1985, and in The Bancroft Register on March 20, 1985.

Respectfully submitted,  
MARY JANE ODELL  
Secretary of State

SF 286

1 Section 1. Section 524.312, subsection 1, Code 1985, is  
2 amended to read as follows:

3 1. ~~Every~~ A state bank originally incorporated pursuant to  
4 ~~the provisions of~~ this chapter shall have its principal place  
5 of business within the confines of a municipal corporation.  
6 The existence of a state bank shall not, however, be affected  
7 by the subsequent discontinuance of the municipal corporation.  
8 A state bank existing and operating on January 1, 1970, which  
9 does not have its principal place of business within the  
10 confines of a municipal corporation, ~~shall be allowed to~~ may  
11 renew its corporate existence pursuant to the provisions of  
12 section 524.106 without regard to this section and may also  
13 operate as a bank or convert to and operate as a bank office  
14 when acquired by or merged into another state bank and  
15 approved by the superintendent.

16 Sec. 2. This Act, being deemed of immediate importance,  
17 takes effect from and after its publication in The Bancroft  
18 Register, a newspaper published in Bancroft, Iowa, and in The  
19 Altoona Herald-Mitchellville Index, a newspaper published in  
20 Altoona, Iowa.

21 EXPLANATION

22 This bill permits a state bank that was existing and  
23 operating with its principal place of business outside a  
24 municipal corporation on January 1, 1970 to operate as a bank  
25 or convert to and operate as a bank office after the bank is  
26 acquired by or merged into another state bank and approved by  
27 the superintendent of banking. The bill is effective upon  
28 publication.

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## SENATE FILE 286

H-3281

1 Amend House amendment H-3244 to Senate File 286, as  
2 passed by the Senate as follows:

3 1. Page 1, by inserting after line 7 the  
4 following:

5 "Sec. \_\_\_\_ . Section 524.1202, subsection 1, Code  
6 1985, is amended to read as follows:

7 1. Except as otherwise provided in subsection 2 of  
8 this section or section 524.1421, no a state bank  
9 shall not establish a bank office outside the  
10 corporate limits of a municipal corporation or in a  
11 municipal corporation in which there is already an  
12 established state or national bank or office; ~~however.~~  
13 However, the subsequent chartering and establishment  
14 of any a state or national bank, through the opening  
15 of its principal place of business within the  
16 municipal corporation where the bank office is  
17 located, shall not affect the right of the bank office  
18 to continue in operation in that municipal  
19 corporation. The existence and continuing operation  
20 of a bank office shall not be affected by the  
21 subsequent discontinuance of a municipal corporation  
22 pursuant to the ~~provisions of~~ sections 368.11 to  
23 368.22. A bank office existing and operating on July  
24 1, 1976, which is not located within the confines of a  
25 municipal corporation, shall be allowed to continue  
26 its existence and operation without regard to this  
27 subsection."

28 2. Page 1, by inserting after line 29 the  
29 following:

30 "Sec. \_\_\_\_ . NEW SECTION. 524.1421 REORGANIZATION  
31 OF BANK AFFILIATES.

32 1. Notwithstanding any other provision of this  
33 chapter, the resulting bank of a merger or  
34 consolidation of two or more banks, which have been  
35 affiliates as defined in section 524.1101 for more  
36 than five years prior to the effective date of the  
37 merger or consolidation, may retain and operate as its  
38 retained bank offices the principal places of business  
39 and all bank offices of the affiliate banks which are  
40 merged or consolidated into the resulting bank.

41 2. The resulting bank may establish bank offices  
42 allowed by other sections of this chapter to the same  
43 extent as if the merger or consolidation had not  
44 occurred.

45 3. This section does not permit the resulting bank  
46 to establish after the effective date of the merger or  
47 consolidation any bank offices in addition to those  
48 allowed to the resulting bank by other sections of  
49 this chapter. However, the resulting bank may  
50 establish and operate facilities which in the absence

H-3281

Page Two

1 of the merger or consolidation would be considered  
2 under section 524.1202, subsection 2, paragraphs "c"  
3 and "d", to be an integral part of the former  
4 principal places of business of the affiliates which  
5 are merged or consolidated into the resulting bank.  
6 4. Retained bank offices as provided in subsection  
7 1 shall be operated by the resulting bank in the same  
8 manner as bank offices established under section  
9 524.1201. The banks which are merged or consolidated  
10 under this section shall retain an advisory board of  
11 directors to advise on the operations of the retained  
12 bank office. The board shall be comprised of citizens  
13 residing in the area served by the bank office.  
14 5. This section does not alter the limitations  
15 upon bank holding companies contained in section  
16 524.1802.  
17 6. The privileges of this section are available on  
18 the same conditions to national banks.  
19 7. This section shall be strictly construed as an  
20 exception to the bank office location limitations  
21 contained in section 524.1202 and it is the intent of  
22 the general assembly that a court or regulatory agency  
23 interpreting this section shall not interpret it to  
24 permit statewide branch banking or the location of a  
25 bank office in this state other than as provided in  
26 this section and in sections 524.312 and 524.1202.  
27 This section does not authorize the establishment of  
28 bank offices at any time or by any bank except when  
29 done as the direct and immediate consequence of a  
30 merger or consolidation, does not authorize the  
31 establishment of the principal place of business of  
32 the resulting bank of a merger or consolidation at any  
33 location other than one actually occupied and operated  
34 as a principal place of business of one of the parties  
35 to the merger or consolidation, does not authorize a  
36 bank office at any location other than one actually  
37 occupied and operated as a principal place of business  
38 or bank office by one of the parties to the merger or  
39 consolidation, and does not authorize a greater number  
40 of bank offices within the municipality or urban  
41 complex of the principal place of business of the  
42 resulting bank than is expressly permitted by section  
43 524.1202, subsection 2."

BY BAXTER of Des Moines  
McINTEE of Black Hawk  
HUMMEL of Benton  
SHERZAN of Polk

H-3281 FILED MARCH 7, 1985

H/P 3/5 (p. 725)

SENATE FILE 286

H-3244

1 Amend Senate File 286, as passed by the Senate as  
2 follows:  
3 1. Page 1, by striking line 13 and inserting the  
4 following: "be converted to and operate as a bank  
5 office".  
6 2. Page 1, by inserting after line 15 the  
7 following:  
8 "Sec. \_\_\_\_ . Section 524.1202, Code 1985, is amended  
9 by adding the following new subsection:  
10 NEW SUBSECTION. 3. Notwithstanding subsection 1,  
11 if the assets of a state or national bank in existence  
12 on January 1, 1985 are transferred to a different  
13 state or national bank, the resulting or acquiring  
14 bank may convert to and operate as its bank office any  
15 one or more of the business locations occupied as the  
16 principal place of business or as a bank office of the  
17 bank whose assets are so acquired. The limitations on  
18 bank office locations contained in unnumbered para-  
19 graph 1 of this section, and the limitation on the  
20 number of bank offices within the municipality or  
21 urban complex of the resulting or acquiring bank  
22 contained in subsection 2 shall be applicable to any  
23 bank office otherwise authorized by this subsection.  
24 A bank office established under the authority of this  
25 subsection is subject to the approval of the  
26 superintendent, shall be operated in accordance with  
27 this chapter relating to the operation of bank  
28 offices, and may be augmented by an integral facility  
29 when approved under subsection 2, paragraph "d".  
30 3. Title page, by striking line 2 and inserting  
31 the following: "when the bank".

BY BLANSHAN of Greene  
HUMMEL of Benton  
SCHNEKLOTH of Scott  
SWARTZ of Marshall

H-3244 FILED MARCH 5, 1985

*2/15 3/5/85 (p. 125)*

SENATE FILE 286

H-3271

1 Amend House amendment H-3244 to Senate File 286 as  
2 passed by the Senate as follows:  
3 1. Page 1, line 13, by inserting after the word  
4 "bank" the following: "located in this state".

H-3271 FILED MARCH 6, 1985 BY BLANSHAN of Greene

*4/10 3/8 (p. 125)*

*New  
SF-286*

SSB 180

COMMERCE: Holden. Chair: Kinley and Priebe

*SSB 180*

*Commerce*

SENATE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
COMMERCE BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to the operation of a bank or bank office  
2 located outside a municipal corporation when the bank  
3 is merged into or acquired by another state bank and  
4 providing for an effective date.

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

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18 Register, a newspaper published in Bancroft, Iowa, and in The  
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22 This bill permits a state bank that was existing and  
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Altoona Herald-Mitchellville Index, a newspaper published in Altoona, Iowa.

SENATE FILE 286

AN ACT

RELATING TO THE OPERATION OF A BANK OR BANK OFFICE LOCATED OUTSIDE A MUNICIPAL CORPORATION WHEN THE BANK IS MERGED INTO OR ACQUIRED BY ANOTHER STATE BANK AND PROVIDING FOR AN EFFECTIVE DATE.

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

Section 1. Section 524.312, subsection 1, Code 1985, is amended to read as follows:

1. Every A state bank originally incorporated pursuant to the provisions of this chapter shall have its principal place of business within the confines of a municipal corporation. The existence of a state bank shall not, however, be affected by the subsequent discontinuance of the municipal corporation. A state bank existing and operating on January 1, 1970, which does not have its principal place of business within the confines of a municipal corporation, shall be allowed to may renew its corporate existence pursuant to the provisions of section 524.106 without regard to this section and may also operate as a bank or convert to and operate as a bank office when acquired by or merged into another state bank and approved by the superintendent.

Sec. 2. This Act, being deemed of immediate importance, takes effect from and after its publication in The Bancroft Register, a newspaper published in Bancroft, Iowa, and in The

\_\_\_\_\_  
ROBERT T. ANDERSON  
President of the Senate

\_\_\_\_\_  
DONALD D. AVENSON  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 286, Seventy-first General Assembly.

\_\_\_\_\_  
K. MARIE THAYER  
Secretary of the Senate

Approved *March 12,* 1985

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TERRY E. BRANSTAD  
Governor