

March 17, 1967
Commerce *Pass as amended 4-20*
" 5-3-67

House File 474

By MENSING, KING, WATSON
and ANDERSEN

Substituted for S.F. 780, 5-12-67

Passed House, Date 5-1-67 Passed Senate, Date 5-12-67
Vote: Ayes 86 Nays 3 Vote: Ayes 49 Nays 8
Approved May 23, 1967

A BILL FOR

An Act to amend section five hundred twenty-eight point fifty-one (528.51), Code 1966, relating to bank parking lot offices.

Be It Enacted by the General Assembly of the State of Iowa:

- 1 Section 1. Section five hundred twenty-eight point
- 2 fifty-one (528.51), Code 1966, is hereby amended as follows:
- 3 1. By inserting in line ten (10) after the word
- 4 "counties" the words "surrounding and".
- 5 2. By inserting in line eleven (11) after the word "to"
- 6 the words "or touching or cornering upon".
- 7 3. By striking everything after the word "establish" in
- 8 line twenty-three (23) and substituting the following
- 9 therefor:
- 10 "two (2) parking lot offices for servicing accounts, for
- 11 receiving and paying out deposits; issuing and cashing checks,
- 12 drafts, money orders and traveler's checks, for the storage of
- 13 supplies and noncurrent bank records, for safety deposits
- 14 of customers and the doing of business incident thereto. The
- 15 parking lot office shall be located within the corporate
- 16 limits of the city or town where the bank is located, shall
- 17 have an adequate off-street parking area as determined by the
- 18 superintendent and may be for the service of both drive-up
- 19 and pedestrian customers. Such a facility located in the
- 20 proximity of the bank may be found by the superintendent to
- 21 be an integral part of the main bank operation so as to
- 22 permit the approval of two (2) parking lot offices elsewhere.

23 The bank may supervise the operation of the parking lot
 24 office but the executive and official business of the bank
 25 shall not be transacted at such an office; no current
 26 records of the bank shall be located at a parking lot office,
 27 and all transactions of the parking lot business shall be
 28 immediately transmitted to the bank, and if a loan originates
 29 at a parking lot office, the proceeds thereof shall be
 30 available only at the bank itself in the form of cash, direct
 31 negotiable obligation of the bank or collected funds to the
 32 credit of the borrower, unless the immediate payment of
 33 proceeds shall be necessary to perfect a security interest in
 34 collateral. Nothing in this section shall prohibit national
 35 banks the privilege of this section whenever they may be so
 36 authorized by federal law."

EXPLANATION

An opinion of the attorney general dated April 3, 1959 ruled that the words "counties contiguous" did not include counties touching at the corner. This has prevented the establishment of bank offices where they were needed in small communities close to established banks. The language of the first two subsections of the bill is, therefore, corrective to express what we believe was the original intent.

Subsection 3 of Section 1 of the bill is designed to conform to the experience of banks in the operation of parking lot offices and the reality of the establishment of shopping centers far from central business districts. While this amendment limits banking functions which may be conducted at such an office, it, nevertheless, defines them so that the employee in charge may proceed to discharge his duties with certainty. It permits the establishment of such offices in the areas where businesses or downtown business outlets are actually located and accommodates the individual who does not want to incur the expense or traffic of a downtown trip. These amendments are in the spirit of and maintain the public policy against branch banking.

1 Amend House File 474 as follows:

- 2 1. By striking the following from line 14 thereof;
 3 "the doing of business incident thereto." and inserting the
 4 following in lieu thereof "for the performance of such other
 5 clerical and routine duties not inconsistent with this section."
 6 2. By substituting a period for the comma in line 28 thereof
 7 and striking the remainder of said line and all of lines 29, 30,
 8 31, 32, 33 and the word "collateral." in line 34.