

March 7, 1967

Senate File 436

Passed on File

Commerce 3-E, Pass 3/29
Commerce 4-12, Pass 4/10

By BENDA, RIGLER, LAMBORN,
POTGETER, SHAFF, COLEMAN,
KIBBIE, DENMAN, REPERT,
BUREN and KYHL

Passed Senate, Date 4-7-67 Passed House, Date 4-21-67

Vote: Ayes 45 Nays 0 Vote: Ayes 100 Nays 1

Approved May 5 1967

A BILL FOR

An Act to amend chapter five hundred twenty-eight (528), Code 1966, relating to the power of state and savings banks to issue capital notes or debentures.

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

1 Section 1. Chapter five hundred twenty-eight (528), Code
2 1966, is hereby amended by adding thereto the following new
3 sections:

4 1. "In addition to the other powers granted to state and
5 savings banks, such banks may, with the prior approval of the
6 superintendent of banking and the affirmative vote of three-
7 fourths (3/4) of the outstanding voting stock of the bank,
8 issue capital notes or debentures in a total amount not in
9 excess of the paid-in capital stock and unimpaired surplus
10 of the bank. The amounts, maturities, rate of interest,
11 relative rights with other creditors, and other terms and
12 conditions shall be set forth on the face of said capital
13 notes or debentures as approved and as may be required by
14 the superintendent, provided that said capital notes and de-
15 bentures shall always be subordinated to the rights of all
16 depositors at all times and for all purposes."

17 2. "No bank shall retire or make any payments of principal
18 or interest on any capital notes or debentures when and so
19 long as its capital is impaired and until liquidation or
20 removal of the impairment."

21 3. "No bank may issue such capital notes or debentures
22 within the first five (5) years after it is originally certi-
23 fied to commence business as such. Such capital notes or
24 debentures shall not be deemed 'capital,' 'capital stock,' or
25 'paid-up capital' or any such descriptive terminology similar
26 in nature, as such terms are used in the laws of this state
27 relating to banks or banking and shall not be considered a
28 part of the capital structure of the bank for any purpose."