

Sen Commerce 3/8

Senate File 2202

Small Business and Commerce: Gronstal, Chair; Lonergan and Schnekloth.

Do Pass 2/22 (p. 1200)

FILED FEB 24 1984

SENATE FILE 2202

BY COMMITTEE ON COMMERCE

(FORMERLY SSB 2110)

Approved 2/22 (p. 502)

Passed Senate, Date 3-5-84 (p. 648) Passed House, Date 3-28-84 (p. 1429)

Vote: Ayes 48 Nays 0 Vote: Ayes 98 Nays 0

Approved April 13, 1984 (p. 1574)

A BILL FOR

1 An Act relating to the procedure required for a savings and
2 loan association chartered in another state or country
3 to transact business in Iowa.

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

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S. 2202

1 Section 1. Section 534.2, Code 1983, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 33. "Foreign association" means a building
4 and loan or savings and loan association, incorporated by
5 the laws of another state or country, which as of January
6 1, 1984 did not have an office, agency, or agent operating
7 in this state.

8 Sec. 2. Section 534.48, Code 1983, is amended to read
9 as follows:

10 534.48 FOREIGN ASSOCIATIONS. If ~~any~~ a foreign building
11 ~~and-loan-or-savings-and-loan~~ association, ~~as-in-this-chapter~~
12 ~~defined,~~ desires to transact business within this state, it
13 shall furnish to the ~~state-executive-council~~ supervisor a
14 certified copy of its articles of incorporation, or charter
15 and bylaws, and a certified copy of the state laws under which
16 it is organized, together with a report for the year next
17 preceding, verified by its president, vice president,
18 secretary, and at least three directors, which report shall
19 show:

20 1. The amount of its authorized savings liability and
21 the par value of its shares, if any.

22 2. The increase in savings liability.

23 3. The withdrawal from savings liability during the year.

24 4. The amount of savings liability in force at the end
25 of the year.

26 5. A detailed statement of all funds received during the
27 year and all disbursements.

28 6. The salaries paid each of its officers.

29 7. A detailed statement of its assets and liabilities
30 at the end of ~~such~~ the year and ~~the~~ their nature thereof.

31 ~~8. The-requirements-of-section-534-37-subsection-3,~~
32 ~~paragraph-"a,"-for-a-domestic-association-desiring-to-establish~~
33 ~~an-office-and-any-other-matters-of-fact-which-the-council~~
34 ~~may-require-~~ A reconciliation of its net worth for the current
35 year to the date of application and the previous three fiscal

1 years.

2 9. A detailed description of the anticipated types of
3 business to be performed within the state.

4 10. Any additional information required of domestic
5 associations under section 534.89, subsection 1.

6 As used in this section, to transact business ~~shall mean~~
7 means to have an office, agency or agent in this state.

8 Sec. 3. Section 534.49, Code 1983, is amended to read
9 as follows:

10 534.49 APPROVAL BY ~~COUNCIL~~ SUPERVISOR--CERTIFICATE OF
11 AUTHORITY. ~~Upon~~ If upon receipt of ~~such~~ the report the
12 ~~council, if it~~ supervisor finds ~~therefrom~~ from a review of
13 the report that the association is properly managed, that
14 its financial condition is satisfactory, and that its business
15 is conducted upon a safe and reliable plan and one equitable
16 to its members, the supervisor shall ~~so certify upon such~~
17 ~~copy and statement, and, the same being filed with the auditor,~~
18 ~~he shall~~ issue a like certificate of authority, signed by
19 the auditor of state as in the case of domestic associations.

20 Sec. 4. Section 534.50, Code 1983, is amended to read
21 as follows:

22 534.50 CONDITIONS ATTENDING APPROVAL. ~~No building and~~
23 ~~loan or savings and loan~~ A foreign association, ~~incorporated~~
24 ~~under the laws of any other state or country,~~ shall not be
25 authorized to do business in this state, ~~whose~~ if the foreign
26 association's articles of incorporation are not found by the
27 ~~executive council~~ supervisor to be in substantial compliance
28 with the laws of this state, and affording equal security
29 and protection to ~~the~~ its members ~~thereof~~.

30 Sec. 5. Section 534.51, Code 1983, is amended to read
31 as follows:

32 534.51 DEPOSIT BY FOREIGN ASSOCIATION. ~~Every such foreign~~
33 ~~building and loan or savings and loan association, before~~
34 Before the ~~state auditor shall issue to it~~ supervisor issues
35 a certificate to a foreign association, it shall ~~comply with~~

1 ~~the following provisions:~~

2 ~~1.--It shall~~ deposit with the auditor of state two
3 hundred fifty thousand dollars, either in cash, or bonds of
4 the United States or of the state of Iowa, or of any a county
5 or municipal corporation of the state, or notes secured by
6 ~~first mortgage,~~ mortgages on real estate, or a like amount
7 in ~~such~~ other security ~~as shall be~~ which is satisfactory to
8 ~~said~~ the auditor of state.

9 ~~2.--Such~~ The foreign association may collect and use the
10 interest on any securities so deposited as long as it fulfills
11 its obligations and complies with ~~the provisions of~~ this
12 chapter. ~~It~~ Upon the approval of the auditor, it may also
13 exchange ~~them~~ the securities for other securities of equal
14 value ~~and satisfactory to said auditor~~.

15 Sec. 6. Section 534.55, Code 1983, is amended by striking
16 the section and inserting in lieu thereof the following:

17 534.55 AMENDMENT TO ARTICLES. Within ten days after the
18 adoption of an amendment to its articles of incorporation
19 or bylaws, a foreign association shall file a duly certified
20 copy of the amendment with the supervisor.

21 EXPLANATION

22 This bill provides that a savings and loan association
23 chartered in another state or country must receive approval
24 from the state supervisor of savings and loan associations
25 to transact business in the state. Current law requires
26 approval by the state executive council. Additional
27 documentation is also required to be filed when approval to
28 transact business is sought.

29 This bill becomes effective July 1 following enactment.

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SENATE FILE 2202

AN ACT

RELATING TO THE PROCEDURE REQUIRED FOR A SAVINGS AND LOAN ASSOCIATION CHARTERED IN ANOTHER STATE OR COUNTRY TO TRANSACT BUSINESS IN IOWA.

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

Section 1. Section 534.2, Code 1983, is amended by adding the following new subsection:

NEW SUBSECTION. 33. "Foreign association" means a building and loan or savings and loan association, incorporated by the laws of another state or country, which as of January 1, 1984 did not have an office, agency, or agent operating in this state.

Sec. 2. Section 534.48, Code 1983, is amended to read as follows:

534.48 FOREIGN ASSOCIATIONS. If ~~any a~~ foreign ~~building and loan or savings and loan~~ association, ~~as in this chapter defined,~~ desires to transact business within this state, it shall furnish to the ~~state executive council~~ supervisor a certified copy of its articles of incorporation, or charter and bylaws, and a certified copy of the state laws under which it is organized, together with a report for the year next

preceding, verified by its president, vice president, secretary, and at least three directors, which report shall show:

1. The amount of its authorized savings liability and the par value of its shares, if any.
 2. The increase in savings liability.
 3. The withdrawal from savings liability during the year.
 4. The amount of savings liability in force at the end of the year.
 5. A detailed statement of all funds received during the year and all disbursements.
 6. The salaries paid each of its officers.
 7. A detailed statement of its assets and liabilities at the end of such the year and the their nature thereof.
 8. ~~The requirements of section 534.37, subsection 3, paragraph "a," for a domestic association desiring to establish an office and any other matters of fact which the council may require.~~ A reconciliation of its net worth for the current year to the date of application and the previous three fiscal years.
 9. A detailed description of the anticipated types of business to be performed within the state.
 10. Any additional information required of domestic associations under section 534.89, subsection 1.
- As used in this section, to transact business ~~shall mean~~ means to have an office, agency or agent in this state.
- Sec. 3. Section 534.49, Code 1983, is amended to read as follows:
- 534.49 APPROVAL BY ~~COUNCIL~~ SUPERVISOR--CERTIFICATE OF AUTHORITY. ~~Upon~~ If upon receipt of ~~such the~~ report the ~~council--if the~~ supervisor finds ~~therefrom~~ from a review of the report that the association is properly managed, that its financial condition is satisfactory, and that its business is conducted upon a safe and reliable plan and one equitable to its members, the supervisor shall ~~so certify upon such~~

~~copy and statement, and the same being filed with the auditor, he shall~~ issue a like certificate of authority, signed by the auditor of state as in the case of domestic associations.

Sec. 4. Section 534.50, Code 1983, is amended to read as follows:

534.50 CONDITIONS ATTENDING APPROVAL. ~~No building and loan or savings and loan~~ A foreign association, ~~incorporated under the laws of any other state or country,~~ shall not be authorized to do business in this state ~~where~~ if the foreign association's articles of incorporation are not found by the ~~executive council~~ supervisor to be in substantial compliance with the laws of this state, and affording equal security and protection to the its members thereof.

Sec. 5. Section 534.51, Code 1983, is amended to read as follows:

534.51 DEPOSIT BY FOREIGN ASSOCIATION. ~~Every such foreign building and loan or savings and loan association, before~~ Before the state auditor shall issue to it supervisor issues a certificate to a foreign association, it shall ~~comply with the following provisions:~~

~~It shall~~ deposit with the auditor of state ~~one~~ two hundred fifty thousand dollars, either in cash, or bonds of the United States or of the state of Iowa, or of any a county or municipal corporation of the state, or notes secured by first mortgage, mortgages on real estate, or a like amount in such other security ~~as shall be~~ which is satisfactory to said the auditor of state.

~~It shall~~ The foreign association may collect and use the interest on any securities so deposited as long as it fulfills its obligations and complies with ~~the provisions of~~ this chapter. ~~It~~ Upon the approval of the auditor, it may also exchange ~~them~~ the securities for other securities of equal value ~~and satisfactory to said auditor.~~

Sec. 6. Section 534.55, Code 1983, is amended by striking the section and inserting in lieu thereof the following:

534.55 AMENDMENT TO ARTICLES. Within ten days after the adoption of an amendment to its articles of incorporation or bylaws, a foreign association shall file a duly certified copy of the amendment with the supervisor.

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 2202, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved April 13, 1984

TERRY E. BRANSTAD
Governor