

FILED JAN 10 1990

SENATE JOINT RESOLUTION 2002
BY COMMITTEE ON COMMERCE
(S.S. 1989)
(SUCCESSOR TO SSB 2124)
(COMPANION TO LSB 7968HV BY
COMMITTEE ON SMALL BUSINESS
AND COMMERCE)

Passed Senate, Date 2/1/90 (p. 27) Passed House, Date 2/27/90 (p. 27)
Vote: Ayes 42 Nays 6 Vote: Ayes 76 Nays 1
Approved March 5, 1990 (p. 253)

SENATE JOINT RESOLUTION

1 A Joint Resolution suspending for a limited period of time the
2 enforcement of state banking laws, including branch banking
3 restrictions, to the extent such law may conflict or interfere
4 with the administration of the federal Financial Institutions
5 Reform, Recovery, and Enforcement Act of 1989, and providing
6 an effective date.
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

SJR 2002

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1 WHEREAS, Congress passed last summer legislation known as
2 the Financial Institutions Reform, Recovery, and Enforcement
3 Act of 1989, which included provisions authorizing federal
4 disposition of state and federal savings and loan associations
5 or savings banks which are in default, in danger of default,
6 or eligible for assistance as those terms are expressed in
7 that legislation, and which are collectively referred to as
8 savings associations eligible for assistance; and

9 WHEREAS, the Resolution Trust Corporation and other federal
10 agencies have made it clear that they intend to exercise in
11 Iowa the preemptive authority created under that federal
12 legislation to expedite their disposition of savings
13 associations eligible for assistance; and

14 WHEREAS, Iowa's banking laws have restrictions on matters
15 such as home office protection and branching which will make
16 it extremely difficult for Iowa banks and bank holding
17 companies to be effective, competitive bidders to purchase
18 savings associations eligible for assistance; and

19 WHEREAS, failure to suspend Iowa banking laws which may
20 interfere with or inhibit federal disposition of savings
21 associations eligible for assistance will force the
22 superintendent of banking to defend Iowa's existing laws in
23 federal court, resulting in an expensive, time-consuming
24 process with a very uncertain outcome; and

25 WHEREAS, suspending certain of Iowa's present banking laws
26 should result in maximum competition to purchase the savings
27 associations eligible for assistance and should result in the
28 receipt of optimum prices; NOW THEREFORE,

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

30 That the banking laws contained in Code chapter 524, as
31 identified by the superintendent of banking, are suspended to
32 the extent that the laws restrict any state or nationally
33 chartered bank located in Iowa or bank holding company owning
34 a bank located in Iowa in the acquisition of savings
35 associations eligible for assistance or their assets or

1 liabilities. Such suspension shall remain in effect until
2 July 1, 1991. On and after July 1, 1991, the restrictions in
3 Code chapter 524 shall be applied as though acquisitions made
4 pursuant to this resolution had not been made.

5 This Joint Resolution, being deemed of immediate
6 importance, takes effect upon enactment.

7 EXPLANATION

8 This joint resolution empowers the superintendent of
9 banking to temporarily suspend state banking laws in Code
10 chapter 524 which would otherwise restrict a state or national
11 bank in the state or a bank holding company operating a bank
12 in the state from acquiring certain savings and loan
13 associations identified in the joint resolution as those
14 eligible for assistance which are regulated by the federal
15 resolution trust corporation. Pursuant to the federal
16 Financial Institutions Reform, Recovery, and Enforcement Act
17 of 1989 certain federal regulatory agencies have ruled they
18 are authorized to preempt state banking laws which would
19 inhibit or interfere with federal efforts to dispose of
20 savings associations eligible for assistance.

21 The joint resolution responds to the federal preemption
22 authority by empowering the superintendent of banking to
23 suspend only those state banking laws which could be subject
24 to federal preemption until July 1, 1991. The joint
25 resolution provides that all state banking laws will be fully
26 enforced after the suspension period; however, acquisitions
27 of savings associations eligible for assistance during the
28 suspension period will not be considered in violation of state
29 law, with respect to the limitations imposed by the state
30 banking laws.

31 The joint resolution is effective upon enactment, and the
32 suspension expires July 1, 1991.

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JENSEN, CH.
PALMER
GRONSTAL

SSB 2124
COMMERCE

SENATE JOINT RESOLUTION SSR 2002
BY (PROPOSED COMMITTEE ON
COMMERCE BY CHAIRPERSON
PALMER)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

SENATE JOINT RESOLUTION

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3 Act of 1989, which included provisions authorizing federal
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5 or savings banks which are in default, in danger of default,
6 or eligible for assistance as those terms are expressed in
7 that legislation, and which are collectively referred to as
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9 WHEREAS, the Resolution Trust Corporation and other federal
10 agencies have made it clear that they intend to exercise in
11 Iowa the preemptive authority created under that federal
12 legislation to expedite their disposition of savings
13 associations eligible for assistance; and

14 WHEREAS, Iowa's banking laws have restrictions on matters
15 such as home office protection and branching which will make
16 it extremely difficult for Iowa banks and bank holding
17 companies to be effective, competitive bidders to purchase
18 savings associations eligible for assistance; and

19 WHEREAS, failure to suspend Iowa banking laws which may
20 interfere with or inhibit federal disposition of savings
21 associations eligible for assistance will force the
22 superintendent of banking to defend Iowa's existing laws in
23 federal court, resulting in an expensive, time-consuming
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SENATE JOINT RESOLUTION 2002

A JOINT RESOLUTION

SUSPENDING FOR A LIMITED PERIOD OF TIME THE ENFORCEMENT OF STATE BANKING LAWS, INCLUDING BRANCH BANKING RESTRICTIONS, TO THE EXTENT SUCH LAW MAY CONFLICT OR INTERFERE WITH THE ADMINISTRATION OF THE FEDERAL FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Congress passed last summer legislation known as the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, which included provisions authorizing federal disposition of state and federal savings and loan associations or savings banks which are in default, in danger of default,

or eligible for assistance as those terms are expressed in that legislation, and which are collectively referred to as savings associations eligible for assistance; and

WHEREAS, the Resolution Trust Corporation and other federal agencies have made it clear that they intend to exercise in Iowa the preemptive authority created under that federal legislation to expedite their disposition of savings associations eligible for assistance; and

WHEREAS, Iowa's banking laws have restrictions on matters such as home office protection and branching which will make it extremely difficult for Iowa banks and bank holding companies to be effective, competitive bidders to purchase savings associations eligible for assistance; and

WHEREAS, failure to suspend Iowa banking laws which may interfere with or inhibit federal disposition of savings associations eligible for assistance will force the superintendent of banking to defend Iowa's existing laws in federal court, resulting in an expensive, time-consuming process with a very uncertain outcome; and

WHEREAS, suspending certain of Iowa's present banking laws should result in maximum competition to purchase the savings associations eligible for assistance and should result in the receipt of optimum prices; NOW THEREFORE,

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

That the banking laws contained in Code chapter 524, as identified by the superintendent of banking, are suspended to the extent that the laws restrict any state or nationally chartered bank located in Iowa or bank holding company owning a bank located in Iowa in the acquisition of savings associations eligible for assistance or their assets or liabilities. Such suspension shall remain in effect until July 1, 1991. On and after July 1, 1991, the restrictions in Code chapter 524 shall be applied as though acquisitions made pursuant to this resolution had not been made.

SJR 2002

This Joint Resolution, being deemed of immediate importance, takes effect upon enactment.

JO ANN ZIMMERMAN
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 Joint Resolution 2002, Seventy-third General Assembly.

JOHN F. DWYER
Secretary of the Senate

Approved _____, 1990

TERRY E. BRANSTAD
Governor