

(P. 478) 3/24/93 Senate - Com. on Ag. (P. 829) 5.24.93 Do Pass

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HOUSE FILE 207
BY COMMITTEE ON COMMERCE

FEB 16 1993

Place On Calendar

(SUCCESSOR TO HSB 33)

Passed House, ^(P. 436) Date 2/25/93 Passed Senate, ^(P. 1104) Date 4-12-93
Vote: Ayes 99 Nays 0 Vote: Ayes 46 Nays 0
Approved 4/20/93

A BILL FOR

1 An Act relating to the authority of the superintendent of banking
2 to remove a director or officer of a state bank, providing for
3 the continued suspension of certain banking laws, and
4 providing for the retroactive applicability of the Act.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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HOUSE FILE 207

H-3128

- 1 Amend House File 207 as follows:
- 2 1. Page 1, line 27, by striking the word "three-
- 3 year" and inserting the following: "six-year".
- 4 2. Page 2, line 9, by striking the word "This"
- 5 and inserting the following: "Section 1 of this".
- 6 3. Page 2, line 9, by striking the figure "1990"
- 7 and inserting the following: "1987".

(P. 436) adopted 2/25/93

By DODERER of Johnson
MILLER of Cherokee

H-3128 FILED FEBRUARY 22, 1993

HF 207

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1 Section 1. Section 524.606, subsection 2, unnumbered
2 paragraph 1, Code 1993, is amended to read as follows:

3 When If, in the opinion of the superintendent any director
4 of a state bank has violated any law relating to such state
5 bank or has engaged in unsafe or unsound practices in
6 conducting the business of such state bank, the superintendent
7 may cause notice to be served upon such director, to appear
8 before the superintendent to show cause why the director
9 should not be removed from office. A copy of such notice
10 shall be sent to each director of the state bank affected, by
11 registered or certified mail. If, after granting the accused
12 director a reasonable opportunity to be heard, the
13 superintendent finds that the director violated any law
14 relating to such state bank or engaged in unsafe or unsound
15 practices in conducting the business of such state bank, the
16 superintendent, in the superintendent's discretion, may order
17 that such director be removed from office. A copy of the
18 order shall be served upon such director and upon the state
19 bank of which the person is a director at which time the
20 person shall cease to be a director of the state bank. The
21 resignation, termination of employment, or separation of such
22 director, including a separation caused by the closing of the
23 state bank at which the person serves as a director, does not
24 affect the jurisdiction and authority of the superintendent to
25 cause notice to be served and proceed under this subsection
26 against the director, if the notice is served before the end
27 of the three-year period beginning on the date the director
28 ceases to be a director with the bank.

29 Sec. 2. 1990 Iowa Acts, chapter 1274, unnumbered paragraph
30 1 after the enacting clause, as amended by 1991 Iowa Acts,
31 chapter 220, section 7, and as amended by 1992 Iowa Acts,
32 chapter 1161, section 7, is amended to read as follows:

33 That the banking laws contained in Code chapter 524, as
34 identified by the superintendent of banking, are suspended to
35 the extent that the laws restrict any state or nationally

1 chartered bank located in Iowa or bank holding company owning
2 a bank located in Iowa in the acquisition of savings
3 associations eligible for assistance or their assets or
4 liabilities. Such suspension shall remain in effect until
5 July 1, ~~1993~~ 1994. On and after July 1, ~~1993~~ 1994, the
6 restrictions in Code chapter 524 shall be applied as though
7 acquisitions made pursuant to this resolution had not been
8 made.

9 Sec. 3. This Act applies retroactively to July 1, 1990,
10 and is applicable on and after that date.

11 EXPLANATION

12 This bill provides that separation of an officer or
13 director of a state bank who is subject to removal by the
14 superintendent from the state bank by reason of resignation,
15 termination of employment or participation, or other
16 separation, does not affect the jurisdiction or authority of
17 the superintendent to proceed under section 524.606 (removal
18 of directors). This authority to proceed applies as long as
19 the required notice is served before the end of the three-year
20 period commencing on the date the director to be served ceases
21 to be a director at the state bank. The bill also extends the
22 suspension of state banking laws in chapter 524 which would
23 otherwise restrict a state or national bank in this state or a
24 bank holding company operating a bank in the state from
25 acquiring certain savings and loan associations regulated by
26 the federal resolution trust corporation.

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(P. 416) 3-3-93
Senate - Sub Comm. Commerce
DeLaHay, Johnson, Frecker

HOUSE FILE 207
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 33)

(As Amended and Passed by the House February 25, 1993)

Passed House, Date _____ Passed Senate ^(P. 1104) Date 4-12-93
Vote: Ayes _____ Nays _____ Vote: Ayes 46 Nays 0
Approved April 20, 1993

A BILL FOR

1 An Act relating to the authority of the superintendent of banking
2 to remove a director or officer of a state bank, providing for
3 the continued suspension of certain banking laws, and
4 providing for the retroactive applicability of the Act.

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

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House Amendments _____

1 Section 1. Section 524.606, subsection 2, unnumbered
2 paragraph 1, Code 1993, is amended to read as follows:
3 When If, in the opinion of the superintendent any director
4 of a state bank has violated any law relating to such state
5 bank or has engaged in unsafe or unsound practices in
6 conducting the business of such state bank, the superintendent
7 may cause notice to be served upon such director, to appear
8 before the superintendent to show cause why the director
9 should not be removed from office. A copy of such notice
10 shall be sent to each director of the state bank affected, by
11 registered or certified mail. If, after granting the accused
12 director a reasonable opportunity to be heard, the
13 superintendent finds that the director violated any law
14 relating to such state bank or engaged in unsafe or unsound
15 practices in conducting the business of such state bank, the
16 superintendent, in the superintendent's discretion, may order
17 that such director be removed from office. A copy of the
18 order shall be served upon such director and upon the state
19 bank of which the person is a director at which time the
20 person shall cease to be a director of the state bank. The
21 resignation, termination of employment, or separation of such
22 director, including a separation caused by the closing of the
23 state bank at which the person serves as a director, does not
24 affect the jurisdiction and authority of the superintendent to
25 cause notice to be served and proceed under this subsection
26 against the director, if the notice is served before the end
27 of the six-year period beginning on the date the director
28 ceases to be a director with the bank.

29 Sec. 2. 1990 Iowa Acts, chapter 1274, unnumbered paragraph
30 1 after the enacting clause, as amended by 1991 Iowa Acts,
31 chapter 220, section 7, and as amended by 1992 Iowa Acts,
32 chapter 1161, section 7, is amended to read as follows:

33 That the banking laws contained in Code chapter 524, as
34 identified by the superintendent of banking, are suspended to
35 the extent that the laws restrict any state or nationally

1 chartered bank located in Iowa or bank holding company owning
2 a bank located in Iowa in the acquisition of savings
3 associations eligible for assistance or their assets or
4 liabilities. Such suspension shall remain in effect until
5 July 1, ~~1993~~ 1994. On and after July 1, ~~1993~~ 1994, the
6 restrictions in Code chapter 524 shall be applied as though
7 acquisitions made pursuant to this resolution had not been
8 made.

9 Sec. 3. Section 1 of this Act applies retroactively to
10 July 1, 1987, and is applicable on and after that date.

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HSB 33

Commerce

New

SENATE/HOUSE FILE 207

BY (PROPOSED DEPARTMENT OF
COMMERCE/BANKING DIVISION BILL)

*Metcalf - ch.
Rendon
Hansen*

Passed Senate, Date _____ Passed House, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to the authority of the superintendent of banking
2 to remove a director of a state bank and providing for the
3 retroactive applicability of the Act.

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

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1 Section 1. Section 524.606, subsection 2, unnumbered
2 paragraph 1, Code 1993, is amended to read as follows:

3 When if, in the opinion of the superintendent any director
4 of a state bank has violated any law relating to such state
5 bank or has engaged in unsafe or unsound practices in
6 conducting the business of such state bank, the superintendent
7 may cause notice to be served upon such director, to appear
8 before the superintendent to show cause why the director
9 should not be removed from office. A copy of such notice
10 shall be sent to each director of the state bank affected, by
11 registered or certified mail. If, after granting the accused
12 director a reasonable opportunity to be heard, the
13 superintendent finds that the director violated any law
14 relating to such state bank or engaged in unsafe or unsound
15 practices in conducting the business of such state bank, the
16 superintendent, in the superintendent's discretion, may order
17 that such director be removed from office. A copy of the
18 order shall be served upon such director and upon the state
19 bank of which the person is a director at which time the
20 person shall cease to be a director of the state bank. The
21 resignation, termination of employment or participation, or
22 separation of such director, including a separation caused by
23 the closing of the state bank at which the person serves as a
24 director, does not affect the jurisdiction and authority of
25 the superintendent to issue notice and proceed under this
26 section against the director, if the notice is served before
27 the end of the six-year period beginning on the date the
28 director ceases to be a director with the bank.

29 Sec. 2. This Act applies retroactively to January 1, 1986,
30 and is applicable on and after that date.

31 EXPLANATION

32 This bill provides that separation of a director of a state
33 bank who is subject to removal by the superintendent from the
34 state bank by reason of resignation, termination of employment
35 or participation, or other separation, does not affect the

1 jurisdiction or authority of the superintendent to proceed
2 under section 524.606 (removal of directors). This authority
3 to proceed applies as long as the required notice is served
4 before the end of the six-year period commencing on the date
5 the director to be served ceases to be a director at the state
6 bank.

7 BACKGROUND STATEMENT

8 SUBMITTED BY THE AGENCY

9 This bill would give the superintendent of banking the same
10 authority already possessed by federal bank regulators. It
11 alleviates the situation where a culpable director can
12 voluntarily resign and avoid the effect of any enforcement
13 proceeding commenced by the superintendent.

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HOUSE FILE 207

AN ACT

RELATING TO THE AUTHORITY OF THE SUPERINTENDENT OF BANKING TO REMOVE A DIRECTOR OR OFFICER OF A STATE BANK, PROVIDING FOR THE CONTINUED SUSPENSION OF CERTAIN BANKING LAWS, AND PROVIDING FOR THE RETROACTIVE APPLICABILITY OF THE ACT.

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

Section 1. Section 524.606, subsection 2, unnumbered paragraph 1, Code 1993, is amended to read as follows:

When if, in the opinion of the superintendent any director of a state bank has violated any law relating to such state bank or has engaged in unsafe or unsound practices in conducting the business of such state bank, the superintendent may cause notice to be served upon such director, to appear before the superintendent to show cause why the director

should not be removed from office. A copy of such notice shall be sent to each director of the state bank affected, by registered or certified mail. If, after granting the accused director a reasonable opportunity to be heard, the superintendent finds that the director violated any law relating to such state bank or engaged in unsafe or unsound practices in conducting the business of such state bank, the superintendent, in the superintendent's discretion, may order that such director be removed from office. A copy of the order shall be served upon such director and upon the state bank of which the person is a director at which time the person shall cease to be a director of the state bank. The resignation, termination of employment, or separation of such director, including a separation caused by the closing of the state bank at which the person serves as a director, does not affect the jurisdiction and authority of the superintendent to cause notice to be served and proceed under this subsection against the director, if the notice is served before the end of the six-year period beginning on the date the director ceases to be a director with the bank.

Sec. 2. 1990 Iowa Acts, chapter 1274, unnumbered paragraph 1 after the enacting clause, as amended by 1991 Iowa Acts, chapter 220, section 7, and as amended by 1992 Iowa Acts, chapter 1161, section 7, is amended to read as follows:

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, ~~1993~~ 1994. On and after July 1, ~~1993~~ 1994, the restrictions in Code chapter 524 shall be applied as though acquisitions made pursuant to this resolution had not been made.

Sec. 3. Section 1 of this Act applies retroactively to July 1, 1987, and is applicable on and after that date.

HAROLD VAN MAANEN
Speaker of the House

LEONARD L. BOSWELL
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 207, Seventy-fifth General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Approved April 20, 1993

TERRY E. BRANSTAD
Governor