

# Senate Study Bill 1009

## Bill Text

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1 1 Section 1. Section [524.1201](#), subsection 1, Code 2001, is  
1 2 amended to read as follows:  
1 3 1.

~~A bank shall not open or maintain a branch bank.~~

- A

1 4 state bank may establish and operate any number of bank  
1 5 offices at any location in this state subject to the approval  
1 6 and regulation of the superintendent

~~and to the restrictions~~

-

1 7

~~upon location and number imposed by section 524.1202~~

- A bank

1 8 office may furnish all banking services ordinarily furnished  
1 9 to customers and depositors at the principal place of business  
1 10 of the state bank which operates the office, and a bank office  
1 11 manager or an officer of the bank shall be physically present  
1 12 at each bank office during a majority of its business hours.  
1 13 The central executive and official business and principal  
1 14 recordkeeping functions of a state bank shall be exercised  
1 15 only at its principal place of business or at another bank  
1 16 office as authorized by the superintendent for these  
1 17 functions.

1 18 Sec. 2. Section [524.1202](#), Code 2001, is amended by adding  
1 19 the following new subsection:

1 20 NEW SUBSECTION. 4. Notwithstanding other restrictions in  
1 21 this chapter to the contrary, a state bank may establish up to  
1 22 three bank offices at any location in Iowa in addition to the  
1 23 bank offices that may be established pursuant to other  
1 24 provisions of this chapter, subject to the approval of the  
1 25 superintendent.

1 26 Sec. 3. Section [524.1204](#), Code 2001, is amended to read as  
1 27 follows:

1 28 524.1204 PRIVILEGES EXTENDED TO NATIONAL BANKS.

1 29 The privileges extended to state banks by section 524.1201

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1 30

~~524.1202~~

- and 524.1212 and chapter 527 shall be available on

1 31 the same conditions to national banks to the extent they are  
1 32 so authorized by federal law.

1 33 Sec. 4. Section [524.1205](#), Code 2001, is amended to read as  
1 34 follows:

1 35 524.1205 ESTABLISHMENT OF BRANCH OR OFFICE IN OTHER STATE  
2 1 SUPERINTENDENT'S AUTHORITY TO REGULATE.

2 2 1. Notwithstanding section 524.1201, subsection 1, and  
2 3 section 524.1202, subsection 2, paragraph "b", upon  
2 4 application to and approval by the superintendent, a state  
2 5 bank may acquire in any manner, establish, maintain, operate,  
2 6 retain, or relocate a branch or office in a state other than

2 7 this state. Subject to the approval of the superintendent,  
2 8 such branch or office may engage in any activity authorized  
2 9 for a branch or office of a bank organized under the laws of  
2 10 that other state.

2 11 2. The superintendent shall supervise and regulate all  
2 12 out-of-state branches and offices of a state bank.

2 13 3. Sections 524.1201 and 524.1203 apply to an out-of-state  
2 14 branch or office of a state bank except as otherwise provided  
2 15 by the laws of the state in which a branch or office is  
2 16 located or by the superintendent pursuant to this section.

2 17 4. This section does not authorize or permit a state-  
2 18 chartered bank located outside of this state or a national  
2 19 bank located outside of this state to establish a de novo  
2 20 branch or office in this state.

~~This section does not~~

2 21

~~authorize or permit, before June 1, 1997, an interstate merger~~

2 22

~~transaction within the meaning of 12 U.S.C. } 1831u(a).~~

2 23 Sec. 5. Section 524.1205, Code 2001, as amended by section  
2 24 4 of this Act, is amended to read as follows:

2 25 524.1205 ESTABLISHMENT OF BRANCH OR OFFICE IN OTHER STATE  
2 26 SUPERINTENDENT'S AUTHORITY TO REGULATE.

2 27 1. Notwithstanding section 524.1201, subsection 1,

~~and~~

2 28

~~section 524.1202, subsection 2, paragraph "b",~~

~~upon~~

2 29 application to and approval by the superintendent, a state  
2 30 bank may acquire in any manner, establish, maintain, operate,  
2 31 retain, or relocate a branch or office in a state other than  
2 32 this state. Subject to the approval of the superintendent,  
2 33 such branch or office may engage in any activity authorized  
2 34 for a branch or office of a bank organized under the laws of  
2 35 that other state.

3 1 2. The superintendent shall supervise and regulate all  
3 2 out-of-state branches and offices of a state bank.

3 3 3. Sections 524.1201 and 524.1203 apply to an out-of-state  
3 4 branch or office of a state bank except as otherwise provided  
3 5 by the laws of the state in which a branch or office is  
3 6 located or by the superintendent pursuant to this section.

3 7 4. This section does not authorize or permit a state-  
3 8 chartered bank located outside of this state or a national  
3 9 bank located outside of this state to establish a de novo  
3 10 branch or office in this state.

3 11 Sec. 6. Section 524.1212, Code 2001, is amended to read as  
3 12 follows:

3 13 524.1212 LOCATION OF SATELLITE TERMINALS.

3 14 Any state bank may utilize a satellite terminal, as defined  
3 15 in section 527.2, when that satellite terminal is lawfully  
3 16 being operated, at any location within this state.

~~A~~

3 17

~~satellite terminal which complies with the requirements of~~

~~chapter 527 is not a branch bank or an office of a bank and is~~

~~not subject to the restrictions on location or number set~~

~~forth in section 524.1202.~~

- Any transaction engaged in through  
3 21 the use of a satellite terminal shall be deemed to take place  
3 22 at the principal place of business of a bank whose accounts  
3 23 and records are affected by the transaction.

3 24 Sec. 7. Section [524.1213](#), Code 2001, is amended by adding  
3 25 the following new subsection:

3 26 NEW SUBSECTION. 8A. A bank that is converted to the  
3 27 principal place of business or to a bank office of a united  
3 28 community bank as a result of a merger or consolidation under  
3 29 subsection 3 may establish any number of additional bank  
3 30 offices that could have been established by the bank pursuant  
3 31 to section 524.1202, subsection 4, prior to the merger or  
3 32 consolidation.

3 33 Sec. 8. Section [524.1419](#), Code 2001, is amended to read as  
3 34 follows:

3 35 524.1419 OFFICES OF A RESULTING STATE BANK.

4 1 If a merger or conversion results in a state bank subject  
4 2 to the provisions of this chapter, the resulting state bank,  
4 3 after the effective date of the merger or conversion, shall be  
4 4 subject to the provisions of sections 524.1201

~~, 524.1202,~~

- and

4 5 524.1203 relating to the bank offices.

4 6 Sec. 9. Section [534.214](#), subsection 2, unnumbered  
4 7 paragraph 2, Code 2001, is amended by striking the unnumbered  
4 8 paragraph.

4 9 Sec. 10. Sections 524.1202 and 524.1213, Code 2001, are  
4 10 repealed.

4 11 Sec. 11. FUTURE EFFECTIVE DATE. Sections 1, 3, 5, 6, 8,  
4 12 9, and 10 of this Act take effect July 1, 2004.

4 13 Sec. 12. IMMEDIATE EFFECTIVE DATE. Except as provided in  
4 14 section 10 of this Act, this Act, being deemed of immediate  
4 15 importance, takes effect upon enactment.

4 16 EXPLANATION

4 17 This bill allows state banks to establish additional bank  
4 18 offices, in two phases.

4 19 The first phase is effective upon enactment, and involves  
4 20 an amendment to Code section 524.1202 to provide that,  
4 21 notwithstanding other restrictions in the chapter to the  
4 22 contrary and subject to approval by the superintendent, a  
4 23 state bank can establish up to three bank offices at any  
4 24 location in Iowa. In a related action, the bill amends Code  
4 25 section 524.1213 to provide that a bank that changes to a  
4 26 principal place of business or to a bank office of a united  
4 27 community bank due to merger or consolidation may establish  
4 28 the number of additional bank offices it would have been  
4 29 entitled to establish under Code section 524.1202 prior to the  
4 30 merger or consolidation.

4 31 The other Code section that is amended upon enactment is  
4 32 Code section 524.1205. The bill divides the existing section  
4 33 into subsections, and deletes an outdated reference  
4 34 restricting interstate merger transactions under 12 U.S.C. }  
4 35 1831(u) prior to June 1, 1997.

5 1 The second phase of the bill takes effect on July 1, 2004.  
5 2 At that time, Code section 524.1201 is amended to provide that

5 3 a state bank may establish any number of bank offices at any  
5 4 location in the state, subject to the approval and regulation  
5 5 of the superintendent. In a related action, Code sections  
5 6 524.1202 and 524.1213 are repealed at that time. Related  
5 7 changes are made to Code sections 524.1204, 524.1205,  
5 8 524.1212, and 524.1419 to delete references to the repealed  
5 9 Code section 524.1202. Code section 534.214 deletes a  
5 10 provision relating to the restrictions on the number of  
5 11 offices a bank may establish.

5 12 Portions of the bill take effect upon enactment and will be  
5 13 codified in the next edition of the Code. The provisions of  
5 14 the bill that do not take effect until July 1, 2004, will not  
5 15 be codified until that time. Prior to that time, references  
5 16 to the session law will be contained in footnotes to the  
5 17 appropriate Code sections.

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