

House Study Bill 538 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
COMMERCE/BANKING DIVISION
BILL)

A BILL FOR

1 An Act relating to matters under the purview of the banking
2 division of the department of commerce.

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

1 Section 1. Section 524.107, subsections 1 and 2, Code 2014,
2 are amended to read as follows:

3 1. A person, other than a state bank which is subject to
4 the provisions of this chapter and a national bank authorized
5 by the laws of the United States to engage in the business
6 of receiving money for deposit, and except as provided in
7 subsection 2, shall not engage in this state in the business
8 of receiving money for deposit, transact the business of
9 banking, or establish in this state a place of business for
10 such purpose.

11 2. A person doing business in this state shall not use
12 the words "bank" or "trust" or use any derivative, plural,
13 or compound of the words "bank", "banking", "bankers", or
14 "trust" in any manner which would tend to create the impression
15 that the person is authorized to engage in the business of
16 banking or to act in a fiduciary capacity, except a state bank
17 authorized to do so by this chapter or a bank authorized to
18 do so by the laws of another state, a national bank to the
19 extent permitted by the laws of the United States, a bank
20 holding company as defined in section 524.1801, a savings and
21 loan holding company as defined in 12 U.S.C. § 1467a, or a
22 federal association to the extent permitted by the laws of the
23 United States, or, insofar as the word "trust" is concerned, an
24 individual permissibly serving as a fiduciary in this state,
25 pursuant to section 633.63, or, insofar as the words "trust"
26 and "bank" are concerned, a nonresident corporate fiduciary
27 permissibly serving as a fiduciary in this state pursuant to
28 section 633.64.

29 Sec. 2. Section 544A.13, subsection 1, paragraph h, Code
30 2014, is amended to read as follows:

31 *h.* Willful or repeated violations of the provisions of this
32 ~~Act~~ chapter.

33 Sec. 3. REPEAL. Section 544A.21, Code 2014, is repealed.

34

EXPLANATION

35 The inclusion of this explanation does not constitute agreement with

1 the explanation's substance by the members of the general assembly.

2 This bill concerns matters under the purview of the banking
3 division of the department of commerce.

4 The bill modifies provisions in Code section 524.107
5 relating to when a person doing business in Iowa may be
6 permitted to use the words "bank" or "trust", or any
7 derivative, plural, or compound of "bank" or "trust", in
8 a manner which creates the impression that the person is
9 authorized to engage in the business of banking or act in a
10 fiduciary capacity. Currently, the specified list of persons
11 so authorized includes, among others, a bank authorized
12 pursuant to Code chapter 524. The bill adds the provision
13 that a bank authorized by the laws of another state to utilize
14 "bank" or "trust" in a manner tending to create the impression
15 that the person is authorized to engage in the business of
16 banking or act in a fiduciary capacity shall also be authorized
17 to do so in this state. The bill also makes a conforming change
18 to promote consistency between section 524.107, subsections 1
19 and 2.

20 The bill also makes a technical correction to Code section
21 544A.13, subsection 1, changing a reference to "provisions of
22 this Act" to "provisions of this chapter".

23 Additionally, the bill repeals Code section 544A.21. That
24 section permits specified business entities to engage in the
25 practice of architecture in Iowa if certain requirements are
26 met.