

## LEGISLATIVE BILL 190

Approved by the Governor April 5, 1991

Introduced by Schmit, 23; Haberman, 44; Conway, 17;  
Lindsay, 9; Hall, 7

AN ACT relating to banks and banking; to amend section 8-157, Revised Statutes Supplement, 1990; to change a provision relating to detached auxiliary offices; and to repeal the original section.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 8-157, Revised Statutes Supplement, 1990, be amended to read as follows:

8-157. (1) No bank shall maintain any branch bank, and except as provided in subsections (2) through (7) of this section and section 8-122.01, the general business of every bank shall be transacted at the place of business specified in its charter.

(2) With the approval of the director (a) any bank may maintain an attached auxiliary office if such office is physically connected by a pneumatic tube or tubes or a walkway, tunnel, or any other electronic, mechanical, or structural connection or attachment for the public use of the bank and is within two hundred feet of the building containing the premises specified as its place of business in its charter or any adjacent connected building housing a continuation of the operations of the bank's main office and (b) any bank may establish and maintain not more than five detached auxiliary offices at which all banking transactions allowed by law may be made. Such auxiliary offices shall be within the corporate limits of the city in which such bank is located, or if the bank is located within the zoning jurisdiction of a city of the primary class or is located within an unincorporated city or unincorporated area in a county which contains a city of the primary class, such auxiliary offices may also be within the corporate limits of such city. Any detached auxiliary office established and maintained by a bank pursuant to the acquisition or merger of an institution under sections 8-1506 to 8-1510 or the acquisition of an eligible savings association under section 8-1515 shall not count against the number or location of detached auxiliary offices permitted under this section.

(3) With the approval of the director, a bank may acquire another bank in Nebraska as the result of a purchase or merger so long as the acquired bank has been chartered for more than eighteen months and the acquired institution and its detached auxiliary offices are converted to auxiliary offices of the acquiring bank. Such auxiliary offices shall not count against the number of locations of detached auxiliary offices permitted under subsections (1) and (2) of this section.

(4) With the approval of the director, a bank may acquire the assets and assume the deposits of a detached auxiliary office of another bank in Nebraska if: (a) The acquired detached auxiliary office has been approved for more than eighteen months; (b) the acquired detached auxiliary office is converted to an auxiliary office of the acquiring bank; and (c) the bank from which the detached auxiliary office is acquired and the acquiring bank are subsidiaries of the same bank holding company or the detached auxiliary office to be acquired was chartered as a bank prior to becoming a detached auxiliary office. All banking transactions allowed by law may be made at a detached auxiliary office acquired pursuant to this subsection. Such auxiliary office shall not count against the number of locations of detached auxiliary offices permitted under subsections (1) and (2) of this section. The restrictions contained in this subsection shall not limit the authority of a bank to acquire another bank and to continue to operate all of the detached auxiliary offices of the acquired bank as auxiliary offices of the acquiring bank.

(5) With the approval of the director, a bank may acquire the assets and assume the deposits of a detached auxiliary office of another bank in Nebraska or acquire the assets and assume the deposits of an eligible savings association acquired by another bank in Nebraska pursuant to section 8-1515 if (a) the acquired detached auxiliary office or eligible savings association is converted to an auxiliary office of the acquiring bank and (b) the detached auxiliary office or the eligible savings association to be acquired was operated, established, and maintained as an eligible savings association at its existing location prior to August 9, 1989, and was maintained at such location on such date. All banking transactions allowed by law may be made at a detached auxiliary office acquired pursuant to this subsection. Such auxiliary offices shall not count against the number of locations of detached auxiliary offices permitted under subsections (1) and (2) of this section. The restrictions contained in this

subsection shall not limit the authority of a bank to acquire another bank and to continue to operate all of the detached auxiliary offices of the acquired bank as auxiliary offices of the acquiring bank.

(6) With the approval of the director and subject to the limitations specified in this subsection, a single bank may establish one detached auxiliary office within the corporate limits of any municipality in which a financial institution has closed and ceased doing business within the preceding two years if no other financial institution operates an office within such municipality. If thirty days or less have elapsed since the financial institution ceased operation, the director shall only approve the establishment of a detached auxiliary office by a bank which has its place of business, as specified in its charter, in the same county as or in a contiguous county to the county in which such municipality is located. If more than thirty days have elapsed since the financial institution ceased operation, the director may approve the establishment of a detached auxiliary office by any bank located within Nebraska.

For purposes of this subsection:

(a) An unmanned electronic terminal shall not be deemed to be an office operated by a financial institution; and

(b) Financial institution shall mean a bank, savings bank, building and loan association, savings and loan association, industrial loan and investment company, credit union, or other institution offering electronic terminal transactions.

(7) The name given to any detached bank or branch bank established and maintained pursuant to this section shall not be substantially similar to the name of any existing bank or branch bank which is unaffiliated with the newly created bank or branch bank and is located in the same municipality. The name of such newly created bank or branch bank shall be approved by the director.

Sec. 2. That original section 8-157, Revised Statutes Supplement, 1990, is repealed.